

DMPC Decision – PCD 662**Title: Metropolitan Police Warren Sports Club Lease****Executive Summary:**

In order to enable the Warren Sports Club to operate on an improved and independent financial basis this proposal recommends termination of the existing lease, the grant of a new, longer lease at a lower rent, and a reduction in the Employer Grant payable to the club. Over a ten year period there is a net nil effect on the MPS budget, and after that period a net benefit.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Agree to terminate the existing lease and grant a new lease to The Warren terminating in 2050 reducing the rent from £68,750 to £22,650 per year. The terms will match those of the Imber Court Sports Club lease, where relevant, including sub-let provisions;
2. Agree a reduction in the Employer's Contribution Deed (ECD) reducing to zero by 2029.

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**

26/11/2019

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

1. Introduction and background

- 1.1. The Met has a rich history of sporting and social support for officers and staff, including through the facilities offered by four sports clubs. The clubs continue to provide a 'Met-family' social home for some current and former officers and staff, a 'Met-family' venue for important 'job-family' events (funeral wakes, weddings etc), as well as commendation events and some training.
- 1.2. MOPAC is the freeholder of The Warren Sports Club facility. In 2013, a separate limited company was established to run the Sports Club, the Directors of which are current and former police officers. The Club is run for the benefit of the Metropolitan Police Service (MPS) officers and staff, both current and retired.
- 1.3. The MPS is actively encouraging the Club to be able to operate without an 'Employer's Contribution' grant and become sustainable based on its own income.

2. Issues for consideration

- 2.1. The Club has presented a business plan which shows that it could create additional sustainable income with minimum impact to the existing users through: (a) converting some of the unused out-buildings on the site into offices and then letting them out; (b) letting out parts of the facility for third party events; and (c) applying for grants from sports bodies that require a longer lease term.
- 2.2. The Club has eight years remaining on its current lease, which is not long enough in terms of pay back to make worthwhile the investment to support the revenue generation. Hence, it has requested a lease extension.
- 2.3. Following extensive discussions with the Club and a detailed review of their business plan, the MPS has recommended to MOPAC to extend the lease to 2050 whilst also ensuring a reduction in the Employer's Contribution to zero by 2029.

3. Financial Comments

- 3.1. Over a ten year period reducing the rent payable over the extended lease period and reducing the Employers Grant has the effect of a net nil impact on the MPS budget. After the ten year period there is a net benefit to MPS. Further detail is in Part 2.

4. Legal Comments

- 4.1. In carrying out its functions, MOPAC may, under paragraph 7, Schedule 3 of the Police Reform and Social Responsibility Act 2011 "do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office".
- 4.2. Under the MOPAC Scheme of Consent and Delegation 4.16 the DMPC must approve "All requests to grant or surrender a lease".

5. Commercial Issues

- 5.1. See Part 2

6. GDPR and Data Privacy

- 6.1. This report does not use personally identifiable data of members of the public therefore there are no GDPR issues to be considered

7. Equality Comments

- 7.1. There are no equality implications arising from this proposal.

8. Background/supporting papers

- 8.1. Appendix 1 MPS 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

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

A DPIA is not required.

✓

Director/Head of Service

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

✓

Interim 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

21/11/2019



MOPAC Investment Advisory Meeting

Request to extend the lease of The Warren Sports Club

Report by Matthew Punshon (Estate Strategy Director) on behalf of Robin Wilkinson
(Chief of Corporate Services)

This report will be published by MOPAC. It is Classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

The Directors of the Metropolitan Sports Club, The Warren, Croydon Road, Hayes, Bromley have requested an extension to their lease to 2050 from the current end date in 2028. Their aim is to make investment in the premises to enable to become self-sustaining.

The Management Board members of the Metropolitan Police Service have reviewed the request. In light of both the Club's financial sustainability and the desire to keep the facility available to the Service, the Board has recommended to the Deputy Mayor for Policing And Crime that the lease should be extended.

Recommendations

The Deputy Mayor for Policing and Crime is recommended to:

1. Agree to terminate the existing lease and grant a new lease to The Warren terminating in 2050. The terms will match those of the Imber Court Sports Club lease, where relevant, including sub-let provisions; this will include matching the profile for reduction in the Employer's Contribution Deed (ECD) reducing to zero by 2029 and reducing the rent from £68,750 to £22,650 per year.

Time sensitivity

A decision is required from the Deputy Mayor by 15/11/2019 to so that a letter can be sent to The Warren setting out the proposed terms.

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

Introduction and background

1. MOPAC is the freeholder of The Warren Sports Club facility.
2. In 2013, a separate limited company was established to run the Sports Club, the Directors of which are current and former police officers.
3. The Club is run for the benefit of the Metropolitan Police Service (MPS) officers and staff, both current and retired.
4. The MPS is actively encouraging the Club to be able to operate without an 'Employer's Contribution' grant and become sustainable based on its own income.
5. To achieve that, the Club has presented a business plan which shows that it could create additional sustainable income with minimum impact to the existing users through: (a) converting some of the unused out-buildings on the site into offices and then letting them out; (b) letting out parts of the facility for third party events; and (c) applying for grants from sports bodies that require a longer period of availability.
6. The Club has eight years remaining on its current lease, which is not long enough in terms of pay back to make worthwhile the investment to support the revenue generation. Hence, it has requested a lease extension.
7. Following extensive discussions with the Club and a detailed review of their business plan, the MPS has recommended to MOPAC to extend the lease whilst also ensuring a reduction in the Employer's Contribution to zero by 2029.

Issues for consideration

8. The proposal will commit the MPS and MOPAC to retaining the Club until 2050.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

9. The Police and Crime Plan highlights the need for the Met to use its resources efficiently ("with budgets under increasing pressure, the MPS must transform the way it operates if it is to meet the challenges of policing a growing city."). Simultaneously it highlights the need to ensure that officers and staff must receive the well-being support they need ("the motivation, morale and expertise of the people of the MPS are critical if we are to achieve our vision of a safer city for all.").
10. In proposing that the lease is extended, but that our revenue support to the Warren Club ends in 2029 we aim to ensure that well-being and social facilities offered to officers and staff continue to be available in the long term, that they are improved through investment from the operator, whilst reducing the ongoing subsidy the Met provides.

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

Financial, Commercial and Procurement Comments

11. The paper is seeking approval to extend the lease at a lower rent but with a commitment to reducing the Employer's Contribution to zero by 2029. The impact on the Medium Term Financial Plan is marginal and can be contained within existing resources.

Legal Comments

12. In carrying out its functions, MOPAC may, under paragraph 7, Schedule 3 of the Police Reform and Social Responsibility Act 2011 "do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office".
13. Under the MOPAC Scheme of Consent and Delegation 4.16 the DMPC must approve "All requests to grant or surrender a lease". External lawyers will be engaged to prepare the new lease and revised Employer's Contribution Deed the detailed advice will be provided when approval for the signing of the legal agreements is sought from MOPAC.

Equality Comments

14. There is no change in equality or diversity implications arising from this request.

Privacy Comments

15. This request will not involve the processing of personal data.

Real Estate Implications

16. There is no impact on targets for running costs or capital expenditure as the proposed approach is financially neutral.

Environmental Implications

17. There is no change in the environmental implications as a result of the renegotiating of the lease.

Background/supporting papers

None

Report author: Matthew Punshon (PSD)

