

Appendix 4



**LONDON FIRE
AND EMERGENCY
PLANNING AUTHORITY**

**James Cleverly AM
Chairman of the Authority**

169 Union Street London SE1 0LL
T 020 8555 1200 F 020 7960 3603
Minicom 020 7960 3629
www.london-fire.gov.uk
London Fire and Emergency Planning
Authority runs the London Fire Brigade

Len Duval AM
Chair of the GLA Oversight Committee
c/o City Hall London
SE1 2AA

Date: 14 June 2013

Dear Len

Thank you for your letter of 28 May regarding shared services across the GLA Group and the outcome of the Oversight's Committee recent consideration of this.

Whilst I share some of your concerns about the progress of shared service across the GLA, LFEPA has done a great deal to contribute to an agenda that is often hampered by the size and complexity of the other organisations involved and, in the case of the MPS, the national police mandate that they are required to adhere to in many areas.

The areas in which LFEPA is currently sharing with any organisation, not just those within the GLA Group, are set out in the report that was presented to the Oversight Committee at its meeting on 21 May. The attachment to this letter sets out those areas where the service is shared specifically within the GLA family.

LFEPA's main plans for further shared services in the immediate future are in relation to property functions. I am aware you discussed the MPS's model to provide a one stop shop for facilities management services through their new 'integrator' contract at your meeting. LFEPA agreed in March that we would investigate whether we could join this as an alternative to our planned market testing exercise on the basis that it would be possible to take advantage of an existing arrangement that had already been subject to a competitive procurement process and thus avoid the cost of that ourselves. Officers at LFEPA are now in discussion with the MPS about this in order to develop a proposal to join the MPS's new contract in April of next year.

Another area of property sharing concerns spare space in our headquarters building at Union Street. A recent space utilisation study has identified that it would be possible to release a floor of the building for subletting. This has been included as part of the budget proposals for the current year with the first full year of income expected in 2014/15. We are looking to secure a tenant from within the GLA Group in the first instance.

As you are also aware we are almost at the conclusion of our public consultation exercise for LSP 5. The outcome of this may result in a number of properties for disposal. The strategy for this cannot be determined until the details are known but the expectation at the current time is that LFEPA will look to use the new London Development Panel put in place by the Single Property Unit to progress this.

More generally my Director of Finance and Contractual Services chairs a regular meeting with the other functional body finance leads to discuss shared services opportunities. We always investigate before embarking on a new procurement exercise to see if there is an existing arrangement within the Group that could be used. It is also made clear at the time the opportunity is advertised that the resulting contract will be open to all bodies within the Group. The main factor to date that has precluded more joint procurement exercises has been the timing of the requirement. Further work is to be done to see whether contract renewals could be lined up, by extending existing contracts where ever possible, in order to overcome these timing difficulties.

As you will have seen from the report to the Oversight Committee, LFEPA makes significant use of procurement frameworks put in place nationally or by the regional purchasing organisations. These offered the best available terms for the requirement at the time. A review is now to be conducted to see whether there are frameworks in place within the group that might offer the same or better terms or if the frameworks currently used by LFEPA would be beneficial to other members of the Group.

I would be happy to attend a future meeting of the Oversight Committee to discuss this in more detail.

A handwritten signature in blue ink, appearing to read 'James Cleverly', is positioned above the printed name and title.

James Cleverly AM

Chairman, London Fire and Emergency Planning Authority

LFEPA - Shared Services and Collaborative Procurement within the GLA Group

1. Functional Delegations

Delegation to:	Service provided to:	Service provided:
MOPAC	LFEPA	Internal Audit
LFEPA	GLA	Payroll
LPFA	LFEPA	Firefighters' Pension Services
GLA	LFEPA	Treasury Management
GLA	LFEPA	Clerk and Democratic Services
GLA	LFEPA	Member services

2. Management and Co-location

Hosted by:	Service provided to:	Service provided:
TFL	LFEPA	Co-location of LFEPA's secondary data centre and associated network connectivity to TFL's Woking data centre
LFEPA	LAS	Co-location at Barnet and Acton
LFEPA	MPS	PCSO base at Holloway

3. Collaborative Procurement

Framework/Contract:	Service provided to:	Service provided (company):
GLA	MOPAC, LFEPA and LLDC	Treasury Advisors (Sector)
GLA/LFEPA	GLA/LFEPA	Catering (OCS)
TfL	LFEPA	Financial & Commercial Advice (Grant Thornton LLP)
MPA	LFEPA	Childcare Vouchers (Edenred (UK Group) Ltd)
MPA	LFEPA	Cleaning Consumables (Greenham)
TfL	LFEPA	Office Chairs (Interstuhl) (in progress)
TfL	LFEPA	Subscriptions and Journals (in progress)

4. Statutory Arrangements

Provided by:	Service provided to:	Service provided:
LPFA	LFEPA	LGPS Pension Services

5. Contractual/Voluntary/Other Arrangements

Provided by:	Service provided to:	Service provided:
TfL	GLA, MOPAC, LFEPA	Responsible Procurement function
GLA	Functional bodies	Intelligence Unit services (eg opinion research, and demography/policy analysis) provided on a largely ad hoc basis in response to specific requests
MPS	LFEPA	Dedicated network connectivity to the police national network for secure interagency email communication and storage of information

		classified as 'restricted'.
GLA	LFEPA	LFEPA Head of Finance (part-time)
LFEPA	GLA	Operational Seconded working for LRT
LFEPA	GLA	Emergency Planning Seconded for LRT
LFEPA	MPS	Seconded officer working within SO15 providing the single point of contact for urgent or sensitive operational issues of relevance to LFB
LFEPA	LWRB	Office accommodation at 169 Union St. This includes mail, IT and media services.
LFEPA	Various	Creative services for a number of external agencies and other Fire and Rescue Services. This includes re-branding for the UK Rescue Organisation and the LFB Welfare Fund and publicity and design for the Society of Procurement Officers annual conference.

12 June 2013

Len Duvall AM
Chair of the GLA Oversight Committee
GLA
The Queen's Walk
SE1 2AA

Dear Len

Thank you for your letter of 29 May 2013.

London Legacy Development Corporation is committed to securing value for money for taxpayers in delivering its objectives, including through outsourcing or sharing services where appropriate.

In the past year, our attention has been focused on building capacity to deliver urgent legacy priorities: procuring operators for Queen Elizabeth Olympic Park and venues, securing planning permission for the 8,000-home Legacy Communities Scheme, and delivering the £500m legacy transformation programme.

These have been highly specialised functions. In some cases, we (and our predecessor Olympic Park Legacy Company) built a team or procured services from scratch; in many cases we inherited contracts and staff from the London Development Agency, London Thames Gateway Development Corporation and Olympic Delivery Authority (ODA).

We are already commissioning corporate functions, including treasury management and committee clerking, from Greater London Authority. We have used GLA Group and other public sector procurement frameworks (including ODA and Government Procurement Service) for a wide range of services (including insurance brokerage, digital; marketing, event management, signage and wayfinding, civil engineering, demolition and M&E engineering, real estate advice, tax advice and property management), and have opened all our frameworks so that they are accessible by other GLA Group organisations.

We also share services with the East London growth boroughs, using their job brokerage services to help local people access opportunities in the Park, working with CREATE (a borough-led cultural consortium) on events, and operating in partnership with London Borough of Newham on all stadium-related matters.

In relation to the three specific areas that the Mayor prioritised in his budget guidance:

- We always consider what shared frameworks are available when procuring goods and services, and have made our frameworks usable by all parts of the GLA Group. We will also consider further, when Park opening and operations procurement has been completed, whether our procurement function could be merged with other GLA Group functions, or whether we might provide specialised procurement services to other parts of the Group.

- Our internal audit contract, which is of relatively small value (£100,000 over three years) will need to be re-procured this summer, and we will review whether another GLA Group body could provide this at a comparable cost.
- The Mayor did not specifically ask us to participate in the Single Property Unit, but we participate in this, and will continue to work with it, using the London Developer Panel when appropriate for new housing projects, and keeping our estates and facilities management requirements under review (these are currently contracted out).

As the Park begins to re-open from this summer, we will enter a more stable steady state of operations, and we plan to explore further areas for shared service delivery, with a particular focus on generic corporate services. Our proposals will be developed over the next twelve months.

I hope this information is helpful, and would be happy to answer any further questions.

Yours sincerely



Neale Coleman
Deputy Chair

✓ Copy to: John Barry, Clerk – GLA Oversight Committee

Len Duvall AM
City Hall
The Queen's Walk
London
SE1 2AA

13 June 2013

MOPAC040613-13329

Dear Len,

Re: Shared Services

Thank you for your letter dated 29 May 2013 which was in relation to shared services, requesting that each of the functional bodies outline existing provision and future plans.

I, in tandem with the Mayor, am absolutely committed to seeking to get best possible value for MOPAC's spend and am committed to using shared services wherever appropriate. MOPAC already shares a significant number of services and facilities with the MPS. Where those are connected to location or supporting core business, it is mutually beneficial to share with the GLA.

I have outlined below the services MOPAC provides to others and the existing shared services / collaborative procurement arrangements benefiting MOPAC.

Table 1: Existing Shared Service / Collaborative Procurement Agreements

Service	Existing Arrangements
Internal Audit	MOPAC provides audit services to the MPS, MOPAC, GLA and LPFA.
Payroll	This service is contracted out and covers both the MPS and MOPAC. The service is provided to MOPAC at nil cost.
Vetting	The MPS provides a shared service to MOPAC.
Pensions	This service is contracted out and includes MOPAC and the MPS.
Occupational Health	The service is provided to MOPAC by the MPS at nil cost.
Communications	An informal agreement has existed with the GLA since 2011 and is part of the shared service provision discussed at the Oversight Committee meeting.
Mobile telecommunications	MOPAC benefits from using Transport for London's existing framework agreement.
ISIT	Following the relocation to City Hall the GLA's Technology Group is providing IT services to MOPAC. The MPS terminals are supported by the MPS.
Payments	Invoices are processed by the MPS at nil cost to MOPAC.

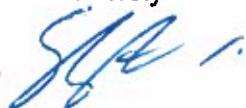
Procurement	The MPS provides MOPAC with: <ul style="list-style-type: none"> • advice; and • rewards contracts on behalf of MOPAC. MOPAC benefits from the terms of the contract and given the purchasing power of the MPS this can be significant. For example, the provision of temporary staff.
Legal	Transport for London provides legal advice to MOPAC. The MPS also provides some additional advice at nil cost particularly in relation to property issues.
Finance	The MPS undertakes the management of the financial / accounting systems e.g. SAP. This cost is met within existing MPS budgets.
FM	MOPAC is benefiting from the provision of certain facility management services following relocation to City Hall.
Stationery	MOPAC benefits from a competitive MPS contract.
Archiving	MOPAC is benefiting from Transport for London's framework agreement.
Telephony	The MPS provides telephony services to MOPAC colleagues based at Empress State Building. The GLA provides telephony and out of hours switch board services to MOPAC colleagues based at City Hall.
Postal services	The MPS provides an internal mail delivery service to MOPAC.
Freepost service	Following the relocation to City Hall, MOPAC is now able to use the GLA's Freepost address in preference to separate provision.
Bulk printing	MOPAC benefits from collaborative procurement agreements through the MPS.
Couriers	MOPAC is on the MPS's framework agreement which is also used by colleagues at the GLA.

Table 2: Plans for the Future Sharing of Services

Service	Progress to date
Treasury Management	The GLA will provide treasury management services to MOPAC, as outlined in the GLA's Oversight Committee report presented on 21/6/13. It is expected that the service will operational as soon as possible after the Mayoral Decision has been formalised.
HR	MOPAC remains committed to working with GLA colleagues to agree the scope of the shared HR service but, as discussed at the Oversight Committee, this is on hold for a few weeks.

I do hope that this response sufficiently assures you of MOPAC's continued commitment to sharing services with others and of our very significant contribution to this Agency agenda. I welcome the opportunity for MOPAC to attend future meetings of the GLA Oversight Committee to progress this important area of work.

Yours sincerely



Stephen Greenhalgh
Deputy Mayor for Policing and Crime

MAYOR OF LONDON

Len Duvall OBE AM

Chair of the GLA Oversight Committee
London Assembly
City Hall
The Queen's Walk
London SE1 2AA

Our ref: MGLA030613-8179

Date:

03 JUL 2013

Dear Len

Thank you for your letter of 29 May.

Transport for London (TfL) is committed to sharing services with other bodies and reviewing operating models to assess the value of outsourcing or in-sourcing various aspects of its operations.

TfL already provides a number of services to the GLA including Legal and Procurement. In addition, TfL uses a number of other public sector procurement frameworks for a wide range of services (including photocopiers, franking machines and carpets for example), and has opened up many of its non-transport specific frameworks so that they are accessible by other GLA Group organisations.

TfL is proactively working with the London boroughs on a number of projects, notably the new London Highways Alliance Contracts. This is a major initiative on London Highways to work collaboratively across London to deliver significant savings to all parties.

In relation to the three specific areas that the Mayor prioritised in his budget guidance:

- TfL always considers what shared frameworks are available when procuring non transport specific goods and services. This is incorporated into the formal governance and templates used by procurement officers.
- TfL Internal Audit has undergone substantial internal change over the last several years following the collapse of the PPP contracts and the internal change project 'Horizon'. There has been a focus on integrated assurance across the organisation, with the Health, Safety and Environment and technical compliance audit functions being transferred into Internal Audit so that all audit is delivered in one place. TfL Internal Audit regularly engages with other GLA Group auditors on areas of mutual interest.
- On property a major new collaborative vehicle, the London Development Panel contracts, were recently let by TfL procurement. TfL is actively supporting the work of the Single Property Unit programme led by Richard Blakeway. At a meeting on 4 June 2013 a project to complete a full review of property related contracts was agreed and the initial results are expected by early September.

MAYOR OF LONDON

I trust this information is helpful and would be happy to answer any further questions, including in the evidence session in November.

Thank you again for writing to me.

Yours ever,

A handwritten signature in blue ink, appearing to read 'Isabel Dedring', written in a cursive style.

Isabel Dedring
Deputy Mayor for Transport