

DMPC Decision – PCD 1242

Title: Limehouse Police Station Refurbishment Outline Business Case

Executive Summary:

This paper seeks approval for the progression of the detailed design of Limehouse Police Station including the procurement of a design and construct contractor at a cost of upto £2,000,000. The refurbishment is designed to re-provide the facility for the Met Operations business group including the specialist firearms command and Mounted Branch and specialist training facilities. The procurement will be via an approved MOPAC framework and the cost is within the capital budget.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to approve:

1. Development of Detailed and Technical Design for Limehouse for presentation to Portfolio Investment Board (PIB) alongside the Full Business Case in August 2023.
2. Delegated authority to the Director of Commercial Services for the procurement and award of a Design & Construct contractor at a cost up to £2,000,000. This appointment would use an approved MOPAC framework and would comprise a Pre-Construction Service Agreement (PCSA) for the appointment of a Design and Construct main contractor to undertake RIBA Stage 3 & 4 Detailed & Technical Design, Specialist Surveys, Planning Application and Tendering during the pre-construction phase. The output from this procurement would be a completed and priced design enabling a fixed price contract sum to be brought to PIB and Investment Advisory and Monitoring (IAM) meeting in September 2023.

Deputy Mayor for Policing and Crime

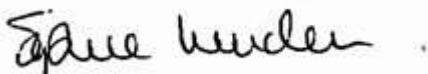
I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Date

27/07/2022



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

1. Introduction and background

- 1.1. The Limehouse Police Station site has long been proposed for redevelopment to accommodate the Met Operations (MO) functions including firearms, firearm ranges and classrooms and mounted branch. There will also be accommodation for a DWO base.

2. Issues for consideration

- 2.1. The redevelopment will bring Limehouse Police Station upto standard in respect of major plant equipment and provide the investment in firearms ranges/training which will provide the benefits of less abstraction and travelling for training, greater capacity to respond to e.g. a Marauding Terrorist Attack (MTA) in London, and the MPS expect it to improve recruitment and retention of new officers including for current under-represented groups.
- 2.2. The planned design of the scheme will result in a fully net zero carbon building. The refurbishment will release 4 other sites for disposal.
- 2.3. The MPS propose to cost an optional enhancement for a Armed Firearms Officer (AFO) Scenario (Street Scene) training facility currently estimated at c£3m. This will need further engagement with local planning officers. This proposal may generate additional training savings. This will be set out as part of the full business case in 2023.
- 2.4. In addition to the procurement of the design and construct activity the MPS Director of Commercial Services will procure and award project, cost and specialist technical support services at a cost up to £500,000 which is within the delegated authority of the Metropolitan Police Service. This appointment would use an approved MOPAC framework.

3. Financial Comments

- 3.1. The estimated cost of these recommendations is upto £2,000,000, with an additional upto £500,000 under delegated authority. In total the proposed redevelopment is estimated to cost £63,100,000 which is budgeted for in the capital programme (£63,500,000). This includes £1,700,000 of works to bring the design of the building to meet the net zero carbon ambition.
- 3.2. In addition, there is proposed but currently unfunded proposals costed at £893,000 of further recommended energy efficiency works with good payback, and potential for further works estimated at a further £8,700,000 to further reduce energy usage but with longer payback. The options for further energy efficiency investment which might be justified on a “spend to save” basis and opportunities to obtain external grant funding will be considered and included as part of the full business case.

- 3.3. The redevelopment will incur additional running costs during the period of the works before the savings from releasing the four expected surplus buildings and the reduction in firearms training costs come on stream. From 2027/28 MPS estimate an annual net revenue saving of £68,000. The MPS will set out how they will manage this interim revenue pressure as part of the full business case.

4. Legal Comments

- 4.1. Section 6 of the Police Reform and Social Responsibility Act 2011 (“the Act”) provides the MOPAC must secure the maintenance of the Metropolitan Police Service, and secure that the Metropolitan Police 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). The MOPAC has the power to dispose of surplus properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the “the Act”.
- 4.3. The Mayor’s Office for Policing and Crime is a contracting authority as defined in the Public Contracts Regulations 2015 (“the Regulations”). All awards of public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
- 4.4. The MPS confirms the proposed route to market would be to use eligible framework agreements. This will be compliant with the Regulations.
- 4.5. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime (“DMPC”) has delegated authority to approve:
- Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
 - All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).
- 4.6. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

5. Commercial Issues

- 5.1. The procurements contained within this paper are for the early stages of a design and construct contract to undertake the detailed design phase, and the purchase of specialist project, cost and technical services to support the MPS.

- 5.2. Both procurements will use existing approved MOPAC frameworks.
- 5.3. The MPS assure that the appointment of both main contractor and consultant will include specific commitments in regard to MOPAC's social value objectives including those related to Covid recovery, addressing the London Anchor Institutions' Charter. Performance against these will be assessed as part of the ongoing framework management approach. The contracts will encourage the use of London supply chain and specific initiatives including: apprenticeship levies; adherence to modern slavery and London Living Wage obligations; financial commitment to MET charities (Givewith).

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 project does not use personally 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 site specific equality impact assessments (EIAs) will be undertaken as part of the detailed design process, and this will be updated to reflect the works proposed if approved. All buildings included in the Estate Transformation Implementation Plan will be Equalities Act Compliant.

8. Background/supporting papers

- Appendix 1 MPS Report - Limehouse Redevelopment, Outline Business Case

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	<i>Tick to confirm statement (✓)</i>
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 .	✓
Drafting Officer Alex Anderson has drafted this report in accordance with MOPAC procedures.	✓
Director/Head of Service: The interim MOPAC Chief Finance Officer and Director of Corporate Services 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 27/07/2022

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Limehouse Redevelopment, Outline Business Case**MOPAC Investment Advisory & Monitoring meeting 06 July 2022****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*

The revised Option outlined in the SOC at a cost of £63.0m (including 40% OB) and approved by IAM in March 2021, included the following scope changes which enable the retention and reuse of a number of the existing buildings on the site. This presented the opportunity for a significant cost reduction compared with the initially proposed cost of £123.6m:

- Retention of Chadwell Heath to continue to accommodate MO7 Taskforce teams and MO8 Roads & Transport Policing, who benefit from the site's geographical location and proximity to the area's fast roads network.
- Location of the recruitment activity at Kennington PS.
- A change to the design approach from a single '12 lane' firing range to 2 x '6 lane' firing ranges (enabling the ranges to be stacked).

The recommended option would deliver a long term fit-for-purpose facility for MO19 Metropolitan Police Specialist firearms command, and add support for the growth arising from the 'Officer Uplift' programme, and the opportunity to help alleviate growth pressures in that BCU due to demographics and changing crime patterns.

This Outline Business Case (OBC) incorporates a further change to the design approach, responding both to local authority Planning Officer concerns and Met Operations operational training requests, by replacing the previously proposed 2 x '6 lane' firing ranges with a single 2 lane (configured as 8 + 4) 50m high velocity range. This updated approach is outlined in the Case for Change and is listed in Table 2: Estates & Operational Considerations.

Investment in the redevelopment of this site provides a significant financial saving to the MPS over the next ten years, relative to retaining the current facilities, and also helps contribute to the Met's environmental targets. The SOC recommended scheme was tested with the relevant operational leads and validated by the consultant team and Property Services at the Initiation Stage. The cost estimate for the recommended scheme was £63m (including 40% OB). These costs have been further tested prior to the submission of this OBC.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting

(IAM), is asked to **approve**:

3. Development of Detailed and Technical Design for Limehouse for presentation to PIB alongside the FBC in August 2023.
4. Delegated authority to the Director of Commercial Services for the procurement and award of a Design & Construct contractor at a cost up to £2.0m. This appointment would use an approved MOPAC framework and would comprise a Pre-Construction Service Agreement (PCSA) for the appointment of a Design and Construct main contractor to undertake RIBA Stage 3 & 4 Detailed & Technical Design, Specialist Surveys, Planning Application and Tendering during the pre-construction phase. The output from this procurement would be a completed and priced design enabling a fixed price contract sum to be brought to PIB and IAM in September 2023.

Time sensitivity

5. A decision is required from the Deputy Mayor by 21 July 22. This is because the associated planning application submission needs to meet the planned preparation and completion deadline.

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

Introduction and background

1. Leman Street, Limehouse, Bow Stables and Grove Hall Garage are all in poor condition, and are not considered fit for purpose to support the future operational needs of MO. The properties are inefficient in use, would require very significant capital expenditure to bring them even close to acceptable workplace standards and do not reach current MPS Sustainability standards. The redeveloped Limehouse facilities will be designed to meet current sustainability standards and provide options to help meet the Mayor's Net Zero Carbon targets for 2030.

Issues for consideration

2. Investment is required to ensure that the operational teams can efficiently perform their role. There are also operational risks due to the current use of temporary armouries and the lack of space for the armoury/workshop, essential operational equipment and the vehicle fleet. Whilst operational delivery is currently being maintained, the issues with the current facilities are:
 - Poor condition buildings that suffer from repetitive failures of the building fabric and essential services.
 - Increased maintenance of weapons arising from current sub standard storage facilities.
 - Very limited space at the current operational site.
 - Inadequate space for the workshop creating inefficiencies as armourers are transporting weapons to carry out essential servicing.
 - Limited range and taser training space.

- The MPS has expanded its operational requirements over the years in order to counter emerging trends in both the crime and counter terrorism sphere. There is insufficient space to store all the necessary equipment associated with our essential operational capabilities.
 - The current range is also sub-standard, and was built during a period when the MPS used low velocity carbines (9mm H&K). All of MO19's primary weapons are now high velocity (5.56) meaning the existing range is not useable for training or classification shoots, all of which now require a 50m range.
3. Further key reasons why the Limehouse development is required include:
- We currently have 3 x 50m ranges that are suitable for classification using High Velocity ammunition, one at Hendon and two at MPSTC. These are now at capacity, requiring further training to be provided at ranges away from London. The single weapons platform is designed to reduce cost through one training course and one ammunition calibre whilst mitigating risk and modernising the weapons available for SO commands on the back of recent inquests. The predicted increase in AFOs using High Velocity ammunition will substantially exceed the current capacity to deliver it. This will mean that the MPS will have to continue to outsource classification to external providers at additional cost. This in turn affects our resilience as we have to send officers outside the MPS simply to reclassify. Additional 50m ranges would provide resilience for the training to be kept in London and keep the costs down.
 - Strategically, there are continued risks in terms of third-party facilities being available. There are currently no secure long-term contracts for the sites that we use and due to this we have a risk that they can be withdrawn at short notice. For example, Northumbria have previously withdrawn one agreed course space in preference for their own training calendar. The MoD (owner of most of the sites used) are unable to commit to any firmer contractual arrangements as they will always retain the right to withdraw MPS use in preference for military use.
 - It is the MO19 professional assessment that the 12-lane range that has been agreed within the design at Limehouse is essential and the absolute minimum that is required. The updated design creates a more versatile training facility which provides benefit in a reduction in height of the development, providing two 50 metre High Velocity ranges; 1 of 8 lanes (1.2m per lane width) and 1 of 4 lanes (1.8m per lane if possible). A ballistic wall between the two ranges is also required, as they are placed side by side.
4. Progression of the recommended proposal will enable us to exit buildings on the disposal list, which are no longer fit for purpose. Should the decision be made to retain these buildings they will require significant investment to bring them up to a good standard for occupation. The capital receipt delivered through the disposal of the buildings associated with this proposal, plus the saved capex on the refurbishment required for these buildings, provides an opportunity to deliver a fit for purpose facility at Limehouse, securing the long-term operational environment for MO19 to fulfil their duties. This new Limehouse facility will provide: briefing rooms, locker space, rest rooms, fleet parking, bespoke armouries, storage facilities, specialist training and firing ranges as well as providing a layout suitable for holding post incident procedures to the current standard.

Contributes to the MOPAC Police & Crime Plan 2022-2025¹

5. This proposal was co-authored with MO19. Their remit delivers directly to and is governed by the MOPAC Police & Crime Plan 2022 – 2025. The Mayor wants London both to be a safer city and for Londoners to feel safer. To deliver this vision the Police and Crime Plan sets out some key areas for action which include: Reducing and preventing violence; Increasing trust and confidence; Better supporting victims.
6. There are several key areas of MO19 operation delivery which would strongly benefit from the Limehouse development including:
 - Officers who are currently having to be trained and reclassified can be trained in central London, thus improving our ability to respond quickly and dynamically in the event of a worst case scenario MTA or a force mobilisation under the London Armed Asset Mobilisation Plan (LAAP).
 - The firearms command continue to support BCU colleagues and other OCUs in order to reduce crime through additional deployable assets to support MPS priorities – response time and support would be increased with the facilities being provided by Limehouse being developed. This will, in turn, subsequently increase the confidence of the public, protection principals and institutions.

Financial, Commercial and Procurement Comments

7. This paper provides a status update to the proposal for the Limehouse redevelopment at an estimated cost of £50.5m inclusive of all costs including construction costs and costs relating to Digital Policing, furniture and security. In addition, as the agreed proposal is at Concept Design (Stage 2), optimism bias of 25% (£12.6m) has been applied. This represents a total cost of £63.1m. The current approved budget is £63.4m. The redevelopment of the Limehouse Police Station site will enable the disposal of: Lemn St. PS, Shoreditch PS, Bow PS and Stables, and Grove Hall Garage generating capital receipts estimated to be £41.14m. This proposal includes costs for the provision of project works associated with the redevelopment of the Limehouse Police Station site.
8. Since SOC, Construction price inflation has increased to 9% and is continuing at high levels. This will increase budgetary pressure. The project budget built up at OBC stage currently includes OB at 25% (£12.6m) which can help to address current material price volatility / inflationary pressures. This will reduce as design becomes fixed against end user requirements and tender prices are started to be obtained. We believe that many material / inflation risks are met within the 25% level of OB. Please note there remains an ongoing risk that any further inflation increase may result in further additional funding requirements.
9. All contracts will be awarded in full compliance with the Public Contracts Regulations 2015. The outputs from RIBA Design Stage 1 and 2 have been provided as part of the development of the scheme from SOC business case approval. Stage 1 was undertaken so as to secure a feasibility study and report to determine which scheme option is deemed suitable and affordable and Stage 2, being a detailed design and costing now the subject of this OBC business case.
10. Design and any subsequent construction services required will be procured via compliant routes to market with call-off by either direct award or mini-competition using collaborative frameworks as approved by the Director of Commercial Services. Design services will be procured for delivery of RIBA Work Stages 3 and 4 (Detailed design) and subsequent delivery of RIBA Work Stages 5 to 7 (Construction). The strategy proposed for this particular scheme is to procure a single main contractor for both Design and Construction Services through a compliant mini-competition and call-off from an approved MOPAC third-

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

party framework. Consultancy services in support of PSD's project delivery team will be required for multi-disciplinary professional services including Project, Cost and Technical Support Services via the MPS's Construction Professional Services Framework. The consultancy services (project and cost management and employers agent services) will be procured via the new MOPAC framework which commenced on 1 March 2022.

11. It should be noted that:

- a. the Director of Commercial Services will procure and award Project, Cost and Specialist Technical Support Services at a cost up to £0.5m which is within the delegated authority of the Director of Property Services. This appointment would use an approved MOPAC framework
- b. the detailed design be developed to realise an enhanced scheme related to AFO Scenario Training (Street Scene) that fully meets the MO requirement at a currently forecast additional [unfunded] cost of £3m. The detailed design work will seek to deliver this enhanced design within the approved budget. The final position and (if required) options and decisions regarding the necessary additional funding will be included in the FBC to be brought to PIB and IAM in September 2023.
- c. £893k of additional funding to incorporate additional recommended energy efficiency measures. As part of the development of these options, NZC initiative grant awards will be sought to partially fund these initiatives and therefore the identified capital investment may be reduced. The final funding position will be confirmed and reported at FBC. The cost of EV charging upgrades is also considered in the NZC options paper.
- d. A further £8.68m of measures that may significantly reduce energy consumption have been identified. This investment would require additional funding but would result in significant revenue cost savings and could be justified on a "spend to save" basis. As part of the development of these options, NZC initiative grant awards will be sought to partially fund these initiatives and therefore the identified spend amounts may be reduced. The final funding position will be confirmed and reported at FBC.

12. The appointment of both main contractor and consultant will include specific commitments in regard to MOPAC's social value objectives including those related to Covid recovery, addressing the London Anchor Institutions' Charter². Performance against these will be assessed as part of the ongoing framework management approach. The contracts will encourage the use of London supply chain and specific initiatives including: apprenticeship levies; adherence to modern slavery and London Living Wage obligations; financial commitment to MET charities (Givewith).

Legal Comments

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

14. 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). The MOPAC has the power to dispose of surplus properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the "the Act".

²<https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/anchor-institutions-charter>

15. 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”.
16. The Mayor’s Office for Policing and Crime is a contracting authority as defined in the Public Contracts Regulations 2015 (“the Regulations”). All awards of public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
17. Section 9 of this report confirms the MOPAC’s route to market would be to use eligible framework agreements. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime (“DMPC”) has delegated authority to approve:
 1. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
 2. All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).

Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

Equality Comments

18. A programme level Equality Impact Assessment (EIA) was approved by the Estate Transformation Board in July 2017, agreeing that project level EIAs will be produced locally by user group representatives. Site specific EIAs will be undertaken as part of the Detailed Design process, this will be updated to reflect the works proposed if approved. All buildings included in the Estate Transformation Implementation Plan will be Equalities Act Compliant.

Privacy Comments

19. 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.
20. 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.
21. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.

The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

22. This is a Property Services Directorate co-authored and owned proposal. Real Estate implications are outlined throughout the proposal.

Environmental Implications

23. Measures considered and costed in the existing proposals, as included in the current MPS Sustainable Design Guide and which will enable the new facility to achieve NZC 2030 are included in this proposal. Additional Measures that could be included as part of this project will be identified and costed during the Detailed and Technical design process and an option presented to achieve further significant energy consumption reductions and may be justified on a “spend to save” basis.

Background/supporting papers

NONE

Report author: Max Radford, Project Manager, Programme Delivery Lead, PSD.

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 [OPERATIONAL]

Part 2 of Limehouse OBC as part of Programme 11 Transforming the Estate is exempt from publication for the following reasons:

- Exempt under Article 2(2)(c) of the Elected Local Policing Bodies (Specified Information) Order 2011
- The relevant section under the FOIA that would exempt this information from disclosure is Law Enforcement - Section 31 (1).

The paper will continue to be exempt unless, on review, non-publishable sensitive data is redacted.