



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

**Criminal Exhibits Transformation Programme
Outline Business Case – Pathfinder Approach**

MOPAC Investment Advisory & Monitoring meeting 10 December 2024

Report by Sian Chacksfield on behalf of the Chief of People and Resources

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

EXECUTIVE SUMMARY

The Outline Business Case seeks approval for a phased roll out of storage hubs to transform the management of criminal exhibits. The ambition is to create five new fit-for-purpose all-encompassing storage hubs. These hubs will provide flexibility and resilience whilst reducing the managed storage locations from 40 to 5, vastly increasing control and compliance.

Phasing the implementation (as per the OBC supplementary paper November 2024) through the Pathfinder approach will allow the implementation to move forward in controlled stages, delivering incremental benefits as and when future budgets allow for investment in each subsequent phase.

Recommendations

The Deputy Mayor for Policing and Crime is asked to agree:

1. **Approval to spend £2.644m revenue (£1.032m in 2024/25 and £1.612m in 2025/26)** for the programme team to support the detailed transformation design and development of the Full Business Case (FBC) for the delivery of the first of the five planned criminal exhibits hubs.

NMfL budget is set aside to cover the £1.032m 2024/25, and £1.612m has been included in budget forecasts for 2025/26.

Funding Source	Funding Type	Description	OBC Decisions		
			24/25	25/26	Total
	Revenue	Programme Team - External	0.523	1.183	1.706
	Revenue	Programme Team - Internal	0.509	0.429	0.938
		Total	1.032	1.612	2.644

2. **The preferred way forward** of Option 3C in the Outline Business Case to transform the exhibits management system from 40 storage locations to 5 purpose built all-encompassing hubs. Given budgetary constraints and the need to phase and de-risk investment, implementation will be on a phased, incremental basis using a Pathfinder approach, with each subsequent stage of development subject to separate approval based on available budget and continued value for money assessments.
3. **Approval to initiate procurement, and delegate the award of contract to the Director of Commercial Services**, for design services (Lot 1) and Project and Cost Management Services (Lot 2) via the Professional Services Framework to develop the initial feasibility and subsequent detailed designs and costs for the fit-outs of the chosen sites in order to progress the FBC ready for presentation to Investment and Portfolio Group and Executive Committee (ExCo). The maximum cost of this contract will be £1.75m if all five hubs proceed, with £130k to FBC stage.

TOTAL CAPITAL	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	31/32	Total
PSD Searches & Detailed Design	0.080	0.050	0.297	0.347	0.305	0.305	0.275	0.092	-	1.750

4. **Approval to initiate procurement, and delegate approval to award contracts to the Director of Commercial Services**, for the award of a managed consultancy service for the entire programme lifecycle **if required**. The programme team (external) support required to deliver this programme will be considered for inclusion within the Delivery Partner arrangements managed by Transformation Directorate (support provided by EY, Accenture and Baringa). However, if the support required falls outside of the scope of this arrangement then the contract will be competitively tendered via the Crown Commercial Services Managed Consultancy Framework 3 (MCF3) with the maximum cost of the contract being £8.494m. It is acknowledged that budget has only been requested to

FBC stage therefore management consultancy support for delivery of the programme will be subject to contract extension, enacted only as and when additional budget is confirmed at FBC approval. At any given time, budget will only be enacted insofar as approval has been granted for each phased hub beyond the Pathfinder Hub.

Funding Source	Funding Type	Description	OBC Decisions										Total	Total
			24/25	25/26	Total	26/27	27/28	28/29	29/30	30/31	31/32	32/33		
	Revenue	Programme Team - External	0.523	1.183	1.706	1.150	1.150	1.150	1.150	1.150	0.575	0.462	6.788	8.494
	Revenue	Programme Team - Internal	0.509	0.429	0.938	0.395	0.395	0.395	0.395	0.395	0.197	0.215	2.386	3.324
		Total	1.032	1.612	2.644	1.545	1.545	1.545	1.545	1.545	0.772	0.677	9.174	11.818

The Deputy Mayor for Policing and Crime is asked to note:

- The award of a call-off contract to Knight Frank LLP** for advice on site acquisition, town planning and leasehold negotiations via the Estates Management Services Contract. This is to commence in-principle site searches and enter into commercial and legal negotiations for agreement of heads of terms for up to five new warehouse facilities to support the new exhibits strategy. This will be called-off on a phased basis in accordance with the pathfinder approach and will only be utilised as each incremental hub phase is approved. The maximum cost of this contract will be £0.030m in 2024/25 and will cover in-principle searches. Specific searches for each hub will be called off during the appropriate implementation phase. This will be funded from the estates capital budget allocation of £0.130m (£0.08m in 25/25 and £0.05m in 25/26).
- The Commissioning of Legal Property support from Lot 4 of the National Legal Services Framework (NLSF) to provide property legal advice. The costs for this support is expected to be £0.040m.

Time sensitivity

- A decision is required from the Deputy Mayor by 31st December 2024. This will allow formal procurement activity to commence at the earliest opportunity.

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

Introduction and background

- For decades, the Metropolitan Police Service (MPS) has faced criticism regarding its management and upkeep of crucial evidence required for prosecuting criminals. Numerous instances of mishandling, improper storage, and inadequate upkeep of evidence have been reported. Despite efforts by the MPS to address this criticism through tactical fixes, significant strategic progress has not been achieved. Consequently, the root causes remain unresolved, leading to a decline in public trust in the MPS's ability to ensure justice and accountability.

9. A thorough analysis of the entire exhibits management system has been conducted to identify the most suitable option to transform the management of exhibits. These options are analysed in the Outline Business Case which recommends the physical and functional transformation of the exhibits management system from 40 storage locations to 5 purpose built all-encompassing hubs. The supplementary pathfinder paper details implementing option 3c on an incremental phased basis commencing with an initial pathfinder hub. This programme seeks approval to progress with the design and delivery of this new operating model for exhibits management, through the pathfinder phased approach, that not only fixes the problems of 'here and now' but builds a robust infrastructure that meets the requirements of the future.
10. The programme will address these challenges through the implementation of functional and physical transformation:
 - **Functional Transformation:** This includes bringing functional changes to the way the current exhibits ecosystem operates, and it comprises of;
 - Digital Exhibits Management
 - Customer Experience
 - Policy, Processes and Procedures
 - Standard Operating Model
 - Training
 - **Physical Transformation:** This includes transforming the physical infrastructure that forms part of the exhibits management estate. The programme will consolidate its physical infrastructure that would see the number of storage locations under management reduced from 40 to 5.

Issues for consideration

11. Most exhibits stores, including the central and archive storage facilities, are at full capacity. Through a tactical programme work stream, this issue is being addressed by reviewing the exhibits retention principles. Any capacity gained through this exercise will only provide short term relief. A complete overhaul of the entire exhibits management system is the only way to ensure the long term sustainability of this critical function.
12. Aside from Option 1 (Do Minimum), all considered options offer varying degrees of operational risk because of the complexity of transitioning from the current model. This risk will be managed through plans that ensure service continuity, whilst delivering the new operating model across the phases.
13. The creation of new all-encompassing hubs, presents an opportunity to review the delivery of additional services across the organisation. During the design phase, these opportunities will be explored further, and the new hubs could be adapted to meet various demands across the MPS. By providing wider service improvements or releasing prime space in police stations for the delivery of frontline services, the investment can be

maximised.

Contributes to the New Met for London (NMfL) Plan

14. Fully aligned with the NMfL Plan, the Criminal Exhibits Transformation Programme (CETP), is about fixing our foundations and securing victim outcomes, to build public trust and confidence. The CETP aims to deliver a future vision that will;
- Improve victim outcomes by securing the chain of evidence, and ensuring property can be returned when necessary.
 - Have a future operating model that cultivates confidence and supports the organisation to meet its strategic objectives.
 - Reduce the distance officers have to travel to safely store or retrieve exhibits.
 - Have a security infrastructure at all storage locations and throughout the supply chain that is consistent.
 - Manage exhibits through consistent use of robust policy, principles, processes, standards and procedures.

Financial, Commercial and Procurement Comments

15. Funding from the New Met for London budget and Capital Plan are required to take the project to the next Gate 3 (Investment Decision) and the production of the FBC, is made up of:

Revenue Funding: £2.644m revenue (£1.032m in 2024/25 and £1.612m in 2025/26) for programme team support for the detailed transformation design and development of the Final Business Case (FBC).

Capital Funding: £0.130m capital to develop an initial search plan, feasibility, high level detailed designs and develop a more detailed assessment of the expected capital costs for the fit-out of the shortlisted sites. Beyond the FBC stage, site specific search and design costs would apply for the Pathfinder hub and subsequent hubs beyond.

16. At the end of the FBC stage the funding request for implementation costs for the first Pathfinder hub is expected to be £4.367m in revenue budget and £13.846m in capital costs.
17. The financial case to implement the recommended solution option 3c, delivered fully on a phased basis through the Pathfinder approach is evaluated over a 19-year timeframe. In total, the Option 3c outright implementation requires additional funding of £187.090m to deliver over the period to 2042/43. However, with the phased Pathfinder approach this reduces to £178.226m as result of the slower cost ramp up arising from the phased approach. Of this, the main contributors are;

- A PSD capital shortfall of £51.125m. Total PSD capital spend forecast to be £51.375m with funding of £0.250m previously already identified for 2024/25 and 2025/26 (of which through the Pathfinder approach only £0.130m will be utilised to FBC stage, with the balance of £0.120 requested to carry forward.)
- A PSD BAU Revenue shortfall of £91.333m for the Pathfinder approach (down from £101.481 for the full option 3c as a result of slower cost ramp up through the Pathfinder phased approach). This is relates to standing up and supporting the Hub Infrastructure.
- A Cost of Capital shortfall of £30.686m for the Pathfinder approach (down from £34.829m) due to the unapproved status of the capital investment required.
- Within P&R OSS the Pathfinder approach are budget shortfalls on capital £4.290m, project revenue £16.195m and an estimated reduction on BAU budgets of £15.403m.

18. The delivery of Preferred Option 3c through the Pathfinder approach requires commercial arrangements to be implemented to ensure effective support of the programme objectives. These are set out below, along with the procurement route and anticipated costs;

- **Engagement with Knight Frank LLP to provide Estate Management Services**

For the identification and leasing of four new warehouse locations across the Metropolitan Police District. The value of work to be commissioned prior to FBC stage is £30k.

- **Commissioning of Legal Property support**

Lot 4 of the National Legal Services Framework (NLSF) to provide property legal advice. The costs for this support is expected to be £0.040m.

- **Commissioning of Design, Project and Cost Management Support**

The Professional Services Framework established by the MPS to procure the support of project management and architectural design services for the fit out of the chosen warehouse locations. The maximum cost for this support is anticipated at £1.750m. This has increased from £1.50m under the pathfinder approach due to the elongation of these services over the phasing.

- **Procurement of Consultancy Support to facilitate delivery of the Final Business Case and support Transition and Implementation of the new hubs**

Consultancy support will either be procured via the Delivery Partner arrangements managed by Transformation (support provided by EY, Accenture and Baringa) or the Crown Commercial Services Managed Consultancy Framework 3 (MCF3) via a further competition process. It is estimated that £8.494m of external consultancy support will be required to

manage the programme through the development of the FBC and across transition and implementation.

London Anchor Institutions' Charter²

19. The Met 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
20. As part of their appointment onto the Met frameworks, the delivery partners the Met will use to deliver this programme 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.
21. Our preference is to use the Delivery Partner to provide the services for this programme. If this is not possible we will competitively tender via the Crown Commercial Services Managed Consultancy Framework 3 (MCF3). In such circumstance we will ensure the appointed consultants undertake the same commitments.

Legal Comments

22. The proposed contract awards comply with applicable MPS policy and relevant procurement law being compliant contracts. They can therefore be lawfully approved.
23. 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.

Equality Comments

24. At present no adverse impact on any protected characteristics has been identified. As the programme moves into the design stage and a detailed target operating model is developed, the programme team will conduct a thorough EIA assessment.

Privacy Comments

25. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
26. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
27. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme / project.
28. A DPIA will be completed by the programme during the 'Design' stage. The programme will ensure a privacy by design approach, which will allow the MPS to find and fix problems at the early stages of any project, ensuring compliance with GDPR. DPIAs support the accountability principle, as they will ensure the MPS complies with the requirements of GDPR and they demonstrate that appropriate measures have been taken to ensure compliance.

Real Estate Implications

29. The programme will rely on Estates to source new hubs and allocate resources for outfitting them.
30. In the event that the preferred option is implemented, the programme will oversee the consolidation of the existing property stores into multiple fit-for-purpose hubs across London. This will ultimately result in the release of the floor space within police stations where the current property stores exist further leading to realisation of Non-Cashable savings for the MPS.

Environmental Implications

31. The MPS Environment and Sustainability team have been engaged and they have confirmed that there are no environmental implications arising from the recommendations of this paper.

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 of Criminal Exhibits Transformation Programme
Outline Business Case and Pathfinder Approach paper:

- 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.