

Request for DMPC Decision – PCD 941

Title: Disposals 2021-22

Executive Summary:

This decision seeks the approval for the disposal of and marketing for sale of a number of surplus sites in order to generate capital receipts to support the future capital investment programme and reduce running costs. In order to achieve its duty of best value the method of disposal for each property will be considered during the preparation for marketing. The disposals are expected to generate capital receipts estimated at between £79.9 million and £102.7 million, and save £4.8 million in annual running costs.

Decisions:

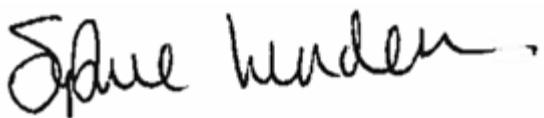
The Deputy Mayor for Policing and Crime is requested to:

1. Approve the disposal and marketing for sale of the freehold properties detailed in this paper as included in the revised capital receipts budget submitted to MOPAC in January 2021 as part of the wider budget submission.
2. Note the disposal of these properties will generate estimated receipts of between £79.9 million and £102.7 million in support of the Capital Programme.
3. Note the disposal will contribute £4.8 million p.a to the £48 million target revenue savings included in the Medium Term Financial Plan through a reduction in running costs.

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 28/06/2021

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

1. Introduction and background

- 1.1. In accordance with MOPAC Scheme of Delegation and Consent the disposal of all properties with an estimated value of £1 million or above require MOPAC approval on a case by case basis before the property is marketed. Any proposed sales with a value under £1 million may be completed by way of delegated powers and reported retrospectively. Should a disposal with a value below £1 million have any unusual features or be of special interest, then MOPAC will have the opportunity to approve the final sale.

2. Issues for consideration

- 2.1. There remains uncertainty as to the future allocation from Government of additional officers to the Metropolitan Police Service (MPS) and their funding from the 20,000 national police officer uplift, and subsequently the roles which additional officers will undertake. The MPS are confident that the sites listed below are not required under any of their models for the estate to meet officer growth requirements.
- 2.2. There are 16 operational sites which are expected to become surplus during 2021/22 and for which authority is sought to market and dispose of. The disposal of these sites supports the Police and Crime Plan by generating receipts to re-invest in the retained estate and so supporting the objective that “officers are given the tools to do their job”. In addition, the disposals reduce annual revenue costs, and avoid future investment commitments.
- 2.3. Migration to alternative accommodation if not already complete will occur prior to completion of the sale of the properties. None of the sites proposed for disposal has a public access function.

Property	Borough
Eltham Police Station	Greenwich
Barnet Police Station	Barnet
58 Sirdar Road	Kensington & Chelsea
22-24 Caxton Road	Merton
Chiswick Police Station	Hounslow
Southgate Police Station	Enfield
Kings Cross Former Police Station	Islington
Nine Elms Police Office	Wandsworth
Ealing Police Station	Ealing
Enfield Police Station	Enfield
Isle of Dogs Police Station	Tower Hamlets
Teddington Police Station	Richmond
Addington Police Station	Croydon
Belgravia Police Station	Westminster

Notting Hill Police Station	Kensington & Chelsea
Holloway Police Station	Islington
2 Residential Units	Pan London

- 2.4. In order to achieve MOPAC's obligation on best value, the alternative routes/approaches for disposal will be considered for each property during its preparation to market for sale.
- 2.5. When bidding on the basis of residential redevelopment bidders will be asked to acknowledge that when making an offer they have had regard to relevant planning policies, including existing local authority policies on minimum affordable housing requirements, the Mayor's Supplementary Planning Guidance on affordable housing and the draft London Plan. Parties will be encouraged to review the GLA funding available for the provision of affordable housing through the Mayor's 'Homes for Londoners: Affordable Homes Programme 2016-2021.'
- 2.6. MOPAC is fully supportive of the need to improve fire safety. MOPAC sought TfL Legal advice which advised that for freehold sales, MOPAC cannot impose enhanced planning or other obligations (over and above statutory requirements) if that would result in a lower receipt. The MPS valuers (Montagu Evans) has advised that the implementation of the enhanced regulations would have a detrimental impact on the level of receipts. Therefore, this paper recommends to dispose of sites unconditionally. In order to help achieve wider GLA objectives for the improvement of fire safety, bidders for the properties, will be asked to acknowledge that, when making an offer, they have had regard to relevant planning policies, including existing local authority policies, London Fire Brigade advice and to the Fire Safety Requirements set out in the GLA London Development Panel 2. Buyers are to acknowledge the Mayor's Fire Safety Guidance Note and are encouraged to comply with the enhanced regulations including the white goods registration scheme and the inclusion of information in the residents' manual.
- 2.7. In addition, there are a further two residential sites each with a value below £1 million which are surplus and are to be disposed of.

3. Financial Comments

- 3.1. The sites noted above are expected to generate capital receipts estimated at between £79.9 million and £102.7 million as set out in Part 2 and which will contribute to the overall capital receipts to help fund the capital programme.
- 3.2. The aggregated revenue costs in a full year of the maintenance and rates for the properties to be sold is £4.8 million.

4. Legal Comments

- 4.1. There are no direct legal implications arising from the recommendations contained within this report which are not mentioned elsewhere in this report, which seeks approval for the sale of surplus properties detailed above and in Part 2.
- 4.2. MOPAC has the power to dispose of surplus properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 (“the Act”).
- 4.3. 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.
- 4.4. The report confirms that the disposals will generate capital receipts that will assist MOPAC in securing the maintenance of the MPS and ensure that it is efficient and effective.

5. Commercial Issues

- 5.1. Alternative routes/approaches for disposal will be considered for each property during its preparation to market for sale.

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 project does not use personally identifiable data therefore 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. There are considered to be no equality or diversity issues arising as a result of these proposed disposals.

8. Background/supporting papers

- 8.1. Appendix 1 – MPS Report (b_MPS Part 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: 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.

✓

Drafting Officer

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

Director/Head of Service:

The Chief Financial 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 8/6/2021

**MOPAC**MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME**APPROVAL TO DISPOSE OF
SURPLUS REAL ESTATE ASSETS - 2021 / 2022****Portfolio and Investment Board and
MOPAC Investment Advisory Monitoring – March 2021****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

The Police & Crime Plan 2017-2021 has committed to 'invest in the tools they (officers) need to do their job' and invest in core (buildings that are expected to be retained for a minimum of 20 years) buildings 'to create a modern environment for our staff and the public who need our services'.

In support of this commitment this report seeks approval to dispose and market surplus properties, generating capital receipts in 2021/22 in support of the capital programme. The surplus properties detailed in this report are the product of the Draft Estate Strategy 2020-2025. The Draft Estate Strategy supports the increase in the number of Police Officers from 31,000 to 37,000 officers in a 25% smaller estate – focusing money onto front line officers rather than on buildings.

Recommendations

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

- 1. Approve the disposal and marketing for sale of the freehold properties detailed in this paper as included in the revised capital receipts budget submitted to MOPAC in January 2021 as part of the wider budget submission.**
- 2. Note that the surplus properties detailed in this report are the product of the Draft Estate Strategy as presented to the Deputy Mayor for Policing And Crime in January 2021. The Draft Estate Strategy supports the increase in the number of Police Officers from 31,000 to 37,000 officers in a 25% smaller estate.**
- 3. Note that a further report on disposals will be submitted later this year once there is further clarity on the impact of officer uplift.**

4. **Note the disposal of these properties will generate estimated receipts of between £79.9M and £102.7M in support of the Capital Programme.**
5. **Note the disposal will contribute £4.8M p.a to the £48M target revenue savings included in the Medium Term Financial Plan through a reduction in running costs.**
6. **Note none of the properties have a public facing function.**
7. **Note that during the term of the Draft Estate Strategy a list of disposals will be presented for approval the beginning of each financial year for the following 12 months. Each year the estate will be reviewed and adjustments made resulting from any new information, eg revised officer numbers or operational priorities.**

Time sensitivity

A decision is required from the Deputy Mayor for Policing and Crime at the earliest opportunity in order that preparation for the disposals of the surplus property can proceed.

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

Introduction and background

1. The MOPAC/MPS Draft Estate Strategy 2020-2025 identifies the purpose of the MPS estate is to serve Londoners, police officers and staff. It provides the facilities that officers and staff need to keep London safe for everyone, enabling officers to give a visible presence to support communities across the city.
2. The Draft Estate Strategy 2020-2025 supports the Police and Crime Plan and has a strategic objective of delivering a more efficient and higher quality estate which meets the operational needs of the MPS and is significantly lower in costs to run. Receipts generated through the disposal of surplus assets are reinvested to meet ongoing operational needs.
3. The Draft Estate Strategy 2020-2025 updates the list of buildings that are proposed to be exited as outlined in the MOPAC Public Access Strategy published in December 2017. Originally the Public Access Strategy was based on the expectation of the smaller estate accommodating up to 31,000 police officers. The current Draft Estate Strategy addresses how to achieve the objective of the smaller estate whilst supporting the potential for 6,000 more officers as part of the MPS's bid for the 20,000 police officer uplift announced by the Prime Minister in 2019.
4. The following properties have been identified as surplus in the Draft Estate Strategy 2020-2025 and are recommended for disposal. Further detail is provided in Part 2 (exempt). The estimated capital receipts from the sale of these

properties are shown in Part 2 (exempt). These must be treated as a guide only; all figures are subject to prevailing market conditions. This paper seeks approval to the marketing and sale of these properties.

Property	Borough
Eltham Police Station	Greenwich
Barnet Police Station	Barnet
58 Sirdar Road	Kensington & Chelsea
22-24 Caxton Road	Merton
Chiswick Police Station	Hounslow
Southgate Police Station	Enfield
Kings Cross Former Police Station	Islington
Nine Elms Police Office	Wandsworth
Ealing Police Station	Ealing
Enfield Police Station	Enfield
Isle of Dogs Police Station	Tower Hamlets
Teddington Police Station	Richmond
Addington Police Station	Croydon
Belgravia Police Station	Westminster
Notting Hill Police Station	Kensington & Chelsea
Holloway Police Station	Islington
2 Residential Units	Pan London

5. Disposals will follow the principles of the Disposal Strategy included within the Draft Estate Strategy 2020-2025. Part of the preparation work for disposal will be an assessment of the methodology for sale of each asset. As a general principle, and in order to meet MOPAC's statutory obligations to achieve value for money, the method of disposal will be one that maximises value from the site, minimises the financial and reputational risks to the MPS of redeveloping a building and minimises the holding costs of an empty building. Disposal will typically be by way of unconditional sale, but where alternative methods of disposal may be possible which support MOPAC's statutory obligations or future operational need these may be progressed in accordance with the MOPAC Scheme of Consent and Delegation.
6. Where possible, the period between the property being exited and the disposal being completed will be minimised. This provides the benefit to MOPAC of minimising the holding costs of the vacant property.
7. In some instances a sale contract structured to complete only once alternative provision is in place and the property has been vacated, may offer greater opportunity for a purchaser to seek a beneficial planning consent whilst the property remains occupied. This has the potential advantage to the purchaser of reducing its own holding costs for the property before planning consent is obtained. Any such savings would be reflected in the price the purchaser would be prepared to pay for the property.
8. Subject to approval to proceed with the disposals, and in accordance with the MOPAC Scheme of Delegation and Consent, any sales with a value under £1

million may be completed by way of delegated powers and reported retrospectively at the earliest opportunity. Should a disposal with a value below £1 million have any unusual features or be of special interest, then MOPAC will have the opportunity to approve the final sale.

9. Generally, former operational properties that are surplus to operational requirements, and those residential properties with a value in excess of £1 million, are sold in accordance with the established disposal procedures for private treaty sales. Sites are usually marketed for a minimum of four weeks, with advertisements placed in the national and local property press, and where possible a board placed on site. Previously, MOPAC have sought best bids, unconditional upon the receipt of planning permission. Where there is clear value for money benefit in progressing a sale to a special purchaser, a sale may progress without open marketing. Conditional bids (i.e. subject to the grant of town planning consents) are not usually invited as part of the disposal process. Attached for information at Part 2 Appendix 1 (exempt) is a high-level consideration of alternative methods of disposal. The conclusion supports the proposals for disposal as set out in Part 1 of this paper.
10. MOPAC has a statutory duty to achieve value for money from the disposal of its land in order to deliver 'efficient and effective policing'. In order to help achieve wider GLA objectives for the delivery of affordable housing in London, bidders for the properties, when bidding on the basis of residential development, will be asked to acknowledge that, when making an offer, they have had regard to relevant planning policies, including existing local authority policies on minimum affordable housing requirements and emerging guidance such as the Mayor's SPG on affordable housing, and the draft London Plan. Parties will be encouraged to review the GLA funding available for the provision of affordable housing through the Mayor's 'Homes for Londoners: Affordable Homes Programme 2016-2021'.
11. Following the tragic fire at Grenfell Tower, MOPAC has been continuing to work with the GLA on how the application of the Mayor's enhanced fire regulations can be applied in a way that ensures MOPAC's statutory duty to achieve value for money from the disposals is met. On the basis that such requirements will require an element of conditionality to ensure compliance the GLA has agreed that there is likelihood of delay to receipts and additional holding costs for sites sold on a conditional basis. Further, if the conditions of sales included imposition of the enhanced fire regulations this would also most likely result in a reduced receipt.
12. Following review of the opportunity for MOPAC to support the Mayor's enhanced fire regulations any obligation on purchasers would not be possible. Bidders will however on all MOPAC sales be asked to acknowledge the Mayor's Fire Safety Guidance Note and are encouraged to comply with the enhanced regulations including the white goods registration scheme and the inclusion of information in the residents' manual.
13. MOPAC have in cooperation with the GLA also reviewed the use of the GLA's "Small Sites x Small Builders" portal in the disposal of surplus property. On the basis that the portal is intended principally for the sale of property conditional on

planning and development, it has been agreed with the GLA that its use for the sale of MOPAC's property unconditionally would be inappropriate.

14. Any offers considered must reflect MOPAC's standard requirement for a five year forward sale claw-back clause. This is to enable MOPAC to benefit in any uplift in value in the event that the purchaser subsequently sells the property at a price in excess of that paid to MOPAC within an agreed period of time. Where appropriate, planning "overage", enabling MOPAC to share in the value of a larger than anticipated planning consent, is also put in place.
15. It should be noted that whilst there is some uncertainty arising as a result of the Covid-19 pandemic the advice from MOPAC's agents is that marketing of the properties should not be delayed. Indeed Knight Frank advise that now is a very good time to be marketing. Pent up demand during the pandemic and the continued shortage of land supply in London is resulting in high levels of interest and competitive bidding. This was demonstrated by the high number of viewings and bids received on the properties marketed by MOPAC in December 2020.

Contributes to the MOPAC Police & Crime Plan 2017-2021

16. The Police & Crime Plan 2017 – 2021 has committed to 'invest in the tools they (officers) need to do their job' and invest in core (buildings that are expected to be retained for a minimum of 20 years) buildings 'to create a modern environment for our staff and the public who need our services'.
17. In support of this commitment this report seeks approval to dispose and market surplus properties, generating capital receipts in support of the capital programme.

Financial, Commercial and Procurement Comments

Capital Implications

18. Based on a set of low, medium and high risk assumptions, estimates for capital receipts for the period 2020/21 to 2024/25 range from £253M to £330M. For budgeting purposes (and as set out in the table below) the medium risk figures have been used with an estimated value of £279M, with budgeted receipts of £81M due to be delivered in 2021/22.

Table One: Capital Receipts

Capital Receipts - Medium risk	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	Total 2020/21 - 2024/25 £000's
Approved	67,515	33,843	25,310	17,000	29,250	172,918
Approval sought as part of this paper	0	81,877	0	0	0	81,877
Not yet requested	0	0	21,608	9,240	0	30,848
Sub total	67,515	115,720	46,918	26,240	29,250	285,643
Risk based adjustment	-6,751	-34,716	-11,730	11,730	34,716	-6,751
Draft capital receipts budget	60,763	81,004	35,189	37,970	63,966	278,891

19. This paper is seeking approval to dispose of properties with an estimated value of between £79.9M and £102.7M.
20. Further detail is shown in Part 2 (Exempt). All figures must be treated as a guide only and are subject to prevailing market conditions.

Revenue Implications

21. It is estimated that the proposed disposals will deliver an annual saving of £4.8M through reduced running costs, contributing towards the £48M revenue savings as included in the Medium Term Financial Plan.

Legal Comments

22. There are no direct legal implications arising from the recommendations contained within this report, which seeks approval from MOPAC to dispose of the

properties in principle and to the marketing of the properties for sale as detailed in this report.

23. MOPAC has the power to dispose of surplus properties (including land) under paragraph 7 (2) (b) of Schedule 3 of the Police Reform and Social Responsibility Act 2011 (“the Act”).
24. 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.
25. With the exception of disposals felt to be of an exceptional nature because of particular sensitivities or potential public interest, the MOPAC Scheme of Delegation and Consent provides the Director of Property Services with authority to dispose of land or property with an estimated value of £1M or above which have previously been approved by the DMPC when the property is being disposed of to the highest bidder and the price equals or exceeds the agreed estimate, notifying the DMPC in writing of the disposal.
26. The MOPAC Scheme of Delegation and Consent provides the Director of Property Services with authority to dispose of land or property on behalf of the MOPAC in accordance with the Estate Strategy for all transactions with an estimated value of less than £1 million and which have no public interest issues arising. The delegated authority is subject to the DMPC approving an annual schedule of all the surplus properties for disposal submitted at the beginning of the financial year. Approval of the surplus properties, attached at Part 2, will enable the Director of Property Services to instigate the disposal process for those respective properties in line with the established procedures set out in this report.
27. The report confirms the individual properties will be marketed and disposed of in an open and transparent manner and that the disposals will generate capital receipts that will assist MOPAC in securing the maintenance of the MPS and ensure that it is efficient and effective.
28. Further reports to MOPAC or to the Director of Property Services may be required in order to progress to the final disposals.

Equality Comments

29. There are considered to be limited equality or diversity issues arising as a result of these proposed disposals.
30. The properties identified in this paper have no public facing functions.
31. Private treaty disposals are open market sales making the properties available to all members of the public.

Privacy Comments

32. 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

33. As identified in this paper.

Environmental Implications

34. There are not considered to be any significant environmental implications to these disposals. The table below notes the impact on the MPS of selling these buildings.

	Higher	Lower	No Impact	Mitigation/ management of any higher impact
Level of energy use and associated carbon dioxide emissions		✓		The combined sales of the properties will result in an annual reduction in carbon emissions, although some of this will be displaced to receiving buildings based on previous annual tonnages of carbon emissions associated with energy use from these buildings. The phased exit of surplus buildings that will lead to a reduction in floor space and increased occupancy in remaining building will also assist with the adherence with MPS targets to consider and reduce our environmental impacts in line with Mayoral objectives and compliance with Social Value Act 2012
Level of water consumption		✓		The buildings referred to herein are surplus to requirements. There will be a reduction in MPS water consumption, although some

				consumption may be displaced to receiver buildings.
Level of waste generation/waste requiring disposal			✓	The buildings referred to herein are surplus to requirements. Whilst there is a reduction in MPS waste from the sites waste production may be displaced to receiver buildings. There will be a one-off occurrence of waste resulting from the MPS decanting the building; this will be dealt with in line with the Deal with Waste and Recycling A-Z guidance and the Disposal Guidance (currently being updated) to ensure the waste hierarchy is being followed (reduce, reuse, recycle).
Level of travel and transport and associated emissions		✓		The buildings are being disposed of and all MPS visits to the properties will cease. Travel and transport will be displaced to other sites.
Raw material use and finite resources (use of recycled materials and sustainable alternatives)			✓	Properties will be disposed of. Some resource use will be displaced to receiver sites.

35. Sales entailing potential refurbishment, conversion or redevelopment will create adverse environmental impacts during the construction phases. On completion of construction, however, the ongoing use of the buildings would significantly improve the long term environmental / sustainability performance situation as a result of being built to present day standards.

Background/supporting papers

The Mayor’s Office for Policing and Crime and Metropolitan Police Service
Public Access Strategy – November 2017

MOPAC/MPS Draft Estate Strategy 2020-2025

Report Author: Andrew Denniss - Asset Management, 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 Request for Approval to Dispose of Surplus Real Estate Assets – 2019/2020 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 2024.