

DMPC Decision – PCD 1025

Title: Estates Professional Services

Executive Summary:

This paper seeks approval to initiate procurement for the supply of a range of estates-related professional services as existing contracts are expiring. The total estimated annual value is £1.63m, which across the proposed initial three year term is a value of £4.9m, and if the proposed optional two 12-month extensions are implemented a total value of £8.13m. The costs will be met from within the existing Metropolitan Police Service (MPS) resources. The procurement route will be via existing frameworks.

Recommendation:


The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the procurement of Estate Management Services, including disposals and acquisitions, administering and advising on landlord and tenant responsibilities etc. These Services may also include 'on demand' services for matters such as town planning advice, advice relating to compulsory purchase orders, rights of light etc. where there is no potential or actual conflict of interest. Estimated value is circa £1.216m per annum for the proposed contract of up to 5 years (3 years plus 2 x 1 year extension options);
2. Approve the procurement of Valuation and Rating Services. Estimated value is circa £0.29m per annum for the proposed contract of up to 5 years (3 years plus 2 x 1 year extension options);
3. Approve the procurement of Vertical Real Estate Services (Telecoms Masts on MPS buildings). Estimated value is circa £0.12m per annum for the proposed contract of up to 5 years (3 years plus 2 x 1 year extension options); and
4. Approve the procurement of On Demand Services via a single provider for each 'on demand' service when the Estate Management Service provider has a potential or actual conflict of interest. It is estimated that the value of any on demand services required due to conflict of interest reasons would be offset by a corresponding reduction in the other Estate Professional Service Contracts, and the annual value would not exceed the total estimated value of £1.63m p.a. for the all the Estate Professional Service contracts.

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. Any such interests are recorded below.

The above request has my approval.

Signature 

Date 24/09/2021

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

1. Introduction and background

- 1.1. The services this paper relates to are professional services in relation to
 - Disposals and acquisitions, advice on landlord/tenant issues/town planning/ rights of light, net zero carbon, etc.
 - Valuation and rating services
 - Telecoms masts
- 1.2. The existing contracts for the supply of these services are expiring on 31 March 2022.

2. Issues for consideration

- 2.1. The MPS evaluated 5 options for the future service delivery including a full in-source option. The recommended option (2) scored highest in the evaluation.
- 2.2. The provision of a “On demand” capacity provides an alternate route to market for these services where the prime supplier is unable to act for MOPAC due to a conflict of interest.
- 2.3. Alternative procurement routes were evaluated and the recommended routes are
 - The estates management, valuation & rating, and ‘on-demand’ services will be procured via either the Homes England framework or similar, and
 - the Telecoms masts service via Bloom/Compete 4 or similar framework
- 2.4. The proposed term of the contracts are for an initial period of 3 years with option to extend by up to a further 2 years.

3. Financial Comments

- 3.1. The estimated annual value of these services is £1.63m, resulting in a total potential contract value of up to £8.13m over the five years that the contract may run for.
- 3.2. The value of £8.13m will form part of call off agreements and will not commit the MPS to any expenditure and will be called off in line with approved scheme of delegation and within annual available budgets.

4. Legal Comments

- 4.1. The MPS Legal Services assure that the procurement of these professional services is within MOPAC powers. 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 £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed procurements exceed this threshold and the procurement will be compliant with PCR 2015.

- 4.2. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above
- 4.4. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the MPS Director of Strategic Procurement Services can approve the award of all contracts, with the exception of those called in through the agreed call in procedure.

5. Commercial Issues

- 5.1. The services this paper relates to are professional services in relation to
- Disposals and acquisitions, advice on landlord/tenant issues/town planning/ rights of light, net zero carbon, etc.
 - Valuation and rating services
 - Telecoms masts
- 5.2. Following an evaluation of six options for the supply of these services the MPS recommend the highest scoring route – bundled services - as most suitable.
- 5.3. The procurement routes are via either the Homes England Estate Professional Services Framework, Bloom, Compete 4 or a similar framework.
- 5.4. Responsible Procurement requirements will be incorporated in the tender documents.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that this programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 7.2. MPS assure that no negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.

8. Background/supporting papers

- MPS Ppaer Appendix 1 PSD Estates Professional Services Business Justification Paper

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

Commercial issues are covered in the body of the report.

✓

GDPR/Data Privacy

GDPR compliance issues are covered in the body of the report

✓

Drafting Officer

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

Director/Head of Service:

The MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive 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 23/09/2021



PSD Estates Professional Services Business Justification Paper

MOPAC Investment Advisory & Monitoring meeting 19th August 2021

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

A decision is needed from PIB/IAM for the approval to compete Estates Professional Services (EPS) requirements to ensure sufficient time for mobilisation and transition of the services prior to the expiry of the current contracts in March 2022.

The EPS proposals in the Business Justification Paper (BJP) will improve value for money, assurance and governance and help to capitalize on the benefits delivered by the Estates Strategy. The proposals also fit and complement the MPS's strategic direction and will serve to further improve the current EPS model that has operated successfully since 2018. Extension options of up to 2-years is proposed. The 5-year value of the services to be procured is estimated to be circa £8.13m.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Approve the procurement of Estate Management Services, including disposals and acquisitions, administering and advising on landlord and tenant responsibilities etc. These Services may also include 'on demand' services for matters such as town planning advice, advice relating to compulsory purchase orders, rights of light etc. where there is no potential or actual conflict of interest. Estimated value is circa £1.22m per annum for the proposed contract of up to 5 years (3 years plus 2 x 1 year extension options);**
2. **Approve the procurement of Valuation and Rating Services. Estimated value is circa £0.29m per annum for the proposed contract of up to 5 years (3 years plus 2 x 1 year extension options);**
3. **Approve the procurement of Vertical Real Estate Services (Telecoms Masts on MPS buildings). Estimated value is circa £0.12m per annum for the proposed contract of up to 5 years (3 years plus 2 x 1 year extension options); and**
4. **Approve the procurement of On Demand Services via a single provider for each 'on demand' service when the Estate Management Service provider has a potential or actual conflict of interest. It is estimated that the value of any on demand services required due to conflict of interest reasons would be offset by a corresponding reduction in the other Estate Professional Service Contracts, and the annual value would not exceed the total estimated value of £1.63m p.a. for the all the Estate Professional Service contracts.**

Time sensitivity

A decision is required from the Deputy Mayor by 17th September 2021. This is because the existing EPS contracts expires in March 2022 and the procurement, mobilisation and transition to the new EPS contracts will require eight months. If the new Estates Professional Services do not commence in April 2022, the existing arrangements would have to be extended leading to the deferral of projected benefits set out in the BJP.

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

Introduction and background

1. The MPS Property Services Directorate (PSD) provide services that support all MPS staff and officers to add operational value, do their jobs more efficiently and deliver MPS objectives. This is supported by an extensive supply chain to deliver works and services overseen by a PSD Intelligent Client Function.
2. The real estate assets owned by the MOPAC and managed by PSD currently extend to (circa) 240 properties and the final retained estate post-transformation will be (circa) 160 properties which provide the facilities required to support operational policing in the 32 London Boroughs.
3. To meet the operational requirements that have and will be identified under the Estate Strategy, investment is planned to assist in transforming those properties that will be required to support the longer-term needs of the MPS. It is anticipated that the number of MPS properties will reduce significantly as a result.
4. Professional advisers (for all commercial and residential properties owned by the Mayor's Office for Policing and Crime and managed and occupied by the Metropolitan Police Service) are essential in supporting the delivery of the Estate Strategy and the effective 'business as usual' management of the estate by:
 - (a) supporting the creation of a flexible estate that can respond to changes in operational needs;
 - (b) providing independent advice on all estate related matters to enable informed decision making;
 - (c) providing advice to minimise the costs of management and operation of the estate including advice on ratings and council tax;
 - (d) supporting delivery of Business Plan and Estate Strategy objectives;
 - (e) protecting the position of the MPS on matters of town planning consents and compliance;
 - (f) achieving best value on acquisitions and disposals;
 - (g) ensuring compliance with landlord and tenant requirements; and
 - (h) maintaining accurate valuations of the estate.
5. The requisite professional advice also supports the commercial and reputational standing of the MPS.

Case for change

6. MOPAC/MPS are obliged to comply with various financial, legal and contractual obligations in regard to the occupation, operation of and investments in real estate. These include responsibilities under Landlord and Tenant Law, Town Planning, Rating Law, Health & Safety Law in regard to land/buildings and compliance with CIPFA and RICS regulations in regard to value and the use of land and buildings.

7. The PSD estate management team operate as a small in-house Intelligent Client Function (ICF) that relies on the support of an external supply chain of expert professional advisers to provide services historically delivered by in-house resource.
8. The current arrangements, in the form of contracts with three organisations, were put in place in March 2018 for a period of 5 years (3 years plus 2 x 1 year extension options). One extension has been taken and these arrangements are due to expire in March 2022, therefore new contractual arrangements are required to manage the MOPAC/MPS obligations and ensure value for money is maintained, particularly during the delivery of the Estate Strategy.
9. The implementation of the new EPS contracts will be a key enabler for improving the quality, timeliness and value for money of services delivered by an enhanced ICF and a re-modelled supply chain that will:
 - (a) support the delivery of the Estates Strategy;
 - (b) improve the quality, timeliness and value for money of estate management services delivered to the business through re-procurement of the EPS;
 - (c) enhance the current in-house ICF;
 - (d) align with the new PSD Integrator framework and call-off contract;
 - (e) reflect the option to transfer treasury services function and residential estate management from the estates professional services contract to the new PSD Integrator contract; and
 - (f) incentivise the service providers to deliver services to the required standards, time-scales and price.

Issues for consideration

10. If the new Estates Professional Services do not commence in April 2022, the existing arrangements would have to be extended leading to the deferral of projected benefits set out in the BJP.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

11. The PSD provide services that support all MPS staff and officers to add operational value, do their jobs more efficiently and deliver MPS objectives. The real estate assets owned by MOPAC and managed by PSD currently extend to (circa) 240 properties and the final retained estate post-transformation will be (circa) 160 operational properties which provide the facilities required to support operational policing in the 32 London Boroughs.

Financial, Commercial and Procurement Comments

12. The recommended structure for the delivery of Estate Professional Services is set out below:
 - (a) Estate Management Services, incorporating disposals and acquisitions, administering and advising on landlord and tenant responsibilities etc. The estimated value of services is circa £1.22m per annum. These Services may also include 'on demand' services for matters such as town planning advice, advice relating to compulsory purchase orders, rights of light etc. where there is no potential or actual conflict of interest;
 - (b) Valuation and Rating Services. The estimated value of services is circa £0.29m per annum;

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

- (c) Vertical real estate services (Telecoms Masts on MPS buildings). The estimated value of services is circa £0.12m per annum; and
 - (d) On demand services via a single provider for each 'on demand' service when the Estate Management Service provider ((a) above) has a potential or actual conflict of interest and is therefore unable to provide the required service(s). It is estimated that the value of any on demand services required due to conflict of interest reasons would be part of the total £1.63m for the contracts.
13. Each service will be with a single provider for an initial 3-year term with an option to extend for 2 further years. A provider may not be appointed to more than one of the above services to maintain independence for each service and to avoid conflicts of interest. It is also a legal requirement that the Valuation and Rating Services should not be undertaken by the supplier of Estate Management Services.
14. The recommended procurement route for (a), (b) and (d) is the Homes England or similar Estate Professional Services Framework and for (c) the Bloom, Compete 4 or similar framework.
15. The 5-year value of the services to be procured is estimated to be circa £8.13m.
16. In the last 3 years the MPS spent £3.97m on Estates Professional Services and £0.42m on Valuations, from 2018 to 2020. Costs are met from the property services budget.
17. Through investing capital, the Estates Strategy will enable the rationalisation of the estate, generating capital receipts, and delivering revenue savings as part of the overall financial strategy.
18. The estimated value of the 3 new contracts (Estate Management Services, Ratings & Valuations and Vertical Real Estate) over the 5-year period is £8.13m and represents a reduction of £1.57m over the current contracts. This adjustment reflects:
- (a) the transfer of the treasury function and the residential estate management from the EPS to the Integrator;
 - (b) the revised operating model for Estate Management which is based on a smaller team supported by an external supply team;
 - (c) the demand over the next 5 years arising from the Estates Strategy, and
 - (d) allowing for potential inflationary increase.
19. It is important to note that the total contract value of £8.13m will form part of call off agreements and will not commit the MPS to any expenditure and will be called off in line with approved scheme of delegation and within annual available budgets. Contract pricing is fixed price for the 5-year period.
20. The GLA Responsible Procurement requirements have been included within the Statement of Service Requirements. In addition, 10% of the evaluation weighting will be against the new Social Value Questions developed by the Commercial team.
21. As well as membership of and contribution to the GLA collaboration meetings, the MPS have held sessions with both LFB and TfL to discuss requirements to ascertain whether a collaboration would be viable. The discussion areas include:

- (a) Options assessment – a number of existing frameworks are available to all public bodies. To establish a new Framework (jointly or otherwise) would create additional costs and complexity without adding value. Utilisation of an existing framework was assessed to be the most economical and commercially viable option
 - (b) Timelines – due to the expiry of existing contracts and in order to align with the new Property Integrator, the MPS needs to commence its re-procurement of Estates Professional Services by September '21. LFB & TfL are developing their statement of requirement, which will differ from the MPS in terms of form and fit, and are looking to re-procure in the next 12 to 24 months.
 - (c) Economies of Scale – the available framework agreements have built-in savings in the prices and greater volumes will not result in further cost reductions.
22. The MPS have shared with the LFB and TfL the outcome of its works to enable their access to the Homes England framework agreement.
23. No collaboration opportunities have been identified through the Blue Light Commercial route.
24. Further information is contained in the restricted section of the report.

Legal Comments

25. The procurement of the EPS Services is within MOPAC powers. 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 £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed procurements exceed this threshold and the procurement will be compliant with PCR 2015.
26. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
27. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.
28. Paragraph 4.14 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to reserve the right to call in any MPS proposal to award a contract for £500,000 or above.

Equality Comments

29. 'Due regard' has been taken to the Equality Act's Public Sector Equality Duty under Sec 149 of the Equality Act 2010. 'Real Consideration' has been taken to assess equality impact caused by the proposed business change, including effective engagement and analysing relevant equality information. As a result no negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.
30. During the progression of this procurement further reviews will be conducted and, if necessary, process monitoring completed. If, as a result of the progression of this

programme, Equality impact is identified, a full Equality Impact Assessment will be initiated via the completion of a Form 6119A.

Privacy Comments

31. 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.
32. 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.
33. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
34. The programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

35. This information is contained in the restricted section of the report.

Environmental Implications

36. The EPS services will seek to reduce the level of energy use and associated carbon dioxide emissions and the level of water consumption in line with Mayoral and Government Targets.

Background/supporting papers

37. The Business Justification Paper is included in Part 2.

Report author: Alison Spackman, PSD Next Gen Lead, 07876 216399

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 Estate Professional Services BJP 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 cease to be exempt at the award of the contract.