

DMPC Decision – PCD 930

Title: Central Estates Programme – Cobalt Square

Executive Summary:

This paper seeks approval for the retention and refurbishment of Cobalt Square to accommodate the Organised Crime function of the Metropolitan Police Service (MPS). This will in turn enable enhanced benefits of greater co-occupation by partners of Empress State Building (ESB). The estimated investment is £50m over a six year period and Cobalt Square will be retained until at least 2036/37. The detailed financial implications are set out in the restricted part 2 paper.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the refurbishment of Cobalt Square in accordance with the costs and specifications outlined in Part 2 of this Change Request
2. Note that approval to enter into a license agreement with HMT was provided in February 2020.
3. Agree to delegate authority to the Commercial Director to approve contracts through standard commercial frameworks, or other MOPAC approved routes to market as appropriate to the range of projects
4. Note that the existing Medium Term Financial Plan (MTFP) will need to be updated to reflect the income generated through the leasing of the 15 shared floors (11 full floors).


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 11/2/21



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

1. Introduction and background

- 1.1. The Central Estate Programme is a project designed to rationalise and improve the “to be” retained estate mainly in relation to central functions, decision PCD 335 refers.
- 1.2. Initial investment has taken place to undertake early design, survey and exploratory works – see PCDs 553 and 680.
- 1.3. Following the Spending Review announcement of Government funding partners are enabled to confirm the licencing and co-occupation arrangements which in turn brings forward the requirement for the retention of and investment in Cobalt Square.

2. Issues for consideration

- 2.1. MOPAC approved the Agreement for Licence [PCD698] which subject to the meeting of conditions, including the approval of Government funding, approved the licence for occupation.
- 2.2. The MPS confirms that Cobalt Square offers the only economically and operationally advantageous option as a hub for Organised Crime to enable greater co-occupation by partners at ESB. The MPS Management Board has agreed that the changes requested will further improve operational effectiveness with respect to the response to Counter Terrorism and will not impact Organised Crime capability.

3. Financial Comments

- 3.1. The estimated cost of refurbishing Cobalt Square including optimism bias is £50m. This sum has been provided for in the draft capital programme submitted for approval as part of the 2021/22 budget submission.
- 3.2. The retention of Cobalt Square will defer the originally planned disposal of this site until at least 2036/37. The deferral of this receipt has also been included in the funding of the draft capital programme submitted for approval as part of the 2021/22 budget submission.
- 3.3. The detailed financial implications of the retention and refurbishment of Cobalt Square are set out in the restricted part 2 paper.

4. Legal Comments

- 4.1. In carrying out its functions, the 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 4.8 the DMPC must approve “Business cases for revenue or capital expenditure of £500,000 and above”.

5. Commercial Issues

- 5.1. The refurbishment will require the acquisition of professional construction services, construction works and ICT services.
- 5.2. The MPS assure that a combination of MOPAC approved and third party procured professional services, ICT and construction work frameworks will be utilised as the compliant 'route to market'.

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 the Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements, and that the project in question does not use 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. The MPS assure that there are no equality implications arising from this decision.

8. Background/supporting papers

- Appendix 1 MPS Paper Central Estates Programme – Cobalt Square Refurbishment

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

✓

Director/Head of Service:

The MOPAC Chief Finance Officer 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 3/2/2021



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

Central Estates Programme – Cobalt Square Refurbishment

MOPAC Investment Advisory & Monitoring (IAM) meeting

15th December 2020

Report by DAC Matt Twist on behalf of the MPS Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

This proposal concerns the approval of the refurbishment of Cobalt Square, its delayed disposal to 2036/37 and the leasing of 15 shared floors to Partners at Empress State Building under the Central Estates Programme (CEP).

ESB was purchased in 2018, providing MPS with the greatest security of tenure in the long term for the building, with the intention of acting as a base for Organised Crime (OC) and Counter Terrorism (CT) teams. 6 floors under this model were envisaged to be leased to Partners.

Subsequent to this decision significant opportunities to enhance the benefits of the Counter Terrorism and Organised Crime (CTOC) Hub at ESB were identified. These would be enabled by leasing 5 additional floors to Partners and retaining Cobalt Square as a Hub for Organised Crime.

An initial sum of £250,000 for preparatory works and initial design was approved to progress this proposal (PCD 553) in 2019 and further design works at Cobalt Square were approved in Dec 2019 (PCD 680) to undertake feasibility and exploratory surveys with a view to retaining and refurbishing the site.

The outcome of this work have been fed into this proposal to demonstrate affordability and seek approval for the full refurbishment and retention of Cobalt Square alongside the leasing of 15 shared floors (the equivalent of 11 full floors) at ESB to Partners.

Recommendations

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

1. **Approve the refurbishment of Cobalt Square in accordance with the costs and specifications outlined in Part 2 of this Change Request**
2. **Approve the deferral of disposal of Cobalt Square until 2036/37**
3. **Note that approval to enter into a license agreement with HMT was provided in February 2020.**

4. **Agree to delegate authority to the Commercial Director to approve contracts through standard commercial frameworks, or other MOPAC approved routes to market as appropriate to the range of projects**
5. **Note that the existing Medium Term Financial Plan (MTFP) will need to be updated to reflect the income generated through the leasing of the 15 shared floors (11 full floors).**

Time sensitivity

A decision is required from the Deputy Mayor by 01/02/21 to allow the timelines to be met for providing accommodation at Cobalt Square for teams decanting ESB.

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

1. Introduction and background

- 1.1. The Central Estate Programme Full Business Case (FBC) was approved in March 2018. ESB was purchased for the sum of £250M, providing the MPS with the greatest security of tenure in the long term, offering 14 floors to Counter Terrorism teams (7 of which are already CT floors) and 5 floors for Organised Crime (who would be decanted from Cobalt Square) referred to by PCD 335.
- 1.2. In March 2019, an option was explored to lease 5 additional floors of ESB to Partners. To enable this, Cobalt Square would be required to be retained and refurbished to provide a hub for Organised Crime, the cost of which was envisaged to be broadly cost neutral due to the increased potential revenue from letting at ESB. An initial sum of £250,000 for preparatory works and initial design was approved to progress this proposal.
- 1.3. In December 2019, additional monies of £3.67m were approved by PIB and IAM to refine the project assumptions and cost forecast by undertaking additional exploratory surveys and works.
- 1.4. In November 2020, Partner funding was approved enabling the signature of a fifteen-year licence with MOPAC to lease 15 shared floors at ESB, thereby requiring and enabling the refurbishment and retention of Cobalt Square until 2036/37.

2. Issues for consideration

- 2.1. The approval to let additional floors at ESB and the refurbishment of Cobalt Square are co-dependant. Therefore this paper seeks approval for the financial forecast of refurbishment of Cobalt Square to facilitate the decant of the Organised Crime function to this site.
- 2.2. If the refurbishment of Cobalt Square is not approved, an alternative location will need to be sought for the Organised Crime function presenting significant risk to the Central Estates Programme benefits.
- 2.3. Time criticality – Due to the operational criticality of the building it is currently unable to be decanted. This requires a complex project of multiple phases of

refurbishment over a period of around 6 years with decants out and into the building. Further design works and procurement are required to commence in January 2021 to ensure the decant dates for teams coming from ESB can be met without incurring additional delay, complexity and cost to the refurbishment works at both CSQ and ESB.

3. Contributes to the MOPAC Police & Crime Plan 2017-2021

- 3.1. The MPS Management Board has agreed that the changes requested will further improve operational effectiveness with respect to the response to Counter Terrorism and will not impact Organised Crime capability.

4. Financial, Commercial and Procurement Comments

- 4.1. The estimated cost of the refurbishment of Cobalt Square is £50m and will facilitate the leasing of 15 shared floors to a third party. Provision for the refurbishment has been included in the draft capital programme budget submitted to MOPAC in November 2020. Further detail of the finances is provided in Part Two.
- 4.2. Cobalt Square offers the only economically and operationally advantageous option as a hub for Organised Crime. Without approval of this paper significant risk would be presented to the shared CTOC vision.
- 4.3. All contracts for works required for the refurbishment will be undertaken through existing compliant frameworks.

5. Legal Comments

- 5.1. In carrying out its functions, the 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”.
- 5.2. Under the MOPAC Scheme of Consent and Delegation 4.8 the DMPC must approve “Business cases for revenue or capital expenditure of £500,000 and above”.

6. Equality Comments

- 6.1. There are no equality implications arising from this decision.

7. Privacy Comments

- 7.1. 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.
- 7.2. 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.

- 7.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
- 7.4. The project in question does not use identifiable data of members of the public so there are no GDPR issues to be considered.

8. Real Estate Implications

- 8.1. The project would confirm the current position of a deferred disposal of Cobalt Square to 2036/37 and resulting capital receipt.

9. Environmental Implications

- 9.1. Whilst retaining any part of the MPS Estate will present a greater environmental impact than disposal, the opportunity to refurbish the building can mitigate these impacts through the application of the Sustainable Design Guide and Checklist and development of an Energy Strategy that provides an optimised Whole Life Cost (WLC) solution. Property Service's Environment & Sustainability Team will have oversight of the project through each stage gateway.

Background/supporting papers

PCD 335 – Central Estates Programme – CTOC Hub Full Business Case

PCD 553 - Counter Terrorism and Organised Crime Hub - Expenditure Request (Preparatory works)

PCD 680 – Central Estates Programme – Cobalt Square (Design funding)

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 [ORGANISATIONAL]

Part 2 of Central Estate Programme – Cobalt Square 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).