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# Water Supply Contract

**Report to:**

Investment and Finance Board  
Commissioner's Board  
Deputy Mayor's Fire Board

**Date:**

23 May 2024  
12 June 2024  
23 July 2024

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**Report by:**

Mitch Layng

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**Report classification:**

For decision

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**For publication**

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I agree the recommended decision below.



**Andy Roe**  
London Fire Commissioner

**This decision was remotely  
Date signed on 9 September 2024**

# PART ONE

## Non-confidential facts and advice to the decision-maker

### Executive Summary

This report seeks the approval of the Deputy Mayor for Fire and Resilience for London Fire Commissioner (LFC) to commit revenue expenditure as set out in Part 2 of the report for the provision of water supplies for the term of the contract.

The recommended contract is within the current London Fire Brigade (LFB) budget for water and includes additional strategic services. This contract will provide the data and the management required to assist with the implementation of LFB's water saving strategy and determine where and when water and financial savings can be made. It is recommended that the new contract is awarded to the successful supplier under the Northeast Procurement Organisation (NEPO) framework.

### For the London Fire Commissioner

That the London Fire Commissioner agrees to commit revenue expenditure of up to the amount set out in Part two of the report and that a contract for the provision of water supplies be entered into in accordance with the arrangements set out in Part Two of this report.

#### 1. Introduction and background

- 1.1 Report LFC-0666 to the LFC sets out the background for the request to approve expenditure for the LFB for the provision of water supplies for the term of the contract.
- 1.2 The current water supply contract with Wave, a water retailer who supplies to over 300,000 businesses and public sector organisations across the UK, is due to expire on 27 October 2024. Upon expiry, the provision of water supply would revert to a standard variable rate with the same provider. Wave has provided this service since 2018. The current contract was for a period of two and a half years. The metered water supplied under this contract is not used for firefighting purposes.
- 1.3 Since the baseline year of 2020/21, reductions were achieved each of the three years until 2022/23, but an increase of 8% was experienced in 2023/24. Overall, since the baseline year, a reduction of 9% has been achieved to the end of 2023/24. Wave have provided regular reports showing where we have constant flow on sites, and this data is used to check water wastage which has assisted with the savings mentioned. However, use of water varies depending on demand, and circumstances such as the number of incidences attended in a year will affect consumption, as more showers will be required. Currently this is difficult to measure due to the estimated readings.
- 1.4 The water supply industry is known for the lack of automated metering, with many bills produced based on estimated readings. This makes tracking costs and consumption

challenging. LFB are working with the retailer and wholesaler to provide a more accurate billing method to enable easier tracking of costs during the contract term. In addition, a process has been put in place to ensure accurate meter reads are taken regularly, which is fed back to the supplier to produce more accurate billing and enable easier tracking of costs. Separate to this contract, a trial of smart devices linked to water meters is also being implemented, which will provide accurate consumption data which can be used for billing. Implementation of the above will achieve more accurate meter readings and billing.

- 1.5 The water supply industry was opened up for competition in 2017, resulting in companies such as Wave being able to offer this service, with customers not being restricted to their local water authority. Thames Water will still be the wholesaler and authority responsible for the water supply network across London serving the LFB.
- 1.6 The procurement route recommended is to utilise existing compliant frameworks. Proposals from two frameworks have been received, the YPO framework, and the Northeast Purchasing Organisation (NEPO) framework. Both proposals are fully compliant in terms of specification and service required and the contract term will be three years. The recommendation is to proceed with the NEPO framework.
- 1.7 The NEPO framework specification includes additional benefits as follows:
  - a) Provision of optical meter read devices, enabling dashboards to be created on building management systems
  - b) Leakage fix and find services, identifying, locating, and fixing leaks.
  - c) Water audit site surveys, where opportunities for saving water can be identified.
  - d) An online portal providing immediate access 24/7/365. This will enable queries to be raised, viewing of historic bills, monitoring of consumption, and submission of meter reads.

## **2. Objectives and expected outcomes**

- 2.1 The aim to is to ensure a water supply contract is put in place that provides value for money and added value through improved service, which incorporates continuous improvement through the use of developing technology, monitoring and reporting. This contract will provide the data and management required to help implement LFB's water saving strategy and determine where and when consumption and cost savings can be made. An active water management service is included contract as an added value service.
- 2.2 The proposed contract would commence on 28 October 2024 and end on 31 October 2027. This is subject to the Deputy Mayor for Fire and London Fire Commissioner's approval being granted ahead of 1 October 2024. Should this not be possible the arrangements in the last paragraph in Part 2 under financial comments will apply until the contract commences.

## **3. Equality comments**

- 3.1 The LFC and the Deputy Mayor for Planning, Regeneration and the Fire Service 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: 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 It has been agreed with LFB's Equality Impact Assessment team, that an EIA is not required to be formally submitted, and that Wave, the supplier, has a diversity and inclusion policy that has been evaluated and approved by the EIA team.

## 4 Other considerations

### Workforce comments

- 4.1 There is no impact on workforce from this recommendation.

### Sustainability comments

- 4.2 This report discusses the provision of water supplies for LFB, including a water management service to monitor consumption which would provide benefits that could save water and money. In addition, the management and monitoring of water supplier performance and a new online portal will have a positive impact relating to water saving, carbon reduction and reporting accuracy.
- 4.3 Where new policies and/or corporate projects arise, they are subject to the LFB 's

sustainable development impact assessment process.

### **Procurement comments**

- 4.4 The procurement team reviewed the market and the various procurement routes available to the Brigade.
- 4.5 The route to market that has been determined to be used is the North East Purchasing Organisation (NEPO) OJEU compliant water contact.
- 4.6 NEPO is a purchasing organisation that sets up OJEU compliant agreements that buying organisations can access and benefit from.
- 4.7 NEPO tendered for a single supplier for their framework. The tender was for the management overheads only as the wholesale market element cannot be tendered.
- 4.8 This route is compliant with the PCR 2015 regulations and the LFB's Schedule of Governance.

### **Communications comments**

- 4.9 There are no specific communication impacts from this recommendation.

## **5. Financial comments**

- 5.1 This report seeks authority to commit revenue expenditure as set out in Part 2 of the report for the provision of water supplies for the term of the contract.
- 5.2 The maximum expenditure would be for and up to the amount set out in Part Two of the report.

## **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. Section 327D of the Greater London Authority Act 1999, as amended, 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 Section 1 of the Fire and Rescue Services Act 2004 states the Commissioner is the fire and rescue authority for Greater London.
- 6.3 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 Planning, Regeneration and the Fire Service (the "Deputy Mayor").
- 6.4 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...". The Deputy Mayor's approval is accordingly required for the Commissioner to expend the monies requested in this report as the expenditure exceeds that threshold.
- 6.5 The statutory basis for the actions proposed in this report, is provided by section 7 (2)(a) of the Fire and Rescue Services Act 2004, under which the Commissioner must secure the provision of personnel, services and infrastructure necessary to efficiently meet all normal requirements for firefighting.

- 6.6 The approach to this procurement activity is fully in compliance with current systems as the services will be tendered in accordance with the London Fire Commissioner's Scheme of Governance.

## List of appendices

Appendix	Title	Open or confidential*
	None	

## Part two confidentiality

Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part Two form, together with the legal rationale for non-publication.

**Is there a Part Two form:** YES