

# London Fire Brigade (LFB) - New Headquarters (HQ) Project

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Investment & Finance Board	01 June 2023
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Deputy Mayor's Fire and Resilience Board	27 June 2023

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Report by:

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For decision

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# PART ONE

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

### Executive Summary

The lease at London Fire Brigade (LFB) HQ in Union Street (US) comes to an end in March 2027 and to address this, LFB have developed a Strategic Business Case presenting options for HQ accommodation beyond that date.

It is now necessary to commit expenditure to develop the options further so that planning permission can be sought, and an informed decision made on the way forward.

This paper's main purpose is to seek agreement to the initiation of a project to take this work forward and to delegate authority to make the necessary expenditure up to the next decision point in Summer 2024.

### For the London Fire Commissioner (LFC)

The LFC has considered the attached report and agrees that:

1. A project is initiated, and a project team is established to carry out the next phase of feasibility and planning work on a preferred site for a new LFB HQ, and to consider other options as detailed in the business case.
2. Authority is delegated to the Assistant Director of Property and Technical Support Services that expenditure can be committed in accordance with Part Two of this report.

In doing this it is recognised:

- A. That there is a risk (should planning permission not be forthcoming or a change of direction is necessary for other reasons) that significant portions of the work carried out during the next stage could be rendered nugatory.
- B. That key aspects of the project are as follows:
  - i. that it may be necessary to consider transitional arrangements between occupation of the current HQ and the new facility (e.g. a short extension at US or use of temporary office space),
  - ii. that the new HQ arrangements will be significantly smaller than US, designed to be an agile facility that supports hybrid working,
  - iii. that the options being progressed to the next stage include risks and costs etc. as detailed in the Strategic Business Case.

### 1. Introduction and background

- 1.1 The Lease for the current LFB HQ at 169 Union Street (US) expires in March 2027.

Renewing the lease is for US is an option, although this would present significant challenges. The building is much too large for LFB needs, with a number of sub-tenants including the GLA and MOPAC currently also based in the building, although sub-tenants are not committed to staying beyond the lease end. In addition, the building does not support effective energy performance or accessibility requirements. The building would be difficult to sub-let to multiple non-government bodies without significant work due to its lack of secure divisions between floors.

- 1.2 Discussions between the LFB property team and LFB corporate management in 2022 have identified an overriding requirement that a new HQ should have a strong brand to support LFB pride and purpose. Since then, the 2022 Independent Culture Review recommended that the expiry of the HQ lease in 2027 should be used as an opportunity to improve integration of LFB senior leaders and HQ staff with operations, while the Greater London Authority Group accommodation strategy indicates a moratorium on new leased space external to the GLA Group (subject to operational need). On this basis solutions have been sought which refurbish/ extend an existing fire station to create a new HQ.
- 1.3 The preferred option based on its fit with project objectives and the feedback from senior management, is to carry out a construction/refurbishment project at an existing fire station to provide a central HQ and augment this with additional HQ office accommodation in the remaining fire station estate. Further work is necessary in order to prove feasibility of this option and, until that is completed, other options as presented in the business case must be pursued concurrently.

## 2. Objectives and Expected outcomes

- 2.1 A detailed Strategic Business case for the project is attached to part two to this report and includes information on objectives, selection of options, costs, risks and plans for delivery.
- 2.2 The overall objective is to provide continuity of suitable LFB HQ accommodation beyond the end of the lease at US. This will entail having suitable accommodation ready by the end of 2026, although at this stage the options of putting in place transitional arrangements (eg serviced offices) has not been ruled out.
- 2.3 The objectives set out for the project in the business case are as follows:
  - **Estate objectives (draft):** fully support the delivery of LFB services, be environmentally sustainable, used efficiently, shared with community and partners whilst retaining a strong LFB identity and inclusive to users.
  - **HQ specific Objectives:** allowing LFB branding to support LFB pride and purpose, attracting and retaining staff and facilitating collaborations (staff and partners)
  - **Independent Culture Review:** addressing recommendation 13 to consider greater integration of HQ with LFB operations.
  - **GLA Group accommodation strategy:** Delivering a Freehold or existing GLA leasehold option if operationally possible.
  - **Delivery objectives:** being deliverable by the end of 2026, being affordable for LFB, providing acceptable value for money overall.
- 2.4 The options for provision of an HQ facility beyond the end of the lease at US in 2027 are set out in the business case and fall into the following main categories:

- **Do nothing** – remaining in the whole of current Union Street building (US) (subject to any plans by the landlord which could preclude this)
- **Remaining in US but using a smaller footprint** (needs landlord agreement and action)
- **Moving to suitable rented office accommodation** in a commercial or GLA building
- **Refurbishing and extending a fire station** on the LFB Freehold estate to create a new HQ

### Preferred option

- 2.5 The preferred option based on its fit with project objectives and the feedback from senior management, is to carry out a construction/ refurbishment project at an existing fire station to provide a central HQ and potentially augment this with additional HQ office accommodation in the remaining fire station estate.
- 2.6 This option can help address the recommendation of the 2022 Independent Culture Review to integrate HQ with operations, as well as the objective of providing an LFB branded facility to support LFB pride and purpose. This option requires more up-front capital expenditure, but can also provide savings in rental costs over the long term. More information about this choice is contained within the Strategic Business Case.
- 2.7 Further work is necessary in order to prove feasibility of this option and, until that is completed, other options as presented in the business case must be pursued concurrently.

### GLA Group collaboration

- 2.8 An agreed principle of the GLA Group Accommodation Strategy is that moving to a GLA Group building should be considered a preferred option for office relocations. A divergence from this principle would require agreement with the GLA Group Collaboration Board, on which LFB is represented.
- 2.9 One option considered during development of the business case was a move to Transport for London's Palestra building. The feasibility of this option will be assessed, although at the present time it is considered unlikely to prove feasible. TfL's latest estates strategy makes provision for GLA Group organisations currently occupying space at US – other than LFB – to relocate to Palestra in late 2026. While TfL's current estates strategy doesn't allow for Palestra's use as the LFB HQ, it is important that costs and benefits of moving to a building such as Palestra are fully understood as part of investigating the "move to suitable rented office accommodation in a commercial or GLA building" option. On that basis, while the option for LFB to move into rented office accommodation is being retained for consideration alongside the preferred option, the potential location of this accommodation has not yet been determined and will be considered during the next stage as necessary.
- 2.10 LFB will continue to proactively engage with GLA Group and other existing US occupants, including in staff engagement exercises. We will remain open to modifying its plans to align with or accommodate partners' plans. Plans for a HQ at a refurbished and extended fire station on its freehold estate should, where possible, enable continued collaboration between operational and HQ staff and those of the other GLA Group organisations and key partners. This will help ensure that any collaboration gains enabled by co-location at US are not lost in any move. Enabling collaboration within the GLA Group will therefore be an explicit objective of, and criteria within, the assessment of options in the next phase of the project
- 2.11 Officers from the GLA Group Collaboration team have been consulted during the drafting of this decision.

## Potential use of fire stations for part of the office requirement

- 2.12 All options (except “do nothing”) include an assumption that the main part of the HQ requirement will be provided in a central site with the remainder in refurbished parts of existing fire stations. This approach will be reviewed at the next stage as more information is made available on deliverability and design considerations for relevant sites.

## Approval sought and risks

- 2.13 Approval is being sought to commit expenditure and resource in order to continue to investigate the feasibility of the preferred option (refurbishing /extending an existing fire station to create an HQ) whilst keeping other options open. This will involve establishing a project team to develop the feasibility of options, prior to making a final decision in Summer 2024 (at the point where planning permission is expected on the preferred site).
- 2.14 Risks for the project going forward are detailed in the business case but at this stage it is important to note the following key points:
- **There is potential for transitional accommodation becoming necessary:** Due to the timescale imposed by the US lease end and the uncertainties inherent within planning processes and building projects there is a strong possibility of a delay causing the new facility to not be ready in time for the end of the US lease. This will lead to the potential for a temporary HQ office facility to be put in place pending the completion of the new facility.
  - **The new HQ footprint will be smaller:** The expectation is that the new HQ facility will be significantly smaller than the current HQ to take account of hybrid working and reflecting a move to a smaller more agile HQ design. There is a risk that the building could be under sized, particularly if staffing numbers (or average time worked in the office) increase between now and 2027.
  - **Potential for some of the work at the next stage to be rendered nugatory:** Because the work being carried out at the next stage involves uncertainties in respect of gaining planning permission there is a possibility that a proportion of the outputs will be rendered nugatory. This could happen if planning permission proves unachievable within the timescale, or a change of direction is necessary due to other factors. Much of the work (including the staff engagement and development of design concepts for the smaller more agile future HQ solution) will however be unaffected by issues concerning a specific site and will remain useful whichever option is pursued.

## Next Stage

- 2.15 The work necessary for the next stage between now and summer 2024 is:
- Ensure that a full staff engagement exercise takes place in order to inform an inclusive building design. This exercise will be drawn up in collaboration with colleagues from other existing US occupants, to ensure they can engage with their own staff on future accommodation plans.
  - Complete necessary site surveys and develop the building design to a sufficient detail for submission of a planning application (RIBA stage 3).
  - Make a planning application to the local authority.
  - Continue to work on all other options pending confirmation of the feasibility of

a capital build option.

2.16 Progression through the next stage of the project will involve two main areas of expenditure:

- A. **Professional fees:** To support construction project management, development of the design brief, planning pre-application enquiry and stage 2 planning enquiry, full site surveys, concept design of building to Royal Institute of British Architects (RIBA) Stage 2, Developed design (RIBA stage 3), Planning application and engagement/determination. In order to progress this, it is anticipated that a single multi-disciplinary service provider will be procured.
- B. **LFB Project team:** Overall Project Management, reporting, support for the project board, procuring construction PM, Architect and Cost Consultant, engaging with HQ based departments and staff, gathering full requirements, engaging with stakeholders including the local council, engaging with teams and team leadership, engaging with people services regarding smart working strategy and supporting policies, progressing the design and refurbishment of fire station estate to accommodate de-centralised capacity of the current HQ office solution as well as the main central part, ensuring full communication with staff and the establishment of support for the project across the brigade.

2.17 A breakdown of the estimated cost for this work is provided in the Part 2 report.

### 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 early-stage Equalities Impact Assessment has been undertaken indicating that the project will have a Low impact on equalities because there are no adverse impacts predicted at this stage. The EIA will continue to be developed during the next phase the project which will put staff consultation and equalities at the centre of the design process to ensure alignment with the provisions of the Equality Act 2010.

## 4. Other considerations

### Workforce

4.1 The US building currently has c 780 staff assigned to it. The next phase of the project will include creation of a project team that will ensure that a full process of engagement/consultation takes place with staff, trade unions and equality support groups / users of HQ facilities. This will also require formal negotiation with the trade unions collectively (in particular this is because staff locations are a contractual term and condition for FRS staff). The team will work with LFB People services to ensure that new ways of working are taken into account and that the design of the office and additional facilities which support service delivery across all occupational groups is based on a thorough understanding of the needs and requirements of the workforce of LFB and other required uses of new HQ accommodation. As set out above, any staff engagement exercise will be drawn up in collaboration with colleagues from other existing US occupants, to ensure they can engage with their own staff on future accommodation plans.

### Sustainability

4.2 One of the project's objectives is to deliver environmental sustainability – capital build options will be aiming for at least a BREEAM Excellent rating and sustainability will be built into consideration during the process of design and / or selection of buildings. The project team are working with LFB Sustainable Development team and will carry out the necessary Sustainability Impact Assessment during the next stage of the project.

### Procurement

4.3 The current project team are working with Procurement and Commercial Department



(Assets and Estates) on the development of a procurement strategy which is fully compliant with LFB Scheme of Governance and Standing Orders relating to procurement to ensure timely procurement of necessary services whilst providing sustainable and value for money solution.

## **Communications**

- 4.4 The next phase of the project will involve the production of a developed design (RIBA Stage 3) and planning application.
- 4.5 The main focus of communications for this stage of the project will be with the future users and defining LFB corporate and individual department requirements of a new HQ. It is intended that a comprehensive workplace survey will be undertaken allowing all staff to contribute. In addition, focus groups will be formed to seek further information on user requirements. Equalities Support Groups will also be engaged with.
- 4.6 Feedback from the staff engagement process will be used to directly inform the design process which will support new ways of working.
- 4.7 In the run-up to a planning application the correct levels of engagement with the local community will be considered very carefully based on advice from architects and planning consultants and engagement with the local planning authority.

## **5. Financial comments**

- 5.1 Under part two of this report, commercially sensitive information is disclosed. As part of this the requirement for both feasibility funding and potential capital funding is set out across the range of options.
- 5.2 The feasibility expenditure will be contained by drawing forward elements of the existing capital plan. There is already a sum set aside in 2025/26 for the HQ project.
- 5.3 In terms of longer-term capital costs, these will need to be incorporated into the future capital plan along with the associated financing of any such project once given approval and this will be developed throughout the budget setting process, with the next draft submission due in Nov 2023.
- 5.4 This will also have a significant impact on the revenue budget. Again, this will need to be incorporated into the budget setting process in terms of potential savings and investments required in order to deliver the preferred option.

## **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. 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.
- 6.2 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").
- 6.3 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...”.

- 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. Provision of a suitable headquarters building falls within this remit.
- 6.5 General Counsel notes that the proposed tenders will 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).

## List of appendices

Appendix	Title	Open or confidential*
1	Equality Impact Assessment	Open
2	Sustainable Development Impact Assessment Checklist	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