

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1112

Title: Works to 639 and 639b Tottenham High Road

Executive Summary:

On 16 May 2013 the Investment and Performance Board endorsed the use of £179,830 of London Enterprise Funding (LEF) to carry out additional revenue and capital works to 639 and 639b Tottenham High Road Enterprise Centre. This decision form seeks approval for the activity and expenditure to use £179,830 of funding (£51,710 revenue and £128,120 capital) to carry out the following works;

- Upgrading the IT system at 639
- Legal costs associated with preparing the lease agreement
- 50% payment for a Team London officer to work as part of the 639 team for 12 months
- Works including; the design and building to make 639b permanent, works to improve the ramp access to the main 639 building; and a series of small scale works to the main building.

MD895 and MD1092 agreed the MRF funding profile (including LEF) and delegated decisions on; the allocation of the programme budget; approval for individual projects; entry into funding agreements; variations to projects; and any further resources required within the agreed funding period; to the Executive Director of Development, Enterprise and the Environment.

Decision:

That the Executive Director approves the activity and expenditure, as follows;

1. £23,830 of capital funding to upgrade the IT system in the 639 building;
2. £24,000 of revenue to cover 50% of the cost of a Team London officer working as part of the 639 team for 12 months, the remaining 50% cost would be covered by Team London;
3. £7,210 of revenue to cover legal fees associated with preparing the lease agreement;
4. £20,500 of revenue to cover small-scale physical works within 639 to address heritage works;
5. £104,290 of capital funding to carry out physical improvement works including; making 639b permanent; improving ramp access to the main building from the high road.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name: Fiona Fletcher-Smith

Signature:



Position: Executive Director Development, Enterprise and Environment

Date: 9 Oct 2013

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1 MD895 and MD1092 agreed the MRF funding profile (including LEF) and delegated decisions on; the allocation of the programme budget; approval for individual projects; entry into funding agreements; variations to projects; and any further resources required within the agreed funding period; to the Director of Development, Enterprise and the Environment.

1.2 639 Tottenham High Road is a cornerstone of the overall programme of investment in Haringey. The promotion and support of small and emerging businesses is an important element of the overall Tottenham investment programme, which includes physical investment and social, economic interventions. The 639 enterprise centre will bring together all strands of support to enable people to develop and sustain careers, from school leavers' support and training, to premises, business mentoring and career development initiatives. The centre will facilitate businesses to form, grow and prosper. The building also includes a Tottenham community space called 639b or Tottenham's Living Room, which provides a free community/meeting space for the people and businesses of Tottenham.

1.3 On 6 June 2012 RIG endorsed £3m of LEF funding to purchase and refurbish 639 Tottenham High Road to provide a new enterprise hub. Since then the GLA has successfully purchased and refurbished the building and has appointed the London Youth Support Trust (LYST) as the building and project operator. LYST has been granted a three year internal repairing lease of the building along with £500,000 of revenue grant funding to be allocated between March 2013 and March 2016. The building was formally opened by the Mayor on 8 May 2013.

1.4 On 16 May 2013, IPB endorsed the reallocation of an additional £400,000 from the Employment and Skills project to the 639 project to ensure satisfactory delivery, specifically IPB;

- noted a budget increase of £220,170 as had already been secured via MD1170 and DD1026
- endorsed a further budget increase of £179,830 bringing the total 639 budget to £3.4m (and seeking authority via appropriate MD/DD as required)
- endorsed the reallocation of this funding from the Tottenham Employment and Skills project:
- endorsed procurement and/or variation of current contractual arrangements concerning works, services and/or supplies required for the items listed in section 6 of this report

Decision sought

1.5 This decision now seeks approval to release the £179,830 (including £51,710 revenue and £128,120 capital) of funding for the following works;

- £23,830 of capital funding to upgrade the IT system in the 639 building
- £24,000 of revenue to cover 50% of the cost of a Team London officer working as part of the 639 team for 12 months, the remaining 50% cost would be covered by Team London
- £7,210 of revenue to cover legal fees associated with preparing the lease agreement
- £20,500 of revenue to cover small scale physical works within 639 to address heritage works
- £104,290 of capital funding to carry out physical improvement works including; making 639b permanent; improving ramp access to the main building from the high road

2. 639 Tottenham High Road project objectives and expected outcomes

2.1 The 639 project has the following project objectives;

- Support people at the entry level of jobs / careers
- Provide affordable enterprise space and support
- Support the volunteer network
- Broker employment and business opportunities
- Offer training and skills development
- Provision of space for community use

2.2 The 639 project is expected to have the following quantified outputs;

- 12 people directly into employment through the project
- 85 new businesses created (operating for a minimum of 52 weeks)
- 225 pre-business start-up assistance
- 36 public training events
- 40 unemployed into volunteering roles (for year one only*)
- 60 volunteers into training and apprenticeships (for year one only*)
- 8 volunteers into employment (for year one only*)
- 4 volunteers to set up their own business (for year one only*)

**volunteering figures for year two and three will be set at the end of year one*

2.3 The 639 project is expected to have the following non-quantified outputs;

- Increased take up of existing services in Haringey, including libraries, youth centres, colleges
- Increased uptake of Council run employment, skills and training services
- Improved resident satisfaction
- Improved perception of Tottenham
- Increased engagement from the local community
- Community events held at 639 and 639b 'Tottenham's Living Room'

3. Other considerations

Delivery

3.1 The section provides detail on the £179,830 (including £128,120 capital and £51,710 revenue);

Description of project	Timescale	Delivery	Cost
<p>Project 1:</p> <p>Upgrade the existing IT system at 639 to ensure the building offers the IT services necessary to attract new businesses into the building. The upgraded IT system will remain property of the 639 building.</p>	<p>Start in September 13</p> <p>Delivery in September 13</p>	<p>- LYST will appoint an IT consultant to design and deliver the works.</p> <p>- The existing grant funding agreement between GLA and LYST to operate the 639 project will be amended to cover the costs of these works</p>	<p>£23,830 Capital</p>
<p>Project 2:</p> <p>Co-fund a full time Team London officer for 12 months. The post would be funded 50:50 through MRF funding and Team London funding. The officer would be based at 639 and would promote the role and benefits of volunteering and apprenticeships. The post will deliver the following outputs;</p> <ul style="list-style-type: none"> - 40 unemployed into volunteering roles - 60 volunteers into training and apprenticeships - 8 volunteers into employment - 4 volunteers to set up own business 	<p>Recruitment in September 13 and start delivery</p> <p>Completion in September 14</p>	<p>- The officer will be part Team London and will be managed by Team London, adhering to GLA employment terms and conditions.</p> <p>- The officer will be based full time at 639 and will work as part of the 639 team.</p>	<p>£24,000 Revenue</p>
<p>Project 3:</p> <p>Costs associated with appointing a legal firm to prepare a legal agreement (internal repairing lease) to lease the 639 building to the London Youth Support Trust (LYST) for three years. MD1170 has already given approval to award a three year internal lease.</p>	<p>Completion in Q2 2013</p>	<p>Legal firm will prepare a 3 year internal repairing lease for the building that will be signed by the GLA and LYST</p>	<p>£7,210 Revenue</p>

<p>Project 4:</p> <p>Physical improvement works to 639 and 639b to improve the operation of the building and enhance delivery of the project;</p> <p>a) Works to make 639b permanent. The building was originally designed and built as a temporary building with a one year planning permission. Due to its success there is aspiration to make it permanent. This work will deliver a set of physical improvements to the 639b building to make it permanent. This will include; improved access into 639b; improved decking; improved electrical and power supply.</p> <p>b) Works to improve the access ramps from Tottenham high road into the main 639 building. The current access arrangements are poor quality, which detracts from the visual quality of the listed building and also impact on accessibility. This work includes the build works necessary to improve the access arrangements to the building from high road.</p>	<p>Completion in Q1 2014</p>	<ul style="list-style-type: none"> - GLA to secure temporary permission to extend the existing 639b temporary planning permission by one extra year. - Vary the existing design and build contract to appoint the delivery team in line with GLA procurement procedures -Prepare plans and secure relevant permissions - Commence delivery on site - Project completion, defects and review 	<p>£104,290 Capital</p>
<p>Project 5:</p> <p>Works to deliver small scale physical improvements required to enhance the operation of the building and to address heritage issues that Haringey Council have identified i.e. fixing doors and window frames; replacing porticos; and stone works.</p>	<p>Completion in Q2 2014</p>	<p>Additional works agreed with the contractor and LBH</p>	<p>£20,500 Revenue</p>

Links to strategies and Mayoral and corporate priorities

3.2 The proposed project is not mentioned in the strategic plan directly, as it is a response to the unforeseen exceptional incidents of August 2011. However, the programme overall, and the individual projects for Tottenham closely link to the Mayor's priority themes of: improving Londoners' quality of life; investing in young Londoners and supporting jobs and growth.

Consultation

3.3 Since the civil disturbances of August 2011, consultation has been held with a broad range of community members in Tottenham. This work has sought to increase engagement with local communities, to ensure the plans and designs of the project fits with local needs. Engagement has taken place via officers at the GLA and Haringey Council, ARUP's work on preparing the regeneration strategy, and the Tottenham Taskforce consultation, chaired by Sir Stuart Lipton

Project risks

Project	Risk	Likelihood	Impact	Rate	Mitigation
IT upgrade	Failure to deliver the IT works will reduce the attractiveness of the building with an impact on occupancy	3	3	9	<ul style="list-style-type: none">- Release funding to enable design and delivery of an upgraded IT system.- IT consultants have advised on the scope and costs of works
Team London officer	Failure to secure a full time Team London officer would mean that the volunteering and apprenticeship targets identified above will not be achieved. This will fail to capitalise on the work of Team London on this project to date and will have a reputational damage to GLA.	4	2	8	<ul style="list-style-type: none">- Team London and the regeneration team have agreed to co-fund a Team London officer for 12 months to deliver these targets- This officer would be based full time at 639 to maximise opportunities to achieve these volunteering and apprenticeship targets
Physical works	Failure to secure an appropriate level of design input in the design stage and the build stage of the project would impact on the final quality	3	4	12	<ul style="list-style-type: none">- Vary the original design and build contract and appoint a separate contract administrator and CDMC

	The allocated budget is insufficient to design and build the necessary works	2	4	8	- The original design team have provided provisional advice on the scope of works and the potential costs. This advice has informed the level of budget available.
	The timescales for appointing the design and build teams will mean the current temporary planning permission for 639b expires	4	2	8	- The GLA will seek an extension to the existing temporary permission for an additional year to give sufficient time to appoint a design team and for the works to be delivered - The design and build team will be appointed in line with GLA procurement procedures by October 2013 and following that the detailed designs and permissions will be secured.

4. Financial comments

- 4.1 Approval is being sought for expenditure of up to £179,830 in respect of the 639 Tottenham High Road project (expenditure relating to the IT system to be governed by funding agreement).
- 4.2 Since the Stage 2 approval was reviewed in May 2013, capital funding has switched to revenue and the spend has been re-profiled. The proposed profile of spend is as follows:

	2013/14	2014/15	Total
	£'000	£'000	£'000
GLA revenue	19	33	52
GLA capital	94	34	128
TOTAL	113	67	180

- 4.3 The revenue and capital expenditure of up to £179,830 will be funded from the London Enterprise Fund (LEF), from the revenue LEF budget previously allocated to the Tottenham Employment & Skills project.
- 4.4 The current revenue / capital imbalance on LEF can be managed within the GLA's overall funding strategy.
- 4.5 All requisite budget adjustments will be made.
- 4.6 As the proposed funding relating to the IT system is to be governed via funding agreement, officers are reminded to ensure that they liaise with both the Legal and Finance Teams in the preparation and execution of the funding agreements. In addition, the monitoring of the funding and associated payments must be in line with the Authority's Funding Agreement Toolkit.

Officers will be responsible for assessing LYST's grant claims against the funding agreement and taking any remedial action should output and costs vary from the agreement. The funding agreements should clearly state milestones to be met in order to claim funding.

Officers should also ensure that the requirements relating to the Authority's Contracts and Funding Code are met.

- 4.7 As part of the proposed funding relates to contracts, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to,
- 4.8 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 4.9 The Regeneration Team within the Development, Enterprise & Environment Directorate will be responsible for managing this project and associated funding agreement.

5 Legal comments

5.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act') the GLA is entitled to do anything that it considers will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment. As set out in paragraph 1 of this report, the requested decisions relate to the works and staffing of an enterprise centre in the London Borough of Haringey. To this end, the activities the subject of the requested decisions may be viewed as promoting economic development and social development in Greater London.

5.2 As set out above, the decision requested of the Executive Director may be viewed as falling within the GLA's statutory powers under the Act. Section 34 of the Act allows the GLA to do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this case, the application of budget to the listed items may be viewed as calculated to facilitate economic development and social development in Greater London.

5.3 The officers are reminded that the application of the released funds to the project – whether by grant funding or pursuant to contracts – should be carried out in accordance with the requirements of the GLA's Contracts and Funding Code.

6. Planned delivery approach and next steps

6.1 See section 3 'Project Delivery' for additional detail. The original timescale included in the May 2013 stage 2 IPB paper proposed a May 2013 timescale for securing a Director Decision approval. This timescale has slipped due to an increase in the timescale for agreeing the scope of works and procurement route.

Activity	Timeline
Secure Director sign off	September 2013
LYST to appoint IT consultant to design and deliver IT upgrade to 639	September 2013
Team London to recruit officer to work on 639 project for 12-months	September 2013 to September 2014
Vary original design and build contract	October 2013
Appoint contract administrator and CDMC	October 2013
Secure extension to the current one year planning permission for 639b	October 2013
Finalise designs and secure necessary permissions for 639b	December 2013
Commence delivery of physical works	January 2014
Complete physical works	March 2014

Appendices and supporting papers: None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

The amount of capital funding available to deliver the physical works to 639 and 639b has not been disclosed to the design and build bidders and should be withheld until the final scope of works and costs have been agreed.

Until what date: 01 December 2013, following appointment of the design team

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Michael Mulhern has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Debbie Jackson has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The finance, legal and procurement teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. Bell

Date

9.10.13

