

## REQUEST FOR DMPC DECISION – DMPCD 2014-159

**Title: Chelsea Old Town Hall - Lease Acquisition and Fit Out**

### Executive Summary:

The MOPAC Policing and Public Access in London document identified Chelsea Police Station as a site which was unsuitable for operational requirements in the long term, and identified the need for new facilities nearby. It operates as a deployment base and contains a Contact Point. Subject to alternative locations being found DMPC approved the disposal and marketing of Chelsea Police Station in December 2014 [DMPCD 2014-133].

This paper proposes the acquisition of a leasehold interest at the Royal Borough of Kensington & Chelsea's (RBKC) Old Town Hall, investment in this site to fit it out, and the temporary relocation of the neighbourhood policing team to Pavilion Road until the Old Town Hall site works is completed. The Contact Point has been temporarily re-located to the Worlds End Safer Neighbourhood base.

The cost and terms of the lease are set out in exempt Part 2. The proposed investment is £325,000.

### Recommendations:

The DMPC is asked to

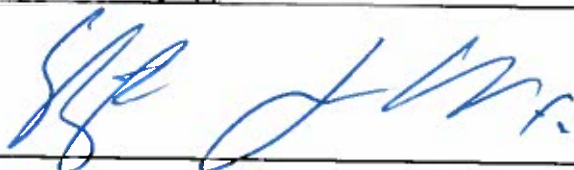
1. approve the acquisition of a leasehold interest in the Royal Borough of Kensington & Chelsea's accommodation at Chelsea Old Town Hall to meet the long term requirements for those teams based in Chelsea Police Station, on proposed terms as detailed in exempt Appendix 2,
2. approve the proposed £325,000 investment to fit out the site
3. approve the temporary relocation of the Chelsea Neighbourhood Policing Team to Pavilion Road Safer Neighbourhood base, and
4. note the temporary relocation of the contact point at World's End Safer Neighbourhoods base on Kings' Road until completion of works at Chelsea Old Town Hall

### 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**

19/12/2014

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

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

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

- 1.1 The MOPAC Policing and Public Access in London document identified Chelsea Police Station as a site which was unsuitable for operational requirements in the long term, and identified the need for new facilities nearby.
- 1.2 The Police Station is currently used as a deployment and neighbourhood policing base for twenty-one officers. These officers require 160-180 square metres, far below the available 2,432 sq metres. In December 2014<sup>1</sup> DMPC approved the disposal and marketing of Chelsea Police Station, dependent on the transfer of the functions located there.
- 1.3 Work to progress the changes required to meet the above has developed to the stage where DMPC decision is required.

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

- 2.1 As part of the Policing and Public Access in London document MOPAC has engaged with the Royal Borough of Kensington & Chelsea's (RBKC) to identify an alternative site to Chelsea Police Station. RBKC has proposed use of part of the Chelsea Old Town Hall, a council owned facility. The proposed site is half a mile away from Chelsea Police Station.
- 2.2 MPS Property Services has evaluated four options
  1. remaining in Chelsea Police Station doing nothing,
  2. remaining in Chelsea Police Station and doing the minimum investment necessary,
  3. taking a lease, fit out and take occupation of Chelsea Old Town Hall in September 2015 whilst remaining in Chelsea Police Station, and
  4. the recommended option of taking a lease, fit out and take occupation of Chelsea Old Town Hall in September 2015 with temporary moves to Pavilion Road and Worlds End.
- 2.3 The recommended option is ranked first in the financial net present value (NPV) calculation, and the options for remaining in Chelsea Police Station are not recommended on both financial and operational bases.

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

- 3.1 The reduced revenue costs of moving to Chelsea Old Town Hall, and temporarily to Pavilion Road and Worlds End, will contribute to the Corporate Real Estate savings target of £59m by 2015/16.
- 3.2 The fit out costs estimated at £325,000 will be met from within the existing MPS Property Services Capital Programme.
- 3.3 The sale proceeds from the disposal of Chelsea Police Station will support the 2014-16 capital programme.

#### **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), and enter into contract, but only with the consent of MOPAC under paragraph 4 (2) (a) and (b) of Schedule 4 of the Act. The Commissioner must also exercise the power of direction and control conferred upon him in such a way as is reasonable to assist the MOPAC to exercise that Office's functions under section 4(5) of the Act.

4.3 The MOPAC's Scheme of Delegation and Consent (Sept 14) ("the Scheme") enables the MPS Management Board Lead to approve business cases for the procurement of works/services/goods contracts valued below £500k. It also enables the Director of Property to approve the acquisition of leasehold interests under £500k and authorises the disposal of property with an estimated value not exceeding £1million, subject to prior notification to the DMPC. For the above reasons set out above, together with the public interest aspect arising from the replacement of front facing counter services, decisions will be subject to approval by the DMPC pursuant to paragraph 4.16 and 4.17 of the Scheme.

4.4 The report confirms the proposed disposal of Chelsea Police Station and acquisition of the leasehold interest will support the delivery of a leaner estate which is lower in cost to run, and will therefore assist MOPAC securing the maintenance of the Metropolitan Police Force, and ensure that it is efficient and effective, as required under Section 3(6) of the Act.

4.5 The acquisition of the leasehold interest and contract awards for the works programme are subject to contract. External lawyers will be instructed through Met Law (DLS), as appropriate. As stated above, further reports will be required to progress the final disposal of property, procurement of contractors to undertake the fit out works and award the final contract.

## **5. Equality Comments**

5.1 In line with corporate real estate principles; maximising the use of space and minimising costs of those buildings core to operational needs, it is essential that those buildings acquired are fit for use, compliant and provide suitable accessibility. An identified Equality Impact Assessment (EIA) for the CRE Programme has been completed at a strategic level and a full site specific EIA will take place on completion of detailed design for the facilities at Chelsea Old Town Hall.

5.2 There are considered to be limited equality or diversity issues arising as a result of this proposal.

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

MPS Briefing Paper 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

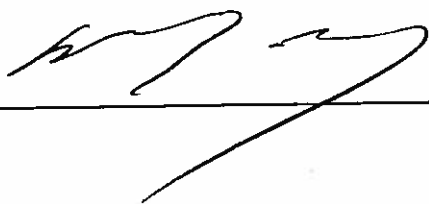
**ORIGINATING OFFICER DECLARATION:**

	<i>Tick to confirm statement (✓)</i>
<b>Head of Unit:</b> Annabel Cowell has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> The Legal team have been consulted on this proposal.	✓
<b>Financial Advice:</b> The Chief Finance Officer has been consulted on this proposal.	✓
<b>Equalities Advice:</b> Equality and Diversity issues are considered in the body of the report.	✓

**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**



**Date** 19/12/2014.

**REQUEST FOR APPROVAL TO ACQUIRE AND FIT OUT  
PART OF CHELSEA OLD TOWN HALL IN SUPPORT OF THE ROYAL BOROUGH OF  
KENSINGTON & CHELSEA LOCAL POLICING MODEL**

**A report by the Director of Property Services**

**SUMMARY**

The MOPAC Policing and Public Access Local Policing Model in London 2013 Report identified Chelsea Police Station in the Royal Borough of Kensington and Chelsea (RBKC) as unsuitable for operational requirements in the long-term and set out the requirement for new facilities nearby to provide contact point and deployment facilities.

This report proposes the acquisition of a leasehold interest in the RBKC owned Chelsea Old Town Hall to provide future Neighbourhood Policing facilities to replace Chelsea Police Station, and an option to bring forward savings opportunities in support of the CRE Programme by providing a short term solution at Pavilion Road.

**A. RECOMMENDATIONS - That the DMPC:**

- 1. Note the LPM Model for the RBKC identified that replacement facilities for the Neighbourhood Policing Team and contact point were required to replace Chelsea Police Station;**
- 2. Approve the acquisition of a leasehold interest in the RBKC's accommodation at Chelsea Old Town Hall to meet the long term requirements for those teams based in Chelsea Police Station, as set out in Option 4, on proposed terms as detailed in exempt Appendix 2;**
- 3. Subject to recommendation 2 above, note the allocation of up to £325k capital expenditure from the agreed 2014/17 MPS Capital Programme to meet the fit out works required at Chelsea Old Town Hall, and that works will be procured via the approved CRE Call Off Framework in line with the present MOPAC Scheme of Delegation and Consent (September 2014), noting that works will be completed by September 2015;**
- 4. Approve the temporary relocation of the Chelsea Neighbourhood Policing Team to Pavilion Road Safer Neighbourhood base as supported by Borough and Area Commander and AC King. On completion of the works to Chelsea Old Town Hall, support the permanent relocation of the Policing Team to this site.**

## B. SUPPORTING INFORMATION

1. The MOPAC Policing and Public Access in London (March 2013) Publication identified Chelsea Police Station as unsuitable for retention in the long-term and confirmed the intention to find nearby facilities for local deployment. The report also supported the exploration of all opportunities proposed by the Local Authority.
2. The Neighbourhood Policing Team (NPT) based at Chelsea Police Station consists of 21 officers with an accommodation requirement assessed at 160-180 square metres, significantly lower than the 2,432 square metres of available accommodation at Chelsea Police Station. The Police Station comprises accommodation for offices, lockers and eight cells (out of operational use), over a basement and three upper floors.
3. In view of the very high cost of retail accommodation in the area a direct approach was made to RBKC who identified suitable accommodation in Chelsea Old Town Hall situated half a mile from the existing police station. Subject to refurbishment, this space can provide suitable office, lockers, showers/changing and WC facilities.
4. Chelsea Police Station provides contact point facilities for the Local Community. The permanent replacement contact point will be provided at Chelsea Old Town Hall. A temporary contact point enabling the closure of Chelsea Police Station has been established at World's End Safer Neighbourhoods base on Kings' Road.
5. The BOCU are supportive of the proposal and confirm that the accommodation is acceptable from an operational perspective.
6. PSD has considered the following options;

OPTION 1 - Remain in Chelsea Police Station - Do Nothing

OPTION 2 - Remain in Chelsea Police Station - Do Minimum

OPTION 3 - Fit out and take occupation of the facilities at Chelsea Old Town Hall in September 2015 and remain in Chelsea Police Station whilst the Capital Works at Chelsea Old Town Hall take place

OPTION 4 - Fit out and take occupation of the facilities at the Chelsea Old Town Hall, with a short term interim move to Pavilion Road and the contact point to be based at St John's Church (World's End Safer Neighbourhoods base), Kings Road, enabling an earlier exit of Chelsea Police Station in November 2014.

### 7. Options Appraisal

#### OPTION 1 - DO NOTHING - REMAIN IN CHELSEA POLICE STATION

This option incurs revenue costs of £396k pa for rates, utilities, maintenance etc and no capital receipt would be generated.

Doing nothing would result in a further deterioration in the working environment and potentially emergency reinvestment in the site to manage Health and Safety issues as they arise. This option cannot be recommended as the premises are not fit for purpose in the longer term, are larger than required, and do not meet operational needs.

## OPTION 2 - DO MINIMUM - REMAIN IN CHELSEA POLICE STATION

If retention of Chelsea Police Station is to be considered, due regard would need to be taken to the repair and maintenance issues that are outstanding. An estimated £565k of Capital Expenditure would be required to bring the building back up to an appropriate standard for a retained site. (This cost is not currently allowed for within the capital allocation to Property Services)

This option cannot be recommended as the premises are not fit for purpose in the longer term, are larger than required, and do not meet operational needs. This option would also maintain revenue costs at the level as shown within Option 1.

## OPTION 3 - FIT OUT FACILITIES AT CHELSEA OLD TOWN HALL AND TAKE OCCUPATION IN SEPTEMBER 2015

The budget cost/investment is estimated at up to £325k. This option meets operational needs and maximises use of space due to the smaller size of the premises. It would also enable a reduction in property revenue expenditure. The details of the proposed lease terms are set out in Exempt Appendix 2. This option assumes no interim moves and a later disposal of Chelsea Police Station, after which teams move to Chelsea Old Town Hall.

## OPTION 4 - FIT OUT FACILITIES AT CHELSEA OLD TOWN HALL, WITH INTERIM SHORT TERM MOVE TO PAVILION ROAD SN BASE AND ST JOHN'S CHURCH, TO ENABLE EARLIER EXIT OF CHELSEA POLICE STATION IN NOVEMBER 2014

In order to achieve an earlier exit and sale of Chelsea Police Station the NPT can be accommodated at Pavilion Road in the short term, whilst the Chelsea Old Town Hall accommodation is fitted out (as noted in Option 3 above). The BOCU are supportive of the move to Pavilion Road as a short term measure.

It should be noted that the Royal Borough has a corporate policy to retain an option to break (terminate) their third party leases any time after five years, to maintain future flexibility within their corporate estate. This is common practice and the arrangement in place at a number of Local Authority third party sites used by Neighbourhood Policing. While this does present a risk to the MPS operation at the site, a proposal has been made that, if the MPS were required to move after five years, 50% of the original fit out cost would be reimbursed by the Royal Borough.

The Royal Borough is undertaking their own work to the Town Hall to support their own long term occupation. The likelihood of the MPS needing to relocate from this site within the 10 year lifespan of the proposed lease is considered fairly low.

MOPAC hold a lease, and the MPS occupy a facility at St John's Church (aka World's End), Kings Road. The Contact Point has been relocated to this facility, an existing SN Base, in the short term.

This is the recommended Option.

## 8. Summary

**Ranking of each option** (Detailed Financial implications are contained in Part 2 Exempt Section of Report)

	Option 1	Option 2	Option 3	Option 4
NPV Rank as per financial analysis	3	4	2	1

Options 1 and 2 are not recommended, the existing Police Station site is underutilised and substantial works are required to bring the site back up to a modernised standard for operational performance. Neither option releases real estate, or associated costs.

Option 3 will require the use of Chelsea Police Station until 2015/16 as it cannot be vacated until the Chelsea Old Town Hall site is ready for occupation. Post September 2015, this option would enable the sale of Chelsea Police Station, and generate capital receipts and release net revenue savings of £346k p.a.

Option 4, to acquire and fit out the base at Chelsea Old Town Hall, with an interim move to Pavilion Road, is recommended. This would enable the exit of Chelsea Police Station in November 2014 to generate capital receipts earlier than Option 3 and also release net revenue savings of £346k p.a. earlier, contributing towards the Corporate Real Estate savings target of £59m by 2015/16. This equals a part year net revenue benefit in 2014/15 of £99k.

The accommodation provision at Chelsea Old Town Hall would total 195 square metres on terms as set out in exempt Appendix 2. This option provides good value for money and presents an opportunity for the MPS to work from a base at the heart of the community. In addition, should this option be approved, it supports the planned model for reduction in premises revenue expenditure and brings forward the capital receipt from the disposal of Chelsea Police Station into the 2014/15 Capital Programme.

## C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

### **Equality and Diversity Impact**

1. In line with corporate real estate principles; maximising the use of space and minimising costs of those buildings core to operational needs, it is essential that those buildings acquired are fit for use, compliant and provide suitable accessibility. An identified Equality Impact Assessment (EIA) for the CRE Programme has been completed at a strategic level and a full site specific EIA will take place on completion of detailed design for the facilities at Chelsea Old Town Hall.
2. With respect to the proposed facilities at Chelsea Old Town Hall the premises will have stepped access. This is acceptable in these circumstances as only operational officers will be based in the premises. The Contact Point will be located within the ground floor Library at Chelsea Old Town Hall, which is accessible to the public.
3. At this site it is proposed that a unisex locker room will be provided to allow for flexibility when the balance of male to female officers changes. The facility will therefore provide changing cubicles and lockable shower rooms. This design is in place at several other sites across the estate.



## Financial Implications

4. Compared to the other three Options considered, the recommended Option 4 allows for the early release of Chelsea Police Station in November 2014, which also enables capital receipts and revenue savings to be generated at the earliest opportunity. After allowing for the Capital Expenditure at Chelsea Old Town Hall in 2015/16, this Option would see the payback of that investment from net revenue savings resulting from the closure of Chelsea Police Station, by the end of 2015/16, which is a payback within one year. The detailed financial implications in respect of each of the options considered in this paper are commercial in confidence and therefore set out in Part 2 Exempt Section of Report and Appendix.

## Legal Implications

5. This report seeks the approval to acquire a leasehold interest and undertake a programme of works to Chelsea Old Town Hall, with a view to accommodate a new Neighbourhood Policing Base. The report recommends the subsequent disposal of Chelsea Police Station.
6. 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").
7. 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), and enter into contract, but only with the consent of MOPAC under paragraph 4 (2) (a) and (b) of Schedule 4 of the Act. The Commissioner must also exercise the power of direction and control conferred upon him in such a way as is reasonable to assist the MOPAC to exercise that Office's functions under section 4(5) of the Act.
8. The MOPAC's Scheme of Delegation and Consent (Sept 14) ("the Scheme") enables the MPS Management Board Lead to approve business cases for the procurement of works/services/goods contracts valued below £500k. It also enables the Director of Property to approve the acquisition of leasehold interests under £500k and authorises the disposal of property with an estimated value not exceeding £1million, subject to prior notification to the DMPC. For the above reasons set out above, together with the public interest aspect arising from the replacement of front facing counter services, decisions will be subject to approval by the DMPC pursuant to paragraph 4.16 and 4.17 of the Scheme.
9. The report confirms the proposed disposal of Chelsea Police Station and acquisition of the leasehold interest will support the delivery of a leaner estate which is lower in cost to run, and will therefore assist MOPAC securing the maintenance of the Metropolitan Police Force, and ensure that it is efficient and effective, as required under Section 3(6) of the Act.
10. The acquisition of the leasehold interest and contract awards for the works programme are subject to contract. External lawyers will be instructed through Met Law (DLS), as appropriate. As stated in paragraph 8 above, further reports will be required to progress the final disposal of property, procurement of contractors to undertake the fit out works and award the final contract.

11. On the basis of the information contained within this report and discussions with Property Services, DLS are supportive of the proposed recommendations.

### Consultation undertaken

12. The plan to replace Chelsea Police Station was published in the MOPAC Policing and Public Access report in March 2013. Those plans were subject to full consultation and engagement. Communication strategies have been prepared for the Borough Commander to engage with stakeholders. The BOCU have started engagement with stakeholders regarding the closure of Chelsea police station. Formal communication will need to be implemented following approval of this Board.

### Risk (including Health and Safety) Implications

13. Estate Health and Safety considerations and legal compliance are an integral part of the CRE Programme. The Property Services Compliance Team is involved at relevant stages to input, advise, monitor and report upon compliance with statutory regulations and approved codes of practice. The Team is involved with ensuring the satisfactory health and safety performance of the MPS Estate in respect of corporate and local health and safety policies, legal compliance, standards and audit. The Compliance Team works across Business groups, MPS Departments, external enforcing bodies (e.g. Health and Safety Executive, Environmental Agency, etc) and the MPS Strategic Health and Safety Committee, on health and safety matters, as necessary.
14. The recommended Option 4 will have implications for staff moving, however Chelsea Old Town Hall is within half a mile of the existing police station.

### Environmental Implications (if relevant to the subject)

15. The table below indicates expected environmental impact of each option -1,2,3,and 4

	Higher	Lower	No Impact
Level of energy use and associated carbon dioxide emissions		3,4	1,2
Level of water consumption			1,2,3,4
Level of waste generation/waste requiring disposal			1,2,3,4
Level of travel and transport and associated emissions			1,2,3,4
Raw material use and finite resources (use of recycled materials and sustainable alternatives)	3,4,		1,2

16. The level of energy use and carbon dioxide emissions associated with the above outcomes should be lower in smaller buildings, as in Options 3 and 4. The effect on water consumption and operational waste will be negligible.
17. All procurement fit-out will adhere to MPS design guidelines on environmental management covering construction, operational use and specifications for responsible procurement.

**Report author:** Jane Bond - Director Property Services (020-7161-237)

**Contact** Andrew Hann - Senior Asset Manager (020-7161-2292)

**Abbreviations**

BOCU	-	Borough Operational Command Unit
CRE	-	Corporate Real Estate
EIA	-	Equality Impact Assessment
LPM	-	London Policing Model
MOPAC	-	Mayor's Office for Policing and Crime
MPS	-	Metropolitan Police Service
NPT	-	Neighbourhood Policing Team
PSD	-	Property Services Department

