

**REQUEST FOR DMPC DECISION – PCD 244****Title: LOCKHEED MARTIN EXIT MANAGEMENT COSTS – FUNDING APPROVAL****Executive Summary:**

This paper seeks approval for the settlement of outstanding matters arising from the termination of the Command and Futures Programme contract with Lockheed Martin UK. The details and final settlement amount are held in the Part 2.

**Recommendation:**

That the Deputy Mayor for Policing and Crime (DMPC);

1. Agrees to release funding in total settlement of outstanding matters arising from the termination of contracts with Lockheed Martin UK as they relate to the Command and Futures Programme.

**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***Simon Under***Date***1/8/17*

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. This paper relates to the settlement of outstanding matters arising from the termination of the Command and Futures Programme contract with Lockheed Martin UK.

#### **2. Issues for consideration**

- 2.1. Due to the confidential nature of the proposal the detail is held in Part 2

#### **3. Financial Comments**

- 3.1. The settlement of the claim will be funded from reserves.
- 3.2. Details are provided in the Part 2

#### **4. Legal Comments**

- 4.1. The Directorate of Legal Services and Met Law have been fully engaged throughout this process.
- 4.2. Details are provided in the Part 2.

#### **5. Equality Comments**

- 5.1. There are no direct equality issues arising from this proposal.

#### **6. Background/supporting papers**

- 6.1. Report.

**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

**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

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

**ORIGINATING OFFICER DECLARATION:**

<b>Head of Unit:</b> The Chief Financial Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Financial Advice:</b> The Chief Financial Officer has been consulted on this proposal.	✓
<b>Equalities Advice:</b> No Equalities and Diversity issues identified.	✓

**OFFICER APPROVAL****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**

R. Lawrence

**Date**

1/8/17



## **Funding approval – Lockheed Martin Exit Management Costs**

### **Portfolio Investment Board (Exceptional)**

#### **Report by Chief Inspector Kris Wright on behalf of the Deputy Commissioner**

##### **EXECUTIVE SUMMARY**

This paper seeks approval for payment to Lockheed Martin UK (LMUK) the sum listed at PART 2 in total settlement of disputed claims arising from termination (for convenience) of the contract relating to Command & Control Futures integration. This approval is time critical as explained further in this paper.

#### **A. RECOMMENDATIONS - That**

1. The DMPC agrees to release funding in total settlement of outstanding matters arising from the termination of contracts with Lockheed Martin UK as they relate to the Command and Futures Programme.

#### **B. SUPPORTING INFORMATION**

1. This paper should be read in conjunction decision PCD 84 (October 2016), which details the history of this activity and triggered payment of termination costs to LMUK.
2. This paper relates exclusively to the subsequent activity following that decision and payment.
3. Background – on 11<sup>th</sup> March 2016 the Command & Control Futures contract with LMUK was terminated by MOPAC. Following the termination a number of contractual activities took place to facilitate the exit.
4. In 2016 Lockheed Martin UK was sold to form part of Leidos Innovation. Any reference to LMUK or Leidos within this paper should be read as one entity.
5. There are no known implications for One Met Model as a result of this activity or decision paper – Legal implications will be covered in the Part 2.

#### **C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**

##### **Equality and Diversity Impact (mandatory)**

6. Having considered the issues and outcomes arising from this report and sought approval, there are no known E&D impact issues and as such I do not deem it necessary to append an EIA.

##### **Financial Implications / Value for Money (mandatory)**

7. The financial implications and VfM are covered in Part 2 of this paper due to confidentiality obligations.
8. It is proposed to fund this payment from reserves in line with existing budget strategy.

##### **Legal Implications (mandatory)**

9. DLS/MetLaw have been engaged with this process throughout and TLT Solicitors (acting for MPS and MOPAC) participated in the discovery and mediation processes – further detail is contained in Part 2 of this report.

**Consultation undertaken (mandatory)**

10. Consultation grid

<b>Key stakeholder engagement (up to what level)</b>	<b>Supportive / Supportive with concerns / Not supportive / Not affected</b>
MetLaw	Supportive
AC Martin Hewitt – Management Board Lead	Supportive
TLT Solicitors	Supportive
Michael Killoran – Corporate Finance	Supportive

**Risk (including Health and Safety) Implications (mandatory)**

11. As part of the mediated settlement agreement, concessions were made on both sides. These will be covered in Part 2.

**Real Estate and Environmental Implications (if relevant to the subject)**

12. There are no known real Estate or Environmental Implications to this report.

**Report author:** (Chief Inspector Kris Wright, C&CF Litigation Lead, 07775 117340)