

DMPC Decision – PCD 605

Title: Belvedere Development – Additional Approval

Executive Summary:

The Belvedere Warehousing Development currently has an approved budget of £36.7m. Further additional costs of upto £12.4m are now requested in order to complete the project. The additional costs are to be funded from within the MPS capital programme.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. approve that the development of Belvedere should continue. Noting if the project does not complete this could result in the need to write back to revenue capital costs of up to £30M, the loss of capital receipts of up to £58.6M and revenue savings of £0.7M.
2. approve additional expenditure of £12.4M for the redevelopment of Belvedere, noting that £8M has already been provided for in the capital programme approved in February 2019.
3. Note that the balance of funding required of £4.4M is in the short term to be managed within the existing control total for property services capital programme. Funding of the uplift will be reassessed at the first quarter's budget monitoring report as part of a review of the capital programme.
4. To note the delay in project completion of approximately 12 months, to end December 2019. There is no impact on the realisation of the linked capital receipts for Ponton Road, and the surplus land at Hendon Driving School, both of which are expected in 2019/20 in accordance with the current capital receipts budget

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

22.07.2019

Paul Hunter

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

1. Introduction and background

- 1.1. The Belvedere Redevelopment was initially approved in 2015, with an uplift in funding approved in 2017. This paper requests approval for further additional funding to complete the project.

2. Issues for consideration

- 2.1. The detail of the additional costs required to complete this project are set out in Part 2, and in summary include ground floor slab reinforcement, disposal of contaminated material, revisions to drainage & car park, and a separate ammunition store.

3. Financial Comments

- 3.1. Additional capital approval for £12.4m is sought in order to finalise this project. Of this sum £8m funding has already been identified to the project and the remaining £4.4m will be contained within the existing overall capital programme.
- 3.2. Approval of the additional funds and completion of the project will protect the generation of capital receipts from the disposal of sites which the Belvedere investment will release, the avoidance of writing off upto £30m of investment to date, and protection of £0.7m of annual revenue savings.

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
- 4.3. Under 4.9 of the MOPAC Scheme of Delegation and Consent the DMPC must approve "Budget virements or movements of £500,000 and above, (whether on a temporary or permanent basis"

5. Commercial Issues

- 5.1. See Part 2

6. GDPR and Data Privacy

- 6.1. [see Guidance] The programme 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. There are no direct equality implications arising from this proposal.

8. Background/supporting papers

8.1. MPS Paper

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

A DPIA is not required.

✓

Director/Head of Service

The MOPAC CFO 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

R. Lawrence

Date

19/7/19



MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

CRABTREE MANOR WAY, BELVEDERE DEVELOPMENT

**Portfolio and Investment Board and
MOPAC Investment Advisory Monitoring June 2019**

**Report by the Director of Property Services on behalf of the Deputy
Commissioner**

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

Summary

In 2015 approval was given for the development of a modern warehousing facility at Crabtree Manorway, with an uplift in funding approved in 2017 to enable the redevelopment to progress following detailed grounds and security surveys and a review of the equipment to be installed to maximise the efficiency of the warehouse.

Uplift of £12.4M is now requested to enable the redevelopment to complete.

Recommendations

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

- 1. To agree that the development of Belvedere should continue. Noting if the project does not complete this could result in the need to write back to revenue capital costs of up to £30M, the loss of capital receipts of up to £58.6M and revenue savings of £0.7M.**
- 2. To approve additional expenditure of £12.4M for the redevelopment of Belvedere, noting that £8M has already been provided for in the capital programme approved in February 2019.**
- 3. Note that the balance of funding required of £4.4M is in the short term to be managed within the existing control total for property services capital programme. Funding of the uplift will be reassessed at the first quarter's budget monitoring report as part of a review of the capital programme.**
- 4. To note the delay in project completion of approximately 12 months, to end December 2019. There is no impact on the realisation of the linked capital receipts for Ponton Road, and the surplus land at Hendon Driving**

School, both of which are expected in 2019/20 in accordance with the current capital receipts budget.

Time sensitivity

A decision is required from the Deputy Mayor on July 25th 2019 in order that the development can proceed without delay.

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

Introduction and background

1. Section 1 of the Police & Crime Plan outlines the key objectives underpinning the draft Estate Transformation Strategy. As part of this strategy, there is a significant planned reduction in the number of buildings in the estate with substantial investment in the retained estate, to improve the quality of accommodation and working conditions for future policing.
2. The cost of the development of Crabtree Manorway was anticipated to be £36.7M. For reasons set out in Part Two these are now expected to be £49.1M.

Financial, Commercial and Procurement Comments

1. The additional cost of £12.4M will be met from the existing capital programme. Further detail is provided in Part Two.

Legal Comments

2. 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.
3. In carrying out its functions, the MOPAC may, under paragraph 7, Schedule 3 of "the Act" "do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office". This includes, entering into contracts and other agreements, in addition to acquiring and disposing of property (including land).
4. 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".

Equality Comments

5. There are no direct equality implications arising from this decision.

Privacy Comments

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

Real Estate Implications

3. This project forms part of the draft Estate Transformation strategy which sets out the future structure of the estate to meet the aims of the One Met Model. Investment such as this is required in the retained estate to improve the quality of accommodation and the working conditions for future policing.

Environmental Implications

4. The project will comply with the MPS Sustainable Design Guide which is aligned to the Mayor's London Environment Strategy.

Background/supporting papers

None

Report Author: Guy Digby – Real Estate Development, 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 Development of Crabtree Manorway 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).

The paper will cease to be exempt after 31st March 2022.

