

# **MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON TUESDAY, 27TH JUNE, 2017, 4pm**

**PRESENT: Councillor Joe Goldberg (Chair)**

## **55. FILMING AT MEETINGS**

The Cabinet Member for Economic Development, Social Inclusion and Sustainability referred those present to agenda item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein

## **56. URGENT BUSINESS**

None.

## **57. DECLARATIONS OF INTEREST**

None.

## **58. AWARD OF SERVICES CONCESSION CONTRACT FOR WOOD GREEN WORKS AT 40 CUMBERLAND ROAD**

The cabinet member considered, after a brief discussion, the report seeking approval to award a Service Concession Contract to NWES Property Services Ltd to carry out a meanwhile use project to be known as Wood Green Works at 40 Cumberland Road for the period up to 8 September 2021.

### **RESOLVED**

That the Cabinet Member, for the reasons set out in the report:

- a. noted that the Council has secured funding from the GLA London Regeneration Fund in order to part fund the transformation of 40 Cumberland Road into a meanwhile use workspace;
- b. in accordance with Contract Standing Order 9.07.1(d), agreed to award to NWES Property Services Ltd a Service Concession Contract for design, construction and management services for the operation of the meanwhile use workspace at 40 Cumberland Road, to be called Wood Green Works, for the period ending 8 Sept 2021;
- c. noted that it has been agreed by the Council to grant NWES Property Services Ltd a sub-lease of 2 floors of the building at 40 Cumberland Road for the period

ending 8 Sept. 2021 under which total rent of £450,000 and service charges of £256,281 will be payable;

- d. approved provision in the Service Concession Contract for the Council:
- I. to pay NWES Property Services Ltd a contribution of £220,000 towards the refurbishment of 40 Cumberland Road (including capital works; mechanical & engineering services; decorating and supplying furniture and fittings for shared areas, reception, meeting room, exhibition space and communal lounge), and
  - II. to provide NWES Property Services Ltd a rent subsidy worth £97,500 for part of the building at 40 Cumberland Road for two years.

### **Reasons for decision**

The decision to tender the opportunity for a meanwhile operator to manage two floors of 40 Cumberland Road was made after an options appraisal was done within the Regeneration Service.

The council has carried out an Open procurement procedure to maximise market interest. Four tender responses were received and the recommendation of the tender evaluation team is that the Service Concession Contract be awarded to NWES Property Services Ltd because they scored the highest overall score.

Wood Green Works is one of several activities in the Wood Green Regeneration Programme and supports the delivery of a range of priorities for the council. It is the third phase of the Wood Green Meanwhile Campus project relating to council-owned buildings along Station Road which are available on a meanwhile basis, pending major redevelopment of the site as a whole within the next 5-10 years.

The aim is to deliver a range of projects to test different types of employment offer and also to bring back into active use vacant council-owned buildings and spaces to transform Station Road from a gloomy transport corridor into a busy, attractive and clear route from the High Road through to the Cultural Quarter and Alexandra Palace and Park.

Wood Green Works will be a hub of commercial activity aimed at small enterprises and entrepreneurs combining flexible and affordable workspaces, co-working, training rooms and creative spaces aimed at entrepreneurs, start up companies, creative practitioners and related disciplines.

The scheme will be delivered at no capital cost to the council as Haringey made a successful bid to the GLA for a London Regeneration Fund grant of £280,000 to support this project. Of this grant, £220,000 will be allocated by the Council to the operator to deliver the building works.

## **Alternative options considered**

The head lease of 40 Cumberland Road was purchased by Haringey in 2016. When the property came into the council's possession several different uses were considered for the building including leaving it vacant, using it for council offices or letting it on the open market.

During this time the council was also considering options to relocate Young Adult Services (YAS) from the PDC to Wood Green, potentially to the ground floor of the same property.

A number of option appraisals were carried out by Regeneration in discussion with Property Services which considered a number of different opportunities and constraints including:

- The need to relocate YAS, who could either be located on the ground floor of Cumberland Road or in 5 River Park Road (Tulip House);
- The opportunity to allocate some space within the building for co working/ incubator space;
- The opportunity to secure a rental income: a range of rents were modelled from £9psf to £14psf (not including service charge and rates);
- The opportunity to lever in funding from the GLA through the London Regeneration Fund in return for a rent subsidy;
- All options included Collage Arts taking two floors at a discounted rent plus service charges as this negotiation was already underway.

The options appraisal was carried out in July 2016. The preferred option was one where YAS was relocated in the ground floor of 40 Cumberland Road and a procurement exercise was undertaken to maximise the market interest for the remaining available floors.

It was agreed that the scheme was strategically important in that it would help the council to achieve its wider economic vision for Wood Green and so the scheme would achieve a balance of rental income and regeneration outputs (training and business support).

## **Do Nothing option**

If the building were to remain empty with council services being delivered from the ground floor and the remaining floors used as storage (i.e. the do nothing option) this would cost Haringey circa £250,000 each year in maintenance costs and business rates. This would also have meant that the council was unable to test the provision of incubator co-working space and also not deliver much needed workspace and business incubation in Wood Green.

**59. NEW ITEMS OF URGENT BUSINESS**

None.

**60. EXCLUSION OF THE PRESS AND PUBLIC**

That the press and public be excluded from the remainder of the meeting as the items contained exempt information, as defined under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**61. AWARD OF SERVICES CONCESSION CONTRACT FOR WOOD GREEN WORKS AT 40 CUMBERLAND ROAD**

The Cabinet Member noted the exempt section of the report.

**62. NEW ITEMS OF EXEMPT URGENT BUSINESS**

None.

CHAIR: Councillor Joe Goldberg

Signed by Chair .....

Date .....