



Report title

## Integrated Equipment & Logistics Project (IELP) - Update

---

Meeting

Date

Resources

12 January 2018

---

Report by

Document Number

Head of Procurement and Technical Service & Support

FEP 2812

---

Public

---

### Summary

This report provides an update to the Committee on the progress of the Integrated Equipment & Logistics Project (IELP) following the decision at the Resources Committee meeting on 21 July 2017 (FEP 2757 and FEP2757X) to create a new combined PEG (Protective Equipment Group) and BDC (Brigade Distribution Centre) to be called the Technical and Logistics Centre (TLC).

In FEP 2757 and FEP 2757X (July 2017), officers reported that they would update Members once a site had been secured and premises for the new TLC have now been identified in south Croydon. Associated lease and legal documents have been prepared such that the securing of the premises is anticipated imminently. In parallel with this, the project brief has been prepared and associated design work for the fit out has been substantively progressed.

In addition, as reported in FEP2757 the existing BDC lease requires extending and the extension of the existing lease for the old Brigade Distribution Centre has been provisionally agreed.

Commercial aspects of the above are reported in the accompanying Non Public report.

### Recommendation

That the contents of the report be noted.

## **Introduction/Background**

1. Following the appointment of Babcock Critical Services Limited (Babcock) to the Vehicles and Equipment Contract, it was agreed that the Protective Equipment Group (PEG) would not be included within that contract arrangement, but instead be the subject of a business development review in order to improve its operation.
2. In July 2015, the Resources Committee (FEP2464) agreed that the development project be expanded to seek a broader based solution incorporating the key logistics elements of PEG, the Brigade Distribution Centre (BDC).
3. On 16 September 2016 (FEP2646) it was noted that the development of a new fully integrated logistics function needed to take into account the proposal to build a new training centre on the existing PEG site at the Croydon fire station and the IELP project was relaunched.
4. Following updates in January 2017 (FEP2689) and March 2017 (FEP2713), Resources Committee agreed on 21 July 2017 (FEP 2757, X and A) to create a combined PEG and BDC facility to be called the Technical and Logistics Centre.

## **Technical and Logistics Centre (TLC)**

5. On 21 July 2017 (FEP275, X and A) members agreed to create a combined PEG and BDC called the Technical and Logistics Centre. and Officers carried out an extensive search for premises for the new TLC. with a provisional shortlisting presented to Members at the July 2017 Resources Committee.
6. The evaluation process concluded that the Authority's preferred site was an existing industrial unit on Pegasus Road in Croydon ('Pegasus'). The relative advantages of Pegasus over the other sites was that it is in Croydon close to existing PEG / BDC premises with benefits for staff, has two generous yards areas with advantages for logistics and staff parking, is an existing unit with the added advantage of being an existing industrial unit (relative to other options which are to be built), and represents the most favourable financial terms of the available options. A reserve site was also identified, which was a future industrial unit to be built in 2018. Both options were actively pursued and provisional offers were made on both as agreed by Members in FEP2757, until terms were agreed and solicitors instructed on the preferred site Pegasus.
7. In FEP2757, Members authorised the Head of Procurement and TSS in consultation with the Head of legal and Democratic Services to acquire the new premises. The Agreement for Lease for Pegasus, which signifies the contractual commitment between the parties, is now complete and was signed on 19<sup>th</sup> December 2017. This will now be followed by a period of works for the Landlord to improve identified condition items following which the Lease shall commence. A Licence for Alterations will also be entered into at the same as the Lease, due to the need to complete a substantial fit out to create the new Technical and Logistics Centre.
8. Commercial details of the above are provided in the Non Public report, as well as the results of the evaluation criteria including commercial assessment.

## **Project Delivery**

9. In parallel with acquiring the lease for the Technical and Logistics Centre at Pegasus, Officers have substantively developed a project brief with the end users of PEG and BDC to lay out the new premises in the Pegasus building. This has involved detailed engagement with both PEG and BDC staff.

10. The Pegasus industrial unit requires a substantial fit out to make the industrial unit suitable for the purposes of the TLC. In particular, this involves the introduction of a mezzanine structure in the main warehouse to increase floor area, and the specialist fit out associated with PEG's air and oxygen operations.
11. Consultant project managers / cost consultants Burke Hunter Adams (BHA) and designers the Fulker Consultancy were appointed to develop the design, secure planning approvals and oversee the appointment of a building contractor to complete the fit out works.
12. The Authority has engaged Fulkers to carry out an investigation into the floor loadings of the site. This is as a result of a discrepancy identified when we received the construction/design documentation from the letting agent. The original advice received was that the floor loadings were 50kn/meter squared however the documentation revealed that the loadings were actually 37.5 kn/meter squared. The structural engineer acting on behalf of the Authority has been engaged to undertake this investigation. We have been informed that this is a minimal risk and that 37.5 kn/meter squared is ample loading for the equipment we intend to house in the premise.
13. The programme from the consultant project managers is awaited (due December 2017) and the below represents Officers best estimates on project delivery. The timetable as set out below accords with the timetable for the completion of the new Training Centre which has a current go live date of early 2020.

Agreement for Lease – November / December 2017  
 Landlords Works (Condition items) – November / December 2017  
 Lease Starts – December 2017

Project Brief Prepared on Pegasus Site – August / September 2017  
 Scheme Design Starts – October 2017  
 Submit Planning Application – TBC  
 Planning Approval – TBC  
 Building Contractor Appointment / Start on Site – Early 2018  
 Completion – November 2018  
 PEG move into new premises – December 2018

14. Further to the above, officers have negotiated a short term extension to the lease of the existing BDC in Croydon, which was due to expire in October 2017. Commercial details of the lease extension are provided in the Non Public report.

### **New name of the premise and PEG/BDC**

15. Staff at both PEG and BDC have suggested that the combination of the services and the move into the shared facility is an opportune time to re-name the functions to better reflect the services provided. Discussions have been held by both teams and agreement has been reached on the new premise being named the "Operations Support Centre" (OSC) and the combined function to be re-named the " Operations Support Group" (OSC). All staff at PEG and BDC agree that the operational nature of their services is better served by this title than the original suggestion of "Technical and Logistic Centre" (TLC).

## **Capital and Revenue Costs**

16. Capital and Revenue Costs are reported in the Non Public report.

## **Staffing Implications**

17. The new Technical Services & Logistics Group will continue with its current operating and staffing model however this will be reviewed following the relocation into new premises and the introduction of any new logistics model to ascertain if there are opportunities to deliver further efficiencies.
18. Consultation with staff and Representative Bodies will continue and will inform any proposed changes to the staffing structure for the new Technical Services & Logistics Group.

## **Financial implications**

19. The financial implications are reported in the Non Public report.

## **Programme and Implementation Plan**

20. See above.

## **Head of Legal and Democratic Services comments**

21. Legal completion is expected to have occurred prior to the date of this meeting so an update can be given then to confirm this. By negotiating a short term flexible lease at the existing BDC premises, we have ensured that there will be a smooth transition to the new TLC once initial works have been satisfactorily completed.

## **Director of Finance and Contractual Services comments**

22. FEP2757 approved a new development for the Technical and Logistic Centre to house the combined Protective Equipment Group (PEG) and the Brigade Distribution Centre (BDC). This report advises that an existing industrial unit on Pegasus Road, Croydon has been selected for the new Technical and Logistic Centre. The leasehold premises will require a substantial fit out to create the Centre and the provisional timeframe indicates that the new site will be operational in December 2018.

23. The financial implications of the above are detailed in the Non Public report.

## **Sustainable Development implications**

24. Alignment to the Authority's sustainability policies shall will be considered as part of the building fit out design.

## **Staff Side Consultations undertaken**

25. Ongoing consultation has been undertaken with representative bodies and the Head of Procurement and TSS previously met with Unison to discuss issues as they have arisen.

## **Equalities implications**

26. An Equality Impact Assessment will be carried out for the new TLC and regarding any proposed changes to current processes and working patterns.

---

**List of Appendices to this report:**

None

<b>LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<b>List of background documents</b>	
1. FEP 2464 16 July 2015	
2. FEP 2646 16 September 2016	
3. FEP 2689 13 January 2017	
4. FEP 2713 17 March 2017	
5. FEP 2757, X and A 21 July 2017	
Proper officer	Head of Procurement and Technical & Service Support
Contact officer	Rhys Powell
Telephone	020 8555 1200 ext 31265
Email	<a href="mailto:Rhys.powell@london-fire.gov.uk">Rhys.powell@london-fire.gov.uk</a>