



LONDON FIRE BRIGADE

LFC-24-021

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## Reprofiling of Capital Funding - Additional Expenditure for Plumstead Fire Station and Lambeth River Station works

Investment & Finance Board

1 February 2024

Commissioner's Board

15 February 2024

Deputy Mayor's Fire and Resilience Board

22 February 2024

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Report by:

Assistant Director for Property and Technical Support Services (TSS)

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Report classification:

For decision

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For publication

# PART ONE

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

### Executive Summary

This reports the commitment of additional capital expenditure for the amount set out in the Part 2 report for ongoing works to Plumstead Fire Station and Lambeth River Station. The funding will be covered via savings achieved in the Capital Asset Management Replacement Programme (LFC-0533y and LFC-0614y and DMFDs 120 and 147) as detailed in the Part 2 report. Those savings have been achieved due to competitive pricing being received through use of established frameworks to tender the projects in the capital programme.

### For the London Fire Commissioner

1. Approves the reprofiling of the Property Services' capital programme to support the project requirements listed in this paper.
2. Approves the commitment of expenditure for the asset replacement works up to the amount set out in Part 2 of this report, which includes contingency allowance in the total.
3. Delegates Procurement Authority, as defined in Section 3 of the Commissioner's Procurement Standing Orders, to the Assistant Director Technical and Commercial for each works' procurement exercise.

### 1. Introduction and background

#### Capital Programme Savings

- 1.1 LFC 0533y and LFC 0614y (and DMFDs 120 and 147) provided governance approval for the property capital asset replacement programme over the last two years. Most of these projects are now complete, and the total spend is anticipated to be 15% below the original funding approval. This is due to effective procurement and management of the projects by LFB. Property officers express a high degree of confidence these savings will be achieved and details of how this saving was achieved are outlined in Paper 2. Of the 30 projects detailed in LFC 0533y and LFC 0614y, two of the projects were cancelled for reasons stated in the Part 2 report.
- 1.2 It is proposed that the savings from the capital programme be used to support enhanced specification for Plumstead Fire Station and provide contingency for the Lambeth River Station project.

#### Plumstead Fire Station

- 1.3 In 2019, expenditure was approved to refurbish and extend Plumstead Fire Station (LFC-0263x and DMFD50). Further additional expenditure was approved (LFC 0715y and DMFD171) in 2022 to bridge the gap between the tender submission and the approved budget. Construction subsequently commenced in October 2022.

- 1.4 In order for the refurbishment to align to the LFB Carbon Strategy published in summer 2022, a substation and new power supply will be required to achieve a carbon net zero fire station. This will remove all gas dependency from the station and move to electrical services only, including the domestic heating, hot water and appliance bay heaters. Expanding the electrical capacity will provide future provision for charging all-electric fire appliances. To achieve this the installation of a sub-station was required including larger incoming supply cables, larger LV switch panel (resulting in an additional small outbuilding to be constructed), new meter housing, changes to the foundation designs, additional trenching and changes to the small power installations throughout the building.
- 1.5 A consultant quantity surveyor has been engaged to manage and mitigate cost pressures as they arise. The claims have been assessed and Property officers have been supported by experts to negotiate the best outcome on these claims and secure an acceptable settlement in each case. These are outlined below:
- 1.6 Party wall award issues - Extended party wall negotiations with the neighbouring commercial premises resulting in delays to works and additional design costs.
- 1.7 Additional insurances - Additional insurances above and beyond what had been allowed for were required by General Counsel at an increased cost.
- 1.8 Sprinklers to roof void - During construction the sprinkler specialist identified that the size of the roof void would lead to a requirement for sprinklers to be installed within it.
- 1.9 Additional excavations - During the construction of the foundations a World War 2 bomb shelter and an old soakaway were discovered requiring additional excavations to remove.
- 1.10 Lead paint removal - During the work to the existing building testing identified that the walls, windows, all joinery and all metal work had at some point been painted with a lead paint. For areas where these elements needed to be removed there was a risk of exposing the workforce and station staff to lead, a risk to health.
- 1.11 Listed window supply - During the design stage the designers specified specific windows to the extension to meet the requirement of the listed building application. In the intervening period the manufacturer specified was no longer able to provide the required windows. The contractor therefore had to source an alternate supplier, which resulted in an increased cost.
- 1.12 Construction requirements- Additional steelwork was required to the bay doors, and additional wind posts are required for the extension. A number of minor variations, all of lower value than the others, relating predominantly to discovered items within the existing building once the demolition and strip out had been completed. Additional repairs adjacent to the new link building were required to link the new brickwork into the existing brickwork.

## **Lambeth River Station**

- 1.13 In 2020 LFC-0379 (and DMFD82) granted permission for the expenditure of up to £3.8m to undertake urgent works at the Lambeth River Station. This was to be funded by the river station maintenance project as Lambeth Fire Station was the original proposed decant location. Decant to Lambeth Fire Station is not viable as market research has demonstrated that there is no cost effective and available temporary pontoon that can be used to run the river boat service from Lambeth Fire Station.

- 1.14 In 2023, Babcock, as a verified and long-standing partner due to the current vehicle and equipment contract with LFB, were appointed as the contractor for this project. The works are programmed to commence on the 19 February 2024. The delivery window for this project needs to align with the River Thames tides and diversity. The linkspan for the River Station will need to be fully removed as part of this decant proposal.
- 1.15 The river station will be disconnected from the linkspan and towed to Greenwich to be secured to enable it to be towed to Lowestoft which includes it going out to sea. When the river station arrives in Lowestoft it will be lifted into dry dock to enable the whole of the river station to be viewed.
- 1.16 The river station will then undertake a complete inspection which may identify additional remedial works. Due to the length of time without being sufficiently inspected it is anticipated that some additional remedial works will be required on the river station however, it is unknown what these will be. Allocation the saved funds to this project will provide contingency in readiness for this project and supports the additional cost to the project of removing the linkspan.

## 2 Objectives and expected outcomes

- 2.3 The approval of further capital expenditure will ensure that the full project scope for Plumstead Fire Station and Lambeth River Station are delivered.

## 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: 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 EIA has been produced and is attached to the report as an appendix. The key aspects of this are covered in the EIA for the projects listed above.

## 4. Other considerations

### Workforce comments

- 4.1 Officers ensure that the station commander and watches of the fire stations are kept informed throughout the feasibility consultation process and subsequent construction process. At Plumstead the project team is currently engaged with staff to address queries on the location of the substation and the drill tower.
- 4.2 Staff consultation has been ongoing throughout the Lambeth River Station project and representatives of the FBU are informed of the proposals. Consultation completed in January 2024.
- 4.3 Within the Property function projects will be allocated to staff based on their area of expertise and their capacity.

### Sustainability comments

- 4.4 Sustainable development impact assessments were completed and agreed with the Sustainable Development Team at the time of approval for both Plumstead Fire Station and Lambeth River Station. This report does not pose any further impacts.

### Procurement comments

- 4.5 Required works will be tendered in accordance with the Commissioner's Code of Practice on Tenders and Contracts and the Commissioner's external professional consultants will prepare an award report summarising the results of the evaluation using the price and quality ratio stated and using the criteria included in the tender documents. The tenderer with the highest score will be recommended for the award as the most economically advantageous tenderer to carry out these works.
- 4.6 Where possible, the Brigade tries to utilise existing frameworks for tendering works, in accordance with the Greater London Authority (GLA) collaborative procurement approach. LFB is not currently in scope to use the TFL minor works framework however LFB is exploring the suitability of using existing framework agreements including the MET construction framework and other public sector frameworks for delivering major and minor building projects. The replacement of bespoke assets may not have a suitable framework, in this instance such works will be tendered using the InTend portal which gives LFB access to registered suppliers

alongside the other national police and fire and rescue services. A further requirement is that all tenderers will be reviewed using Constructionline to confirm and give assurance that they have the appropriate certifications including insurance and the relevant health and safety systems.

- 4.7 The successful contractor will be the one that achieves the highest overall score for price and quality following the evaluation by the tender assessment panel.
- 4.8 Each of the projects is estimated to be below the Public Contract Regulations (PCR) works threshold of £4,733,252 negating the need to conduct the procurement part of the process in accordance with the PCRs.
- 4.9 In order to ascertain the scope and financial costs involved in these projects, the Property project managers commissioned feasibility reports for the more complex proposed works. These feasibility reports are produced by external quantity surveyors, and technical experts who have been appointed through the current LFB framework agreement to produce a detailed cost estimate for the schemes. The feasibility reports (where available) as background information to this report. where possible benchmarking from previous feasibility reports has been undertaken to estimate the required value.
- 4.10 The Part 2 shows a breakdown of the anticipated pre-tender feasibility costs or Property Services estimated cost for each package of works. The tables highlight key financial elements in delivering the works. A more detailed breakdown of the feasibility cost plans is available as background information to this report. Procurement colleagues have advised on the required contract variations that may be needed to enable these works to proceed.
- 4.11 Associated with the costs of the paper are the capitalised staff costs to deliver these works. No additional staff will be added for these projects and the works are already included in the capitalised staff costs of the capital project team.

#### Communications comments (\*drafted by Property)

- 4.12 Communications are already supporting the Lambeth River Station and Plumstead projects and they are included on the project boards.

## 5. Financial comments

- 5.1 This report seeks approval to use the underspend within the LFC reports LFC 0533y and LFC 0614y capital delivery programme for 2022/23 and 2023/24 to fund Plumstead refurbishment project and Lambeth River Station remedial works additional requirements.
- 5.2 The financial implication is set out in Part two of this report. See recommendation in Part 2.

## 6. Legal comments

- 6.1 This report seeks approval to commit capital expenditure set out in more detail in part 2 to make improvements to the Estate.
- 6.2 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.

- 6.3 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 Fire and Resilience (the "Deputy Mayor"). 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...". Accordingly, the capital expenditure set out in more detail in Part 2, requires prior approval.
- 6.4 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.
- 6.5 General Counsel advises that all proposed tenders for any remedial works must be carried out in accordance with the Public Contracts Regulations 2015 ("the Regulations") and the London Fire Commissioner's Scheme of Governance (Part 3 Standing Orders Relating To Procurement).
- 6.6 The remedial works to the Estate will ensure the Brigade can operate efficiently and effectively.

## List of appendices

Appendix	Title	Open or confidential*
1	EIA	Open

## 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