

**Report for:** Cabinet 14<sup>th</sup> June 2016

**Item number:** 12

**Title:** N17 Design Studio- Project update and revised Memorandum of Understanding

**Report authorised by :** Lyn Garner, Director of Regeneration, Planning and Development

**Lead Officer:** Suzanne Johnson, Area Regeneration Manager  
(Tottenham Green, Bruce Grove & Seven Sisters)

**Ward(s) affected:** Bruce Grove

**Report for Key/  
Non Key Decision:** Non Key Decision

## **1. Describe the issue under consideration**

- 1.1 The N17 Design Studio pilot project was approved in a Cabinet report of 15<sup>th</sup> October 2013. The approved project included the acquisition of a 5 year lease of a vacant shop on Tottenham High Road (451-453 High Road), its refurbishment, and its occupation, for a 1 year pilot project, by John McAslan and Partners architects (JMP). JMP provided an associated education and community outreach programme which included apprenticeships, work experience, field trips and workshops with local schools, and use of the building for talks and events. The project parameters were included in a Memorandum of Understanding (MoU) between the Council, JMP and the College of North East London (CONEL) which was signed in October 2013 and established the 12 month pilot project and arrangements.
- 1.2 Although the project was approved in the 2013 Cabinet report and associated MoU, the 1 year pilot period did not begin until JMP took occupation of the building on 28 November 2014. Occupation was delayed due to issues securing the lease for the premises and the completion of the refurbishment works.
- 1.3 The N17 Design Studio 12 month pilot project ran from 28<sup>th</sup> November 2014 to 30<sup>th</sup> November 2015. Since the 30<sup>th</sup> November JMP have continued to operate from the building utilising it as a more traditional architecture office . A review of the 12 month pilot project has been undertaken to inform the future of the project and also to establish a new Memorandum of Understanding. This report sets out the future proposal for the N17 Design Studio project and the building in 2016.

## **2. Cabinet Member Introduction**

- 2.1 The review of the N17 Design Studio project has demonstrated that the project has met all of its objectives, particularly in relation to engagement with local schools, work experience, skills development, and apprenticeships.
- 2.2 Based on the outcomes of the pilot I am pleased that the project is continuing in 2016 and that JMP will continue with the education and employment programme, while also financially committing to their Tottenham base.

## **3. Recommendations**

3.1 It is recommended that Cabinet resolve to agree:-

- i) Following the pilot project review, the 2016 arrangements for the N17 Design Studio project as set out in this report and the revised Memorandum of Understanding (MoU).
- ii) To let the N17 Design Studio space to JMP at commercial rent, and to let out the remainder of the ground floor of the building, not let to JMP, as a commercial property, subject to the consent of the freeholder being secured.
- iii) That a decision will be made, and publicised, in November 2016 as to whether the project will continue from December 2016 onwards.

## **4. Reasons for decision**

- 4.1 The project review recognises the successful elements of the pilot project as being; engagement with Tottenham schools by providing focused education workshops, field trips and interview skills and training, apprenticeships, work experience and the use of the studio as a host venue for community events and talks. It is proposed that these continue in the current year under a new MoU.
- 4.2 Given the expenditure so far, as set out in section 6.1.2, it is recommended that no additional funding be allocated to the Design Studio project other than already spent, and required in the future under Council's responsibility as lessee of the building. No further funding will be provided to JMP.
- 4.3 JMP lease approximately 60% of the total space available in the building from the Council. The rear ground floor is also suitable for occupation, albeit no refurbishment works have been carried out to this space. However it is considered it may be suitable for let and opportunities to maximise the value of the space should be explored. The upper floor is not suitable for occupation due to structural issues that would require further capital investment.

## **5. Alternative options considered**

- 5.1 To stop the N17 Design Studio project altogether and to let the space out to another operator. This is not recommended as some of the positive elements of the pilot project identified in the review have scope to be continued and developed in 2016 to have a positive impact on the regeneration of Tottenham, particularly on providing education and training opportunities for young people. In addition JMP have now committed to paying full market value rent for the premises under current occupation, and to cover all of their costs. Therefore there is no further financial commitment required from the Council other than in its capacity as head leaseholder of the building.
- 5.2 To allocate additional funding into the N17 Design Studio project. This is not recommended due to the fact that the pilot project has already received Council funding.

## **6. Background information**

- 6.1 The pilot project was governed by a Memorandum of Understanding (October 2013) which set out the responsibilities of the parties. The Memorandum of Understanding committed to a review of the pilot project before deciding formally on the next steps. The review was undertaken by the Corporate Policy team at the Council. A series of questions were produced related directly to the delivery of the four objectives set out in 6.1.1. Officers at the Council and JMP who had been involved in the project were asked for their views on the achievement of the objectives. The key findings of the review are set out below:

### 6.1.1 Pilot project review

The pilot project specified the following objectives:

1. Provide skills, training, work experience and employment opportunities to Tottenham residents.
2. Stimulate business growth in the area and attract new companies to invest through a demonstrable commitment from a high quality professional services (Architects) organisation choosing to locate in Tottenham.
3. Deliver outreach project activities to local schools and to students at CONEL utilising JMPs professional expertise and skill sets.
4. Provide a space to both showcase regeneration activity and projects happening in Tottenham and to provide community facing activities delivered by, and for, the local community.

The following measurable actions and deliverables were committed to by JMP and the pilot has been reviewed against these deliverables:

- Provide at least 12 half days of engagement and structured project activities with local primary and secondary schools and with CONEL (both structured via outreach work, talks, presentations and utilisation of the N17 Design Studio premises).

*JMP worked extensively with Northumberland Park Community school and built up a good relationship with the pupils and teachers. They worked with two different Year 9 classes at Northumberland Park School and organised and hosted 4 field trips, 4 workshops and gave presentations at two school assemblies. JMP also provided two sessions of interview skills training with Woodside High and Northumberland Park School. All of the engagement with the school pupils was based around the themes of geography, design, architecture and regeneration, and jobs and careers.*

- Provide structured work experience opportunities for students from local secondary schools or college students identified by the Council and CONEL (up to a maximum of 5) for a period of 5 days within both N17 Design Studios and JMP offices during the 12 month pilot.

*JMP provided 1 weeks work experience for one student from St Thomas More School in Wood Green from 8-12<sup>th</sup> February 2015, and 1 weeks work experience for one student from Highgate Wood School in Hornsey from 29<sup>th</sup> February- 4<sup>th</sup> March 2016.*

*LBH also organised work experience at N17 Design Studio for construction students at CONEL over a two week period in early 2015 which JMP facilitated at the premises with a CONEL tutor.*

- Provide structured work placement opportunities for a period of no more than 6 months for 2 local young people for at least 25 hours per week.

*In total 5 young people successfully completed apprenticeships with JMP during the pilot period. Of the 5 apprentices 2 of these were Haringey residents but the rest were from other parts of London due to the difficulties in securing suitable candidates for the roles. Three of the apprentices attended CONEL to complete their training, the other two candidates attended Westminster Kingsway College and Bromley College. The apprentices gained qualifications in the following (all combined with work experience at JMP): Level 3 Diploma in Creative and Digital Media, Level 3 Diploma in Business Administration, Level 2 in Business Administration and Level 3 diploma in IT User Skills. Of the 5 apprentices the apprentice, who is a Tottenham resident, has been given a permanent position at JMP in Marketing, one has secured employment in an Islington architecture practice, two are now employed by a multinational business consultancies and one has moved on to another apprenticeship programme*

- Ensure that the N17 Design Studio is available for use by LBH and other community stakeholders for activities such as exhibitions, launches, consultations, outreach activities and meetings on at least 12 occasions within the 12 month period.

*12 different community events were held at N17 over the 12 month pilot period hosted either by JMP or the Council. JMP ran events which focused on Tottenham Heritage and Conservation (talk given by Paddy Pugh, JMP Director), N17 aims (talk given by Aidan Potter, JMP Director), Build a pavilion workshop on 18<sup>th</sup> October 2015 with local children (aged from 8-14 years) , 2 x apprentice talks (led*

*by the N17 apprentices) 2 x events as part of the London Festival of Architecture, an exhibition of the work produced by Northumberland Park Community School, and an Open House London studio open day event. A joint studio open day was also organised and hosted by both JMP and the Council in January 2015. The space was also used by the Tottenham Regeneration for a talk by You & Me Architects on the Tottenham Shopfront Improvement Programme in January 2015.*

- Provide space for permanent information or a display about regeneration projects in Tottenham.

*The Tottenham regeneration model was displayed in the studio during the pilot as well as information and literature relating to the regeneration programme and projects.*

*The overall findings of the reviews are as follows:*

- Objectives 1, 3 and 4 as set out in 6.1.1 have been met.
- Objective 2 is more difficult to assess quantitatively due to lack of relevant data. A suitable measure to assess performance against Objective 2 is to review the High Street vacancy rate in Bruce Grove town centre both before and after the opening of the studio. Data is available from Summer 2013 which gives a vacancy rate of 9% in Bruce Grove Town Centre but no recent data is available for comparison. The vacancy rate data will be re-surveyed and updated in summer 2016; this will be a consideration when deciding on the continuation of the project in November 2016.
- Objective 2 can also be linked to the wider objective of improving the quality of place and the physical environment of the High Road as set out in the Tottenham Strategic Regeneration Framework. The project has resulted in the occupation and physical improvement of a prominent corner shopfront unit on the High Road in Bruce Grove which had previously been vacant since the former occupier had gone into liquidation. The shopfront is also in the designated boundary of the Tottenham Green Conservation Area; the new shopfront has improved the appearance of this unit and made a more positive contribution to the Conservation Area than the previous shopfront.
- The apprenticeship programme worked well. JMP met their target of two local people and overall the programme resulted in the completion of five high quality apprenticeships with an international business, permanent job and further career progression opportunities for the candidates who participated.
- It was difficult to appoint suitable apprentice candidates from the local area, (both Tottenham and Haringey), and as a result JMP appointed candidates from other parts of London (as well as one Tottenham and one Haringey apprentice which met their output of two local apprentices).
- More school students could have been given the opportunity to undertake work experience with JMP and those who did participate would have ideally been from Tottenham schools.
- The talks and events held at N17 Design Studio were generally well attended (particularly the shopfront improvement talk and the joint LBH/JMP open day). For

those which were less well attended sufficient lead in times and resources are required in order to promote these events and ensure good attendance from the community.

- The engagement work with local schools was successful and worked well however could have benefitted from engaging with a wider range of schools in Tottenham as the focus was largely on Northumberland Park Community School.

#### 6.1.2 Financial arrangements

6.1.2.1 The October 2013 Cabinet report proposed a budget for the project and set out the de minimus State Aid requirements. Below is an update on the funding provided to the N17 Design Studio project which is measured under State Aid rules. An off-set against State Aid has been applied to the funding provided in relation to the outputs received from JMP. This is in accordance with the advice provided by the external legal advisors on the 2013 Cabinet report (paragraph 5.23 of the October 2013 Cabinet report).

Item	2013/14	2014/15	2015/16	2016/17 (up to 1 <sup>st</sup> December 2016)	Total Project
Refurbishment of Premises	£2,213	£123,746	£0	£0	£125,959
Project Management Fees	£0	£9465	£0	£0	£9465
Rent	£0	£0	£8874	£14,000 (JMP payment figure provided in column below)	£22,874
Business Rates	£0	£3480	£6957	£6959 (JMP payment figure provided in column below)	£17,396
Utilities	£0	£960	£4963.91	£0 (JMP to cover all of utility costs)	£5923.91
Work Placements (Apprenticeships)	£0	£14,417	£0	£0	£14,417
Project Expenses	£10,000	£0	£0	£0	£10,000
Offset contribution- apprenticeships, schools engagement, work experience, event space*	£0	-£9200	-£9200	-£17,000	-£35,400
JMP payment: Rent, business rates and running costs (12 months from 1 <sup>st</sup> December 2015- 1 <sup>st</sup> December 2016)	£0	£0	£7973.63	£13,626.37	-£21,600
<b>Total</b>	<b>£12,213</b>	<b>£142,868</b>	<b>£3621.28</b>	<b>-£9667.37</b>	<b>£149,034.91</b>

6.1.2.2 \* The offset contribution figures used relates to the values referred to in paragraph 5.23 of the October 2013 Cabinet report. For 2014/15 and 2015/16 a total offset figure of £12,400 has been used and split across the two years due to the fact that the pilot project ran from November 2014 to November 2015. The £12,400 figure comprises of; £3600 schools engagement and project activities, £4000 work experience, £4800 office and exhibition space and £6000 for Council staff touchdown space. For the financial year of 2016/17 £17,000 has been used as the offset figure



which is comprised of; £7000 for one apprenticeship placement, £1200 school engagement, £4800 office and exhibition space, and £4000 for work experience opportunities. No touchdown space figure has been included in 2016 as the studio will not be available for this use during this calendar year.

6.12.3 Following the completion of the pilot project on 30th November 2015, for one calendar year (1 December 2015 until 30 November 2016) JMP will pay market rent for their space in the building and cover all of the related running costs including business rates, bills and utilities. The figures have been included in the years 2015/16 and 2016/17.

6.1.24 The Council lease on the building runs until July 2019. Other spend on the building has been incurred in the Council's capacity as head leaseholder, not directly related to the N17 Design Studio project. This expenditure includes buildings insurance, IT equipment which is owned by, and is the property of, the Council, fire safety equipment, security alarm system, and legal costs associated with the 5 year lease.

### 6.1.3 Revised Memorandum of Understanding

The full version of the revised Memorandum of Understanding is provided at Appendix 1. A summary of the undertaking for the calendar year, 1<sup>st</sup> December 2015- 1<sup>st</sup> December 2016, is set out below:

- JMP will operate and run the N17 Design Studio on a commercial model, as an architect's office, with the open door policy removed. The studio will be open during normal office hours.
- Market rent will be paid by JMP to the Council for the premises and JMP will cover the related business rates and running costs.
- JMP will work with two-three different Tottenham secondary schools and Tottenham further/higher education providers to provide 6 work experience placements in 2016 for 1 week at a time.
- JMP will provide a summer internship in 2016 for a Tottenham (or Haringey) resident and architecture student (or studying a related discipline). A stipend will be provided by JMP to the successful candidate.
- JMP will provide 1 apprenticeship opportunity to a Tottenham resident (or Haringey resident if no Tottenham candidate can be found) for a 12-18 month period at National Minimum Wage. This timeframe will result in the apprenticeship position running for longer than the new MoU but this is considered to be positive.
- JMP will provide job application, CV writing and interview skills training to two classes of Year 10 pupils at two Tottenham Secondary Schools (to constitute 2 full days, or 4 half days of engagement, in total).
- JMP will organise, promote and host 6 community events at N17 Design Studio in 2016.
- LBH will organise, promote and host 6 community events at N17 Design Studio in 2016.



- JMP will support LBH to actively promote career opportunities relating to architecture and design and different career pathways into architecture to Haringey residents.
- LBH will utilise the N17 Design Studio as a venue to provide information to the community and other stakeholders on the regeneration activities and projects underway in Tottenham, at times agreed in advance with JMP.
- The building has a current temporary change of use planning consent (HGY/2014/2505) from A1(retail) to B1 (office) use which expires on the 3rd November 2016. If required LBH will be responsible for securing a new Change of Use planning consent for the building.

## **7. Contribution to strategic outcomes**

As well as its contribution to achieving the objectives of Tottenham Strategic Regeneration Framework (2014), the project also contributes to achieving the following objectives in the Haringey Corporate Plan (2015-2018):

- All young people will have access to excellent employment or higher education opportunities  
We will deliver growth, by creating an environment that supports investment and growth in business and jobs.
- We will take advantage of growth, by ensuring that residents have the training, skills and support necessary to find and keep good quality employment
- We will focus growth by prioritising new homes and jobs in Wood Green and particularly in Tottenham, where need and opportunity are greatest, and by bringing some of the borough's key community assets into more active use.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Finance and Procurement**

The total cost of the N17 Design Studio pilot project has been contained with the funding of £181,548 for the pilot project as agreed by Cabinet in October 2013. Additional spend on the building has been contained within the wider Tottenham Regeneration programme budget which was approved by Cabinet in 11<sup>th</sup> February 2014.

Any additional funding specific to the N17 Design Studio project would need to be agreed by Cabinet and would need to be reviewed to ensure it is consistent with State Aid regulations.

## **Legal**

This report sets out the arrangements for the N17 Design Studio project and the Council's relationship with JMP to 1 December 2016. The Council will be entering into a new Memorandum of Understanding with JMP and CONEL and will be extending JMP sub lease of part of the building known as 451 – 453 High Road up to 30<sup>th</sup> November 2016.

Members should note that the upper floor of the building will remain empty due to the reason set out in this report.

The Council has the authority to enter into these arrangements under section 1 of the Localism Act 2011 (general power of competence) and as there is no financial obligations to pay JMP for any services based on the arrangements in the Memorandum of Understanding and the Heads of Terms this does not raise any procurement issues.

## **Equality**

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- a) tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- b) advance equality of opportunity between people who share those protected characteristics and people who do not;
- c) foster good relations between people who share those characteristics and people who do not

The review into the N17 Design Studio pilot found broadly positive impacts particularly for young people living in the local area. The school outreach programme is aimed at widening young people's horizons into the regeneration work underway in Tottenham and insight into architectural design as a profession as well as practical CV, job application and interview training sessions. The work experience and apprenticeship programmes for young people have been successful, providing opportunities into entering the world of work for participants. Community events hosted at the studio have also been well attended by local residents.

The proposed new Memorandum of Understanding in this report supports the continuation of these activities. As part of our understanding with JMP, we would expect them to ensure that the activities run from the studio and in the community are non-discriminatory and inclusive of all groups of people, no

matter their sex, ethnicity, religion, sexual orientation, disability or any other protected characteristic.

**9. Use of Appendices**

- Background document- Cabinet Report 15<sup>th</sup> October 2013
- Background document- Memorandum of Understanding, October 2013
- Appendix 1: Revised Memorandum of Understanding

**10. Local Government (Access to Information) Act 1985**

Not applicable