



LONDON FIRE BRIGADE

Decision title

Strategy for Facility Management Services Provision

Recommendation by

Assistant Director, Finance

Decision Number

LFC-0307-D

Protective marking: **OFFICIAL**

Publication status: Published with redactions

Summary

Report LFC-0322 set out that it was agreed in February 2019 and subsequently in June 2019 that the existing KBR FM integrator contracts for the LFB estate would be terminated and a new Target Operating Model (TOM) for the delivery of Property and FM services across LFB is needed. The LFB Head of Property has considered several options to deliver this model which are outlined in report LFC-0322.

Report LFC-032 seeks approval to progress the preferred delivery model (Option 2) to implementation. This option recommends bundling the current suite of circa 18 contracts plus the integrator services into 4 primary service contracts. This option scored the highest when assessed against the LFB strategic criteria (set out below), aligns to the current contract expiry dates and delivers the optimum balance of internal management and efficient outsourcing to secure value for money and streamlined services.

Report LFC-0332 will be followed by a series of five recommendations that will be required to deliver the final Target Operating Model (TOM). Following papers are targeted between March and December 2020 and will elaborate to confirm the proposed costing and structure for each of the remaining service bundles; (1) Soft services (2) Hard services (maintenance and repair), (3) Audit, (4) Computer Aided Facilities Management System (CAFM/MI/Finance and Helpdesk, plus (5) the proposed organisation design and ways of working (WoW) for the Property Function including the principles of reinvestment into a new structure for the LFB property function.

Decision

That the London Fire Commissioner

- a) Approves the proposed strategy for the delivery of facilities management for the Brigade, subject to the further detailed papers on each of the required service bundles. The report also includes estimated inflationary increases for Property contracts over subsequent financial years. Inflationary requirements for 2021/22 onwards will be considered as part of the budget process next year.

- b) Report LFC-0332 recommends that additional one-off expenditure of [REDACTED] for a specialist consultant is approved to deliver the proposed operating model. This cost will be contained within the existing Property Services budget for 2020/21.



Andy Roe
London Fire Commissioner

Date **This decision was remotely signed on Friday 3 April 2020**

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LONDON FIRE BRIGADE

Report title

Strategy for Facility Management Services Provision

Report to	Date
Corporate Services DB	4 February 2020
Commissioner's Board	12 February 2020
Deputy Mayor's Fire and Resilience Board	24 March 2020

Report by	Report number
Head of Property	LFC-0307
	FRB-0108

Protective marking: **OFFICIAL**

Publication status: Published with redactions

Summary

It was agreed in February 2019 and subsequently in June 2019 that the existing KBR FM integrator contracts for the LFB estate would be terminated and a new Target Operating Model (TOM) for the delivery of Property and FM services across LFB is needed. The LFB Head of Property has considered several options to deliver this model which are outlined in this paper.

This paper seeks approval to progress the preferred delivery model (Option 2) to implementation. This option recommends bundling the current suite of circa 18 contracts plus the integrator services into 4 primary service contracts. This option scored the highest when assessed against the LFB strategic criteria (set out below), aligns to the current contract expiry dates and delivers the optimum balance of internal management and efficient outsourcing to secure value for money and streamlined services.

This paper will be followed by a series of five recommendations that will be required to deliver the final Target Operating Model (TOM). Following papers are targeted between March and December 2020 and will elaborate to confirm the proposed costing and structure for each of the remaining service bundles; (1) Soft services (2) Hard services (maintenance and repair), (3) Audit, (4) Computer Aided Facilities Management System (CAFM/MI/Finance and Helpdesk, plus (5) the proposed organisation design and ways of working (WoW) for the Property Function including the principles of reinvestment into a new structure for the LFB property function.

Recommended decisions

That the London Fire Commissioner

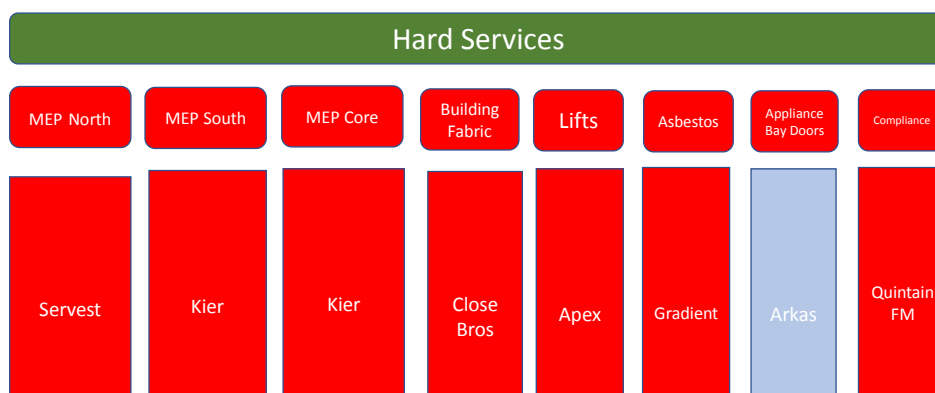
- a) Approves the proposed strategy for the delivery of facilities management for LFB, subject to the further detailed papers on each of the required service bundles. The report also includes estimated inflationary increases for Property contracts over subsequent financial years. Inflationary requirements for 2021/22 onwards will be considered as part of the budget process next year.

- b) This report recommends that additional one off expenditure of [REDACTED] for a specialist consultant is approved to deliver the proposed operating model. This cost will be contained within the existing Property Services budget for 2020/21.

Background

1. The current LFB facilities delivery model uses the MOPAC integrator contract which was awarded to KBR. A full analysis of this model is available in the earlier LFB papers (Appendix 1). Beneath the integrator are an array of c18 singular siloed service contracts, some are common across the estate or in the case of MEP (Mechanical Electrical and Plumbing) sit into three geographical Lots, North, South and Core.
2. The original value of the integrator was [REDACTED] and included three main service lines (Appendix 2):
 - CAFM/ Help Desk – Intelligent Contact Centre (ICC)
 - a) Computer aided facilities management system (CAFM)
 - b) An intelligent contact centre (Help Desk)
 - c) Management information and reporting
 - Management Information, Reporting and Audit
 - d) Monitor and measure the performance
 - e) Monitor and review data and management information across the supply chain
 - f) Provide accurate analysis of performance and resolution of issues
 - g) Audit of the supply chain
 - Supplier Procurement, Supplier Management and Finance
 - h) Procure the supply chain
 - i) Financial management, commercial audit & payment
 - j) Value for money and benchmarking
3. Since the decision in 2019 to exit the KBR contract, KBR and LFB have been demobilising supply chain procurement (h) however all the remaining services are still live. The current value of the KBR services is [REDACTED]. KBR have confirmed that they will continue to provide the remaining services until a full demobilisation at the end of Q4 20/21 when the ICC (Help Desk) services will cease.

Fig 1: Current contract model Jan 2020





4. The current contract specifications are broadly sufficient for the requirements of LFB. However, they do not encourage modern working practices such as Real-Time reporting, innovation from the supplier nor collaboration across service streams. The contracts do not align to any specific industry standards in their outputs.
5. In the case of MEP, the Property Department's largest revenue spend category, they do not add to the strategic benefit of the LFB in terms of asset performance and system reliability or substantially add to any sustainability targets. The contract models and payment mechanisms are punitive whereas contemporary contracts both penalise suppliers should their performance not satisfy criteria designed to ensure customer satisfaction and value for money but also provide incentives for recovery of previous poor performance.
6. The current facilities contracts were not all procured with the required underlying data set. The rates for certain PPM and Statutory tasks are below market rate. To address this the Property team have undertaken an Asset Verification process with both MEP suppliers and the Building Fabric supplier that is nearing completion. However, there is no data available for building Net Internal Areas which is a vital aspect in reliably procuring and managing Cleaning services
7. The MOPAC's security restrictions surrounding full access to CAFM data has hindered LFB's Property Team substantially. This combined with the limited estate audit function in the KBR contract has created a challenge for LFB to effectively implement suitable ways of working in verifying the compliance of the estate beyond the KBR assurance. This includes risk management, health, Safety and Environmental issues, Business Continuity responsibilities and difficulty of obtaining one version of the truth in terms of outcomes and reporting data compared to live information
8. It is useful to note that the background context beyond LFB as the market for facilities management services has undergone some significant structural changes in recent years. The Integrator Model whilst working in some aspects for clients, has not improved service quality substantially and it not does demonstrably provide Value for Money. Direct management models typically seek to create effective structures to support the organisation and users, whilst the Integrator may aim to maximise the leverage obtained from the expenditure, focusing on cost, and not necessarily aligning with the wider estate's needs. The Integrator model can also miss opportunities to lever advantages from the bundled or integrated FM services and management approach.
9. The Integrator model is often substantiated by having a large number of supplier contracts to manage. This has created challenges for LFB in the current diversified model. For example the two MEP providers do not share a common platform of CAFM. As the Integrator's suite of services has been gradually switched off, PPM maintenance

scheduling and reporting has now been devolved to each service supplier (Servest and KIER). Each company’s service methodology is different and provides the Property Team significant challenges to drive compliance and service consistency.

Proposed model – options considered

10. The strategic objectives of LFB in relation to its estate moving forwards have primarily been determined by the overarching strategic objectives of the LFB. These have been used to evaluate the options considered in this paper to ensure that LFB property delivers effectively and meets the future requirements of the Brigade during and post transition.

Fig 2: Table of strategic criteria

LFB Strategy Priorities	Investment Objectives
The best people and the best place to work	Improved Service Delivery - service levels under the new contracts support move towards improved performance of maintained and compliance of LFB estate New service scopes to heighten performance and simplify management.
Seizing the future – challenge and transform	New services to provide sufficient flexibility to match requirement for increased public use of premises and the changing LFB Operational requirements
Delivering excellence	Improved efficiency – allowing economies of scale and preventing duplication Additional audit contract to provide technical expertise, independent assurance and improved risk mitigation. Provides LFB with earlier sight of potential risks and reduces the likelihood of unexpected issues.
Outward facing	Improved Management Information - improved levels and transparency of management information are made available to LFB
GLA collaboration (In addition the GLA collaboration requirement has been considered)	New services and model to provide sufficient flexibility to enable increased collaboration on contract procurement across the GLA group

11. The proposed delivery model comprises three pillars: service delivery, audit and management (including the helpdesk). Within this structure three delivery models were considered on a progressive scale of bundling FM contracts without an integrator or managing agent interface. Service delivery in all the options assumes projects derived from PPM maintenance and reactive (asset failure in life) will be delivered by the hard FM supplier. However step in options would be available if required and high value projects over a set threshold (capital or revenue) would be out of scope and tendered.
12. Audit in all the models would be supported by a 3rd party independent audit contract that will provide assurance on statutory maintenance, legislation change, supplier performance via site audits and allow ad hoc quote checking and additional ad hoc technical resources.
13. Performance supervision and contract administration in all three models is deemed the responsibility of LFB Property. To effectively deliver this the Property Department will need to invest in improved ways of working, technical development and a review of the current organisational design. These will be the subject of the full business case to follow. LFB would be supported by a management contract which would allow LFB full access and live information.
14. Full in house delivery by LFB including a helpdesk and CAFM system being delivered by LFB employees using the existing service contract model and supply chain was not scored as an option as this is not aligned to industry practice for an organisation of this size and would require LFB to purchase and maintain Information Systems (CAFM) to align to suppliers in the market. Implementing this proposal would take significant time and resources which do not align to the current requirement to demobilise KBR.
15. Option 1 is to undertake minimal contract bundling resulting in 6 main contracts and 8 smaller specialist contracts. MEP would be consolidated under one supplier, however building fabric would remain separate. Security services would not be included in the soft services package. This option is closely modelled on the current contract suite so has the lowest service disruption, however it retains the current inefficiencies of having multiple suppliers with their own CAFM and helpdesk systems. A higher number of contracts requires LFB to align multiple service lines and continually undertake procurement activity.
16. Option 2 is to undertake enhanced bundling resulting in 4 main contracts with 8 smaller specialist contracts. Soft services and physical security would be consolidated into a single contract. MEP Building Fabric, security systems, BMS monitoring join together to create MEBF. This option will allow LFB Property to retain control on discrete services in an efficient and manageable model. Looking ahead the Soft services contract could be deemed indirect services and aligned to the GLA collaboration model
17. Option 3 is Light Total Facilities Management (TFM). This would comprise a single contract covering all FM services, with separate assurance from an audit & compliance contract and a BMS specialist. This would generate the benefits of consolidated spend and is an accepted market model. However this model creates dependency on a single supplier which may not allow LFB to fully address the KRB challenges. This model does

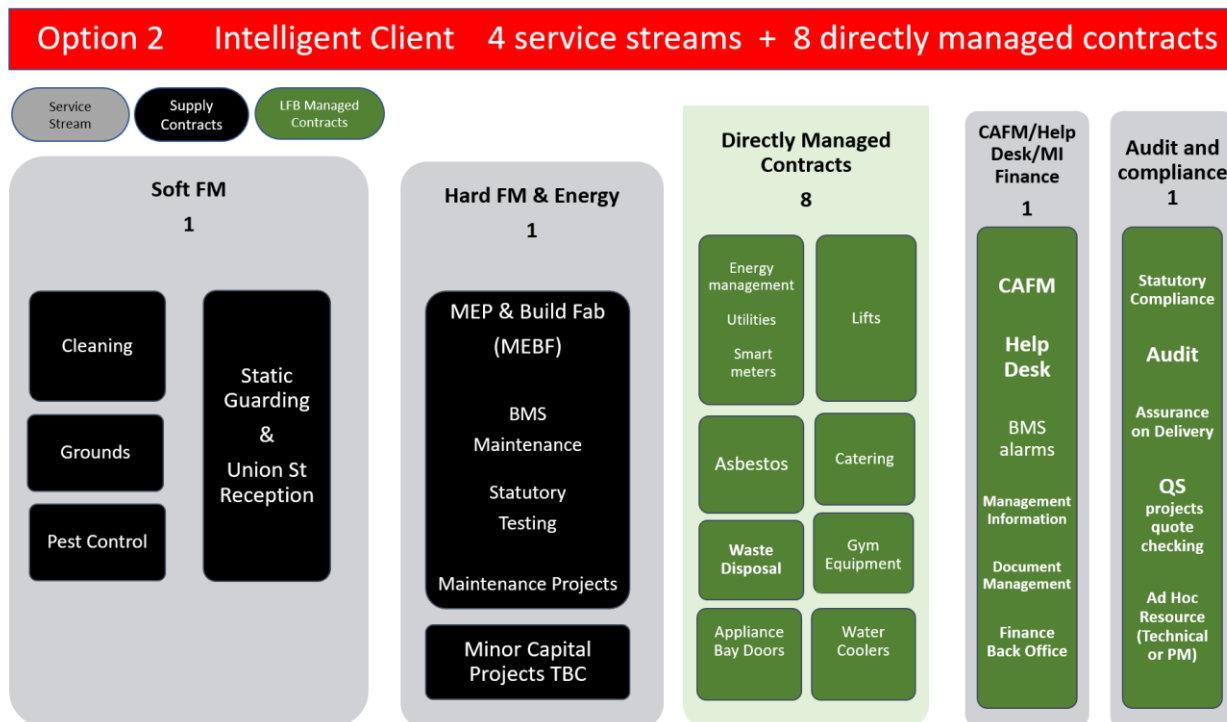
not align to the current contract end dates. However LFB could progress to a TFM model in future should they wish to bundle their primary contracts further in the future.

	Critical Success Factor 1 – improved service	Critical Success Factor 2 - flexibility	Critical Success Factor 3 – Efficiency	Critical Success Factor 4 – Management Information	Critical Success Factor 5 – Collaboration opportunity	Total (/5)
Option 1 6+8	Pass – new services would be bundled to allow single point of contact for multiple service lines while being able to identify individual services streams for user reporting	Pass – An array of service suppliers can provide greater flexibility by spreading the risk and demand across a wider supply chain	Fail – Does not fully lever financial or service consistency across the work packages	FAIL – The remaining distinction between the maintenance and fabric contracts does not support a single MI platform and seamless services	Pass – estate changes can be factored into new services contracts.	3/5
Option 2 4+8	Pass – new services would be bundled to allow single point of contact for multiple service lines while being able to identify individual services streams for user reporting	Pass – An array of service suppliers can provide greater flexibility by spreading the risk and demand across a wider supply chain.	Pass – Minimal number of supplier bundles to reduce helpdesk duplication	Pass – Sufficient bundling to allow clear accountability for work packages	Pass – estate changes can be factored into new JV’s ‘mission statement’.	5/5
Option 3 TFM	Fail – single point of service is achieved however there is a risk of disproportionate impact should the supplier performance fail.	Fail – One supplier for all services prevents competition and flexibility to Customer to choose alternatives	Pass - One Supplier with Integrated Ways of Working Single Management Team and diluted overheads – Value for Money.	Pass - One Supplier with in-house Help Desk and CAFM, Integrated Ways of Working and deployment of technology,	Fail - Single Source supplier with more likely to collaborate with its own supply chain rather than share across wider MOPAC	2/5

Proposed model – Outline Benefits

18. The main benefit of Option 2, the bundled service model, is improved efficiency and alignment to the LFB Property aspiration to deliver a more joined up user focussed service. The degree of bundling proposed should allow accountability within LFB Property for discrete services but also facilitate more collaborative engagement than is possible with array of suppliers. Allied to the rationalisation of service streams is the need for Operational Resilience – the capability to withstand events which threaten to interrupt business continuity. Bundling to 4 main contracts should create a supply chain that has the critical

mass and a greater resource capacity will improve speed of response should there be a need to invoke an emergency operation or recovery plan.



19. Grouping spend into a smaller number of contracts is intended to enhance the LFB buying power. However as the larger TFM suppliers will often sub-contract 'Specialist' facilities management services, Option 2 allows LFB to engage with local SMEs to deliver those specialisms including lifts, waste and gym equipment maintenance.
20. Option 2 differs from TFM by aligning to the current contract expiry dates which supports the evolution to the recommended model and will allow time for developing the scopes and specifications, developing the Property Team's ability to manage the new contracts and ensure the procurement of the new contracts is as comprehensive and methodical as possible.
21. As the 4 new contract bundles are secured the new specifications will predominantly be output based, underpinned by service standards. A service matrix will be provided to bidders at the tender stage that will set out the specific services required for each property within the initial scope of the competition.
22. To provide the clarity for the internal LFB team and Supplier, the contract will need clear and unambiguous contract terms and processes which allow both parties to fully support the user experience. The contract terms and requirements need to be beneficial to both LFB and Supplier and provide a fair approach to failure and innovation. Key to the suite of contract documents are the mechanisms to enable performance for the benefit of all end users. These mechanisms are;
 - Contractual requirements set against clear standards which fully outline the service streams legislative, operational, environmental and sustainability requirements.
 - A mechanism for back to back terms and conditions and consistency in MI and data should services be subcontracted within the bundle

- The specifications for each element of service should clearly outline which parts are included in the fixed fee and those which are subject to additional cost (see item f.) either against a Task Schedule of Rates, Schedule of Rates or tendered provision
 - Live access to service specific management information via the CAFM/Helpdesk system
 - Focussed and specific SLAs and KPIs which do not set the Supplier on a route to failure or drive them to submit risk based costs beyond LFBs budgetary constraints
 - An audit process delivered by both FM Supplier and contractually aware LFB representative. Audit outcomes are to be agreed onsite to avoid lengthy and disruptive negotiations on mitigations.
 - A clear and demonstrable path of mobilisation outlining TUPE requirements, systems and equipment deployment, training and establishment of business as usual practices.
 - Clear cost of service delivery which allows LFB to switch on or switch off service lines as the Estate flexes through reorganisation, procurement of new property or disposal of old.
 - Clear costs of additional services and variable works captured in both Task Schedules of Rates and Schedules of Rates (Labour charges). The task schedule of rates can be aligned to elements of service such as costs for deep cleaning of carpets per square meter and cleaning of curtains and blinds through to the schedule of rates which can be sued for more specific services such as costs for additional cleaners and specialists
23. If performance does drop below acceptable standards, then the contracts will require the Supplier to outline their route to recovery, the milestones to be measured through the period of recovery until such times that the improvement is either met or deemed as not recoverable. If all avenues of improvement have been exhausted, then the contract will have a mechanism whereby LFB has the ability to step-in on the current Supplier and deploy a suitable replacement Supplier. This replacement is funded at the failed Supplier's expense.

Project Management and Procurement

24. The Crown Commercial Services (CCS) Framework RM3830 will be used to procure the elements of the Hard and Soft Service bundles. The specifications and contract requirements will be amended to fully support and outline LFB's requirements and objectives. Bespoke and relevant KPIs, SLAs and performance standards, focused on backing LFB's core requirement, will be embedded in the suite of contract documents for new Suppliers to tender against.
25. CCS Estates Professional Service (EPS) Framework Lot 4 (FM-related Audit & Monitoring Services) will be used to procure the audit bundle. The A&M Contract will provide some key components to audit and aid tactical and strategic management of FM services with technical site audits, value for money checks, validation of our FM Providers Key Performance Indicators
26. The Computer Aided Facilities Management Systems (CAFM/Helpdesk/Management Information (MI) and finance bundle will be procured from CCS Framework 3830. Investigations are ongoing regarding the most suitable methodology to use and will be confirmed in the following paper on this service line.

27. The 8 additional smaller contracts will be linked into the CAFM system and procured and extended as required by LFB using the most suitable framework or process as recommended by procurement. For example the Gym Contract currently uses the MOPAC framework to reproduce and reasons for not including in bundle which is deemed to be performing satisfactorily.
28. For all the bundles the selection of the successful tenderer will be based on a process that evaluates both the cost and quality of contractor's tenders. This is a process and ratio suitable to ensure that best value is achieved through the careful assessment not only of tender cost, but also the contractor's financial and insurance status and their services in relation to use of resources, skills and experience, quality control, health and safety and environmental processes. The contracts would include task schedules of rates alongside priced packages as an output based approach.
29. In the interim LFB is currently in discussion with KBR to determine if they would continue to support LFB with the current ICC and Management Information service until end of financial year 20/21 to facilitate an effective procurement timeline. This will be the subject of side agreement and LFB will officially terminate the integrator contract at a mutually agreed date.
30. In order to secure the recommended resources in this paper to facilitate this proposed FM structure and timeline the consultancy team will be secured via either an individual approach through the HAYS authorised system, or through a dedicated consultancy.

Outline Programme

31. To ensure that there is as little disruption to LFB as possible, the Property Department will mobilise the new model in alignment with the current contract expiry dates. This will require two short term extensions for the security and grounds maintenance contracts which will be covered in the soft services detailed paper.

Service Contract	Target implementation date
Soft bundle (Paper 1)	October 2020
CAFM/MI/Helpdesk/Finance (Paper 2)	March 2021
Audit (Paper 3)	Dec - March 2021
Hard bundle (Paper 4)	November 2021

Task Name	Duration	Start	Finish	Half 1, 2020					Half 2, 2020					Half 1, 2021					Half 2, 2021									
				J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N		
▲ Current Contract Expiration	491 days	Tue 14/01/20	Tue 30/11/21	[Gantt bar spanning from Tue 14/01/20 to Tue 30/11/21]																								
▷ MEBF Bundle	381 days	Tue 16/06/20	Tue 30/11/21	[Gantt bar spanning from Tue 16/06/20 to Tue 30/11/21]																								
▲ Soft Services	298 days	Tue 14/01/20	Fri 05/03/21	[Gantt bar spanning from Tue 14/01/20 to Fri 05/03/21]																								
▷ Cleaning	182 days	Mon 27/01/20	Wed 07/10/20	[Gantt bar spanning from Mon 27/01/20 to Wed 07/10/20]																								
▷ Grounds Maintenance	244 days	Wed 29/01/20	Mon 04/01/21	[Gantt bar spanning from Wed 29/01/20 to Mon 04/01/21]																								
▷ Waste Disposal	0 days	Wed 30/09/20	Wed 30/09/20	[Gantt bar spanning from Wed 30/09/20 to Wed 30/09/20]																								
▷ Pest Control	201 days	Thu 28/05/20	Fri 05/03/21	[Gantt bar spanning from Thu 28/05/20 to Fri 05/03/21]																								
▷ Security	274 days	Tue 14/01/20	Fri 29/01/21	[Gantt bar spanning from Tue 14/01/20 to Fri 29/01/21]																								
▷ CAFM & Helpdesk	209 days	Tue 14/01/20	Mon 02/11/20	[Gantt bar spanning from Tue 14/01/20 to Mon 02/11/20]																								
▷ Audit & Monitoring	180 days	Tue 14/01/20	Tue 22/09/20	[Gantt bar spanning from Tue 14/01/20 to Tue 22/09/20]																								
▷ Professional Services	201 days	Tue 30/06/20	Wed 07/04/21	[Gantt bar spanning from Tue 30/06/20 to Wed 07/04/21]																								
▷ Other	65 days	Fri 31/07/20	Fri 30/10/20	[Gantt bar spanning from Fri 31/07/20 to Fri 30/10/20]																								

32. Both the new suppliers and the internal LFB contract management teams will be required to have trained all staff delivering the FM services before the end of the mobilisation period to allow the successful testing of the service model before the end of the same period. Fire stations will be provided with comprehensive communications regarding the standard of soft services they should expect and how to report any variances. The ways of working will form the basis of the training thereby ensuring consistency of approach across both Supplier and LFB stakeholders and managers.

Risk and Dependencies

33. A key dependency to fully deliver the service bundles at a competitive price is the collation of building data including:

- A clear and unambiguous naming convention of buildings and their associated rooms/areas to be developed by LFB Property
- A complete set of building CAD plans and accurate GIA/NIA data. This will require circa 220 hours to complete from CAD plans plus spot check of onsite confirmations on a percentage of the estate.

34. The major risks are outlined below:

Table 2:

Risk	Mitigation
The Project has no contingency in terms of time and delay to any activity will lead to a delay of the project.	Secure contract extensions to proposed timeline Ensure sufficient resourcing in place to deliver project to agreed timescales. Implement robust governance around management of project
A new service bundle delivery partner is selected and may take time to get up to speed with the Project	The procurement exercise to select a provider has realistic timelines for procurement and mobilisation. Timelines for governance will require monitoring as they are outside of the project team's control
The LFB Transformation Programme will be placing unknown changes on the Project requirements.	Engage with transformation team to ensure that there is clarity around requirements.
FM team and Stakeholders may not be fully/properly engaged	FM team to actively drive specification content via workshops and 121s

	Stakeholder engagement strategy to be developed Workshops scheduled to ensure that Stakeholders are properly engaged
The FM Operational model and Contracts may cost more than is affordable/has been budgeted for	Obtain accurate building data to facilitate "Should Costing" against standard industry benchmarks Regular engagement with Finance representative
There is a risk that the /LFB and the supply chain may be unable to fully support solution technology.	Clear specifications to outline requirements at the start of the procurement process and a tender selection process which identifies any early failings in service provision Regular contact with supply chain & monitoring of situation to deal with as problems arise

Finance comments

35. The aim for Option 2 is to align to the current property budget excluding the cost for additional internal resources. The detailed budget requirement will be further refined in the subsequent five detailed service line papers. The current LFB property budget for FM and minor projects is below.

Technical and Service Support		
As at Period 09 (Dec) 2019/20		
Subjective		
2118 - Planned Building Decorations		
2126 - Planned Building Fabric		
2127 - Reactive Building Fabric		
2128 - Reactive MEP Works		
2129 - Reactive Small Works & Projects @30% spend		
2131 - Planned MEP Works		
2311 - Planned Grounds Maintenance		
2312 - Reactive Grounds Maintenance		
2321 - Premises Security		
2383 - Planned Pest control		
2384 - Planned Cleaning		
2385 - Reactive Cleaning		
2388 - Reactive Pest		
Total		
KBR Management fee		

36. Bundling the service lines would create the approximate budgets below. This will require further detailed analysis in subsequent papers as the property function is currently incurring an overspend due to the condition of the estate and the increased requirements from LFB Operations e.g. additional security. The budget includes an addition £0.5m approved for building fabric (2127) reactive work which was approved as part of the 20/21 budget setting process

KBR cost to date:

Year	Order	Order Value	Paid	Budget Allocated	Reserve	Total

37. Each year Property department is required to propose savings against the total approved budget. The potential not to be able to achieve any saving on this contract in the future only puts pressure on other budgets managed by Property to achieve the target. The tender process and contract pricing will limit the amount of flexibility which can be delivered from in contract spend reducing the Brigades ability to use variable services. Should the requirement for physical guarding increase due to a change in LFB security policy the Property budget will need to be increased to cover this cost.

38. An externally sourced specialist is required to write the CAFM system specifications, evaluate the tenders and mobilise the contract. The additional work cannot be absorbed into the current team so there is a need for additional support from a consultant. The

funding for the specialist consultant is within the Property team budget by utilising the KBR savings to date and pre-approved funds for the Property transformation project .

	Day rate	Days required	Weekly cost	Total
CAFM specialists	█	█	█	█

39. The specialist consultant would be outside the IR35 regulations and would not cover any permanent roles in the LFB team, as they are only required for this project, and of a specialist nature.
40. The specialist will be required to implement option 2 including ensuring the LFB readiness including reorganisation, develop change Management Plans, review asset data, deliver Training Plans/Facilities Management manuals/Security Clearance Schedul, Test the arrangements, manage any TUPE transfer, Implement all necessary IT interfaces, ensure Business Continuity Arrangements and develop performance reporting arrangements

Workforce comments

41. The workforce implications of the provision of the revised FM model supports a positive outcome for staff as benefits will be realised by a safer and improved place to work with more effective service provision. Property Services staff have been, and will continue to be, fully engaged in the development of the Target Operating Model (TOM); this has included an all-Property Services staff workshop on 9 January 2020 to discuss the team's purpose, vision and strategic objectives, and staff are currently being invited to a series of property discussion groups to focus in more detail on each property workstream. In addition team members are participating in site visits in January and February with the AD Property Services, which are providing these staff with a greater understanding of stakeholder perceptions. Property Services staff will be fully involved in the design of the new structure for the LFB property function as this unfolds in the coming months.
42. The recognised trade unions which collectively represent Property Services staff (GMB and UNISON) have been kept abreast of developments within the Joint Committee for Support Staff (JCSS), recently renamed the 'Joint Committee for FRS staff' (JCFRS). The AD Property Services attended the JCFRS meeting on 28 January 2020 and updated on progress in delivering the TOM. The trade unions were assured that they would be fully consulted with regards the revised Property organisation structure and ways of working in the coming months. It is proposed that after Corporate Services Directorate Board on 4 February 2020, this report, and the FM soft services provision report, are sent to GMB and UNISON (redacted as necessary in respect of commercially sensitive information) in the event the trade unions have comments on the proposed strategy, and these reports generally, which they wish to be reported to Commissioner's Board on 12 February 2020.
43. There are no anticipated TUPE implications for LFB as the proposed strategy would only require transfers between supplier organisations. This would include the 2 dedicated helpdesk staff in KBR Swindon as they would be covered by the CAFM/MI/Helpdesk/finance bundle.

General Counsel comments

44. 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.

45. 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").
46. 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 ██████████ or above as identified in accordance with normal accounting practices...".
47. 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"). Section 7 (2)(a) FRSA 2004 the Commissioner 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 Commissioner to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.
48. General Counsel also notes that the proposed service will be procured in compliance with the Public Contracts Regulations 2015 and the Commissioner's Scheme of Governance.

Sustainability implications

49. The project will be administered in alignment with the authorities sustainability policies. Details on the scope of how this project impacts on those policies is located within the SDIA (Sustainable Development Impact Assessment) completed for these works.
50. A registration with Construction Line (a pre-qualification scheme for UK based construction companies) would be a requirement for all tendering companies which includes checks to ensure all companies are compliant with the Modern Slavery Act. The minimum requirements set by Construction Line are:
 - a. All UK workers receive minimum wage and robust immigration checks. Further checks have also been made to ensure that the preferred bidder pays the London Living Wage and appropriate conditions will be included in the contract in line with LFC policy.
 - b. Map supply chains to identify where the highest risk and exposure to modern slavery exists; undertake site inspections; provide training to local employees and local suppliers and other initiatives to manage modern slavery risks
51. Pending agreement of this report's recommendations and establishment of the project board, sustainability expertise will be sought to advise on the sustainable objectives of this project. This will include sustainable cleaning products and maintenance techniques within the contract specifications.

Equalities implications

52. The Public Sector Equality Duty applies to the London Fire Commissioner when they make decisions. The duty requires them to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.



53. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
54. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse effect on any persons with a particular characteristic.
55. The level of involvement referred to in the paragraphs above show the determination that the existing staff members determine how the property function will look in the future and that posts are determined by necessity and performed by the correct individual without prejudice of any kind.

Consultation

[Note: this section is for internal reference only – consultation information for public consideration should be included within the body of the report]

Name/role	Method consulted
LFB Property Facilities Management lead	Meetings with stakeholder, email and telephone
LFB Procurement and Legal	Meeting with stakeholder, email and telephone
LFB Head of Stations and operational staff on site visits	Informal meetings with stakeholders to review current performance and areas for improvement

Appendix 1:

Related Documents		
Document Ref	Version	Title
 LFB Property and FM Business Case v2 17Feb		2019 Business case for In House Management
 FEP2430 - Property Services Review.pdf		2015 Business case for Integrator

Appendix 2:

Full KBR Integrator Service lines 2019	Cost
Procurement of FM Supply Chain	████████
Contractor Management of Supply Chain	████████
Verification of FM Supply Chain	████████
Building Management System	████████
Document Management	████████
Financial Management	████████
Intelligent Contact Centre	████████
Management Information and Reporting	████████
Performance Management	████████
Relationship Management	████████
Systems	████████
████████	████████