

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD147

Title: Premises Asset Replacement Works for Projects in 2022-23 and 2023-24 – London Fire Brigade Estate

Executive summary:

This report seeks the approval of the Deputy Mayor for Fire and Resilience for the London Fire Commissioner (LFC) to reprofile the capital project budget up to the amount set out in the part 2 form to undertake key asset replacement and enhancement works across the London Fire Brigade (LFB) estate, in order to avoid asset decline and meet the operational requirements from the LFB estate.

The LFB capital project budget includes available funding for asset replacements that will be allocated following the approval of this decision. These funds have been recently uplifted by the value of savings on capital projects in 2021, due to value engineering carried out by LFB Property Services officers.

The premises asset replacement works have been divided across two reports seeking the Deputy Mayor's prior approval for the expenditure. This is because, at the time of the original report, some projects required more detailed feasibility studies and were not ready to be brought forward at that time. The Deputy Mayor has previously given approval for capital expenditure for the premises' asset replacement works, which were included in the first report (Deputy Mayor for Fire and Resilience Decision 120). This is the second of the two reports regarding LFB premises asset replacement works for projects that required more detailed feasibility studies; it now seeks approval for the LFC to reallocate additional budget for these works.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the LFC to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".

Decision:

That the Deputy Mayor for Fire and Resilience authorises the LFC to commit expenditure of up to the amount set out in part 2 of the decision for agreed asset replacement works as set out in Appendix B of this report.

Deputy Mayor for Fire and Resilience

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:



Date:

23/2/22

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0614 to the London Fire Commissioner (LFC) sets out the background for the request to approve the capital budget for the London Fire Brigade (LFB) to undertake key asset replacement and enhancement works across the LFB estate to avoid asset decline and meet the operational requirements from the estate.
- 1.2 These works were generated from either several recent condition surveys or those initially recommended in the London Fire and Emergency Planning Authority's Asset Management Plan (Property) 2017 (FEP2714). The works have been assessed using the prioritisation matrix developed by feedback from station personnel, Health and Safety and Property Services. A full forward works register is being created.
- 1.3 The Deputy Mayor has previously given approval for the capital budget for asset replacement works as set out in Deputy Mayor for Fire and Resilience Decision 120.
- 1.4 The LFB's Asset Management Plan (Property) 2017 March 2017 (FEP 2714), identified an ongoing programme of asset replacements based on their remaining useful life and condition at the time of assessment. Since that date further submissions have been made for new works in the estate. To assess these alongside the pre-existing requirements, Property Services have used an eight-stage prioritisation scale, which was developed with LFB's operational staff and the Health and Safety and Legal Departments. These priorities cover urgent reactive maintenance through to long-term strategic requirements. The LFB capital programme is targeted at priorities 4 to 8, as defined in the table below.

Priority	Title	Description
1	Immediate severe health and safety hazards	Works required to address risks to 'life and limb', needing urgent action to mitigate and/or resolve.
2	Statutory compliance	Works required to ensure statutory and external regulatory requirements are met.
3	Operational emergency response	Works required to address risks and impacts to operational response from the buildings e.g. impact to turnout times.
4	Health and safety, security and other compliance	Works required to address health and safety issues that have no acceptable operational solution; have urgent security risks; and ensure compliance with policies and commercial obligations, e.g. published organisation policies and compliance with commercial obligations such as leases.
5	Repair works to buildings	Works required to protect the asset to retain a weatherproof property (will include works to foundations, external walls, windows and roofs).

6	Pre-emption works to buildings	Works required to address assets rated as Category 1 or 2 classification within the condition surveys (so reaching life expiry) or to prevent this where a condition survey predicts this to be within a three-year time frame.
7	Maintain/enhance the reputation of LFB	Works required to ensure the portfolio meets the functional requirements of LFB. This would include organisational priorities for the estate that are outside separately funded projects.
8	Improvements	Works required that would make assets or properties better able to meet their designated use and condition or deliver improvements. This could include works to increase the commercial value of properties or generate income or could include schemes to reduce expenditure in the future.

- 1.5 The works will be delivered using external professional external consultants due to the complexity and volume of the programme. These will be selected from a public sector framework. It should be noted that the approved budgets are net of VAT; and that, for the purposes of determining which procurement route to follow, VAT (currently at 20 per cent) will need to be added to the budget amount. This will ensure that that the correct gross amount is compared to the newly updated procurement thresholds that changed on 1 January 2022 and has now increased materially to £5,336,937 (calculated to include VAT). All the timelines in this report are subject to the potential future impact of further Covid restrictions and wider market conditions (for example, inflation, availability) that may have an impact on the procurement and delivery of projects.

2. Objectives and expected outcomes

Programme of works

- 2.1 All asset replacement works will be replaced in accordance with LFB's standard station design brief, to ensure they have key performance attributes of longevity and robustness to withstand the environment of an operational fire station.
- 2.2 The works will be carried out during normal working hours, being planned and phased to ensure the fire stations remain fully operational 24 hours per day, seven days per week. Any interruptions to the power supplies will be kept to a minimum, pre-planned and executed using the LFB's established protocols and periods of notice to all relevant parties.
- 2.3 The benefits of these projects will be: a better place to work, improved reliability and more energy-efficient buildings. A dedicated Capital Delivery team within Property Services will ensure these projects deliver the planned benefits. The whole-life cost of these projects will be considered, and a full handover to the maintenance team will take place in accordance with soft landing principles – this is the process to ensure an easy transition from the construction to occupation phases of the projects.

- 2.4 To ascertain the scope and financial costs involved in replacing these assets, LFB's Property Services project managers commissioned feasibility reports for the more complex proposed works. These feasibility reports are produced by external quantity surveyors and technical experts who have been appointed, through the current LFB framework agreement, to produce a detailed cost estimate for the schemes. The feasibility reports (where available) serve as background information to this report. Where possible, benchmarking from previous feasibility reports has been undertaken to estimate the required value.
- 2.5 The appendices to report LFC-0614 show a breakdown of the anticipated pre-tender feasibility costs or Property Services estimated cost for each package of works. The tables highlight key financial elements in delivering the works.
- 2.6 The cost of the agreed asset replacement works, which includes a contingency allowance in each project tender, is set out in part 2 of this decision.
- 2.7 The LFB capital project budget includes line items that are intended to cover asset replacement and enhancement projects that stem from new works requests or condition surveys across the estate. In addition, the new Technical team in LFB's Property Services department has recently commenced a programme of detailed condition surveys and further investigations. These have highlighted where allocated funds can be redirected from projects that are no longer required, as a revenue repair is sufficient and can be met within existing revenue budgets; or, in the case of the Union Street roofing project, may not demonstrate suitable value when compared to the remaining lease length.
- 2.8 The total value of the projects for 2022-23 and 2023-24 is as shown in Appendix B Table 1 of report LFC-0614. The Property Services department holds a minor capital improvement budget, which is intended for works of this nature.
- 2.9 The capital allocation for these works has been apportioned across 2022-23 and 2023-24. The latest estimates are to ensure a realistic spend for LFB property to achieve.

Alternative options considered and consultation

- 2.10 The assets listed for replacement have been successfully maintained and repaired over many years. However, certain assets cannot be continued to be repaired, or replacement parts are no longer available. For assets that have reached the end of their economic life, the alternative options are to carry on repairing until they fail completely or do nothing. Neither option is viable for LFB's operational premises.

Anticipated timeline

- 2.11 The intention is for construction of these works to commence from 2022, with some asset replacement works completing into 2024. The anticipated contract durations will be between 12 and 20 weeks depending on the size and complexity of each asset replacement project.
- 2.12 Certain projects, due to the timing of contract award and planning approval, will span two financial years.
- 2.13 The manufacturing and staffing problems in the construction industry are having an impact on the timetable and cost of current projects. Between July 2020 and July 2021, the cost of materials rose

by 20 per cent, according to the Office for National Statistics. The majority of respondents to a survey by the Chartered Institute of Procurement and Supply said they were paying significantly more for raw materials, pushing the industry inflation purchasing managers' index from an average of about 55 in 2020 to more than 90 in May 2021. The effect on future projects is unknown, as it is not possible to predict how severe the impact on the delivery of the projects within this paper will be.

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
 - eliminate discrimination, harassment and victimisation and other prohibited conduct
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
 - promote understanding.
- 3.8 Appointed contractors will be required to comply with The Equality Act 2010 and associated LFC policies/protocols in respect of any accessibility considerations during or after the works, including the provision of temporary accessibility ingress/egress required during the duration of these works.

4 Other considerations

Workforce comments

- 4.1 LFB officers will ensure station commanders and fire station staff are kept informed throughout the feasibility consultation process.
- 4.2 Station commanders will be consulted on impacts to operational delivery, and an agreed outcome on contractor requirements will be built into the tender package to ensure minimal impact on operational delivery during the construction phase.
- 4.3 A representative of the Fire Brigades Union will be invited to attend the pre-start site meeting.
- 4.4 Within the property function, projects will be allocated to staff based on their area of expertise and their capacity.

Procurement and sustainability implications

- 4.5 The works will be tendered in accordance with the LFC's scheme of governance (part 3 standing orders relating to procurement). The LFC's external professional consultants will prepare an award report summarising the results of the evaluation using the price and quality ratio stated, and using the criteria included in the tender documents. The tenderer with the highest score will be recommended for the award as the most economically advantageous tenderer to carry out these works.
- 4.6 Where possible, LFB tries to utilise existing frameworks for tendering works, in accordance with the Greater London Authority (GLA) collaborative procurement approach. LFB's requirements are not within scope to use the Transport for London minor works framework. However, LFB is exploring the suitability of using existing framework agreements including the Metropolitan Police Service construction framework and other public sector frameworks for delivering major and minor building projects. The replacement of bespoke assets may not have a suitable framework; if so, such works will be tendered using the BlueLight portal. Each of the asset replacement projects is estimated to be below the Public Contract Regulations (PCR) works threshold. The intention is to tender the works separately according to specialism, using one contractor for roofing, another for electrical, another for windows, etc. This approach has been approved by LFB's General Counsel as compliant with the PCR.

- 4.7 A further requirement is that all tenderers will be required to be members of CHAS (the health and safety portal) and ConstructionLine to confirm and give assurance that they have the appropriate certifications (including a modern slavery policy; insurance; and the relevant health and safety systems) in place.
- 4.8 The successful contractor will be the one that achieves the highest overall score for price and quality following the evaluation by the tender assessment panel.

Environmental comments

- 4.9 This report seeks approval for a number of asset replacement works as set out in LFB's Capital Strategy resulting from condition surveys and the LFB Carbon Reduction Strategy. The works will deliver energy efficiency and carbon reductions from buildings, contributing towards the LFC's carbon reduction target. Further improvements will be required to achieve the LFC's 60 per cent CO2 reduction target by 2025. Thermally efficient window and door replacements, wall, and roof insulation. LFB was an early adopter of solar photovoltaic systems, which were installed without roof edge protection; these now require new edge protection that complies with Health and Safety Executive requirements to maintain optimum efficiency, so that LFB's facilities management team can clean and service the panels. Additionally, these systems can be inspected for integrity; and, by employing newest technologies, the yield can be increased. To understand the challenges of achieving carbon-zero fire stations by 2050, LFB will continue to trial electrically powered heat pumps, and begin trials on electrically powered water heaters and electric heating hobs. Renewable electricity (green) electricity will continue to be available in the future, whereas green gas will be extremely difficult to purchase, with the UK expected to be 400 terra watt hours (TWH) behind required demand (183 TWH produced and 538 TWH required).
- 4.10 The London Environment Strategy also sets out the longer-term target of zero carbon emissions by 2050. While the exact nature of the zero-emission alternatives to natural gas for heating and hot water is uncertain, the life of the heating asset replacements proposed is within the time frame of the target, allowing for future zero-emission technologies to be introduced by 2050.
- 4.11 All waste arising from works is to be removed by a licensed waste carrier and disposed of at a permitted facility. The contractor is to supply all legally compliant signed waste transfer notes and waste consignment notes to the LFC.

Conflicts of interest

- 4.12 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1 This report requests approval for asset replacement and enhancement works across the LFB estate premises as set out in part 2 of this decision. This update reflects the outcome of a condition survey review carried out since the original budget was approved.
- 5.2 LFB's Property Services department holds a minor capital improvement budget, which is intended for works of this nature. The minor capital improvement budget available up to 2023 is set out in part 2 of the decision. The capital programme includes resources as set out in part 2 of the

decision to meet the requirements of the asset replacement and enhancement works; and the capital reprofiling will align the capital budgets to enable the required work to be undertaken. The update to the programme will not therefore require any overall increase in the capital programme.

6. Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the LFC is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2 By direction dated 1 April 2018, the Mayor set out those matters for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the Deputy Mayor).
- 6.3 Paragraph (b) of Part 2 of that direction requires the LFC to seek the prior approval of the Deputy Mayor before “[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...”.
- 6.4 The statutory basis for the actions proposed in this report is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 (FRSA 2004). According to section 7 (2)(a) FRSA 2004, the LFC has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting. Section 5A allows the LFC to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.
- 6.5 LFB’s General Counsel notes that the proposed tenders will be carried out in accordance with the Public Contracts Regulations 2015 (the Regulations) and the LFC’s Scheme of Governance (Part 3 Standing Orders Relating To Procurement). It should be noted that although the overall costs envelope exceeds the Regulations cap of £4.7m for works, there are objective reasons, as stated in this report, to split the works into subject matter specialisms. The General Counsel is satisfied that this subdivision is not designed nor intended to be used to circumvent the applicability of Regulation 6(6).

Appendices and supporting papers:

Part 2 of the decision

Part 1 of Report LFC-0614 – Premises Asset Replacement Works for Projects in 2022-23 and 2023-24 – London Fire Brigade Estate – Paper No 2

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? No

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer

Richard Berry has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service

_ has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

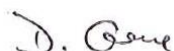
This decision was agreed by the Corporate Investment Board on 7 February 2022.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

23/2/22