MOPAC | MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

REQUEST FOR DMPC DECISION – DMPCD 2016-021

Title: Major Buildings Estate Strategy – Curtis Green Security Works and Fit Out

Executive Summary:

The Major Building Estate Strategy proposed the redevelopment of the Curtis Green Building, the refurbishment of 'Block B' 98/103 Lambeth Road and building works to further utilise accommodation at Marlowe House and Holborn Police Station, to enable the release and disposal of New Scotland Yard, 58 Buckingham Gate and other subsidiary buildings which was approved by the Deputy Mayor for Policing And Crime (DMPC) in December 2012.

This paper requests the release of approved funding for investment in line with the approved Major Building Estate Strategy of £5.3m for necessary security works and minor fit out modifications for Curtis Green, and the procurement routes. No further investment will be required at Curtis Green.

Recommendation:

The DMPC is asked to approve:-

1. The investment of £4.9m for security works at Curtis Green
2. The investment of £0.4m for modifications to the internal layout of Curtis Green, and
3. Procurement routes for the delivery of the above as set out below and in Part 2

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** 1/3/2016

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

Decision required – supporting report

1. Introduction and background

1.1 Rationalisation of the estate is one of the key components of the Corporate Real Estate programme enabling MOPAC to maximise the use of accommodation and minimise estate costs. As part of this programme assets will be disposed of when they become surplus to requirements, generating capital receipts for the capital programme.

1.2 The Major Buildings Estate Strategy has been approved to upgrade the facilities and working environments of a number of core buildings to meet operational needs, significantly improve building and desk utilisation, and to support the release of New Scotland Yard and 58 Buckingham Gate.

2. Issues for consideration

2.1 This proposal to invest in Curtis Green, as set out below and in the attached paper, aligns with and contributes to the above strategy.

2.2 The security related works will enable the purchase of a strip of land to secure dedicated access to the site, and the provision of security facilities such as re-alignment of kerbs, hostile vehicle mitigation (HVM) measures, turnstiles and gates, and CCTV and lighting. The costs are estimated at £4.9m and will be procured via the Ministry of Defence PFI contractor at this site.

2.3 In addition, to finalise the internal layout on the ground and 8th floors and in the catering area on the first floor an additional investment of £0.4m is necessary. These additional works will be carried out via a contract variation with the existing main contractor, BAM, already on site to ensure value for money and completion on schedule.

3. Financial Comments

3.1 This investment proposed for Curtis Green is £5.3m. This will be funded from the existing capital programme. There is no further investment expected at Curtis Green.

3.2 The revenue implications of the proposed investment will contribute to reducing expenditure in the Major Buildings portfolio by £6.4m p.a. contributing to the £59m total property savings target.

4. Legal Comments

4.1 Section 6 of the Police Reform and Social Responsibility Act 2011 ("the Act") provides that MOPAC must secure the maintenance of the Metropolitan Police Force, and secure that the Metropolitan Police Force is efficient and effective.

4.2 In carrying out its functions, the MOPAC may, under paragraph 7, Schedule 3 of the Act do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office. This includes, entering into contracts and other agreements, in addition to acquiring and disposing of property (including land).

4.3 The additional works and services referred to within this Report will be required to be procured strictly in accordance with the Public Contract Regulations 2015 and the MOPAC's Contract Regulations.

4.4 The MOPAC Scheme of Delegation and Consent (Sept 2014) requires the DMPC to approve all business cases and requests to go to tender where the value exceeds £500K. The Scheme gives delegated authority to the Commercial Director (Director of Strategic Procurement) to approve the award of all contracts with the exception of those called in through the agreed call in procedure. The DMPC must be notified in writing of the outcome of the tender process for all contracts in excess of £500K.

5. Equality Comments

5.1 Future investment in the core Estate will ensure those buildings redeveloped and refurbished will demonstrate full compliance with the Equalities Act 2010 with regards to the provision of accommodation. Facilities for staff working in all buildings will be enhanced over time as investment is focused on those assets core to operations.

5.2 Further details are in Appendix 1.

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: section 43 commercial interest FoIA 2000

ORIGINATING OFFICER DECLARATION:

	Tick to confirm statement (✓)
Head of Unit: Alex Anderson 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 SFRM Team has been consulted on this proposal.	✓
Equalities Advice: Equality and Diversity issues are set out in the report and appendix.	✓

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 [signature] **Date** 1/3/16

RECOMMENDATION FOR FUNDING SECURITY WORKS AND MINOR MODIFICATIONS TO THE CURTIS GREEN BUILDING

A report by the Director of Property Services on behalf of the Director of Commercial and Finance

EXECUTIVE SUMMARY

In November 2012, Metropolitan Police Service (MPS) Management Board and the Mayor's Office for Policing and Crime (MOPAC) supported proposals to redefine the Central London Estate. Proposals included refurbishing the Curtis Green Building, Block B 98/102 Lambeth Road and elements of a number of subsidiary sites, not least Cobalt Square and Marlowe House, to support the release of NSY and 58 Buckingham Gate. Funding of £22.7m was allocated to the cost of relocating technology systems and infrastructure based on known requirements at that time.

In August 2015, the Senior User Group considered the need to enhance the security measures in place at Richmond Terrace, adjoining the Curtis Green Building, as defined by SO's security teams. The preferred option, Option Three, as detailed in Appendix One of the August 2015 Report was noted. Funding of £1.2m was allocated to progress the detailed design of the scheme, noting that the full cost of the design, land purchase and procurement of work would be contained within a total budget of £5.3m and that the procurement of works will need to be commissioned through the MOD's publicly procured PFI provider (MODUS).

The detailed design has now been completed, town planning consent and Heritage England consent has been confirmed and details in regard to the design and costs provided by the MOD's PFI provider. This paper requests support to progress the works proposed and release funding to support these works including £3.53m for design and construction works and £1.35m for MOD/Modus PFI legal, commercial and insurance charges, land purchase cost and MPS fees.

Separately and in finalising the internal design of the building, a number of modifications are required to support the function facilities and meeting room areas on the ground and 8th floor and to the catering areas on the first floor. These modifications are required in advance of the outsourcing of catering services and will support the MPS in mitigating the future operational cost of catering services in the building. To address these modifications support is requested to provide funding of up to £400k for these works which will be procured by way of a contract variation under the JCT construction contract awarded to the main contractor, BAM who were appointed subsequent to a compliant competition using the MOPAC approved IESE Framework.

A. RECOMMENDATIONS - That Senior User Group members are asked to:

1. **Note the progress made in regard to the development of security solutions to meet security requirements to Richmond Terrace and support the works and funding of £4.9m;**

2. **Note the scheme is entering the final stages for completion and support the provision of £0.4m to fund a number of required modifications to the internal layout of the building;**

3. **Subject to support of 1 and 2 above and MOPAC approval, support the release of a total £5.3m to be allocated for works to the Curtis Green Building; , included in the approved PSD Capital Programme 2016/17 - 2018/19. The expenditure will be incurred in 2016/17;**

4. **Subject to MOPAC approval, support the procurement of necessary design and construct services through the appointment of the MOD's PFI provider MODUS by way of a single tender action necessitated by both obligations due to Government land ownership and limitations of the joint MOD/MPS security requirements, noting that a single tender action is in place in regard to design and land transaction services carried out to date, and**

5. **Subject to MOPAC approval support a contract variation to BAM Construction contract for the value of the works to implement necessary building modifications.**

B. SUPPORTING INFORMATION

1. In November 2012, Metropolitan Police Service (MPS) Management Board and the Mayor's Office for Policing and Crime (MOPAC) supported proposals to redefine the HQ Estate. Proposals included refurbishing the Curtis Green Building. Work is ongoing and the Building will be available for occupation/operational use in September /October 2016. Since 2012 various changes have been approved to the financial model underpinning the strategy for the HQ Estate, this is detailed in Exempt Appendix One.

2. Following completion of a report by SO's Security Teams in August 2015, the Senior User Group considered the need to enhance the security to the perimeter of the property and in particular to enhance the measures in place at Richmond Terrace, adjoining the Curtis Green Building.

3. The report identified two vulnerabilities for Curtis Green. The first is the unprotected north east corner of the building in front of the gate line that can be driven into with relative ease. The second is the vulnerability to penetration of two sets of gates leaving the remainder of the north side of Curtis Green vulnerable. Three options were presented to address the conclusions of the SO report and further work to support the preferred option was approved.

4. The preferred option, detailed in Exempt Appendix Two, included:

    1. Purchase strip of land to secure dedicated access and egress to the side.
    2. Relocate and replace the security hut.
    3. Realign kerbs to create adequate stand-off distance and install CT-rated Hostile Vehicle Mitigation (HVM) measures together with new hard standings.
    4. Install new railings to create secure boundary plus new turnstiles and pass gate.
    5. Replace the existing Embankment and Whitehall gates with CT-rated products.
    6. Fit new CCTV and lighting.

5. Funding of £1.2m was allocated to progress the detailed design of the scheme. Works were commissioned through the MOD's PFI provider. The detailed design has now

been completed, town planning consent and Heritage England consent has been confirmed and details in regard to the design and costs provided by the MOD's PFI provider. Originally estimated at £5.3m including the up front cost of £1.2m, the revised costs are £4.88m.

6. Separately and in finalising the internal design of the building, a number of modifications are now required to support the function room facilities and meeting room areas on the ground and eigth floor and to the catering areas on the first floor. These modifications are required in advance of the outsourcing of catering services and will support the MPS in mitigating the future operational cost of catering services in the building. To address these modifications support is requested to provide funding of up to £400k for these works.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. Future investment in the core estate will ensure full compliance with the Equalities Act 2010 with regards to the provision of accommodation. Facilities for staff working in all buildings will be enhanced over time as investment is focused on those assets core to operations.

2. The equality and diversity implications for HQ Estate are addressed within the Equality Impact Assessment for the Corporate Real Estate Programme. The CRE EIA considers moves generally and advocates that building specific EIAs are conducted on a case by case basis. PSD have aligned issues of equality / diversity within existing processes for relocating staff within the MPS Estate. This approach has been shared / approved by DCFD.

3. An EIA in relation to Agile Working is established. The Disability Staff Association have been consulted and lessons have been learned from the restack moves at ESB in 2012.

Financial Implications

Capital

4. The original finance model and details of the capital expenditure allocated to Curtis Green support of the HQ Estate Strategy are detailed in Exempt Appendix One. This paper seeks approval to release total funding of £5.3m, £4.9m to meet security requirements to Richmond Terrace and £0.4m to fund a number of required modifications to the internal layout of the building. The final sum to be released within the overall Curtis Green Project budget as detailed in Exempt Appendix One. This funding is included in the approved MPS Capital Plan 2016/17 - 2019/19 and the expenditure will be incurred in 2016/17. .

Revenue Implications

5. The HQ Estate Strategy will release £6.0m p.a. revenue savings as a result of releasing those sites earmarked for disposal. The savings, delivered between 2014/15 and 2016/17 have been included within the revenue budgets for Commercial and Finance (Property Services). There are no additional property related revenue costs as a result of this proposal.

Procurement Implications

Procurement Strategy and Value for Money

6. Improving the utilisation of existing MOPAC facilities is a core strand of the 2013/2016 MOPAC/MPS Estate Strategy and future Estates Transformation Plan under the 2016/2020 Estate Strategy, supporting operational policing needs. The capital value released through the disposal of NSY will support the capital investment within the MPS and reduced revenue costs of the HQ estate.

7. The Public Contract Regulations 2015 (PCR) are rather uncertain on transactions such as this. It would be likely however that this would fall under a 'mixed' project exemption on that basis that MODUS must be appointed as the MOD PFI contractor. The main subject matter of the contract could therefore be construed as the MPS requirements and the means of facilitation (MOD/MODUS) are objectively inseparable elements and we cannot otherwise structure the transaction. The 'Works' element of this are arguably £3.53m with the remaining sum being transactionary, services and other costs. The 'Works' threshold under PCR is £4.1m so this falls below the value MPS/MOPAC would need to advertise.

Investment Criteria

Table One below details the criteria against which the proposed investment has been assessed.

Table One

Criteria	Minimum score required	Indicative Score	Comments
Business Requirement	3	5	Contributes directly to Met Change. Improved use of space in buildings; investing to save on running costs and releasing value. Investment and proposed contracts contributes directly to the timely and cost effective delivery of the core operational HQ and training estates which supports the CRE and Estates Strategy 2013-16.
Cashable Revenue Saving	1	5	The MOPAC/MPS Estate Strategy 2013/16 confirms the Estate will reduce by 30% by 2016 and expenditure by £60m pa in 2016. The Major Buildings Estates Strategy will contribute towards the £60m savings by reducing revenue expenditure by £6m p.a; .
Return on Investment	4	4	This investment and proposed contracts contribute to the payback in respect of the overarching Estates Strategy by 2016.

Total	8	14	
Total exc ROI	4	10	

Legal Implications

1. Section 6 of the Police Reform and Social Responsibility Act 2011 ("the Act") provides that MOPAC must secure the maintenance of the Metropolitan Police Force, and secure that the Metropolitan Police Force is efficient and effective.

2. In carrying out its functions, the MOPAC may, under paragraph 7, Schedule 3 of the Act do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office. This includes, entering into contracts and other agreements, in addition to acquiring and disposing of property (including land).

3. The additional works and services referred to within this Report will be required to be procured strictly in accordance with the Public Contract Regulations 2015 and the MOPAC's Contract Regulations.

4. Members may approve the recommendations set out in this report in accordance with the terms of reference of the Board for forward submission to the DMPC. The MOPAC Scheme of Delegation and Consent (Sept 2014) requires the DMPC to approve all business cases and requests to go to tender where the value exceeds £500K. The Scheme gives delegated authority to the Commercial Director (Director of Strategic Procurement) to approve the award of all contracts with the exception of those called in through the agreed call in procedure. The DMPC must be notified in writing of the outcome of the tender process for all contracts in excess of £500K.

5. 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"). Furthermore, paragraph 7(1) of Schedule 3 of the Act allows the MOPAC to do anything which is calculated to facilitate or is conducive or incidental to the exercise of the functions of the office. Schedule 4(5) of the Act states the Commissioner must exercise the power of direction and control in such a way as is reasonable to assist the MOPAC to exercise that Office's functions.

6. The HQ Strategy supports the 2013-16 Estate Strategy and the delivery of a leaner estate which is lower in cost to run and is fit for purpose complying with modern standards. This will assist MOPAC in securing the maintenance of the Metropolitan Police Force, and ensure that it is efficient and effective, as required under Section 3(6) (b) of the Act.

Consultation undertaken

7. Table Two below details consultation undertaken:

Table Two

Key stakeholder engagement **(up to what level)**	**Supportive / Supportive with concerns / Not supportive / Not affected**
Property Services (Director)	Supportive
Procurement Services (Director)	Supportive
Business Finance Partner (Director)	Supportive
Digital Policing (Programme Director for the Major Building Estates Strategy)	n/a
Specialist Operations	Supportive
Environmental Management	Supportive
Commercial and Finance (Director)	

Risk (including Health and Safety) Implications

8. Estate Health and Safety considerations and legal compliance are an integral part of the CRE Programme.

9. All relevant health and safety legal requirements such as the workplace, health and safety regulations and appropriate MOPAC and MPS standards will be met. Input has been sought throughout the design stage from the MPS Standards and Audit Team, directing compliance with health and safety and specialist operational requirements, with key subject matter experts and stakeholder engagement.

10. The Curtis Green Project referred to within this report is notifiable to the Health and Safety Executive (HSE) as significant construction projects under the Construction (Design and Management Regulations) 2015.

11. A Project Risk register has been developed for this project within the Major Buildings Estate Programme and is managed and maintained within the Procurement and Property teams. Critical operational functions and infrastructure will be relocated in advance of any building exit to provide continuity of service. Further detail regarding functions and operational requirements are being developed by Business Groups working with Property Services or Digital Policing (as appropriate). Oversight of the Hendon Programme by key stakeholders is achieved through the Senior Users Group chaired by the Commissioner, financial matters are monitored through Management Board – Investment and Resources and delivery against Programme through the Corporate Real Estate Programme Board.

12. The security requirements related to the external works are detailed in Exempt Appendix Two. Works are timed to commence in April 2016 to ensure completion in October in readiness for the occupation of Curtis Green in September/October 2016.

13. The modifications to the building including those relating to the catering facilities are required to meet health and safety obligations and the needs of a future service provider should the facilities be outsourced at a later date.

Environmental Implications

14. The Headquarters Strategy proposes a consolidation of the Headquarters Estate through a phased exit of surplus buildings that will lead to a reduction in floor space and increased occupancy. This, coupled with refurbishment of new headquarters sites and more efficient use of part of the support estate, will generate significant environmental and sustainability benefits with associated cost reductions.

15. The disposal of older sites with poor environmental performance, and refurbishment of new HQ sites provide the mechanism for improved environmental performance. Refurbishments are required to adhere to the MPS' Sustainable Building Project Design Guide, which sets out minimum environmental performance standards that will lead to efficiency gains through net reductions in consumption of energy, water and product / material resources and improved recycling of waste.

16. The standard supports a whole life cost approach aimed at ensuring capital investment optimises building costs in operation. The strategy will deliver environment and sustainability benefits during subsequent implementation stages.

Report author:
Jane Bond/Theresa Breen