

DMPC Decision – PCD 746**Title: Vehicle Recovery and Examination Service (VRES) Continuity Project Update****Executive Summary:**

The purpose of this project is to secure the continuity of the Vehicle Recovery and Examination Service (VRES). VRES is an essential Metropolitan Police Service (MPS) function, providing a vehicle recovery, removal, examination, storage and disposal service across London in accordance with over a dozen statutory regulations. It processes over 36,000 vehicles a year that interfaces with operational teams across the MPS and plays an important and increasing role in crime-fighting. This paper seeks approval to continue to progress the preferred options in relation to the current VRES site at Charlton.

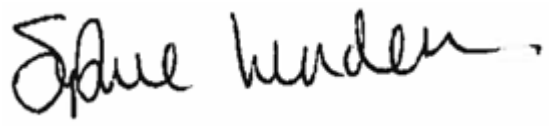
Recommendation:

The Deputy Mayor for Policing and Crime is recommended to approve the recommended option for the future of the Charlton Pound as set out in the part 2 paper.

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****29/05/2020**

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

1. Introduction and background

- 1.1. The Strategic Outline Case (SOC) and Outline Business Case (OBC) [PCD661] for this project outlined a set of short and medium-term options for the VRES operating structure, covering both its Estates footprint and arrangements with commercial third parties.
- 1.2. This paper proposes recommendations to progress one part of the estates footprint.
- 1.3. Due to the commercially sensitive nature of the proposals the detail is provided in the restricted section of the report (Part 2).

2. Issues for consideration

- 2.1. A key consideration for this proposal is the scarcity of suitable land in an appropriate location. Further details are set out in the restricted section of the report.

3. Financial Comments

- 3.1. This information is contained in the restricted section of the report.

4. Legal Comments

- 4.1. The MOPAC has the power to acquire and dispose of properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 (the Act).
- 4.2. The Commissioner may also do anything which is calculated to facilitate, or is conducive or incidental to acquiring and disposing of property (apart from land) but only with the consent of MOPAC under paragraph 4 (2) (b) of Schedule 4 of the Act.
- 4.3. 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.
- 4.4. Further detail is contained in the restricted section of the report.

5. Commercial Issues.

- 5.1. This information is contained in the restricted section of the report.

6. GDPR and Data Privacy

- 6.1. 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.

- 6.2. 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.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.

7. Equality Comments

- 7.1. There are no equality and diversity impacts identified or foreseen arising from these proposals.

8. Background/supporting papers

- 8.1. Appendix 1 MPS Report VRES Continuity Project Update 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: N/A

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 interim 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 27/05/2020



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

VRES Continuity Project Update Report

**In advance of the MOPAC Investment Advisory & Monitoring meeting
scheduled for 02/04/2020**

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

This Update Report provides an update to the Portfolio & Investment Board (PIB) on the progress of the Estates aspects of the Vehicle Recovery and Examination Service (VRES) Continuity Project since the approval of the Outline Business Case (OBC) in November 2019. It also seeks commitment to continue to progress the preferred options and recommends next steps in relation to the current VRES site at Charlton.

The report includes;

- A summary of the background to the VRES project as it relates to the proposed purchase of the Charlton site and the wider property footprint, including the OBC decisions already approved by PIB and MOPAC.
- An update on activities currently underway to deliver the preferred Estates-related options set out in the OBC, including negotiations with the Landlords at the two current VRES sites (Perivale and Charlton), both of which are leased.
- A summary and appraisal of options for the next steps regarding the Charlton site and a recommendation for the preferred option. Note that the details of this recommendation are commercially sensitive and are set out in the Part 2 paper.
- A request for funding to secure the recommended option. This preferred option would ensure the long-term continuity of VRES and reduce the likelihood of a disruption to the service.

Recommendations

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

- To approve the recommended option for the future of the Charlton Pound, as well as the alternative option in the event that this option is not secured. Please note: the details of the preferred approach are commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within it have been contractually agreed and published via the relevant channels.
- To approve the relevant Revenue and Capital funding requirements associated with these options.
- To note the impact of these funding decisions on the MPS Capital Plan and the Medium-Term Financial Plan (MTFP).

DMPC is also requested to note that this paper builds on the information, assumptions and decisions set out in the VRES Strategic Outline Case (SOC approved by PIB and MOPAC in 2018) and followed by the VRES OBC (approved by PIB and MOPAC in 2019). Consequently, it does not repeat all the detail contained within these documents. However, the paper can be read in isolation, as it does include a summary of the key information that is most relevant to facilitate decisions relating to the Charlton site.

Time sensitivity

A decision is required from the Deputy Mayor by 07/04/2020, and if possible earlier to secure decisions needed around the Estates position for Charlton.

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

Introduction and background

1. The purpose of this project is to secure the continuity of VRES as an essential MPS function, providing a vehicle recovery, removal, examination, storage and disposal service across London in accordance with over a dozen statutory regulations. It processes over 36,000 vehicles a year, interfaces with operational teams across the MPS and plays an important and increasing role in crime-fighting.
2. The SOC and OBC outlined some of the significant business challenges threatening VRES' medium-term operational continuity. These are;
 - The upcoming expiry of leases on pounds at Perivale and Charlton
 - VRES uses a sole prime-contractor for vehicle recovery, for which their contract expires in 2021.
3. These features of the VRES operation have resulted in significant medium-term risks to its operational continuity. The goal of the VRES Continuity Project is to mitigate these risks and secure the continuity and sustainability of the service. In 2018, the Strategic Outline Case (SOC) for the project outlined a set of short and medium-term strategic options for the VRES operating structure, covering both its Estates footprint and arrangements with commercial third parties. In 2019, the OBC evaluated these options and sets out a recommended way forward for both vehicle storage, examination and recovery, both of which would significantly reduce the medium-term risk of service disruption or failure.
4. This Update Report provides an update to the Portfolio & Investment Board (PIB) on the progress of the Estates aspects of the project since the approval of the OBC in November 2019. It also seeks commitment to continue to progress the preferred options and recommends next steps in relation to the current VRES site at Charlton.

Issues for consideration

5. The issues for consideration include:
 - **VRES' strategic role:** The SOC for the VRES Continuity Project, with support from DLS and Operational teams, assumes that the role and scope of the VRES service will remain 'as is' in the short to medium term, both with regard to crime and non-crime activity¹. This assumption builds on the DLS opinion that VRES is an essential MPS service with a clear role in enabling the MPS to fulfil its statutory functions and retain important crime-fighting capabilities. This OBC retains this assumption

¹ VRES Continuity Project & Strategic Options, p4, paragraph 11

and explores the options set out in the SOC for how this scope and role could be delivered differently, while minimising operational risk for the MPS.

- **Risk of service failure:** The consequences of VRES (MO4, MO8 and other users) losing one or both of the current pounds without an adequate replacement would be significant and would almost certainly result in service failures across many aspects of operations.
 - **Scarcity of land in London:** The estates strategy for VRES is complicated by the shortage of land in London that is suitable for the operation of vehicle pounds. This is primarily because large open sites do not align with the current planning policies and market conditions, and there is significant demand for such sites to be developed for residential or employment uses.
6. The other issues for consideration are within the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels (e.g. OJEU).
 7. The primary benefit of the project is the **reduction in operational risk through increased service resilience and the avoidance of service failure**. In delivering this benefit, the project will enable VRES to operate on a secure, sustainable operational foundation over the short, medium and long term. As well as reducing operational risk, this may enable the service to identify and explore potential future opportunities to improve VfM in service delivery, such as the development of income generation opportunities.
 8. With regard to Estates, this includes making strategic decisions in relation to the future of the Pounds at Perivale and Charlton. The project's recommendations in this regard were set out in the OBC and approved by PIB and MOPAC in 2019. This paper provides an update on the progress that the project has made since then in securing these options.
 9. In addition to providing an update, the project is seeking approval for its recommended next steps with regard to the Charlton Pound, including:
 - To approve the recommended option for the future of the Charlton Pound, as well as the alternative option in the event that this option is not secured.
 - To approve the relevant Revenue and Capital funding requirements associated with these options and note the impact of these funding decisions on the MPS Capital Plan and the Medium-Term Financial Plan (MTFP).
 10. Please note: as the details of the preferred approach relate to ongoing commercial discussions and negotiations, they are commercially sensitive at the time of writing and have not been included within Part 1. They are set out in

detail in Part 2. The paper will cease to be exempt when the relevant commercial decisions set out within it have been contractually agreed and published via the relevant channels.

Contributes to the MOPAC Police & Crime Plan 2017-2021²

11. VRES is an essential MPS service that contributes to the safety and efficiency of London's roads and plays an important and increasing role in fighting crime. This project helps to secure the medium to long-term continuity of this service.

Financial Comments

12. This information is within the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels.

Legal Comments

- 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.
- The MOPAC is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). Contracts for goods / services valued at £164,176 or above must be procured in accordance with the Regulations. Regulation 10(1) (a) provides a specific exclusion from the requirements of competitive tendering for service contracts for the acquisition or rental of land and existing buildings.
- The MOPAC has the power to acquire and dispose of properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 (the Act).
- The Commissioner may also do anything which is calculated to facilitate, or is conducive or incidental to acquiring and disposing of property (apart from land) but only with the consent of MOPAC under paragraph 4 (2) (b) of Schedule 4 of the Act.

² [Police and crime plan: a safer city for all Londoners | London City Hall](#)

Note : Legal advice will be sought for any significant legal implications arising from this report, due to its recommendations or decisions being novel in nature or contentious.

This information is contained in the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels.

Equality Comments

13. The equality and diversity impact has been considered with no issues identified or foreseen. All select service providers will be evaluated for acceptable equality and diversity statements, as well as their ability to comply with the Equality Act 2010. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

Privacy Comments

14. 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.
15. 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.
16. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
17. A DPIA has been completed for this project. The project will ensure a privacy by design approach, which will allow the MPS to find and fix problems at the early stages of any project, ensuring compliance with GDPR. DPIAs support the accountability principle, as they will ensure the MPS complies with the requirements of GDPR and they demonstrate that appropriate measures have been taken to ensure compliance.

Real Estate Implications

18. This information is within the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the VRES OBC and this VRES Update report have been contractually agreed and published via the relevant channels.

Environmental Implications

19. The environmental impact has been considered and no issues are foreseen. Any third party contracts agreed as part of this project will ensure that suppliers comply with environmental legislation or policy. In particular, the vehicle recovery contract will include provisions that suppliers comply with such relevant clean air policy (e.g. Ultra Low Emission Zone).

For and on behalf of: Vince Fihosy, Director of Property Services

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 the VRES Continuity Project - Update report is exempt from publication for the following reasons:

- It is exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 - Commercial Interests);
and
- The relevant sections under the FOIA (Freedom Of Information Act) that would exempt this information from disclosure, particularly Commercial Interest under Section 43

The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and publicised via the relevant channels (e.g. OJEU).