

DMPC Decision – PCD 680

Title: Central Estate Programme - Cobalt Square

Executive Summary:

Following approval of the Central Estate – Counter Terrorism and Organised Crime (CTOC) Hub in March 2018, initial funding to consider preparatory works at Cobalt Square was approved in March 2019. The design and development work to support the estates strategy option of retaining Cobalt Square now needs to progress to the next stage. Additional space will be made available at Cobalt Square. This paper requests the approval of additional expenditure for detailed design and survey works to progress the business case.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Agree to the additional expenditure of up to £3.67m to cover exploratory surveys and design work to assess the potential for Cobalt Square to form a hub for Serious and Organised Crime capabilities.
2. Agree to increase the draft 2020 capital programme by £3.67m to meet the cost of the proposed expenditure, but with this expenditure being the first call on any underspend on other capital programmes in order to seek to minimise borrowing costs.
3. Note that in the unlikely event the proposed redevelopment does not proceed, there would be a need to write the capital costs back to revenue. Taking into account previous approvals, this could create a revenue budget pressure of up to £4.2M.
4. Note that the MPS Management Board consider the risks of the work not proceeding to be low, and to be cost effective and to meet required timelines, this work needs to start immediately.
5. Agree to delegate authority to the Director Commercial with respect to entering into the necessary contracts to deliver the requirements.

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

Sybil Hende

Date

18/12/2019

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. In March 2019 an initial sum of £250,000 for preparatory works and initial design was approved to progress this proposal.

2. Issues for consideration

- 2.1. 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.
- 2.2. The approval of this expenditure will enable the detailed design of the works necessary to re-provide the organised crime function at Cobalt Square. A full business case is expected in Autumn 2020.

3. Financial Comments

- 3.1. The estimated costs of the surveys and detailed design including optimism bias is £3.67m. This sum has been included in the 2020/21 capital programme budget submission which is subject to Assembly and Mayoral approval.
- 3.2. If the proposal to co-locate partners at ESB is approved this estimated spend of £3.67m will result in a broadly cost neutral position over the time period of the scheme.
- 3.3. If the proposal to co-locate partners at ESB is not approved the spend of £3.67m below and that previously approved (in total £4.2m) will need to be written off to revenue. The MPS Management Board consider this to be a low risk.

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. All contracts for works required for the refurbishment will be undertaken through existing compliant frameworks.

6. GDPR and Data Privacy

- 6.1. There are no GDPR or data privacy issues.

7. Equality Comments

7.1. There are no equality implications arising from this decision

8. Background/supporting papers

8.1. MPS Paper Appendix 1

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

Legal advice is not required.

✓

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 interim MOPAC Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Interim 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

18/12/2019



MOPAC Investment Advisory Meeting

Expenditure Request to Support Property Requirements for Counter Terrorism and for Organised Crime

Report by Matthew Punshon on behalf of DAC Matt Twist (SRO Programme 10)

This report will be published by MOPAC. It is Classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

This paper relates to the Central Estate Programme decision approved on 22nd March 2018 (PCD335) and the subsequent approval for expenditure on 25th March 2019 (PCD553).

The design and development work to support the estates strategy option of retaining Cobalt Square needs to progress to the next stage. This will require a detailed design and cost review of this option as a central base to support SOC provision.

The MPS needs to commit expenditure to develop this opportunity and this paper requests approval for this expenditure.

Recommendations

The Deputy Mayor for Policing and Crime is recommended to:

- (a) Agree to the additional expenditure of up to £3.67m to cover exploratory surveys and design work to assess the potential for Cobalt Square to form a hub for Serious and Organised Crime capabilities.
- (b) Agree to increase the draft 2020 capital programme by £3.67M to meet the cost of the proposed expenditure, but with this expenditure being the first call on any underspend on other capital programmes in order to seek to minimise borrowing costs.
- (c) Note that in the unlikely event the proposed redevelopment does not proceed, there would be a need to write the capital costs back to revenue. Taking into account previous approvals, this could create a revenue budget pressure of up to £4.2M.
- (d) Note that the MPS Management Board consider the risks of the work not proceeding to be low, and to be cost effective and to meet required timelines, this work needs to start immediately.
- (e) Agree to delegate authority to the Director Commercial with respect to entering into the necessary contracts to deliver the requirements.

Time sensitivity

A decision is required from the Deputy Mayor by 19/12/2019 to ensure that the Central Estate Programme can maintain its project plan.

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

Introduction and background

1. In April 2018, MOPAC acquired Empress State Building (ESB) as part of its Estate Transformation Strategy, the transaction drove a substantial change in the structure and laydown of its central specialist and HQ estate.
2. An opportunity has arisen to further improve the operational effectiveness of ESB and the whole central estate, enabling the Met to retain and refurbish an existing central building (Cobalt Square).
3. Cobalt Square would be used as part of Central estate, with one of its core functions being to support the campaign against serious and organised crime. In March 2019 MOPAC approved funding of £250,000 to consider the initial design and preparation costs.
4. The next phase of project development (design) is required to detail the expenditure required at Cobalt Square to support a detailed business case.
5. This paper seeks MOPAC approval to progress the activity outline above.

Issues for consideration

6. The overall impact of the proposed deal to the MPS and MOPAC budgets is broadly cost neutral over the time period of the scheme.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

7. The proposed change is consistent with the MOPAC Police & Crime Plan and the Met Direction. It will enhance the MPS's ability to Keep London Safe by enhancing CT and SOC provision in the city.
8. It will provide modern tools to the police to do their job, and enhance the estate through enabling increased flexibility and resilience, targeting investments in critical infrastructure.

Financial, Commercial and Procurement Comments

9. The paper is seeking approval to spend £3.67M on exploratory surveys and design work at Cobalt Square. Of this £755k relates to optimism bias that will only be spent in the event of unforeseen requirements. Funding has been included in the draft capital programme submitted to MOPAC in November 2019.

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

10. In the event the proposed redevelopment does not proceed this would result in the need to write the capital costs back to revenue. Taking into account previous approvals this could create a revenue budget pressure of up to £4.2M.
11. All contracts for works required for the refurbishment will be undertaken through existing compliant frameworks.

Legal Comments

12. 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".
13. 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".

Equality Comments

14. There are no direct equality or diversity implications arising from this request.

Privacy Comments

15. This request will not involve the processing of personal data.

Real Estate Implications

16. There is no impact on targets for running costs or capital expenditure as the proposed approach is financially neutral.

Environmental Implications

17. The proposed opportunity enables further refurbishment and renewal of building systems which, in turn, will improve energy efficiency.

Background/supporting papers

Supporting papers in Part 2, exempt from publication.
Central Estate Programme decision approved on 22nd March 2018 (PCD335).
CTOC Hub – Expenditure Request approved on 25 March 2019 (PCD553)

Report author: Matthew Punshon (PSD)

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