

REQUEST FOR DMPC DECISION – DMPCD 2014-158

Title: ROTHERHITHE POLICE ESTATE

Executive Summary:

The MOPAC Policing and Public Access in London document identified Rotherhithe Police Station as a site which was unsuitable for operational requirements in the long term, and identified the need for new facilities nearby. This paper proposes the acquisition of a leasehold interest at the London Borough of Southwark's Seven Islands Leisure Centre, investment in this site to fit it out, and the marketing for sale of Rotherhithe Police Station.

The cost and terms of the lease, and the estimated value of the Rotherhithe Police Station are set out in exempt Part 2. The proposed investment is £499,000 and a contribution towards these costs from London Borough of Southwark has been offered as part of the agreement.

Recommendation:

The DMPC is asked to approve

1. Acquisition of a leasehold interest in the London Borough of Southwark's accommodation at Seven Islands Leisure Centre on the terms set out in exempt Appendix 2A,
2. The proposed £499,000 investment to fit out the site, and
2. The marketing for sale of Rotherhithe former police station, at an estimated value set out in Part 2, the sale to complete following completion of works and occupation of Seven Islands Leisure Centre

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for elected Members of the Authority. Any such interests are recorded below.

The above request has my approval.

Signature

Date

[Signature] 19/12/2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1 The MOPAC Policing and Public Access in London document identified Rotherhithe Police Station as a site which was unsuitable for operational requirements in the long term, and identified the need for new facilities nearby.
- 1.2 The Police Station is currently used as a deployment and neighbourhood policing base for fifty-four officers. These officers require 200-220 square metres, far below the available 1,158 sq metres.
- 1.3 Work to progress the changes required to meet the above has developed to the stage where DMPC decision is required.

2 Issues for consideration

- 2.1 As part of the Policing and Public Access in London document MOPAC has engaged with the London Borough of Southwark to identify an alternative site to Rotherhithe Police Station. Southwark has proposed use of part of Seven Islands Leisure Centre, a council owned facility. The proposed site is less than 100 metres from Rotherhithe Police Station and will cost an estimated £499,000 to fit it out. Southwark council has offered a contribution towards the costs of fit out.
- 2.2 MPS Property Services has evaluated three options – remaining in Rotherhithe Police Station doing nothing, remaining in Rotherhithe Police Station and doing the minimum investment necessary, and the recommended option of taking a lease, fitting out part of Seven Islands Leisure Centre and disposing of Rotherhithe Police Station.
- 2.3 The recommended option is ranked first in the financial net present value calculation, and the options for remaining in Rotherhithe Police Station are not recommended on both financial and operational bases.

3 Financial Comments

- 3.1 The reduced revenue costs of moving to Seven Islands Leisure Centre will contribute to the Corporate Real Estate savings target of £59m by 2015/16.
- 3.2 The fit out costs estimated at £499,000 will be met from within the existing MPS Property Services Capital Programme. The costs to effect the move can be met from the earmarked reserves set aside as part of the Corporate Real Estate programme.
- 3.3 If approved the sale proceeds from the disposal of Rotherhithe Police Station will support the 2015-16 capital programme.

4 Legal Comments

- 4.1 The MOPAC has the power to acquire and dispose of properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 ("the Act")
- 4.2 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), and enter into contract, but only with the consent of MOPAC under paragraph 4 (2) (a) and (b) of Schedule 4 of the Act. The Commissioner must also exercise the power of direction and control conferred upon him in such a way as is reasonable to assist the MOPAC to exercise that Office's functions under section 4(5) of the Act.
- 4.3 The MOPAC's Scheme of Delegation and Consent (September 2014) ("the Scheme") enables the MPS Management Board Lead to approve business cases for the procurement of works/services/goods contracts valued below £500k. It also enables the Director of Property to approve the acquisition of leasehold interests under £500k and authorises the disposal of property with an estimated value not exceeding £1million, subject to prior notification to the DMPC. For the above reasons set out above, together with the public interest aspect arising from the closing of former public facing buildings, the decision will be subject to approval by the DMPC under paragraph 4.16 and 4.17 of the Scheme.

4.4 The report confirms the proposed disposal of Rotherhithe Police Station and acquisition of the leasehold interest will support the delivery of a leaner estate which is lower in cost to run, and will therefore assist MOPAC securing the maintenance of the Metropolitan Police Force, and ensure that it is efficient and effective, as required under Section 3(6) of the Act.

4.5 The acquisition of the leasehold interest and contract awards for the works programme are subject to contract. The capital contribution from the Local Authority will be subject to agreement pursuant to s92 Police Act 1996. External lawyers will be instructed through Met Law (DLS), as appropriate. As stated above, further reports may be required to progress the final disposal of property, procurement of contractors to undertake the fit out works and award the final contract.

5. Equality Comments

5.1 In line with corporate real estate principles; maximising the use of space and minimising costs of those buildings core to operational needs, it is essential that those buildings provided for longer term use are fit for use, compliant and provide suitable accessibility. An identified Equality Impact Assessment for the CRE programme has been completed at a strategic level and a full site specific EIA will take place on completion of detailed design. There are considered to be limited equality or diversity issues arising as a result of this proposed disposal.

6. Background/supporting papers

6.1 Appendix 1

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form – YES

If yes, for what reason: Commercial confidentiality of the bids made by the bidders and the subsequent transaction

ORIGINATING OFFICER DECLARATION:

	Tick to confirm statement (✓)
Head of Unit: Annabel Cowell has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The Legal team have been consulted on this proposal.	✓
Financial Advice: The Chief Finance Officer has been consulted on this proposal.	✓
Equalities Advice: The Equality and Diversity team have been consulted on this proposal on behalf of the Head of Equalities and Diversity.	✓

OFFICER APPROVAL**Chief Operating Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature 

Date 17/12/2014.

**REQUEST FOR APPROVAL TO ACQUIRE AND FIT OUT
PART OF SEVEN ISLANDS LEISURE CENTRE
IN SUPPORT OF THE LONDON BOROUGH OF SOUTHWARK LOCAL POLICING
MODEL**

Report by Director of Property Services on behalf of the Commissioner

SUMMARY

The MOPAC Policing and Public Access Local Policing Model in London 2013 Report identified Rotherhithe Police Station as unsuitable for operational requirements in the long-term and set out the requirement for new facilities nearby.

This report proposes the acquisition of a leasehold interest at Seven Islands Leisure Centre to provide future policing facilities for a new Neighbourhood Policing Base to enable the release of Rotherhithe Police Station and subsequent marketing for sale.

A. RECOMMENDATIONS - That the DMPC:

- 1. Note the LPM Model for the London Borough of Southwark identified that replacement facilities for the Neighbourhood Policing Team were required to replace Rotherhithe Police Station.**
- 2. Approve the proposed acquisition of a leasehold interest in the London Borough of Southwark's accommodation at Seven Islands Leisure Centre, as set out in Option 3, on terms as detailed in exempt Appendix 1;**
- 3. Subject to Recommendation 2 above, note the allocation of £499k capital expenditure for the fit out works required at Seven Islands Leisure Centre from the agreed 2014/17 Capital Programme and that fit out works will be procured via the approved CRE Call Off Framework in line with the present Scheme of Delegation and Consent (September 2014);**
- 4. Subject to Recommendation 2 above, note the capital contribution of offered by the London Borough of Southwark, subject to the completion of a Section 92 Agreement, towards policing in the Rotherhithe area as set out in exempt Appendix 1**
- 5. Approve the marketing for sale of Rotherhithe Police Station, the sale to complete following completion of the works and occupation of Seven Islands Leisure Centre, and noting the disposal is consistent with the DMPC decision dated 8th February 2012 to dispose of the property in principle**

B. SUPPORTING INFORMATION

1. The MOPAC Policing and Public Access in London (March 2013) Publication identified Rotherhithe Police Station as unsuitable for retention in the long-term and confirmed the intention to find nearby facilities for local deployment. The report also supported the exploration of all opportunities proposed by the local authority.
2. The Neighbourhood Policing Team (NPT) based at Rotherhithe Police Station consists of 54 officers with an accommodation requirement assessed at 200-220 square metres, significantly lower than the 1,158 square metres available accommodation at Rotherhithe Police Station. The Police Station comprises accommodation for offices and lockers over a basement and three floors, with parking in a rear yard.
3. Searches for accommodation on the market have taken place and a suitable option has been identified in a Council owned facility. Southwark Council have proposed the use of part of the Seven Islands Leisure Centre (SILC), located less than 100 metres from the existing police station. In addition, the council has set aside capital funding detailed in exempt appendix 1 to support the development of a police base in this location. This grant from the Council will be captured by way of a Section 92 Agreement. This has been factored into the financial NPV analysis (see Exempt Appendix 2). The MPS Third Party Contracts Team have confirmed appropriate terms and conditions of the grant are agreed.
4. Discussions between the Council, the leisure centre operator, Fusion, the BOCU and PSD have considered a number of options at SILC concluding with the option under consideration, which has minimal impact on existing leisure centre users. The proposal is to redevelop the redundant stage/backstage area of the Gymnasium as lockers/showers/changing and WC facilities together with the installation of a modular building within the grounds of SILC to provide the office accommodation.
5. The Southwark Borough Command Team are supportive of the proposal and confirm that an accommodation solution that requires officers to travel between the office building and the adjacent locker/WC accommodation is acceptable from an operational perspective. Rotherhithe Police Station does not have a contact point. There is no requirement for a contact point at the future location as one has been established at Canada Water Library.
6. PSD has considered the following options;
 - OPTION 1 - Remain in Rotherhithe Police Station - Do Nothing
 - OPTION 2 - Remain in Rotherhithe Police Station - Do Minimum
 - OPTION 3 - Fit out Seven Islands Leisure Centre
7. Options Appraisal

OPTION 1 - DO NOTHING - REMAIN IN ROTHERHITHE POLICE STATION

This option incurs revenue costs of £133k pa for rates, utilities, maintenance and no capital receipt would be generated.

Doing nothing would result in a further deterioration in the working environment and potentially emergency reinvestment in the site to manage Health and Safety matters

as they arise. This option cannot be recommended as the premises are not fit for purpose in the longer term, are larger than required, and do not meet operational needs.

OPTION 2 - DO MINIMUM - REMAIN IN ROTHERHITHE POLICE STATION

If retention of Rotherhithe Police Station is to be considered, due regard would need to be taken to the repair and maintenance issues that are outstanding. An estimated £935k of Capital Expenditure would be required to bring the building back up to an appropriate standard for a retained site. (This cost is not currently allowed for within the capital allocation to Property Services)

This option cannot be recommended as the premises are not fit for purpose in the longer term, are larger than required, and do not meet operational needs. This option would also maintain revenue costs at the level as shown within Option 1.

OPTION 3 - FIT OUT PART OF SEVEN ISLANDS LEISURE CENTRE

The investment to alter SILC and install the modular building is estimated to be £499K. Value engineering may enable these costs to be reduced. This option meets operational needs and maximises use of space due to the smaller size of the premises. It would also enable a reduction in MPS property revenue expenditure as a nominal rent has been agreed by the LB of Southwark during the first 6 years of the lease. The details of the proposed lease terms and capital contribution from the LB Southwark are set out in Exempt Appendix 1.

It should be noted that the LB Southwark wishes to retain the flexibility to reconsider the future of the SILC premises and will retain an option to break (terminate) the lease any time after 5 years. While this does present a risk to the MPS operation at the site, the Council are about to reinvest in SILC. The likelihood of the MPS needing to relocate from this site within the 10 year lifespan of the proposed lease is considered low due to the likely timescales involved in any development of new facilities as part of the planned regeneration of the Canada Water area.

8. Summary

Ranking of Each Option (Detailed Financial implications are contained in Part 2 Exempt Section of Report)

£'000s	Option 1	Option 2	Option 3
Rank as per financial analysis	2	3	1

Options 1 and 2 are not recommended. The existing Police Station is underutilised and substantial works will be required to return the site to a modern standards. Neither option releases real estate, or associated costs

Option 3, to acquire and fit out a base at SILC is the recommended option. Feasibility studies have shown that the proposal works for the NPT and the BOCU are supportive. The London Borough of Southwark has also agreed to provide a capital contribution towards the fit out.

The accommodation provision would total 220 square metres on terms as set out in exempt Appendix 1. This option provides good value for money and presents an opportunity for the MPS to work from a base at the heart of the community. In addition, should this option be approved, it supports the planned model for reduction in premises revenue expenditure and brings forward the capital receipt from the disposal of Rotherhithe Police Station into the 2014/15 Capital Programme.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. In line with corporate real estate principles; maximising the use of space and minimising costs of those buildings core to operational needs, it is essential that those buildings acquired are fit for use, compliant and provide suitable accessibility. An identified Equality Impact Assessment (EIA) for the CRE Programme has been completed at a strategic level and a full site specific EIA will take place on completion of detailed design.
2. With respect to the proposed facilities at SILC the premises will have stepped access. This is acceptable in these circumstances as only operational officers will be based in the premises. In line with the Policing and Public Access in London March 2013 Report, the premises will not be public facing.
3. At this site it is proposed that a unisex locker room will be provided to allow for flexibility when the balance of male to female officers changes. The facility will therefore provide changing cubicles and lockable shower rooms. This design is in place at several other sites across the estate

Financial Implications Revenue

4. Note details in Part 2 Exempt Section of Report and Appendix

Legal Implications

5. This report seeks the approval to acquire a leasehold interest and undertake a programme of works to SILC, with a view to accommodate a new Neighbourhood Policing Base. The report recommends the subsequent disposal of Rotherhithe Police Station.
6. The MOPAC has the power to acquire and dispose of properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 ("the Act")
7. 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), and enter into contract, but only with the consent of MOPAC under paragraph 4 (2) (a) and (b) of Schedule 4 of the Act. The Commissioner must also exercise the power of

- direction and control conferred upon him in such a way as is reasonable to assist the MOPAC to exercise that Office's functions under section 4(5) of the Act.
8. The MOPAC's Scheme of Delegation and Consent (September 2014) ("the Scheme") enables the MPS Management Board Lead to approve business cases for the procurement of works/services/goods contracts valued below £500k. It also enables the Director of Property to approve the acquisition of leasehold interests under £500k and authorises the disposal of property with an estimated value not exceeding £1million, subject to prior notification to the DMPC. For the above reasons set out above, together with the public interest aspect arising from the closing of former public facing buildings, the decision will be subject to approval by the DMPC under paragraph 4.16 and 4.17 of the Scheme.
 9. The report confirms the proposed disposal of Rotherhithe Police Station and acquisition of the leasehold interest will support the delivery of a leaner estate which is lower in cost to run, and will therefore assist MOPAC securing the maintenance of the Metropolitan Police Force, and ensure that it is efficient and effective, as required under Section 3(6) of the Act.
 10. The acquisition of the leasehold interest and contract awards for the works programme are subject to contract. The capital contribution from the Local Authority will be subject to agreement pursuant to s92 Police Act 1996. External lawyers will be instructed through Met Law (DLS), as appropriate. As stated above, further reports may be required to progress the final disposal of property, procurement of contractors to undertake the fit out works and award the final contract.
 11. On the basis of the information contained within this report and discussions with Property Services, DLS are supportive of the proposed recommendations.

Consultation undertaken

12. The plan to replace Rotherhithe Police Station was published in the MOPAC Policing & Public Access in London report in March 2013. Those plans were subject to full consultation and engagement. Communication strategies have been prepared for the Borough Commander to engage with stakeholders. Formal communication will need to be implemented following approval of this board.

Risk (including Health and Safety) Implications

13. Estate Health and Safety considerations and legal compliance are an integral part of the CRE Programme. The Property Services Compliance Team is involved at relevant stages to input, advise, monitor and report upon compliance with statutory regulations and approved codes of practice. The Team is involved with ensuring the satisfactory health and safety performance of the MPS Estate in respect of corporate and local health and safety policies, legal compliance, standards and audit. The Compliance Team works across Business groups, MPS Departments, external enforcing bodies (

e.g. Health and Safety Executive, Environmental Agency, etc) and the MPS Strategic Health and Safety Committee, on health and safety matters , as necessary.

14. Option 3 will have implications for staff moving, however SILC is within 100m of the existing police station.

Environmental Implications (if relevant to the subject)

15. The table below indicates the expected environmental impact of each option - 1, 2, and 3:

	Higher	Lower	No Impact
Level of energy use and associated carbon dioxide emissions		2,3	1
Level of water consumption			1,2,3
Level of waste generation/waste requiring disposal			1,2,3
Level of travel and transport and associated emissions			1,2,3
Raw material use and finite resources (use of recycled materials and sustainable alternatives)	3	2	1

16. The level of energy use and carbon dioxide emissions associated with the above outcomes should be lower in smaller buildings as in Option 3. The effect on water consumption and operational waste will be negligible.
17. All procurement fit-out will adhere to MPS design guidelines on environmental management covering construction, operational use and specifications for responsible procurement.

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Contact Andrew Hann, Senior Asset Manager (020-7161-2292) / David White, Assistant Director Construction (020-7161-0638)

Abbreviations

CRE	-	Corporate Real Estate
EIA	-	Equality Impact Assessment
LPM	-	London Policing Model
MOPAC	-	Mayor's Office for Policing and Crime
MPS	-	Metropolitan Police Service
NPT	-	Neighbourhood Policing Team
PSD	-	Property Services Department
BOCU	-	Borough Operational Command Unit
SILC	-	Seven Islands Leisure Centre