

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD94

Title: Occupational Health Contract

Executive Summary:

This report recommends the Deputy Mayor for Fire and Resilience gives approval for the London Fire Commissioner (LFC) to incur revenue expenditure of £3,202,000 to extend the existing contract with Health Management Ltd (HML) for two years (from 5 March 2021 to 4 March 2023).

(HML) was appointed by the London Fire and Emergency Planning Authority (predecessor to the LFC) following a competitive tendering process, to provide occupational health services for a period of three years with effect from 1 April 2018. The initial term of the contract expires on 4 March 2021, although there is provision to extend the contract at the option of the LFC for up to a further two-year period. This report requests consent for the LFC to incur revenue expenditure in order that he can extend the current contract for the maximum two-year period.

During this two-year period LFC will explore the possibility of Transport for London (TfL) providing an occupational health service to the LFC comparable to that currently received, and at the same or less cost compared to the current service (adjusted for inflation).

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner 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...”.

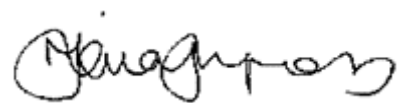
Decision:

That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit revenue expenditure of up to £3,202,000 (figure to be adjusted annually in accordance with any increase in the average earnings – all employees index) to extend the existing contract with Health Management Ltd for two years from 5 March 2021.

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:

18 January 2021

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

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0437 to the London Fire Commissioner sets out the background for the request to incur revenue expenditure of up to £3,202,000 in order to extend its existing contract with Health Management Ltd (HML) for the provision of occupational health services for two years.
- 1.2 The LFC has a legislative duty under, inter alia, the Health and Safety at Work etc Act (1974) and the Management of Health and Safety at Work Regulations (1992) for both the physical and psychological well-being of its employees. Serious management failures resulting in a gross breach of the duty of care can result in organisations and individuals within it being subject to prosecution. The availability of specialist occupational health advice to help inform safety critical decisions from a clinical perspective, is therefore necessary from a corporate risk perspective.
- 1.3 The Health and Safety Executive (HSE) has identified two elements to occupational health for employers to concentrate on. The first and most important element is the effect of work on employees' health and the health of others. This includes:
 - identifying what can cause or contribute to ill health in the workplace;
 - determining the action required to prevent people being made ill by work, based on a well-informed assessment of the risks; and
 - introducing suitable control measures to prevent ill health and injuries from being sustained in the workplace.
- 1.4 The occupational health service provides advice regarding employee fitness for safety critical activities and identifying the causes of poor health within the workplace.
- 1.5 This service is integral to LFC's overall health and safety strategy and its Safety Management System to provide as safe a working environment as possible for all its employees and the public with whom it interacts.
- 1.6 The LFC does not possess any in-house clinical expertise to help it achieve the above and so it seeks this advice via the occupational health service.
- 1.7 Most of HML's occupational health services comprise providing routine periodic medicals and health surveillance so that the LFC complies with its legislative responsibilities under inter alia, the Management of Health and Safety at work Regulations 1999 and the Control of Asbestos Regulations 2015. Provision of physiotherapy (which forms part of the occupational health service) also enables the LFC to support employees who have sustained musculoskeletal conditions, so that they recover and return to the workplace more swiftly.
- 1.8 While HML is primarily contracted to provide advice to the LFC of the impacts of work on health and health on work, it has increasingly been used by employees to help them manage underlying and longer term medical conditions, so that they are able to continue attending work and remaining as healthy as possible. This has proven to be particularly useful and is a tangible demonstration to the LFC's workforce of its commitment to their health, safety and wellbeing.
- 1.9 Without the occupational health service, the LFC would not have means of routinely obtaining advice regarding employee fitness for role. Normally, the LFC's occupational health service would, when appropriate, seek advice from general practitioners or treating consultants on occasions when there is insufficient understanding about an employee's medical condition, severity and treatment options. However, many NHS clinical practitioners have been re-purposed in response to the coronavirus

pandemic and so access to additional information is not always available and it is uncertain when it will be. Occupational health advice through HML can therefore be the only source of clinical information available to the LFC.

- 1.10 The LFC requires medical advice for other activities including the proper administration of the Firefighters Pension Schemes and the Local Government Pension Scheme, in particular the assessment of individuals' eligibility for ill-health retirement and when required, to review the status and appropriateness of pension payments being made to existing pensioners, as required by legislation.
- 1.11 The COVID-19 pandemic has brought into sharp relief, the support the occupational health service provides to the LFC. To support the LFC's support of partner emergency agencies, HML swiftly arranged for volunteer participants to receive Hepatitis B serology and vaccination services at a financially competitive cost compared to what is available in the wider market. It has also helped the LFC to identify the risk profile of those employees who have been defined by Public Health England as being vulnerable or extremely vulnerable to a severe reaction if they were to contract the virus, and where possible, assist those employees back into the workplace. The risk assessment (completed via a health questionnaire) considered a person's ethnicity, gender, age and any underlying medical conditions, has enabled the LFC to identify what control measures might be appropriate for those employees while they fulfil their LFC roles/responsibilities in the workplace.

2. Objectives and expected outcomes

Supporting delivery of the Transformation Delivery Plan

- 2.1 The occupational health service currently received by the LFC has played a crucial role in supporting the LFC and its employees to be the Best People and the Best Place to Work. The three yearly routine periodic medical (annually for those in particular roles) that all operational employees are required to complete to demonstrate their continued fitness to undertake what can be physically very demanding activities, has helped employees to identify individual health issues and on occasions referred employees to their GP to further investigate symptoms that if not addressed, could cause potentially serious harm. An example of this was the identification of an abnormal skin condition during a routine periodic medical that was subsequently identified as a malignant tumour. Its early identification and onward referral to oncology services resulted in the condition being cured and the employee possibly saved from experiencing a severe medical condition that could have resulted in the termination of their career and expiration of life.
- 2.2 The occupational health services have assisted with enabling the LFC to secure Excellence status in the London Healthy Workplace Charter, a key example towards the LFC's strategic pillar, 'Delivery Excellence'.
- 2.3 The occupational health service is acutely aware of its responsibility to assist the LFC in retaining the services of employees who have been diagnosed with various medical conditions, some of which might previously have resulted in the employee being ill health retired and the LFC paying the employee a pension for many years. This encourages employees to have a sense of belonging within the LFC as they are treated as individuals and bespoke effort and thought applied to how their condition and associated symptoms might be managed so that they interfere with their role as little as possible. An example of this has been to enable operational employees diagnosed with diabetes to continue driving fire appliances under blue light conditions (previously they would have been withdrawn from driving duties).
- 2.4 These advancements in the management of employees with medical conditions demonstrate to employees how much they and their skills and abilities are valued by the LFC, promoting employee engagement and commitment to the organisation. Another example of this is the annual review of employees with cardiac conditions, to detect whether any disease has advanced and increased their risk of a spontaneous cardiac event.

- 2.5 Clinicians supporting delivery of the occupational health service have utilised their contacts in the clinical world of their own accord and enabled the LFC to receive specialist consultant advice at nil cost. An example of this was the exercise conducted last year to determine if employees who had been prescribed specific blood thinning medications might be at increased risk of fatal internal bleeding if they were to sustain injury while at work. This specialist advice would not have been available to the LFC had the LFC's occupational health clinicians not utilised their relationships with clinical colleagues and persuaded them to assist the LFC in these projects.
- 2.6 HML's Chief Medical Officer provided important insight which supported the creation of the LFC's Wellbeing Strategy, a key objective within the LFC's Transformation Delivery Plan. During consultation with the Chief Medical Officer on the Wellbeing Strategy it was agreed there was a need for the LFC to support staff on lifestyle matters such as smoking, diet and alcohol consumption and cardiovascular health. The voluntary wellbeing clinics have been restructured following feedback from employees, so that they're more focused. These will run in addition to the mandatory medical assessments.
- 2.7 Some of the initiatives described above would not have been possible were it not for the occupational health service. It has been instrumental in enabling the LFC to retain employees that would otherwise have been ill health retired at significant cost, providing a tangible demonstration of the value that the LFC assigns to having as diverse a workforce as possible.

Procurement process

- 2.8 In 2017, the London Fire and Emergency Planning Authority (LFEPA, the predecessor authority to the LFC) undertook an open competition (OJEU Contract Notice: Provision of Occupational Health Services 2017/S 120-242887) for the contract rather than use a framework. This was due to then existing frameworks not covering the full scope of the LFEPA's requirements. Upon evaluation of tenders, HML was assessed to provide the best value for money of all the tenders submitted and was awarded the contract on this basis.
- 2.9 HML's contract performance has and continues to be at a very high level, achieving 97.35% of key performance indicators during financial year and the contract continues to meet the LFC's requirements.
- 2.10 The initial contract term is due to expire on 4 March 2021, but the contract has provision to be extended by up to a further 24 months at the LFC's discretion. It is proposed to extend for 24 months to ensure continuity and to allow time to investigate the possibility of collaborating with Transport for London's (TfL's) in-house occupational health provision in 2023, as discussed further from paragraph 2.12 of this report.
- 2.11 The London Fire Brigade's (the Brigade's) procurement team confirm that the proposed 24 month extension is in accordance with the terms of the contract and in compliance with the Public Contracts Regulations 2015.

Shared services

- 2.12 In advance of the current occupational health service contract expiring, other GLA Group members have been contacted and asked if they might be interested in entering into a shared occupational health service arrangement with the LFC, thereby reducing costs and providing greater value for money to London's taxpayers.
- 2.13 The following organisations have been contacted to explore the possibility of collaboration in the future:
- TfL, who have an internal occupational health service and so details of the LFC's occupational health needs have been forwarded to TfL for them to review and advise if they might be able to

offer an occupational health service to the London Fire Commissioner, and if so, at what cost. It is worth noting that any transition would involve extensive and potential lengthy mobilisation period. This exercise has not yet been reached.

- Metropolitan Police Service (MPS), who has an agreement in place via the OJEU Light Touch Regime, as provided for under Regulations 74-77 of the Public Contract Regulations 2015. MPS confirmed that the agreement is exclusive to them, therefore the LFC cannot compliantly use this route to market.

- 2.14 While not a GLA Group member, the London Ambulance Service (LAS) has contacted the LFC to ask if it might be interested in collaborating in a joint tendering exercise to procure an occupational health service for both organisations. The LAS is currently in a contract with an external provider until June 2021 but is agreeable to further informal discussions to determine if entering into such an agreement might be possible in the future.
- 2.15 Although the LAS is interested in exploring a shared occupational health services arrangement, the current significant demand upon GLA budgets is such that the most beneficial shared services arrangement for GLA family budgets is likely to be for TfL to provide an occupational health service to the LFC, resulting in the cost of the occupational health service being paid to another GLA Group member and the funds remaining within the GLA Group. This collegiate approach of two GLA Group members working closely together would demonstrate the most effective use of public funds. This would be explored in the first instance to determine if TfL is able to deliver the service more cost effectively than alternative providers.
- 2.16 TfL has advised that it is interested in entering into a shared occupational health services arrangement but is currently 'bedding in' new software and so would not be in a position to enter into any arrangement in March 2021 but did advise that it hoped to be able to do so in September 2021.
- 2.17 As only minor changes have been applied to the current occupational health contract with HML since the contract commenced in April 2018, the most effective way of TfL determining whether it can fulfil the LFC's requirements is for it to review the invitation to tender (ITT) document that was circulated to prospective providers during the last tendering exercise and advise if they can provide the required services. The ITT has been forwarded to TfL for it to review and advise if it can provide the required service. A decision from TfL as to whether it can provide the occupational health service required by the LFC is awaited.
- 2.18 Consideration was given to extending the existing occupational health services contract for only one year (to 4 March 2022) so that it might be possible to enter into a shared occupational health service with effect from 5 March 2022 however, the London Fire Commissioner's Information and Communication Technology Team has advised that this would provide insufficient time for TfL to review and understand the LFC's occupational health specification, review its systems and their respective interfaces with the current provider's systems, and then time to develop appropriate replacement interfaces in order to communicate and transfer specific occupational health data. It is further advised that a minimum two-year lead time is appropriate for a project of this size as an estimate.
- 2.19 The LFC is entitled to extend the contract for a period of less than two years. However, as advised above, this would provide insufficient time for the necessary information and communication technology links to be installed within the new provider's IT infrastructure.
- 2.20 Extending the current occupational health contract for two years provides the minimum time required for the LFC and TfL to explore the possibility of entering into a shared service, and if feasible, installing and testing the necessary information and communication technologies so that the two organisations can interface and transmit data back and forth as currently occurs, without disrupting the occupational health service currently received by the LFC.

2.21 Terminating the existing occupational health contract at the end of its core duration of three years (i.e., at 4 March 2021) would provide insufficient time for the LFC to enter into an arrangement for the provision of an occupational health service beyond this date, significantly disrupting its ability to verify the fitness of its employees to undertake safety critical activities. Similarly, any decision to extend the existing occupational health contract for less than two years very likely provides insufficient time for the LFC and TfL to both arrive at a mutually acceptable agreement regarding the specification of the occupational health service to be provide to the LFC and adapt both organisation's respective information and communication technologies infrastructures so that administration of the occupational health service can be resourced by the LFC at current levels. If the necessary technology interfaces could not be implemented, TfL could still provide the LFC with an occupational health service but a number of the activities that are e-enabled (such as the automated referral of employees to the occupational health service and the automated transmission of medical outcome reports without manual intervention would not be possible and so these activities would need to be undertake manually, significantly increasing the number of employees required by the LFC to administer the service.

Financial matters

2.22 The core occupational health contract value is £1,475,000 per annum. However, the provider also provides a number of required pay as you go services, so that the LFC can fulfil responsibilities conferred upon it by the Local Government Pension Scheme and the Firefighter Pension Schemes and purchase certain consumables used by the provider when providing particular services. The current budget is £1,556,000 but is in the process of being reduced as part of the budgetary savings exercise. The revenue budget for this service in 2020/21 is £1,556,000, with a proposed saving of £30,000 in 2021/22 and an inflationary increase of £49,000 in the same year which will increase the budget to £1,575,000; a £52,000 inflationary increase is budgeted for in financial year 2022/23. As a result, if the extension is agreed up to the proposed value this cost will be contained within the planned revenue budget for 2021/22 and 2022/23.

2.23 The contract provides for the provider applying for the value of the contract being increased on each anniversary of the contract's commencement by an amount equivalent to the Average Weekly Earnings – Total Pay, Seasonally Adjusted – Whole Economy (ONS Identifier KAC2) (but it cannot apply for more than one increase in the value of the contract in any twelve-month period). It is therefore necessary for the budget to contain sufficient provision to fund any increase in the value of the contract in this regard. It should be noted that HML has not applied for a contract price increase since contract commencement and any extension will be based on the original contract pricing which was evaluated to be value for money in the original tender process.

2.24 HML has confirmed that it will agree to a 24 months contract extension once the LFC applies for it following approval. If such approval is given and the contract extended, the extended contract will expire on 4 March 2022.

2.25 Reviewing the wider marketplace, LFB Procurement have identified two framework contracts that the LFC can compliantly access, though it should be borne in mind that these framework contracts are structured to provide services to non- specialist occupations and not focused upon safety critical occupations such as firefighting so neither offer the full scope of services required by the LFC as complexity of our requirement precludes joining existing frameworks. They are as follows:

- Crown Commercial Services Framework RM3795; and
- ESPO framework contract Framework 985.

2.26 Both these frameworks are essentially generic with the scope of each not able to service LFC requirements. A price comparison exercise has been conducted for the products that can be serviced by the frameworks which accounts for approximately one third of the contract pricing structure. Where Procurement were able to benchmark non-specialist Occupational Health Requirements, the LFC contract rates are better value than the published Framework Rates, although it is not possible to

conduct an entire like for like comparison due to the framework scope not extending to the LFC's requirements and therefore those elements are not priced.

2.27 Below is the calculation demonstrating the savings when measured against market rates:

Benchmarking comparisons of HML versus Market Pricing	LFC Contract Pricing	HML Framework Pricing	Saving
Where LFC can compare on a like for like basis, i.e., Non Specialist requirements	£443,382	£546,815	-£103,432

2.28 The above confirms that more value for money is derived by extending the existing contract compared to re-tendering for a new provider. This extension will also allow the LFC to explore shared services opportunities within the GLA for future provision.

2.29 It should also be noted that the framework contracts do not comprise the following services, which are an integral part of the existing occupational health contract:

- Routine Periodic Medicals;
- Functional Rehabilitation Programme;
- Health Surveillance for Operational staff;
- A dedicated, specialist delivery team with knowledge of the unique requirements and specific nuances of blue light services; and
- Bespoke Covid-19 consultancy advice (which has been extensively used during the pandemic).

2.30 Furthermore, utilising a framework contract would not likely be able to deliver the following benefits currently received by the LFC via the existing contract:

- A dedicated clinical delivery team who have flexed significantly during Covid-19 to undertake paper and telephone screening of specific populations – this would be chargeable on a per employee basis under CCS;
- A dedicated Administration Team Leader and Account Director;
- A dedicated centrally located clinic facility with good transport links and in close proximity to LFC headquarters;
- A dedicated Consultant OH Physician working on the contract full time to provide both assessments and a wide range of clinical advice and expertise specific to Fire and Rescue services;
- Dedicated physiotherapy clinics onsite and a functional rehabilitation programme delivered from Paddington fire station for LFC employees who have chronic musculo-skeletal issues that can't be resolved via standard physiotherapy consultations with eight, six-week programmes onsite included;
- Bespoke COVID-19 consultancy advice (which has been extensively used during the pandemic);
- Bespoke service level agreement (e.g. additional charges are not incurred by the LFB for missed appointments, but are chargeable under CCS standard pricing);
- Bespoke performance reporting is provided using both LFC and Health Management data, such as the biometric database and a client specific Power BI dashboard, currently being developed with LFC without additional charge;

- Separate charges would be levied under the CCS framework for the bespoke consultancy and support provided. For example, HML has provided the LFC with access to expert resource within the MAXIMUS parent company (e.g. Mental Health Director to work in conjunction with LFC's counselling and trauma service; Covid-19 consultancy; and bespoke questionnaires have been created for use by the LFC;
- HML provides a bespoke version of its online portal which links with LFC systems as provided for in the contract. This is not available under the CCS Framework;
- The contract includes an online wellbeing portal which is currently being upgraded without charge to the LFC. This would be chargeable under CCS;
- The LFC has made significant achievements supported by HML. For example, creation of a programme that provides for firefighters returning to full duties following hip arthroplasty (replacement) surgery (where there are no contra-indications to this);
- Supporting the LFC research programme with the Brompton Hospital into any long-term respiratory effects arising from operational employees' involvement in the Grenfell Tower response. This would not have been available via a framework contract; and
- Several services currently received by the LFC from HML would be subject to additional costs if received via the CCS framework contract.

Foreseeable risks

- 2.31 If the LFC does not possess access to occupational health services beyond 4 March 2021, it will be unable to obtain information regarding the fitness or to adequately monitor the health of employees (particularly those involved in safety critical activities), as required by the Health and Safety at Work Act 1974. It will also be unable to fulfil its legal duties under specific Regulations, such as the Control of Asbestos Regulations 2012, which confers a responsibility upon employers to ensure firefighters are placed under 'statutory medical surveillance' by an 'appointed doctor' (an appointed doctor is a registered medical practitioner appointed by the Health and Safety Executive (HSE) to undertake statutory medical surveillance).

3. Equality comments

- 3.1 The London Fire Commissioner and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (s149 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:
- (a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - (b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.

- (c) 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:
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - (b) 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;
 - (c) 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—
- (a) tackle prejudice, and
 - (b) promote understanding.
- 3.8 In consultation with the LFB's Inclusion Team, an Equality Impact Assessment on the proposal to extend the existing occupational health contract was undertaken in July 2020. There are a number of gaps in evidence collection which currently prevent the full equality impact being able to be accurately assessed, resulting from the lack of data collected by the existing provider on ethnicity, disability, gender and age.
- 3.9 A request for HML data uncovered the following gaps in data collection regarding equalities and inclusion:
- there is no current understanding of health inequalities e.g. the number of BAME or disabled staff accessing occupational health services compared to white / non-disabled staff;
 - there is no current analysis of complaints or feedback by equality group (the number of complaints about the current provider relating to discrimination or another inclusion-related issue is not currently monitored formally); and
 - there is no current monitoring of the level of inclusion-related training provided to HML staff working directly with the LFC's staff, for example on health inequalities faced by different groups, language and non-discrimination, or specific sensitive topics such as the medical needs of transgender staff.
- 3.10 The LFB's Inclusion Team has proposed that the Equality Impact Assessment is shared with the contract manager for the current provider, and that the above gaps are actioned as a result in order to more accurately assess the impact on equality groups resulting from the contract extension.
- 3.11 It should be noted that in July 2020 the LFC's new inclusion strategy launched (the 'Togetherness Strategy') which underpins the Transformation Delivery Plan as a key enabler. The new strategy proposes a large number of actions relating to improving outcomes for underrepresented and minority groups across the LFC, so despite the data gap in HML's data, there is a strategy in place to address inequalities including those relating to health and wellbeing.

4. Other considerations

Workforce comments

- 4.1 This report concerns the provision of the LFC's occupational health services which forms an important element of the LFC's Wellbeing Strategy for the workforce.
- 4.2 The recommendations within this report do not require formal staff side consultation, however staff side will be kept updated regarding future occupational health provision from 2021 onwards.

Sustainability implications

- 4.3 The current occupational health services provider confirms compliance with its responsibility to appoint one apprentice to the LFC's occupational health service contract and once the apprenticeship has been completed it will seek to appoint another. Health Management has a Quality and Environmental Policy which includes the following objectives;
 - Reduce – Our impact on the environment;
 - Reuse – With lifecycle in mind, reuse stationery and IT equipment; and
 - Recycle – Reduce general waste and increase recycling where possible.
- 4.4 The COVID-19 pandemic has brought about a step change in how some elements of the occupational health service is delivered; several services where possible have been delivered remotely, removing the need for employees to travel to/from appointments and thereby reducing carbon emissions and improving air quality. While the delivery model was altered because of the pandemic, work is being undertaken to explore if and how particular appointments can be routinely conducted remotely, where considered appropriate.
- 4.5 The current occupational health services provider has also released a newer version of its online portal and with it the replacement of paper forms for new non-operational employee health questionnaires with an online format, thereby reducing paper consumption. It is also planning to adopt more paperless methods of working.

5. Financial comments

- 5.1 This report recommends that the Occupational Health Contract is extended for two years at a total value of not more than £3,202,000. The revenue budget for this service in 2020/21 is £1,556,000, with a proposed saving of £30,000 in 2021/22 and an inflationary increase of £49,000 in the same year which will increase the budget to £1,575,000. A £52,000 inflationary increase is budgeted for in financial year 2022/23. As a result, if the extension is agreed up to the proposed value this cost will be contained within the planned revenue budget for 2021/22 and 2022/23.

6. Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") 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 Commissioner 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 Commissioner 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 the said direction requires the Commissioner 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 Based on the values set out in this report, the Deputy Mayor's approval is accordingly required for the Commissioner to extend the contract term of the HML appointment.
- 6.5 London Fire Commissioner employees, including the Brigade's procurement and legal teams have confirmed that the proposed extension of contract will be actioned in accordance with the terms of the contract and therefore, in compliance with the Public Contracts Regulations 2015.

Appendices and supporting papers:

Report LFC-0437 – Occupational Health Contract

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? Yes**

If YES, for what reason: The commercial interests of the London Fire Commissioner require deferral of the decision until after the cooling off period for the contract award has expired.

Until what date: 1 May 2020

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

Niran Mothada 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 18 January 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

19 January 2021