



Forest Gate PS BCU FBC Update paper

MOPAC Investment Advisory & Monitoring meeting 7 June 2024

Report by Vince Fihosy on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – COMMERCIAL

EXECUTIVE SUMMARY

On the 6th March 2024 Forest Gate PS suffered significant damage due to a major fire within the building. This paper seeks funding approval for the procurement strategy to reinstate the building.

Recommendation

MOPAC is requested to note and approve the following:

1. **Note the approval** under the Scheme of Delegation to the Director of Commercial Services for the procurement and award of professional services, including Project Management, Cost Management and Specialist Technical Support Services at a cost of up to £500k. These appointments will use the existing approved MOPAC framework for the provision of professional services.
2. **Approve** the granting of delegated authority to the Director of Commercial Services to procure replacement IT equipment via MPS approved suppliers to a value not exceeding £2.3m
3. **Approve** the granting of delegated authority to the Director of Commercial Services to award a design & build pre-construction services agreement (PCSA) of up to £3m for enabling works to facilitate the development of final designs and to commence site clearance, strip out and early stage construction works, so as to maintain the safety and integrity of the building and reduce the time until the building is refurbished and available for operational use. This appointment will use an approved MOPAC framework for construction works.
4. **Approve** the granting of delegated authority to the Director of Commercial Services to award the construction works contract to the appointed Design & Build contractor upon receipt of a lump sum price, subject to a maximum total project cost of £22.3m (including the costs identified at (1), (2) and (3) above), of which a maximum of £10.0m is to be allocated from the Basic Command Unit (BCU) funding within the approved Capital budget. The remaining funding will be provided by others – namely the insurance claim plus the award of already accepted Public Sector Decarbonisation Scheme (PSDS)

Stage 3B grant funding application. This appointment will use an approved MOPAC framework for construction works.

5. **Approve** under the Scheme of Delegation, and in compliance with the PCR 2015 (Regulation 72), to uplift the threshold for the Building Works Framework Lot 4, Operational Support and Dangerous Structures lot from £1m to £1.5m to facilitate call-off and award of urgent orders required from the approved framework supplier for emergency works as part of the initial response to the fire damage and further work to protect the building from further risks.

Time sensitivity

A decision is required from the Deputy Mayor by 16/07/2023, the standard advised earliest available date post-IAM.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

1. Forest Gate Police Station is now temporarily closed since a fire caused significant damage on 06 March 2024. The building was a 24/7 operational site for front line staff and Police and an integral building within the estate strategy, supporting the New Met For London (NMFL) plan. It also provided public access via the Front Counter for residents in the LB Newham.
2. This FBC update paper concerns the building-wide refurbishment of Forest Gate Police Station which was recently significantly damaged by both the fire and the firefighting response. Recovery is progressing well and the refurbishment will be managed by PSD using the existing Professional Services framework contracts in place for these type of works, in addition to a contractor (D&B) appointed from the procurement-compliant Southern Construction Framework (SCF).
3. The proposed works will rebuild and repair the damaged parts of the building. There is also the opportunity, subject to available funding, to further upgrade the building to provide a functional and fit-for-purpose solution to meet the needs of the NMFL Plan, ensuring that the building is refurbished to a modern and fully renewed standard. The works will also incorporate a decarbonised heating system, for which Stage 3B PSDS grant funding has already been allocated, meaning that no additional funding will be required to achieve this.
4. The proposed works comprise four separate elements delivered under one project. These are:
 - a. Reinstatement to the 'as was' condition including replacement of the roof, the construction of a new 3rd floor and internal refurbishment throughout the building as a result of fire and significant water damage;
 - b. Replacement of damaged furniture, computers, printers, shredders, server equipment and other IT systems damaged following the fire;

- c. Enhancements to the “as was” condition to meet improved security and current and future operational BCU requirements – this includes replacing the life expired and insecure windows and external doors (which were not seriously damaged by the fire), creating modern open plan space throughout the building, improving the operational security of the building and creating additional open plan office space on the third floor in place of the original locker rooms; and
- d. Additional works required to bring the building up to NMFL standard, recognising that we will need to clearly articulate and gain approval for the additional elements of this in terms of design and cost. This will be done as part of future Executive Committee (ExCo) update papers.

Issues for consideration

- 5. The redevelopment of Forest Gate is crucial to supporting operational policing in east London, and to delivering the “Fixing our Foundations” stream within the NMFL strategy. If this scheme is not approved, operational policing for this area of London will have to continue to be provided from existing poor quality space at Plaistow and Stratford, both of which will require significant investment if they are to be retained.
- 6. Our current assessment is that the available budget in the Forward Works Programme remains sufficient to deliver the residual BCU Refurbishment schemes. Future papers will make recommendations on the works required to deliver refurbishments to the remaining BCU sites.
- 7. This proposal will provide a modern, fit for purpose operational facility, with c. 60% of the required funding expected from insurers and external grant funding. The MOPAC investment will provide much needed improvements to site security, Front Counter, office space, lockers and locker room accommodation and improvements to overall staff welfare. The rationale for the proposed investment will not be impacted by any decisions likely to be made as the estates strategy is further developed.
- 8. The refurbishment of Forest Gate Police Station will directly contribute to the delivery of the qualitative benefits of increased building utilisation, increased staff satisfaction, increased victim and user satisfaction, and more efficient use of officer time. These, together with the Estate Strategy objectives of investing and enhancing the quality of accommodation can only be realised through modernised accommodation that facilitates agile working patterns. The designs that have been procured through this scheme reflect officer growth, new ways of working and the approved new 350mm wide standard locker.

Contributes to the MOPAC Police & Crime Plan 2022-25¹

- 9. The Mayor wants London both to be a safer city and for Londoners to feel safer. To deliver this vision the Police and Crime Plan sets out some key areas for action which include: Reducing and preventing violence; Increasing trust and confidence;

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

Better supporting victims.

10. The MPS teams at Forest Gate PS support various units whose work is critical to keeping all Londoners safe. The refurbishment will provide a modern facility to accommodate the operational needs, will ensure staff, data and equipment are kept safe and supports the MPS plans to meet its Net Zero Carbon ambitions.

Financial, Commercial and Procurement Comments

11. The total cost of the refurbishment and the split of cost between insurers and MOPAC will not be confirmed until the design is developed and tendered in early 2025. Whilst very early, high-level cost estimates have been prepared, these require validation as designs are progressed. Further, a number of issues remain unconfirmed (for example the extent of water damage to electrical systems, which cannot be confirmed until they have fully dried out and have been tested). Once these tests are completed, negotiations will be progressed with the loss adjuster on how much of these costs are recoverable under our insurance policy and what is considered by the insurers to represent “betterment” that must be funded by MOPAC. A formal estimate of the full refurbishment cost is not expected until Summer 2024 and the firm lump sum cost and the amount recoverable from insurers will not be confirmed until early 2025.
12. Initial assessments of the likely range of costs for both the repair of the fire and water damaged building and for the enhancements to the building required to meet NMFL and BCU operational requirements and are shown in the table below. Additionally, a contingency allowance of 10% has been applied, given the level of uncertainty around the level of recovery from insurance.
13. In recognition of this uncertainty and in order to minimise the time required to deliver this project and return Forest Gate to an operational position, this paper requests permission to develop the design to a firm lump sum price and for approval to award the necessary works, subject to expenditure remaining within the following predefined caps:
 - An insurance claim covering building repairs, furniture and IT systems of up to £15m;
 - MOPAC funding of up to £10m from that allocated for the BCU Programme within the approved Capital Plan;
 - An already awarded PSDS grant of £500k;
 - A maximum total cap on spend for repair and redevelopment of the Forest Gate building of £22.3m
14. It is currently unclear what costs can be recovered from insurers and what will be construed by them as betterment. Therefore, while the total approved spending cap has been set at £22.3m, the individual caps for MOPAC funding and for the expenditure of insurance monies are individually larger than the total spend cap.
15. For the reasons outlined above, the current cost estimates are high level ROM costs. Based on available information, we have developed the reasonable estimates that are included in the recommendations, however, they will be

validated over the forthcoming 9 months and we are proposing to provide an initial update report to ExCo in September/October 2024 as costs are further developed, and again in February/March 2025 once both the full redevelopment costs and the split between insurance recovery and MOPAC funding are confirmed.

16. The estimated total project cost for the redevelopment of design at Forest Gate PS is £22.3m. There is no expected impact on revenue (either cost or saving) as a result of the project.
17. The Decisions recommended are supported by Commercial Services. In consultation with the Commercial Team it is recommended that the proposals for the building refurbishment are managed under a Design and Build contract with an independent Cost and Project Manager and Technical Advisor.
18. The appointment will be made via two compliant routes, as follows:-

- Design and Build contractor (D&B) to be appointed on a pre-construction service agreement (PCSA) via the Southern Construction Framework (SCF). This is the optimum route to market for higher value construction schemes, where design development (a single point responsibility for both design and construction) is utilised.

This contractor would have responsibility for site safety, design service to RIBA Stage 4 and the provision of a competitively-tendered proposal. In order to accelerate the delivery programme, approval is also being sought to award the full construction contract once the firm price has been agreed, subject to the total project cost not exceeding a predetermined cap of £20m, of which a maximum of £7.5m would be funded from the MOPAC approved Capital Plan. The remaining £12.5m is funded via the approved PSDS grant funding and the insurance claim. Should any of these caps be exceeded, further approvals will be sought.

- Project and Cost Management services and Technical Support services via the approved MOPAC professional services framework.

Compliant call-off appointments have already been made by PSD under the MPS Scheme of Delegation and Consent, with a contractor appointment for emergency access works and structural survey using the MPS Building Works Framework Lot 4 (Operational Support and Dangerous Structures supplier) and the MPS Professional Services Lot 1 (Design Services) for a feasibility study to ascertain the scope of work and Rough Order of Magnitude (ROM) costs to inform this report and decisions required.

19. It is noted, as part of the Decisions required, that an uplift to the Building Works Framework Lot 4 is required due to the costs incurred to date to meet the emergency at Forest Gate PS. Lot 4 provides PSD's OSG team with access to an approved contractor capable of responding at short notice for a variety of emergency trades plus tasks required for operational policing demands. This Lot is now heavily committed and now requires an uplift to its lot threshold from £1m to £1.5m to accommodate further OSG requirements.

20. The commercial agreements required to deliver this project will be procured and awarded in full compliance with the Public Contracts Regulations (PCR) 2015 and the MOPAC Scheme of Delegation.
21. The decisions recommended for approval by MOPAC are supported by Commercial Services, and it is confirmed that the award of contracts as set out in the Decisions Required paragraph will be made through MOPAC approved frameworks, following compliant call-off procedures. These frameworks are:
- MPS Professional Services Framework 2022- 2026 (design services for all project values); and
 - Southern Construction Framework (construction works and services over £5m in London and the South East), for which MPS/MOPAC are an identified framework user having entered into a User Agreement.
22. With regard the expenditure of the PSDS grant, a previous DMPC Decision PCD1268 - NZC PSDS Funded Projects Approval, received in September 2022 included the approved recommendations as follows:
- Delegated authority to be granted to the Director of Property Services to spend the MPS Forward Works (FW) budget within the approved capital plan, up to a value of up to £2.5m per site, the range of which is illustrated in the costs identified in the early feasibility studies completed at this stage
 - Delegated authority to the Director of Commercial Services for the procurement and award of both Consultant and Contractor contracts to undertake the design and construction of the PSDS Funded projects. All appointments will use the relevant MOPAC framework, other than those on the PFI sites, which will be delivered using the change process set out in the PFI Agreements.

23. London Anchor Institutions' Charter².

The MPS is committed to:

- Addressing the Negative Economic Impact of Covid 19
- Narrowing Social, Economic and Health Inequalities
- Supporting Young People and Providing Opportunities
- Supporting Communities Heavily Impacted by the Pandemic
- Advancing the Delivery of the Net Zero Carbon initiative

As part of their appointment onto the MPS frameworks, the delivery partners the MPS will use to deliver this project have committed to take specific actions to address the above issues. As part of the framework management approach, the linkage between individual appointments and actions taken and the effectiveness of those actions in delivering the above commitments will be reviewed and assessed. The contracts will encourage the use of London supply chain specific initiatives including: apprenticeship levies; adherence to modern slavery and London Living Wage obligations; social value impact opportunities.

² <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/anchor-institutions-charter>

Legal Comments

24. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £214,904 or above shall be procured in accordance with the Regulations. All awards of Public contracts for works valued at £5,372,609 or above shall be procured in accordance with the Regulations.
- Recommendations 1 - 4 - can be lawfully approved on the basis that contracts will be awarded through valid framework agreements which are a compliant route to market.
 - Recommendation 5 - Regulation 72 permits the MOPAC to modify a contract in limited circumstances. Specifically, regulation 72(1)(b) provides a modification is permitted for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor:
 - (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract.
25. Regulation 72(1)(c) requires that all of the following conditions are fulfilled to modify under regulation 72(1)(b):
- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
 - (ii) the modification does not alter the overall nature of the contract;
 - (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.
26. The proposed increase of this contract is within the limit of 50% in regulation 72(1)(b). PSD and Commercial confirm that the above conditions apply and that changing contractor would cause significant inconvenience. On this basis, regulation 72(1)(b) would apply.
27. Regulation 72(3) requires contracting authorities that have modified a contract in the case described 72(1)(b) shall send a notice to that effect, in accordance with regulation 51, for publication.
28. Paragraph 4.13 of the MOPAC Scheme of Delegation provides that the Deputy Mayor of Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of

£500,000 or above, when the variation or extension is greater than 10% of the original value and / or is for a period of more than 12 months.

29. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve:
- Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
 - All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13). Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.
30. Recommendations 2, 3, 4 and 5 require MOPAC approval. Recommendation 1 can be approved by the Director of Property Services.

Equality Comments

31. A programme level Equality Impact Assessment (EIA) was approved by the Estate Transformation Board in July 2017, agreeing that project level EIAs will be produced locally by user group representatives. A site specific EIA has been undertaken as part of the Detailed Design process (available on request). All buildings included in the Estate Transformation Implementation Plan will be Equalities Act Compliant.
32. In addition, it should be noted that the MPS support the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Inclusion, Diversity and Equality, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

Environmental Implications

33. Projects must propose an option to ensure they achieve Net Zero Carbon (NZC). Sustainable Design and Construction is an integral part of the MPS' Environment and Sustainability Strategy which, in turn, is aligned to Mayoral priorities for environmental and sustainability management with a formal policy from the Mayor for London to achieve NZC by 2030. The MPS continues to support this policy, where additional funding allows such investment to be made, without diverting funds away from other policing priorities.
34. This project will be compliant with the MPS's Sustainable Design Guide and Checklist, and other relevant standards including the MPS's Mechanical Services Employers Requirements (MSER), BMS Design Guide, etc.

35. The building has already been fitted with led lighting which will be replaced as part of the insurance funded repair works. An air source heat pump is being installed, funded via PSDS Stage 3B grant funding.

Privacy Comments

36. Under the requirements of the Surveillance Commissioners Code for CCTV, Data Protection Impact Assessments (DPIA) will be required for any adaptations/amendments undertaken on the Forest Gate CCTV system. These assessments are well understood and are part of the contractual delivery of any CCTV works. Currently it is not envisaged there will be any wider issues and this area will be kept under review. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered

Real Estate Implications

37. This a property services directorate owned business case. There are real estate implications outlined throughout the report.

Background/supporting papers

38. None

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Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 Forest Gate PS BCU FBC Update paper as part of Programme 11 Transforming the Estate is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
- The relevant section under the FOIA that would exempt this information from disclosure is Commercial Interest Section 43

The paper will continue to be exempt unless, on review, non-publishable sensitive data is redacted. To be reviewed no earlier than 1st July 2029.