



MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME

## Kentish Town OBC Update Paper

**MOPAC Investment Advisory & Monitoring meeting, 10 March 2025**

**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 – PUBLIC**

### *EXECUTIVE SUMMARY*

An OBC for the redevelopment of the Kentish Town site was prepared and approved by PIB in February 2022 and DMPC in March (PCD1152). This paper does not repeat the context and background in the approved OBC but sets out the current position and the recommended way forwards.

The OBC received approval to progress the project to the final business case stage at a total cost of £23.0M (comprising full project costs of £18.690M and OB of £4.310M). It requested approval (which was agreed) that the Section House be sold with the estimated £2.4M capital receipts arising being used to support the redevelopment. Additionally, the OBC noted that a further £5M excl. OB (unfunded) would be required to accommodate the DPS Hearing Rooms currently located in Palestra House.

Following an extensive review of the options for the site post OBC, this updated FBC puts forward an affordable and operationally effective scheme that incorporates all of the operational needs, including the DPS Hearing Rooms. It also complies with the Council's aspirations for the Regus Road Development Area, which immediately butts the Police Station site. We have achieved this by working together with Camden Council's Development Partner to develop a solution for the site that maximises its effectiveness, allowing the disposal of approximately half of the land area to the developer. The consequent sale receipt of £10.000M, combined with the previously approved budget of £22.732M enables the delivery of the redevelopment proposal at a total cost of £28.495M and OB of £4.237M.

### **Recommendations**

Deputy Mayor for Policing and Crime (DMPC) is asked to approve:

1. **Approve** the progression of the refurbishment of the existing Kentish Town Section House building at a total cost of £32.732m (including £1.222m already spent under previous approvals) as set out in Table 2. This proposal is funded from the previously approved Capital Budget of £22.732m (including OB of £4.291m) and the sale receipt of £10.000m from the sale of the old Police Station, annex and part of the car park.

2. **Approve** the provision of the DPS Hearing Rooms facility into this scheme to replace the facility currently at Palestra;
3. **Approve** the entering into of a sale agreement to sell the existing Police Station, Annex building and a part of the car parking area to Yoo Capital in the sum of £10.000m, in accordance with the Sale Agreement that has been agreed in principle and is included at Annex C.

**To enable Decisions 1 and 2:**

4. **Approve** delegated authority to the Director of Commercial Services to award MPS Design, Project and Cost Management Framework appointments up to £0.500m to facilitate the development and implementation of final designs for RIBA Stages 2 – 7.
5. **Approve** delegated authority to the Director of Commercial Services to award a design and construct pre-construction services agreement (PCSA) up to £1.500m for Concept, Detailed & Technical Design, Specialist Surveys, Planning Application & Tendering during the preconstruction phase. This appointment will use an existing approved MOPAC framework.
6. **Approve** delegated authority to the Director of Commercial Services to award the construction works contract to the appointed Design and Construct Framework contractor upon receipt of a lump sum price, subject to a maximum total construction cost of £22.345m. This appointment will use an approved MOPAC framework for construction works.
7. **Approve** delegated authority to the Director of Commercial Services to award other related project costs to a total of £8.387m incl. Optimism Bias allowance.

**To enable Decision 3:**

8. **Approve:** delegated authority to the Director of Property Services to progress with the agreement of Heads of Terms and a Sale Agreement to sell part of the MPS demise including the Listed Police Station, Annex building and part of the existing operational parking facility.
9. **Approve** that the proceeds of the sale are to be used to support the above investment at Kentish Town.

**To Note:**

10. The scheme will be unaffordable if the sale of land made available as a result of the project is not permitted, or if the sale proceeds are not released to support the project budget.
11. All functions and services currently provided from the area to be sold will be re-provided in the development proposals associated with the Section House refurbishment. The current approved Capital Budget is £22.732m, £1.222m has been spent to date. The Capital Budget is proposed to be supplemented by the £10m proceeds from the part sale of the MPS demise. Specialist advisors & solicitors have been appointed to give best advice & financial benefit to MPS.

**Time sensitivity**

A decision is required from the Deputy Mayor by 24/03/2025 following the usual decision period timeline.

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

## Introduction and background

1. Since OBC approval in March 2022, Camden Borough Council have entered into a development agreement with a private sector partner - Yoo Capital, to redevelop the adjacent Regis Road Development Area, which comprises the land immediately adjacent to the Police Station to the North and West. The Council has aspirations to create up to 2,000 new homes and 3,000 new jobs, with the Police Station site as key to supporting this development, and in unlocking a pedestrian and cycle-route into the development area. The Council's wider plans have meant that the MPS has encountered significant problems with our planning application. In particular, the Council is seeking up to 75 residential units on the site and they have also asked for a cycle path across the west side of our site, linking Holmes Road and Regis Road. These changes necessitated a complete redesign of our proposals and has led to the realisation that it is not possible to deliver a scheme that meets both the MPS and Local Authority requirements without the budget being very significantly exceeded (by c. £21M).
2. MPS considered a refurbishment option, which would be much more difficult for the Planning Authority to reject. This option would deliver sufficient space but would not deliver the needed improvements to operational layouts. It would locate the DPS Hearing Rooms in the lower floors of the Section House and would result in the upper floors of the Section House (floors 2-7) being mothballed. This, very compromised, proposal still exceeded the approved budget by c. £3M. Seeking to mitigate these issues, MPS entered into discussions with Yoo Capital, Camden Council's development partner, to see whether a mutually beneficial scheme could be identified.
3. A refurbishment proposal has recently been developed with Yoo Capital which provides for the MPS to fully refurbish the existing Section House building to provide the full suite of MPS requirements (including: relocation of the Public Access Front Office to a significantly improved facility that remains on Holmes Road; relocation of the contingency Custody Facility; the provision of all necessary office, welfare and locker space for the existing teams; two level car parking for operational and ERPT teams; and the provision of DPS Hearing Rooms. It also provides c. 800m<sup>2</sup> of additional office space that can be used to support hybrid working demands). This scheme allows the disposal of part of the existing site that would no longer be required; initial cost reviews indicate that the scheme is affordable provided the sale proceeds are used to supplement the existing approved budget (this principle was approved for the OBC approved scheme).
4. Initial engagement with the local Planning Authority indicates that it will be supported as it retains and reuses the existing Section House building, it assists their wider development and growth plans and can provide their desired urban masterplan including the cycle/pedestrian link. The proposal enables the sale of the existing, poor quality and Grade 2 listed Police Station and Annex to Yoo Capital, along with a portion of the existing car park. Yoo Capital wish to use this land to relocate the existing Household Waste Recycling Centre and a number of secured tenure flats from a nearby site, in turn allowing them to redevelop the entirety of that site. This provides Yoo Capital with significant benefits; the price

negotiated for the sale of the land of £10.0m (which is significantly in excess of its market value) enables MOPAC to benefit from these wider gains.

5. While a sale agreement will be entered into following approval of this paper to ensure that the funds required from the sale are secured, the disposal would take place following completion of the Section House refurbishment, at which point the MPS can release the redundant space with vacant possession. The proceeds from the disposal are needed to support the redevelopment. The proposed scheme provides a significantly better value scheme than the alternative options that will be faster to deliver. The proposal has been discussed in detail with operational colleagues and is supported by the BCU Commander for Central North.
6. This paper requests approval to spend the approved budget on the design and construction of the proposed redevelopment of the Section House, to sell the subsequently redundant land and buildings to Yoo Capital, and to use the capital receipts arising to support the development.

#### **Issues for consideration**

IAM are requested to note the following:

7. Kentish Town is located on a large freehold site and is geographically well positioned to provide response for the Central North (CN) BCU. In addition to a front counter, ERPT, and a 10 cell contingency custody suite, there is on-site parking for 44 vehicles, and additional on-street parking.
8. Kentish Town Police Station is one of the retained sites identified within the draft Estates Strategy, and is key in supporting the CN BCU in its delivery of existing operations and the uplift.
9. Kentish Town PS was identified as a priority investment within the capital review, and £22.73M is included within the approved Capital Programme.
10. The building has been the subject of significant under-investment for many years and is in a very poor state of repair.
11. In June 2021 MPS Senior Executive Group requested the permanent solution for Department of Professional Standards (DPS) should be incorporated within the Kentish Town proposal. A business justification paper was presented to Management Board and PIB in December 2021 which confirmed a temporary location for the Hearing facility at Palestra in Southwark, with the preferred long term location for DPS to be Kentish Town.
12. This proposal provides the best long-term solution, it enables the operational requirements to be provided in fit-for-purpose flexible accommodation, as well as satisfying the parking needs.
13. The proposal is planned to support up to 650 No. officers as identified by the PSD Engagement lead and agreed with the BCU Operational leads.

## **Contributes to the MOPAC Police & Crime Plan 2022-25<sup>1</sup>**

14. 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; Better supporting victims.
15. These works will maintain the security and resilience of critical infrastructure within the MPS, ensuring that key services are maintained, enabling the MPS to keep London safe in accordance with the MOPAC Police & Crime Plan 2022-2025.

## **Financial, Commercial and Procurement Comments**

16. This paper provides a status update to the proposal for the partial Kentish Town refurbishment at an estimated cost of £32.732M inclusive of all costs including construction costs and costs relating to Digital Policing, Furniture and Security. In addition, as the agreed proposal is at Feasibility Design (Stage 1), optimism bias of 20% (£4.323M) has been applied. The £1.222m previously approved was expended to date. The current approved capital budget is £22.732m. The new Capital Budget is £32.732M, funded by the previously approved funds plus the value of site sale at £10.000M.
17. If the sale proceeds are not approved for use to support the proposals in this paper, it will be unaffordable unless funds are diverted from elsewhere. It should be noted that the sale of part of the site is only possible because of the scheme proposed in this paper. The sale receipts of £10.000M have been agreed with Yoo Capital and will be payable on provision of vacant possession of the land to be sold, as set out in the draft Heads of Terms for the land sale included at Annex C.
18. The estimated total project cost for the redevelopment of design at Kentish Town Police Station Redevelopment is £32.732m (including £4.291m of Optimism Bias). £2.000m is allocated for the costs of full design and Project and Cost Management professional services, and £22.345m allocated for the cost of construction works.
19. The Decisions recommended are supported by Commercial Services, and include:
  1. Approval the granting of delegated authority to the Director of Commercial Services for the procurement and award of professional services, including Project Management, Cost Management at a cost of up to £0.500m. These appointments will use the existing approved MOPAC framework for Construction Professional Services.
  2. Approve the granting of delegated authority to the Director of Commercial Services to award a pre-construction services agreement (PCSA) at a cost up to £1.500m as part of the capital works funding.
  3. Approve the granting of delegated authority to the Director of Commercial Services to award the construction works contract to the appointed main contractor upon receipt of a lump sum price, subject to a maximum total project

---

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

cost of £22.345m (including the costs identified at (2) above). 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 additional professional services and specialist requirements i.e. ICT, Furniture, up to the value of £8.387m (including £4.237m of Optimism Bias funding identified and reserved to manage risk in these early cost estimates).
5. The appointment of the professional services and construction works supply chain 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 and the provision of a competitively-tendered proposal. In order to accelerate the delivery programme, approval is also being sought to award the construction contract under the provisions for a framework direct award, which is provided for under the rules of appointment of suppliers appointed via the Southern Construction Framework, being an approved MOPAC framework for construction works.

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

20. Compliant call-off appointments have already been made by PSD under the MPS Scheme of Delegation and Consent.
21. The commercial agreements required will be procured and awarded in full compliance with the Public Contracts Regulations (PCR) 2015 and the MOPAC Scheme of Delegation.
22. No construction works will commence to the Section House until MOPAC has received legally binding assurances that the approved sale proceeds are fully agreed with no constraints other than those set out in the agreed Heads of Terms (a final draft of which is included at Annex C) with payment of the funds being subject to the provision of vacant possession by MOPAC.

an off market disposal is potentially acceptable

23. 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 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.

### **Approving a sale to Yoo Capital without going to open market**

24. Legal advice was sought to advise whether MOPAC are able to undertake a sale to Yoo Capital without putting the site up for sale on the open market. This concluded that, while Yoo Capital are not a Special Purchaser, an off market disposal is potentially acceptable provided that MOPAC have robust evidence that:-

- it has complied with its statutory obligations to achieve value for money;
- it has complied with its obligations in the relevant Codes and Guides in informing its decision-making on its disposal strategy.

### **Compliance with statutory obligations to achieve value for money**

25. MPS have received advice from independent property valuation experts that confirms that the value offered to MOPAC is considerably in excess of the market value of the site on an open market basis. A sale to Yoo Capital also supports the delivery of the wider Regus Road growth strategy and delivers wider benefits to the local area. Legal advice has also been received confirming that MOPAC are compliant with its obligations in the relevant Codes and Guides in making this decision.

### **London Anchor Institutions Charter**

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

26. As part of their appointment onto the MPS frameworks, the delivery partners 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.

### **Legal Implications**

#### **Decisions 1, 2 and 4-7:**

27. 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. A compliantly-procured framework agreement or agreement shall constitute a compliant route to market on the basis the agreement is still in force, MOPAC is identified as an eligible user of the agreement, MOPAC's requirements

are within the technical and financial scope of the agreement and the call-off procedure set out in the agreement is followed.

28. Section 5 of this report confirms the MOPAC's route to market would be to use eligible framework agreements, namely the Pre-Construction Services Agreement and the professional services framework. This will be compliant with the Regulations. The MOPAC Scheme of Delegation and Consent provides the Director for Strategic Procurement has consent to approve all requests to go out to tender for contracts below £500,000.
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 £0.500m and above (paragraph 4.8);
  - and
  - All requests to go out to tender for contracts of £0.500m or above, or where there is a particular public interest (paragraph 4.13).
30. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the Director of Commercial has consent to award all contracts with the exception of those called in through the agreed call off procedure. Paragraph 4.14 provides that the DMPC reserves the right to call in all contract awards of £0.500m or above. On the basis of the above DLS advises that decisions 2, 3, 4 and 5 can be lawfully approved by MOPAC in accordance with applicable procurement law and MOPAC Scheme of Delegation and Consent.

### **Decisions 3 and 8**

31. MOPAC has the power to dispose of surplus properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 ("the Act").
32. The Commissioner may also do anything which is calculated to facilitate, or is conducive or incidental to acquiring and disposing of property (apart from land) but only with the consent of MOPAC under paragraph 4 (2) (b) of Schedule 4 of the Act. With the exception of disposals felt to be of an exceptional nature because of particular sensitivities or potential public interest, the MOPAC Scheme of Delegation and Consent provides the Director of Property Services with authority to dispose of land or property with an estimated value of £1M or above which have previously been approved by the DMPC when the property is being disposed of to the highest bidder and the price equals or exceeds the agreed estimate, notifying the DMPC in writing of the disposal.
33. The MOPAC Scheme of Delegation and Consent provides the Director of Property Services with authority to dispose of land or property on behalf of the MOPAC in accordance with the Estate Strategy for all transactions with an estimated value of less than £1 million and which have no public interest issues arising. The delegated authority is subject to the DMPC approving an annual schedule of all the surplus properties for disposal submitted at the beginning of the financial year. Approval of the surplus properties, attached at Part 2, will enable the Director of Property Services to instigate the disposal process for those respective properties in line with the established procedures set out in this report. The report confirms



the property will be disposed of in a manner that represents value for money and that the disposal will generate capital receipts that will assist MOPAC in securing the maintenance of the MPS and ensure that it is efficient and effective.

### Equality Comments

34. **CPIE – EIA:** A programme level Equality Impact Assessment (EIA) was approved by the Estate Transformation Board in July 2017, which confirmed that project level EIAs are to be produced locally by user group representatives. A site specific EIA has been undertaken as part of the Detailed Design process. All buildings included in the Estate Transformation Implementation Plan will be Equalities Act Compliant.
35. **Inclusion, Diversity and Equality Screening:** Accommodation will be provided which complies with Part M of the Building Regulations (“Access to and use of buildings – Volume 2 – Buildings other than dwellings”) and the Equalities Act where it is applicable. There are no foreseen negative Equality or Diversity implications arising from these works. All Framework Consultants and Contractors have been evaluated at Framework tender stage for acceptable Equality and Diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as a supplier to MOPAC.

### 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 Kentish Town 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. Kentish Town Police Station is one of the retained sites identified within the draft Estates Strategy, and is key in supporting the CN BCU in its delivery of existing operations and the uplift.
38. The refurbishment of Kentish Town is an essential component of the draft Estate Strategy as it provides additional capacity to accommodate the officer uplift and provides the MPS with another ‘flexible working’ site. If the recommended additional cost option is adopted, it also resolves the long term location for DPS Hearings.

### Environmental Implications

39. Projects of this scale must adhere to a number of MPS PSD design standards aimed at achieving compliance with environmental legislation and policy, and to drive efficiency during construction and operation. This includes energy/carbon reduction and working towards Net Zero 2030 where funding allows. The MPS will support the NZC 2030 policy where it can be achieved without diverting funds away from policing priorities. Sustainable Design and Construction (SDG) is

integral to the MPS Environment & Sustainability strategy, and its inclusion is based on drivers such as the Mayor's London Environment Strategy (LES), which includes a Chapter for GLA group organisations entitled, 'Leading by Example'.

40. The 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 and Energy Efficiency as required under Building Regulations guidance. The MSER for example, requires the development of an energy strategy that is optimised in terms of whole life costs.

### **Background/supporting papers**

None

Report author: Max Radford, Programme Delivery Lead, Real Estate Development.

**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 [OPERATIONAL]

Part 2 of Kentish Town OBC Update Paper is exempt from publication for the following reasons:

- Exempt under Article 2(2)(c) of the Elected Local Policing Bodies (Specified Information) Order 2011
- The relevant section under the FOIA that would exempt this information from disclosure is Law Enforcement - Section 31 (1).

The paper will cease to be exempt at completion and occupation of the projects and the sale of the redundant land.