

DMFD160 Appendix 1

Water Supply Contract

Report to

**Corporate Services Directorate Board
Commissioner's Board
Deputy Mayor's Fire and Resilience Board**

Date

18 January 2022
9 February 2022
29 March 2022

Report classification

For Decision

The subject matter of this report deals with the following London Fire Brigade (LFB) strategic priorities

Best place to work

The supply of water to LFB premises is an essential service to provide adequate welfare facilities, and the effective operation of the fire service. The recommended new water contract offers an improved service through active management approach which includes benchmark reports, high consumption alerts and pro-active monitoring of meter data.

Report number – LFC-0666

For Publication

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DECISION-MAKER

Executive Summary

The water supply contract is an essential service to provide potable water to all LFB premises, to ensure the health and welfare of the occupants, and to enable operational and training tasks to be undertaken. The current water supply contract with Anglian Water Services (National) trading as Wave Utilities, is due to expire on 30 April 2022. This contract was initially for a two-year term, with the option to extend for two years. An extension was granted for one year to the end of April 2022.

Water usage across all LFB premises in 2020/21 amounted to over 107 million litres. The recommended contract is within the current LFB budget for water and includes additional strategic services. This contract will provide the data and the management required to assist with the implementation of the strategy and determine where and when savings can be made. It is

recommended that the new contract is awarded to the successful supplier under the Yorkshire Purchase Organisation (YPO) framework, commencing on 1 May 2022, and completing at the end of October 2024.

For the Deputy Mayor

That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit revenue expenditure required for the provision of water supplies for the term of the contract. The contract would commence on 1 May 2022, and end on 31 October 2024.

For the London Fire Commissioner

The London Fire Commissioner agrees to commit revenue expenditure of up to the amount set out in Part 2 of the report and awards the contract to the successful supplier under the Yorkshire Purchase Organisation (YPO) framework for the provision of water supplies for the term of the contract. The contract would commence on 1 May 2022, and end on 31 October 2024.

1. Introduction and background

- 1.1 The current water supply contract with Wave is due to expire on the 30 April 2022. Wave are the incumbent service provider. They are a water retailer who supply to over 300,000 businesses and public sector organisations across the UK. Wave have provided this service since 2018.
- 1.2 The water supply industry was opened up for competition in 2017, resulting in companies such as Wave being able to offer this service, with customers not being restricted to their local water authority. Thames Water will still be the wholesaler, and the authority responsible for the water supply network across London serving the London Fire Brigade.
- 1.3 The procurement route recommended is to utilise existing compliant frameworks. Proposals from two frameworks have been received, the YPO framework, and the North East Purchasing Organisation (NEPO) framework. Both proposals are fully compliant in terms of specification and service required. The contract term will be two-and-a-half-years and the recommendation is to proceed with the YPO framework.
- 1.4 The YPO framework specification includes the additional benefits are provided as follows: -
 - A. An active water management service to monitor consumption and save water. This facility was not part of the current contract, and due to advances in technology in the industry, this element would provide benefits that could save water and money. If water consumption is reduced by ten per cent, this will reduce costs and would have a positive impact on reducing carbon emissions by 33 tonnes. This is in the context of Thames Water forecasting that by

2100 there could be a shortfall of 864 million litres per day in London due to population growth and climate change impacts.

- B. Management and monitoring of water supplier performance, incorporating Key Performance Indicators (KPI's), focused on continuous improvement. A new on-line portal will enable easy access to management reports and identifying areas of improvement.
- C. Access to a range of additional services, including leak detection and repair, and emergency planning (these would require additional funding)

2. Financial aspects:

- 2.1 Please see part 2.

3. Objectives and expected outcomes

- 3.1 The aim to is to ensure a water supply contract is put in place that provides value for money and added value through improved service which incorporates continuous improvement through the use of developing technology, monitoring and reporting.

4. Equality comments

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 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.
- 4.5 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.

4.6 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.

4.7 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.

4.8 The suppliers on the YPO framework are part of Anglian Water, who have a diversity and inclusion policy which includes the following:

The policy complies with the Equality Act 2010. The protected characteristics included in the policy 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.

The policy is subject to regular review and updated as required.

It promotes diversity and inclusion, and values the impact and contribution that individuals from all different backgrounds, origins and perspectives can bring to our organisation and culture.

It specifically states that there is no discrimination in any way against any individual, and we specifically prohibit any discrimination, harassment, victimisation or unfair treatment against any individual on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, caring responsibilities, ex-offender status, relationship status, family responsibilities or political opinion.

The policy confirms:

- There is a strategy to ensure the supplier is representative of the customer base, to be able to understand and to meet the needs of their customers and reflect the communities they serve.
- Adoption of fair and inclusive practices throughout to create a culture of respect and dignity.
- A shared ownership approach to diversity and inclusion is embedded across the company, whereby Management Board and Senior Leaders create an environment that supports equality and values diversity.
- Equal access to training and development support and that equality, diversity and inclusion elements are built into training where relevant.

Workplace diversity and inclusion is monitored and is included in appropriate information on progress and activities within the company annual report.

5. Other Considerations

Workforce comments

- 5.1 No workforce implications are anticipated. The provider will provide the training required for the new portal to ensure staff can use the tools and data to benefit the service.

Sustainability comments

- 5.2 This report details the addition of an active water management service to monitor consumption and save water, as well as the management and monitoring of water supplier performance, incorporating KPI's, focused on continuous improvement.

Procurement comments

- 5.3 Where possible, LFB tries to utilise existing frameworks for tendering for its needs, in accordance with the Greater London Authority (GLA) collaborative procurement approach. Two national frameworks were examined to consider which best suited LFBs service requirements. Both frameworks were advertised in accordance with the Public Contract Regulations 2015 and a thorough evaluation of the responses received was carried out including both qualitative and value for money considerations.
- 5.4 The YPO framework includes water rates that are competitive and in accordance with the current rates paid by LFB under its existing call off contract. This means overall that LFB are accessing competitive rates which reflect a large client base.
- 5.5 The approach to this procurement activity is fully in compliance with current systems as the services will be tendered in accordance with the London Fire Commissioner's Scheme of Governance PART 3 (Standing Orders relating to Procurement and Contracts).

6. Financial comments

- 6.1 This report seeks approval for the London Fire Commissioner to commit revenue expenditure required for the provision of water supplies for the term of the contract. The contract would commence on 1st May 2022, and end on the 31st October 2024.
- 6.2 Part 2 of this report contains a detailed analysis of all financial implications.

7. Legal comments

- 7.1 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.

- 7.2 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).
- 7.3 Paragraph (b) of Part 2 of the said 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...".
- 7.4 The Deputy Mayor's approval is accordingly required for the LFC to make a call off under the YPO framework for the provision of water services.
- 7.5 The statutory basis for the actions proposed in this report, is provided by section 7 (2)(a) of the Fire and Rescue Services Act 2004, under which the LFC must secure the provision of personnel, services and infrastructure necessary to efficiently meet all normal requirements for firefighting.
- 7.6 The approach to this procurement activity is fully in compliance with current systems as the services will be tendered in accordance with the London Fire Commissioner's Scheme of Governance PART 3 (Standing Orders relating to Procurement and Contracts).

List of Appendices

Appendix	Title	Open or confidential
1.	None	

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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer

Mitch Layng has drafted this report and confirms the following:

Drafting officer to confirm the following (✓)

Assistant Director/Head of Service

Laura Birnbaum has reviewed the documentation and is satisfied for it to be referred to Board for consideration.

Advice

The Finance and Legal teams have commented on this proposal.

Natasha Singh Legal Advisor, on behalf of General Counsel (Head of Law and Monitoring Officer)

David O'Sullivan Financial Advisor, on behalf of the Chief Finance Officer