

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD181

Title: London Fire Brigade (LFB) Estate Capital Investment Programme

Executive summary:

This report seeks the approval of the Deputy Mayor for Fire and Resilience for the London Fire Commissioner to commit capital expenditure of up to £21,432,000 to deliver London Fire Brigade's (LFB's) Estate Capital Investment Programme (ECIP) for financial years 2024-25 and 2025-26, as set out in more detail in part 2 of the report. The completion of the programme of capital works will support LFB to provide the best place to work, and seek to embed the principles of quality, sustainability and service delivery. The ECIP will be delivered in conjunction with other investment programmes already under way, which include carbon net-zero and the strategic estate projects. The ECIP is based on the condition of the estate's mechanical, electrical, internal and external fabric assets.

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 capital expenditure of up to £21,432,000 to deliver the Estate Capital Investment Programme for financial years 2024-25 and 2025-26.

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:

7/11/22

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

Decision required – supporting report

1. Introduction and background

- 1.1. Report LFC-0747y to the London Fire Commissioner (LFC) explains that the Estate Capital Investment Programme (ECIP) confirms the key asset replacement and enhancement works required across the London Fire Brigade (LFB) estate for 2024-25 and 2025-26. It follows on from the previous Asset Management Plan in 2017, which covered the period up to financial year 2023-24. This ECIP is part of a wider scheme of investment in the LFB estate. In scope for the ECIP are asset management, sustainability works and operational improvements.
- 1.2. This ECIP is based on the condition of the estate's mechanical, electrical, internal and external fabric assets. It also highlights the context of delivery alongside strategic estate projects and the net-zero-carbon strategy. The funding for the ECIP 2024-26 is within the LFB Capital Programme. 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. Objectives and expected outcomes

- 2.1 The objective of the ECIP 2024-26 is to ensure fire stations and other buildings are fit for purpose; are in a satisfactory condition; and have improved energy efficiency. Every station in the ECIP should receive investment under this proposal. The ECIP covers a two-year period, as the next few years are likely to present different approaches to the way LFB administers and delivers its services and delivers the new Community Risk Management Plan, known as 'Your London Fire Brigade', which is currently being developed.
- 2.2. The ECIP includes funding set aside for operation-led requests that need capital funding, in addition to strategic operational projects, which are required to ensure the portfolio meets the functional requirements of LFB. These are considered using the approved prioritisation scale (below) that was co-created with stations and other LFB departments. Operational improvement works can support LFB to provide the best place to work and the training recommendations from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services. Current initiatives that this funding is anticipated to support include opening fire stations, making stations more accessible and addressing contaminants in stations.

Delivery

- 2.3. The asset condition data available allows LFB to transform the delivery model of capital projects to take a more flexible approach to implementing works. Where major capital investment is required on multiple or single sites for individual asset types (e.g. fire doors), a single supplier may be considered. A suitable collaborative services framework will be identified to deliver this.
- 2.4. For properties with a significant programme of smaller works, LFB will consider the programme of project complexity as a whole. Mechanical, electrical and fabric/building projects could be delivered alongside one another to ensure value and minimise operational disruption. These could be delivered using a single supplier from a current service provider or framework agreement.

- 2.5. Where capital investment is required against a single high-value asset at a location (e.g. roof or windows), LFB will consider referring projects to a construction framework agreement. Projects will be awarded based on specialist requirements and site-by-site competitive tender analysis.
- 2.6. The benefit of this approach is a flexible solution to drive value for money and cost savings. Using the condition surveys means detailed feasibility studies may not be required, reducing the inclusion of provision sums and limiting the need for final project sum-related consultancy fees. The condition survey costs will enable the cost of asset replacement to be benchmarked against an industry standard.

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 as follows; 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. An equality impact assessment (EIA) was completed on 4 August 2022. This confirmed that the ECIP 2024-26 had low impact on equalities and may have the potential to improve the LFB estate to make it more inclusive. In addition, an EIA will be completed on each major project within the ECIP 2024-26.

4. Other considerations

Workforce comments

- 4.1. The ECIP 2024-26 delivery programme provides a detailed programme of work for the LFB project team. No impact on the workforce is anticipated.

Sustainability comments

- 4.2. All of the works contained in the ECIP 2024-26 will have a beneficial impact on the environmental performance and sustainability credentials of LFB. For instance, fabric improvements will reduce energy consumption, as will equipment and plant replacement, as they will all be required to comply with current building regulations, as well as the LFB standard specification design brief. In addition, alongside the net-zero-carbon strategy, equipment replacement will move away from gas to electric, resulting in a reduction in carbon emissions. The ECIP also contains the installation of renewables, resulting in local electric generation, meaning cost avoidance and increased security of supplies. A Sustainability Impact Assessment (SIA) was completed on 5 August 2022. The SIA identifies a slight increase in levels of gas, water, electricity, fuel and hazardous chemicals during the delivery of the projects; this has been identified due to the nature of the construction works. A reduction of hazardous materials has been identified through the removal of asbestos to allow project works to commence.

Conflicts of interest

- 4.3. 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 to commit capital expenditure of up to £21,432,000 for 2024-25 and 2025-26, plus annual inflation increases, for the purposes of supporting and maintaining the LFB Property Capital Programme. This will be funded through the capital programme already approved which consists of funding allocated to the replacement of roofs, windows, appliance bay floors, electrical and mechanical systems.
- 5.2. It is expected that annual inflationary increases will be based around the Retail Price Index. All LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for inflation on an item-by-item basis, and the LFC will review those assumptions as part of its

budget process for 2023-24. If inflation rates are above current assumptions, a resulting budget increase will need to be submitted as part of LFC's annual submission to the Mayor's GLA Group Budget process and/or the contracts will need to be reviewed to assess whether it is possible to reduce the annual cost via a reduction in service.

- 5.3. If agreed, the current capital programme will need to be reprofiled to reflect the changes outlined in this report.
- 5.4. LFB's capital programme is funded through capital receipts and borrowing. The cost of borrowing is made up of Minimum Revenue Position and is based on the asset life, which will be £1,370,000 per year, and interest on borrowing assuming a rate of 3 per cent at £616,000 per year. The cost of borrowing to fund the capital programme is reflected in the revenue budget.
- 5.5. There are no direct financial implications for the GLA.

6. Legal comments

- 6.1. This report seeks approval of capital expenditure for the ECIP for 2024-25 and 2025-26.
- 6.2. 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.
- 6.3. 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). 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...". Accordingly, the capital expenditure identified for the ECIP 2024-25 and 2025-26, and set out in more detail in Part 2, requires prior approval.
- 6.4. The statutory basis for the actions proposed in this report and the ECIP is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 (FRSA 2004). Section 7 (2)(a) FRSA 2004 provides that the LFC has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting; and section 5A allows the LFC to procure personnel, services and equipment it considers appropriate for purposes incidental or indirectly incidental to their functional purposes.
- 6.5. LFC's General Counsel advises that all proposed tenders identified in the ECIP 2024-25 and 2025-26 must 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). LFB will continue to assess compliance with the Regulations on a case-by-case basis throughout the delivery arrangements set out above.
- 6.6. These comments have been adopted from those provided by the LFC's General Counsel Department in report LFC-0747y to the LFC.

Appendices and supporting papers:

Part 1 of report LFC-0747y – London Fire Brigade (LFB) Estate Capital Investment Programme

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 – YES

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

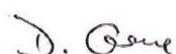
A summary of this decision was reviewed by the Corporate Investment Board on 7 November 2022.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

10/11/22