

CABINET MEMBER SIGNING

Wednesday, 22nd March, 2023, 10.00 am

Councillors: Ruth Gordon

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

3. GOOD GROWTH FUND: ENTERPRISING TOTTENHAM HIGH ROAD DEED OF VARIATION (PAGES 1 - 26)

Please be advised that the Chair of Overview and Scrutiny has agreed that the call-in procedure shall not apply to this decision. This is because any delay in implementation caused by the call-in procedure would seriously prejudice the Council's opportunity to secure additional funding from the GLA for the purpose of facilitating the delivery of the 639 High Road workspace project. Accordingly, the Chair of Overview and Scrutiny Committee has agreed that the decision is both reasonable in all circumstances, and that it should be treated as a matter of urgency. This is in accordance with Part 4, Section H, and Paragraph 18 (a) and (b) of the Council Constitution.

Felicity Foley, Committees Manager
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Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Tuesday, 14 March 2023

Report for: Cabinet Member Signing

Report Title: Good Growth Fund: Enterprising Tottenham High Road Deed of Variation

CLG Lead: David Joyce, Director – Placemaking & Housing

Report Authors: Toussainte Reba – Head of Area Regeneration

Contact No: Ext. 1219

Ward(s) affected: Bruce Castle, Tottenham Central, Tottenham Hale

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

1. Describe the issue under consideration

- 1.1. The purpose of this report is to seek approval to vary the Greater London Authority (GLA) Good Growth Fund (GGF) Enterprising Tottenham High Road (ETHR) agreement to enable the receipt of an additional £2.3m grant from the GLA for the purpose of facilitating the delivery of the 639 Enterprise Centre Building Project (“The Project”) in Tottenham. The Deed of Variation (DoV) to the grant agreement is attached at Appendix 1.
- 1.2. The GGF ETHR Programme was approved at Cabinet in January 2019 to deliver a series of workspace and placemaking projects in Bruce Grove that respond to the aspirations for this town centre set out in the Strategy for Tottenham High Road (2019-29).
- 1.3. Following Cabinet approval of ETHR Programme, 639 Enterprise Centre received Planning Permission and Listed Building Consent in December 2021, however, works to the building have stalled as a result of delivery challenges and construction costs considerably exceeding the budget for the project.
- 1.4. The proposed additional funding will enable a much larger project to come forward, which will included a much needed refurbishment to the Grade II Listed Edwardian property and hence support the ongoing delivery of affordable workspace for entrepreneurs and creative businesses in Tottenham.
- 1.5. The GLA require that the additional funding is claimed by the end of March. The output against which this will be claimed, will be the council’s approval, through this report, of the Forward Strategy for the building as set out in Appendix 2.

2. Cabinet Member Introduction

- 2.1 The additional grant funding will bring about much needed physical improvements to the listed 639 Enterprise Centre building, is especially welcome given the present need for urgent works to the building. It is hoped that these works will result in the building continuing to be an anchor building for building an inclusive economy in Tottenham.

3. Recommendation

- 3.1 That the Cabinet Member for Council House Building, Placemaking and Development agrees:
- a.) To the receipt of £2.3m from the GLA for the purpose of facilitating the delivery of the 639 Enterprise Centre Building Project.
 - b.) To the Deed of Variation to the Good Growth Fund Enterprising Tottenham High Road Grant Agreement attached at Appendix 1.
 - c.) To the Forward Strategy for the delivery of the 639 Enterprise Centre Building Project as per Appendix 2 to enable the council to receive the £2.3m grant by March 2023.
 - d.) To entering into a funding agreement with the GLA for the purpose of delivering the 639 Enterprise Centre Building Project in conformity with the Forward Strategy set out at Appendix 2 and to grant delegated authority to the Director of Placemaking and Housing, after consultation with the Lead Member for Housing, Placemaking and Development and the Director of Finance to agree the final terms of the Agreement, and to any amendments subsequently required.

4. Reasons for Decision

- 4.1. The 639 Enterprise Centre is owned by the Greater London Authority. Located in Tottenham, it represents an important component of a wider strategy to improve the high street as set out in the Strategy for Tottenham High Road, through the provision of affordable workspace and the associated business support offer.
- 4.2. The original 639 project has become unviable due to significant increases in construction costs, and also an increase in the investment need in the building.
- 4.3. The additional £2.3m grant will enable the council to work with the GLA who will deliver the additional works to the building to support the building's longer-term future. The council itself will not be undertaking the £2.3m works but rather will enter into a separate funding agreement with GLA to enable to GLA to carry out the required works to the 639 Enterprise Centre.
- 4.4. The restoration of the building will make a significant contribution to the protection of Tottenham's built environment heritage.

5. Alternative Options Considered

Option 1 – Accept the £2.3m grant and enter into a funding agreement with the GLA to deliver the Forward Strategy for 639 Enterprise Centre

- 5.1. Option 1 is the recommended approach as it allows the council to vary the existing agreement with the GLA for the GGF ETHR programme to enable the receipt and claim of grant of the additional funding by March 2023.

Option 2 – Reject the grant offer from the GLA

- 5.2. Rejecting the grant from the GLA would miss an opportunity to draw in £2.3m of Government funding into the borough. The absence of this funding would create uncertainty around how the required improvements to the 639 Enterprise Centre would be funded.

6. Background

- 6.1. 639 Enterprise Centre is an existing locally listed asset owned by the Greater London Authority, who are consequentially responsible for the repair of the building. The building contains affordable office space, shared workspace, meeting spaces and a cafe.
- 6.2. The building constructed in 1901 as the headquarters of the Tottenham District Light, Heat & Power Co, sustained significant damage in 2011 to the ground floor and east elevation to the High Road.
- 6.3. The council sold the freehold to the GLA in 2012 who undertook a series of refurbishments in 2012 to provide an affordable local enterprise hub and the building was launched by the Mayor in 2013 with local charity, London Youth Support Trust (LYST), appointed by the GLA to operate the facility.
- 6.4. In 2018 the Trampery, a London-based social enterprise, specialising in shared workspace and support for entrepreneurs and creative businesses were appointed to oversee the facility and have spearheaded the discussion and need for improvements to the premises to better serve the local community.
- 6.5. As part of the original funding agreement for ETHR, the council had intended to fund an element of works to the building. Planning Permission and Listed Building Consent for these proposed works was granted in December 2021. However, construction costs inflation has resulted in the project cost plan exceeding remaining budget allocated for the original project. The council in discussion with the GLA had previously sought to address the gap through return of £146,500 ETHR funding to the GLA for the purpose of contributing to urgent works at 639 Enterprise Centre, as set out in the January 2023 Delegated Authority Report.
- 6.6. Since then, recent surveys from the GLA have confirmed there are ‘critical’ fabric and roof repairs works required, which take precedent over the originally proposed refurbishment.
- 6.7. The GLA now have a new opportunity with a £2.3m grant for a much larger injection of capital which would result in a better a larger project to address these wider concerns. This is set out in the Forward Strategy attached at Appendix 2 of this report.

GGF ETHR Programme Position

- 6.8. In January 2019, Cabinet agreed to receive £2m grant from GLA (£1.8m capital + £200k revenue) to deliver GGF ETHR Programme.
- 6.9. To date the council has claimed £951,076 from the GLA against the current GGF ETHR Programme with a remaining £1,048,924 left to claim.
- 6.10. In January 2023, the Director of Placemaking & Housing agreed, under delegated authority to an amended Deed of Variation. This DoV allowed for a reduction of £146,500 to the current programme leaving £902,424 left to claim. The GLA have since agreed that the Council can retain the £146,500 in the programme for spend in 22/23 and be allocated to the original 639 Enterprise Centre fit-out project. This is set out in the Deed of Variation at Appendix 2.
- 6.11. Overall, the addition of the new £2.3m grant for the 639 Enterprise Centre project means that the council has £1,048,924 + £2.3m = £3,348,924 left to claim this financial year. The council is in discussions with the GLA about a further Deed of Variation which would enable some of the historic grant programme to be extended into 2023/24.

	Total Claim 2019/20	Total Claim 2020/21	Total Claim 2021/22	Remaining Maximum Grant Claim 2022/23
GGF ETHR Grant Current Funding Position	£207,432	£303,644	£440,000	£1,048,923
GGF ETHR New Funding Position	£0	£0	£0	£2,300,000
TOTAL	£207,432	£303,644	£440,000	£3,348,923

7. Contribution to Strategic Outcomes

- 7.1. The project will support the council in delivering the following priorities in the council's Corporate Delivery Plan 22/23 and 23/24.

Placemaking and Economy – High Streets, Town Centres and Businesses – Workspace

- New workspaces are created in the borough, meeting the need for local, affordable places to work, increasing the local employment base and driving spend.
 - Increase the number of affordable workspaces for all sectors.

- 7.2. This project will seek to invest in existing local asset and support its use to better serve the Tottenham community.

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

Finance

- 8.1. The recommendation to accept the £2.3m grant from the GLA by way of varying the existing GGF ETHR grant agreement will ensure that there are additional resources available to undertake the works needed at the building.
- 8.2. The works will be undertaken by the GLA, and the Council will not have any liability for any overspending on the project.
- 8.3. It is anticipated that the Council will claim the current grant of £0.9025m to reflect expenditure defrayed in 2022/23, the £0.1465m and the new grant of £2.3m this financial year.

Procurement

- 8.4. Strategic Procurement note the content of the paper. There are no current procurement implications associated with the content of the report.

Legal

- 8.5. The Head of Legal and Governance (Monitoring Officer), has been consulted in the preparation of this report.
- 8.6. The Council is using general powers including general powers of competence (section 1 Localism Act 2011), in agreeing to the proposed variation of the GLA Good Growth Fund (GGF) Enterprising Tottenham High Road (ETHR) Agreement, to enable the receipt of an additional £2.3m grant from the GLA for the purpose of facilitating the delivery of the 639 Enterprise Centre workspace project (Tottenham).
- 8.7. Where the Council receives a grant from an external body, the process for approving or varying the agreement for the grant shall be the same as that set out in CSO 9.07 (i.e. the Director may approve receipt of a grant valued less than £500,000. For approval of receipt of grants valued at £500,000 or more, a Cabinet decision is required).
- 8.8. The Council may accept the grant funding set out in this report and must comply with the terms of the funding agreement. The Council has the power under section 1 of the Localism Act 2011 to provide the grant funding to third party organisations.

- 8.9. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Director from approving the recommendations in the report.

Equality

- 8.10. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

- 8.11. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

- 8.12. Cabinet has already agreed the approach to delivering the Good Growth Fund Enterprising Tottenham High Road Programme and noted that:

An equalities impact assessment (“EqIA”) has been completed (appendix 4). Amongst the findings, it supports a focus on improved, safer, healthier access to town centres; enhanced spaces for people to address issues related to safety amongst some ethnicity and faith groups. The EqIA has also highlighted issues related to opportunities for social cohesion, health, need for measures for people with disabilities and access for young mothers to jobs.

As the individual projects are identified for progression and approval, the EqIA should be reviewed and updated, with individual EqIAs provided for the project where appropriate in order to satisfy the council’s Public Sector Equalities Duty.

- 8.13. This decision has therefore no specific equalities impact other than to support the overall delivery of the programme.

9. Use of Appendices

Appendix 1 – GLA Good Growth Fund Deed of Variation

Appendix 2 – GLA Forward Strategy for 639 Enterprise Centre Community Enterprise Centre

10. Local Government (Access to Information) Act 1985

N/A

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Dated **23rd** MARCH 2023

(1) THE GREATER LONDON AUTHORITY

-and-

(2) LONDON BOROUGH OF HARINGEY

**DEED OF VARIATION
IN RESPECT OF A GRANT FUNDING AGREEMENT BETWEEN THE ABOVE
PARTIES CONCERNING THE PROVISION OF FUNDING RELATING TO
ENTERPRISING TOTTENHAM HIGH ROAD**

This **DEED OF VARIATION** is agreed this

23rd March

2023

BETWEEN:

- (1) **THE GREATER LONDON AUTHORITY** of City Hall, City Hall, Kamal Chunchie Way, London, E16 1ZE (“the GLA”); and
 - (2) **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HARINGEY** (“the Recipient”);
- (together the “Parties”).

Background:

- (A) This Deed is supplemental to the grant funding agreement in respect of the ENTERPRISING TOTTENHAM HIGH ROAD project entered into by the Parties on (02 APRIL 2019) (“the Agreement”).
- (B) The parties have agreed to vary the Agreement from the date of this Deed on the terms and conditions set out below.

The Deed:

1 Definitions and interpretation

1.1 Definitions

All terms used within this Deed that are defined in the Agreement will have the same meaning in this Deed, unless the context otherwise requires.

1.2 Interpretation

In this Deed, unless the context otherwise requires

- 1.2.1 headings and sub-headings are for ease of reference only and will not affect the construction of this Deed;
- 1.2.2 all references to clauses and appendices are references to clauses and appendices to this Deed;
- 1.2.3 words importing one gender will include the other gender, words in the singular will include the plural, and ‘person’ will include any individual, partnership, firm, trust, body corporate, corporation, sole agency or unincorporated body of persons or associations;

2 Variation

- 2.1 The Parties hereby agree that the Agreement shall stand as varied in accordance with clauses 2.2 to 2.5 below from the of date of this Deed.
- 2.2 We refer to the Agreement between the Recipient and the GLA in respect of the ENTERPRISING TOTTENHAM HIGH ROAD project entered into by the Parties on (02 APRIL 2019), a copy of which is attached as Schedule 1 to this Deed.
- 2.3 Clause 2A.1of the Agreement shall be deleted and replaced with the following: –
- 2A.1 The Recipient's statutory chief finance officer or someone validly authorised to act on his or her behalf shall certify on or before 31 March 2023 (using the form attached at Schedule 7) that that £0 (Zero) of the GLA Funding made available in 2018/19 financial year, £207,432 in 2019/20 financial year, £303,644 in 2020/21 financial year, £440,000 in 2021/22 financial year and £3,348,923 in 2022/23 financial year will be used solely as a contribution to capital and revenue expenditure in relation to the Project Objectives such certification being made on the basis that the Recipient's determination of capital expenditure accords fully with all laws and best practice, is estimated to deliver benefits that will accrue over a period of 10 years on average and on the basis that it will recorded in the Recipient's accounts in this manner. Schedule 1 of the Agreement shall be updated to include the Addendum to Schedule 1 set out at Appendix 1 to this Deed.
- 2.4 Schedule 1 of the Agreement shall be updated to include the Addendum to Schedule 1 set out at Appendix 1 to this Deed.
- 2.5 Schedule 2 of the Agreement shall be deleted and replaced with the schedule set out at Appendix 2 to this Deed.
- 2.6 Schedule 7 of the Agreement shall be deleted and replaced with the schedule set out at Appendix 3 to this Deed.

3 Continuation of Agreement

3.1 Except as expressly amended by the terms of this Deed, the Agreement will otherwise continue in full force and effect in accordance with its terms.

IN WITNESS OF THE ABOVE THE PARTIES HAVE EXECUTED THIS AGREEMENT AS A DEED ON THE DATE WRITTEN AT THE HEAD OF THIS DEED

EXECUTED as a Deed by the application of

the COMMON SEAL of the GREATER LONDON AUTHORITY

in the presence of:

EXECUTED as a Deed by

THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HARINGEY

By affixing its Common Seal hereunto by Order

in the presence of:

APPENDIX 01 – Addendum to Schedule 1

The below Addendum to Schedule 1 sets out the project description of the 'ELC Project 2.5' 639 Tottenham High Road 'Forward Strategy and Building Repairs' milestone to reflect the increase in grant award and related additional activities.

ELC 2.5: Forward Strategy and Building Repairs

GLA contribution £2,300,000 grant

Project Description

639 High Road is an existing locally listed council asset under a long lease to the GLA that currently provides affordable office space, shared workspace, meeting spaces, a cafe, space for the borough's voluntary sector and council office space. Despite recent investment it remains underutilised and lacks the public identity befitting the building and its use.

GLA staff in collaboration with LB Haringey are developing a forward strategy for the GLA owned 639 Tottenham Community Enterprise Centre. The proposed Forward Strategy will seek to maintain the currently high levels of locally based business incubation and related economic development and explore community wealth building whilst reducing long term building maintenance costs. A project specification is being prepared to support the appointment of a new operator from March 2024 via a new fully repairing and insuring lease arrangement. This approach will be key to secure the future of the building for local economic development purposes in line with local expectations.

LB Haringey is supporting the GLA to develop the forward strategy and operating specification for the 639 Community Enterprise Centre to maximise outputs and outcomes and maximise local community wealth building. The forward strategy once agreed will allow the GLA to carry out £2.3m works to the building to deliver sustainable workspace that respond to local community needs.

Following safety concerns, significant remedial works are required to the fabric of the building to maintain its safe operation and continued service delivery, and to ensure the building and wider local economic development project can attract future operators from March 2024 in line with the proposed Forward Strategy.

Project Objectives

- Develop a Forward Strategy to maintain the currently high levels of locally based business incubation and related economic development and explore community wealth building opportunities, whilst reducing long term building maintenance costs.
- Address ongoing issues with the physical fabric of the building, to ensure safe operation and service delivery and that the asset is in a suitable condition to attract new operators and be let on a fully repairing and insuring basis.
- Commence procurement of a new tenant/operator and execution of a subsequent lease arrangement

Project Deliverables

- Develop a project specification to support the appointment of an operator from March 2024 and to inform a new fully repairing lease arrangement from that date onwards.
- Appoint and oversee the proposed remedial works that are required to the fabric of the building to maintain its safe operation and continued service delivery.
- Initiate a two-stage competitive procurement process, inviting submissions from interested workspace operators to undertake the operation of the 639 centre.

APPENDIX 02 - Schedule 2

<PDF of milestone and funding schedule to be inserted>

APPENDIX 03 - Schedule 7

Name of programme: Good Growth Fund – Enterprising Tottenham High Road
Name of applicant organisation: LB Haringey

	Total project value (GLA + Match)	Total GLA funding	GLA capital funding	GLA revenue funding	Total Match	Recipient Match	Non-Recipient Match	Recipient Match capital	Recipient Match revenue	Non-Recipient match capital	Non-Recipient match revenue
2018-19											
2019-20	£ 412,749	£207,432	£167,010	£ 40,422	£ 205,317.00	£ 100,973.00	£ 104,344.00	£ 100,973.00			£ 104,344.00
2020-21	£ 443,912.64	£303,644	£271,321	£ 32,323	£ 140,268.64	£ 140,268.64		£ 140,268.64			
2021-22	£ 588,809.77	£440,000	£440,000	£0	£ 148,809.77	£ 84,019.77	£ 64,790.00	£ 84,019.77			£ 64,790.00
2022-23	£ 4,045,546	£3,348,923	£3,221,669	£ 127,254.77	£ 696,623.18	£ 95,623.18	£ 601,000.00	£ 95,623.18		£ 601,000.00	
2023-24	£ 10,546,579.00	£0	£0	£0	£ 10,546,579.00	£ 9,032,579.00	£ 1,514,000.00	£ 9,032,579.00		£ 1,514,000.00	

I hereby certify that:

1. the organisation named above is eligible to provide public match funding

2. the match funding provided does not contain any funds which have been provided by the GLA group

Signed: _____

Name: _____

Date: _____

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CONTRACT

GOOD GROWTH FUND MILESTONE AND FUNDING SCHEDULE							GLA budget forecast																Match Funding 2018/19 - 2021/22			
Ref	Milestone	Description of activity	Evidence (e.g. consultant brief, contract, invoices, staff day rates and timesheets/cost codes, photos)	Project total (GLA + Match)	GLA Total	GLA budget totals	GLA budget forecast																Recipient Match		Non Recipient Match	
							Capital		Revenue		2018/19	2019/2020				2020/2021				2021/22 (Match Only)				Capital	Revenue	Capital
							Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4							
PM																										
	Overall Management/ Design Management/ Monitoring/ Evaluation																									
	Project Management	Dedicated resource (2 Regeneration Officer(not yet in post) + 0.2 manager) Monthly Steering Group Meetings Reports through Programme Board	Officer in post Meeting Minutes Monthly reports	£280,000	£0																					
	Programme Quality Control & Evaluation	MDA Design Advisor Meetings NDIA chair to issue letter summarising findings from the review Project lead to provide detailed response to GLA officer for sign off to progress through to project delivery	Letter from the review chair and detailed response from the project lead Perception Surveys Participatory Evaluation Plan Evaluation Report (social value)		£0																					
	Social value lease framework delivered	Delivery of workspace study, and the feasibility study to look at promoting greater use and establishing the approach how to deliver social value lease clauses.	Signed off workspace study, social value lease framework and feasibility report	£50,000	£50,000	£0	£50,000																			
	Securing community minded tenants	Implementation of social value lease, including a evaluation report to inform future application in wider Council's commercial portfolio	Delivery of social value lease on 551B Evaluation report and policy review	£120,000	£120,000	£0	£120,000					£30,000.00	£30,000.00	£30,000.00	£30,000.00											
551B																										
	RIBA stage 3-7 design commission	Agree project elements and brief with GLA lead. Agree procurement routes for consultants (e.g. ADUP framework) and/or contractors	Agreed brief for consultants Signed contract	£0	£0	£0																				
	Complete RIBA stage 3 design	Production of stage 3 reports with appropriate stakeholder sign off at regular project meetings	Signed off stage 3 reports	£70,000	£70,000	£70,000			£35,000	£35,000																
	Complete RIBA stage 4 design	Sign from all parties of agreed Stage 4 report, and technical drawings	Invoices from design / consultant team Signed off stage 4 reports	£50,000	£50,000	£50,000					£50,000															
	Building & Public realm construction completion (RIBA stage 5-6)	Construction of the building, improvements to public realm adjacent to building	Invoices from contractors Photos of completed works	£1,130,000	£505,000	£505,000							£252,500	£252,500								£625,000				
	Operator fit out of the building	Operator fit out of the building	Invoices from contractors Photos of completed works	£50,000	£0	£0																	£50,000			
1B_Bruce Grove toilet																										
	Complete RIBA stage 3 design	Production of stage 3 reports with appropriate stakeholder sign off at regular project meetings	Signed off stage 3 reports	£30,000	£30,000	£30,000		£15,000	£15,000																	
	Complete RIBA stage 4 design	Sign from all parties of agreed Stage 4 report, and technical drawings	Signed off stage 4 reports	£30,000	£30,000	£30,000				£15,000	£15,000															
	Building construction completion	Construction of the building, improvements to public realm adjacent to building	Invoices from design / consultant team Invoices from contractors Photos of completed works	£590,000	£265,000	£265,000						£132,500	£132,500									£325,000				
	Operator fit out of the building	Operator fit out of the building	Invoices from contractors Photos of completed works	£20,000	£0	£0																	£20,000			
1D_Bruce Grove station forecourt																										
	Mobilisation & delivery of project	Construction of the building	Photos of completed works	£1,100,000	£150,000	£150,000							£50,000	£50,000	£50,000							£500,000	£450,000			
Pride in the High Road																										
	Stakeholder engagement & place making workshop phase 1	Delivery of interviews with stakeholder in forming the long list of projects, part of the engagement include place making workshop with target groups in improving their capacity in place making	Record and photos of the engagement & place making workshops	£30,000	£30,000	£30,000			£15,000	£15,000																
	Place making workshop phase 2	Place making workshop with target groups in improving their capacity in place making	Record and photos of the engagement & place making workshops	£30,000	£30,000	£30,000					£30,000															
	Co-design on selected project when applicable	Agreed public realm project from the short list (with GLA officer)	Signed off RIBA stage 4 reports	£50,000	£50,000	£50,000						£50,000														
	Design of the exemplar public realm projects (max 3)	Detailed design for the projects, commissioning Agreed projects from the short list (with GLA officer) Delivery of projects	Invoices from design / consultant team Record and photos of the completed projects	£240,000	£240,000	£240,000							£80,000	£80,000	£80,000											
2B_Trampety @ 639																										
	Design and professional fees	Design and QS, reviews	invoices from professional services, design drawings and schedules	£115,669	£115,669	£115,669		£24,166.00	£55,903.00	£25,533.00	£10,067.00															
	construction works and fit out	refurbishment of the building, reconfigured events and workspace, reception, commercial kitchen	Invoices from contractors, Photos of completed works	£549,239	£234,331	£234,331			£201,332	£32,999													£314,908			
	furniture and equipment	purchase, delivery, installation, testing	invoices from suppliers, photographs of completed workspaces	£67,986	£0	£0																	£67,986			
	Delivery of business support programmes	start up sessions, masterclasses, mentoring, events, growth workshops, meet the buyers	participation data	£0	£0	£0																				
2C_Business support programme																										
	Business support programme	Consultant to engage local businesses in Bruce Grove	Proof of match funding expenditure	£120,000	£0	£0																	£120,000			
	Delivery of Town Centre Events project & Evening	Delivery of programme for community/business-led events to promote the town centre and local stewardship	Proof of match funding expenditure	£49,134	£0	£0																	£49,134			
	Workspace directory (Made in Tottenham)	A industry facing workspace & local businesses catalogue (including F&B) to build network for local businesses (both industrial areas and the High Road)	Signed off of catalogue and delivery to local businesses	£30,000	£30,000	£30,000						£30,000														
				£4,802,028	£2,000,000	£1,800,000	£200,000																			
								£64,166	£347,235	£123,532	£105,067	£242,500	£292,500	£412,500	£412,500	£0	£0	£0	£0				£1,730,000			
								£64,166	£347,235	£123,532	£105,067	£242,500	£292,500	£412,500	£412,500	£0	£0	£0	£0				£1,730,000			
									£640,000				£1,360,000										£1,899,134			
																							£902,894			
																							£2,802,028			
Match budget forecast																										
							2018/19	2019/20				2020/21				2021/22										
							Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4							
	Recipient Match	Capital		£1,730,000			£25,000	£25,000	£25,000	£25,000	£40,000	£40,000	£365,000	£40,000	£1,145,000	£0										
	Recipient Match	Revenue		£169,134			£25,000	£41,378	£51,378	£51,378	£0	£0	£0	£0	£0	£0										
	Non Recipient Match	Capital		£902,894			£0	£0	£282,902	£99,993	£0	£0	£0	£470,000	£50,000	£0										
	Non Recipient Match	Revenue		£0																						
									£652,029				£955,000		£1,195,000											
																							£2,802,029			

Definition
 Capital: Expenditure on the acquisition or creation of, or adding to, a tangible fixed asset.
 Revenue: The operating, maintenance, management or development costs incurred during the project.

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The 639 Community Enterprise Centre, Tottenham - Forward Strategy**Executive Summary**

GLA staff in collaboration with LB Haringey are developing a forward strategy for the GLA-owned 639 Tottenham Community Enterprise Centre. This strategy will seek to maintain the currently high levels of locally based business incubation and related economic development and explore community wealth building whilst reducing ongoing costs to the GLA. A project specification is being prepared to support the appointment of a new operator from March 2024 via a new fully repairing and insuring lease arrangement. This paper summarises the forward Strategy including measures to:

- address ongoing issues with the physical fabric of the building, to ensure safe operation and service delivery and that the asset is in a suitable condition to attract new operators and be let on a fully repairing and insuring basis
- ensure GLA Estates can continue to maintain the asset on behalf of the GLA for the remaining current lease period to March 2024
- commence procurement of a new tenant/operator and execution of a subsequent lease arrangement
- ensure GLA Estates can perform a management agent role for the duration of the subsequent 25-year fully repairing lease.

Introduction and background

- 1.1 The 639 Community Enterprise Centre project ('the 639 Centre') was originally funded as part of the Mayor's Regeneration Fund (MRF) programme. The GLA purchased and refurbished the building following the riots in Tottenham and other parts of London in 2011 (approved under cover of DD791). The GLA then appointed LAUNCH IT (formerly the London Youth Support Trust) as preferred operator to manage the enterprise centre up to March 2017. LAUNCH IT initially received a tapering revenue budget, which enabled the project to become self-sustaining.
- 1.2 In March 2017, Mayoral approval was given (under cover of MD2065) to invite LAUNCH IT, in collaboration with the Trampery, to manage the building in line with an agreed business plan, grant agreement and related lease arrangement to March 2024. Under this arrangement, LAUNCH IT has a sub-lease and management agreement with Trampery, who are then responsible for granting individual tenant sub-leases.
- 1.3 The 639 Centre continues to incubate and promote small and emerging local businesses bringing together all strands of support to develop and sustain careers, from support and training for school leavers, to subsidised premises, business mentoring and career development initiatives.
- 1.4 A range of space is provided:
 - affordable office space (incubator space for local start-ups)
 - shared workspace
 - conference and boardrooms

- exhibition gallery
 - cafe
 - Tottenham's Living Room - a free-to-access space for local business, groups and organisations.
- 1.5 The 639 Centre is delivering strongly on its youth and locally focused enterprise aims – exceeding many of the outputs proposed at the beginning of the current lease period (see 4.10) for projected outputs and outcomes. Occupancy rates have been high, engagement with the community has been strong, and the business support provided for entrepreneurs has been highly rated by beneficiaries, reflecting the quality of support provided by LAUNCH IT and Trampery staff.
- 1.6 While the GLA does not fund the operation of the centre (beyond costs associated with landlords' maintenance responsibilities including agents' fees), the operator benefits from a peppercorn rent and is not responsible for the cost of building repairs. This arrangement underpins the operator's ability to deliver clear, demonstrable business and employability outcomes for young local people from disadvantaged and ethnically diverse backgrounds.
- 1.7 In response to financial pressures LAUNCH IT and the Trampery have reduced costs and steadily driven up income to achieve a stable financial position, enabling the continued delivery of considerable local economic development outcomes.
- 1.8 The GLA is responsible for the external fabric of the building and for lift repairs. To support this and wider economic development activity there is provision in the current lease for LAUNCH IT and the Trampery to pay the GLA a minimum £25k per annum 'repair fund base contribution' plus 50 per cent of any profits generated from their operations. The Mayor approved (under cover of MD2605) the holding of these funds in a maintenance reserve fund to be drawn on by agreement of the GLA and the '639 Vision/Advisory Group'.
- 1.9 These funds will also be drawn on to cover survey work, design fees and routine maintenance costs for the remaining lease period to March 2024 and to cover legal fees associated with forming the proposed future lease from March 2024 onwards. After that point, it is proposed that the new lease will be fully repairing and insuring with the aim of reducing the GLA's ongoing revenue exposure to £10,000 p.a. (index linked) to cover management agents fees only.
- 1.10 In addition, following safety concerns, more significant capacity works to the fabric of the building are now required to maintain its safe operation and continued service delivery and to ensure the building and wider local economic development project can attract future operators from March 2024 in line with the proposed forward strategy.
- 1.11 This will include work to restore the east elevation façade (front of the High Road) and south west elevation (facing Lordship Lane) including the restoration of the terracotta tiles. THE GLA will seek to repair/replace the lift, refurbish the roof and address internal leaks and rising damp.
- 1.12 More recently water inundation and internal leaks have highlighted the need to accelerate planned preventative maintenance to the roof.
- 1.13 Estimates prepared by Avison Young on behalf of GLA Estates have identified the cost of these works to be in the region of £2.3m including associated fees and contingency. Subject to this approval detailed quotations will be obtained to progress works in financial year 2023-24.

2 Objectives and expected outcomes

Forward strategy

- 2.1 The renewal of the lease and operator specification for the 639 Centre is an opportunity to review and redefine the centre, its existing governance, partnerships and occupants, and to address associated costs and liabilities to the GLA.
- 2.2 Recent discussions have determined that while LB Haringey are not in a position to purchase the building, manage the facility or provide capital investment, they are keen to support the GLA to secure the future of the building for local economic development purposes in line with local expectations. LB Haringey is supporting the GLA to develop the forward strategy and operating specification for the 639 Community Enterprise Centre to maximise outputs and outcomes and maximise local community wealth building and will support the GLA to identify a suitable operator.
- 2.3 The continued delivery of the 639 Centre's youth and locally focused enterprise aims is considered critical to wider regeneration ambitions for Tottenham. A commitment to representative governance and potential community asset transfer will be factored into the procurement of the future operator.
- 2.4 In order to have a space where these ambitions can be achieved, it is necessary to ensure that the building is physically sound and financial reserves are established to manage future maintenance or repair requirements.
- 2.5 GLA staff are developing an approach for the next lease period which will invite operators/service providers to meet these long-held ambitions whilst putting the project on a more sustainable financial footing and reducing costs and liabilities to the GLA.
- 2.6 Following an evaluation of the current operational period 2017-2024 a project specification is being prepared to support the appointment of an operator from March 2024 and to inform a new fully repairing lease arrangement from that date onwards. This will mean the GLA is not directly funding the operation of the centre beyond the continued offer of a 25-year fully repairing and insuring lease, at a peppercorn rent.
- 2.7 The forward strategy will seek to balance commercial considerations with the ongoing requirement for the 639 Centre to deliver on its aims and will specify how much of the building will be reserved for community use. The GLA will continue to require clear, demonstrable outcomes for young local people from disadvantaged backgrounds. Organisations will be invited to submit proposals in line with the stated aims and will be supported by the GLA in the delivery of these plans and in attempts to raise additional funds, including up-front and annual investment from prospective tenant/operators into the building maintenance reserve fund.
- 2.8 The GLA will initiate a two-stage competitive application exercise managed by the TfL procurement team, inviting submissions from interested workspace operators to undertake the operation of the 639 Centre. The opportunity will be advertised by TfL's procurement portal and via the GLA's and LB Haringey's Workspace Provider networks (accessible to 300+ workspace providers).
- 2.9 Undertaking these works now will underpin efforts to attract a social entrepreneurial operator for the next lease period and enable the GLA's aspiration for a fully repairing lease to be met. This will reduce the financial risk to the GLA in the long term by making private investment more attractive.

2.10 The GLA will remain the freeholder and retain long term liabilities associated with the building, meaning that from March 2024 onwards it will retain a reduced financial liability of £10k per annum (index linked) covering the management agent fee for the proposed 25-year lease period. The ongoing revenue requirement will start in the 2024-25 financial year and will need to be requested and approved as part of the Mayor's budget setting process for 2024-25 onwards (to be contained within revenue resources within the GLA's Regeneration unit).

3. Equality comments

3.1 The future 639 Centre tenant/operator will be supported to ensure development and delivery of service provision follows relevant Codes of Practice in line with the requirements of the Public Sector Equality Duty to ensure that the following issues have been considered.

- (i) Operational policies: the operation of the building will be assessed in terms of accessibility to ensure the minimisation of disadvantages suffered by people who share a protected characteristic, age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation.
- (ii) Documents and publications: all documents produced will comply with Mayor of London branding guidelines, which is based on guidance from the Royal National Institute of Blind People. Accessible formats will be available including through the GLA's translation service on request.
- (iii) Events: all events will be open to all and the operator will be obliged to encourage people who share a protected characteristic to participate in any activity in which their participation is disproportionately low.

3.2 The tenant/operator of the 639 Centre will liaise with all sub-tenants and support recipients to ensure they share the public sector equality duty. This will be re-confirmed in future grant award arrangements to ensure delegation is clear.

3.3 The procurement process and documentation will follow best practice guidelines to ensure equality impact monitoring and equal opportunities are achieved.

3.4 All monitoring and evaluation activity will include a broad range of officers across the GLA Group and include LB Haringey and community representatives to ensure rounded discussions and prioritisation.

3.5 The GLA will utilise TfL's online portal and workspace providers networks to advertise the opportunity and to ensure the widest range of potential operators are able to access details about the tender opportunity. The GLA will also undertake targeted action to identify and encourage diverse organisations to make a submission as part of procurement exercises.

3.6 All specifications will make very clear the need for an operator to work closely with the diverse community in north Tottenham and beyond and to support young people aged 18-30, particularly those who are economically disadvantaged, to achieve financial independence through entrepreneurship. The operator will monitor inclusiveness with respect to target BAME and youth inclusion. The project specification will facilitate the development of a more inclusive governance approach for the building and related local economic development project, fostering an inclusive approach to asset management and community wealth building.

4. Other considerations

Key risks and issues

- 4.1 There is a significant risk of cost inflation as figures are based on cost estimates from Spring 2022. This will be mitigated by contingency budgeting (over and above the rate of construction inflation), the development of a full schedule of works and the securing of contractor's quotations.
- 4.2 Further risk remains regarding the potential for costs associated with building repairs, i.e. they could increase. This is somewhat mitigated by the proposed planned preventative maintenance. Routine preventative checks and maintenance operations will continue.
- 4.3 Despite the project's current promising financial trajectory, there is a risk that the current and future tenant/operators are unable to operate a sustainable financial model. To mitigate against this the tenant/operator will operate open book accounting whereby the GLA project manager will be able to keep abreast of financial performance alongside operational performance on a monthly basis. The GLA, through the enhanced governance arrangement, will advise on changes to scope, and on possible funding opportunities to keep operations within budget.
- 4.4 A related risk would be around the identification of additional funding to subsidise the business support activity. The current tenant/operator has successfully commenced fundraising to insulate the project from this. Any future operator would need to do the same.
- 4.5 There is a risk that the new lease will not be in place once the current lease expires. Good project management systems are in place to mitigate against this.
- 4.6 Reputational risks – there are clear expectations within the community, voiced by LB Haringey that the project will continue to deliver the local economic development outcomes. Any reduction or cessation of this would need to be managed effectively in terms of communications and stakeholder management.

Links to Mayoral strategies and priorities

- 4.7 This proposal supports the Mayor's Economic Development Strategy, including the commitment to supporting young people, community business and local economic development. It will make sure that work on skills and economic development is joined up in Tottenham, will nurture small independents and start-ups, and will build stronger partnerships between the private sector, public and voluntary agencies and the community.
- 4.8 In line with the Economic Development Strategy the project will support small business and protect business space. Proposals outlined here directly support attempts to put London's small businesses, start-ups, and entrepreneurs at the heart of the London economy and London's communities, and to support them to grow, innovate and create wealth and jobs.
- 4.9 In respect of impact assessment and engagement, a previous interim evaluation has shown that the 639 Centre has been established successfully, supporting new business creation in line with anticipated outputs, and has become financially sustainable. The evaluation found the following:
 - Occupancy rates have been high, consistently averaging over 90% for the first 5.5 years of operation.

