

Report for: Cabinet – 18 January 2022

Title: Wood Green Youth Hub – Fit Out – Award of Construction Contract

Report authorised by: Ann Graham, Director of Children's Services

Lead Officer: Jackie Difolco, Assistant Director of the Early Help, Prevention and SEND Division

Ward(s) affected: Noel Park

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

1. Describe the issue under consideration

- 1.1. This report provides an update on the Wood Green Youth Hub, following the Council's decision to agree a lease for unit 2, Lymington Avenue, N22 6JA, and the decision to appoint a consultant design team to develop the design of the Wood Green Youth Hub. The project is now ready to proceed to the next stage of delivery and this report recommends the appointment of a contractor to complete the construction works on site.
- 1.2. This report seeks authority to award a construction contract to Diamond Build Plc for the delivery of the Wood Green Youth Hub fit out works. This contract allows the project to move closer to the operational opening of the facility.

2. Cabinet Member Introduction

- 2.1. The Wood Green Youth Hub project provides a significant benefit to the young people of Wood Green. The facility will create a focal point for young people in the community, allowing the young people to develop practical skillsets, promote creativity, provide a safe space for socialising and to obtain advice and support.
- 2.2. The young people of Wood Green have been at the heart of the Wood Green Youth Hub project development. The Wood Green Young Voices (WGYV) have played a major role in design development, with a full Co-Design programme being completed in conjunction with the development of RIBA design stages 1 – 4 (feasibility to detailed design). It has been incredibly important to ensure the users of the facility have had the ability to shape the project to ensure their needs are met.
- 2.3. The delivery of this project is important to the residents of Wood Green. The facility will help support the young people in the borough in a critical stage in their lives, providing vital services to help them through their school lives, their personal lives and to help them prepare for the professional lives.

- 2.4. The project has progressed well, and we are now ready to move into the next stage of project delivery to allow the physical works to commence on site. This will allow the operational opening of the facility to be completed ahead of the 2022 school summer holidays.

3. Recommendations

Cabinet is asked:

- 3.1. To approve an award of contract to Diamond Build Plc for the sum of £1,069,792.00 in accordance with Contract Standing Order (CSO) 9.07.1(d).
- 3.2. To approve the issue of a letter of intent to Diamond Build Plc, which will be limited to £100,000.

4. Reasons for decision

- 4.1. Young people living or attending school in and around Wood Green are at risk. Noel Park is in the 10% of the most deprived areas nationally with young people disproportionately affected. They are at risk of gang and knife crime with impacts felt across families and communities. Some of the Local Authority's highest Early Help referring schools are in the west of the borough, with many pupils living in the Noel Park ward. Haringey has been working with a range of community partners and the police to embed measures to tackle issues early.
- 4.2. In addition to pre-existing challenges in Wood Green, young people have been disproportionately affected by the Covid 19 crisis through parental job losses and school closures. The project will deliver a youth hub as young people need a dedicated facility urgently to provide essential support services. The Council is also proposing a new employment and skills focus to the hub, which will help negate the impact of Covid 19 on progression into work for local young people.
- 4.3. In delivering this Youth Hub, the Council will significantly improve the range and quality of youth provision, with an offer that will appeal to young people in the Noel Park and Wood Green areas and beyond. The space will house services designed to support improved outcomes and will be overseen by skilled youth and community workers and will offer a broad range of provision that will support raised attainment and aspiration for young people in the borough.
- 4.4. Delivery of the Wood Green Youth Hub is an action from the Youth at Risk Strategy 2019 – 2023. The strategy was designed to reduce youth crime and support attainment for young people in the borough. The lack of a youth space in the Wood Green and Noel Park areas has been a concern for many years and the youth hub seeks to resolve this problem. Its presence in Wood Green will offer young people the ability to congregate in a safe space designed to support their development and help them to aspire and achieve. The Bruce Grove Youth Hub in the east of the borough is well recognised as a centre of excellence for youth work, (Ofsted 2018), and has therefore been used as a template for the design of the new Wood Green Youth Hub.
- 4.5. The Wood Green Youth Hub project has worked well with local community groups and has founded the WGYV to develop the design of the facility. This

contract award allows the design ambitions of the WGYV and the local community groups to become a reality.

- 4.6. The project team have completed RIBA stages 1-4 (feasibility to detailed design) and have developed the design as per the requirements of the Early Help team. The contract award allows the project to move into the next delivery stage by commencing the main construction works on site.
- 4.7. At present, the building is not in a useable state, and if the main fit out works are not completed the building will continue to sit vacant as the lease agreement is already in place. It is considered that this contract award will help the Council to realise best value for money by providing a high functioning attractive site.
- 4.8. The Council has completed a competitive tender process via the Council's London Construction Programme (LCP) Dynamic Purchasing System – Minor Works – Principal Contractor lot. The project quantity surveyor – Baker Mallett LLP – has interrogated the pricing submissions and has confirmed that Diamond Build Plc is the most economically advantageous bidder.
- 4.9. The construction market is currently in a volatile state due to the adverse impacts of Brexit and the Covid pandemic to the supply of labour and materials. The proposed contract with Diamond Build Plc is a workable solution to project delivery, with the estimated construction programme aligning with the Early Help team's ambitions for operational opening and the estimated value falling within the constraints of the project budget. Due to the current volatility of the construction industry, failing to approve the current proposal or re-procuring the works could risk increased costs and prolonged lead times for the supply of materials because of the uncertainty.
- 4.10. This report also recommends that Cabinet approve the immediate issue of a letter of intent to Diamond Build Plc. Agreeing the issue of a letter of intent will allow the contractor to place immediate orders for long lead items. As noted above, the construction industry is currently experiencing delays and reduced supplies of materials because of Brexit and the Covid pandemic. The letter of intent will help secure the supply of materials without delay to ensure the construction programme is protected.
- 4.11. When tenders were returned on 9th December 2021, several bids included qualifications. This required an extended period to clarify costs, which has resulted in a slightly increased programme. However, this contract award still works towards an operational opening before the 2022 school summer holidays.

5. Alternative options considered

- 5.1. There is the option to re-procure the construction works, however, it must be noted that there is no guarantee that re-procuring the works will secure a more competitive price. Baker Mallett LLP has completed a full review of Diamond Build Plc's submission, benchmarked the prices provided against comparable projects and have confirmed that this price provides good value for money. If re-procurement is to be considered there is a risk that the project programme

would be adversely impacted and delay the operational opening of the facility which would put further risk to a much-needed service.

- 5.2. There is an option to decline Diamond Build Plc's appointment and close the project. However, the lease agreement has been completed and this option would mean the site would be left vacant. Additionally, this would mean that the young people of Wood Green would not be provided with a Youth Hub facility.

6. Background information

- 6.1. The Council identified a strategic need to provide a youth facility to service the young people of Wood Green, and thus the Wood Green Youth Hub project was initiated. The Council began a Co-Production process with the young people of Wood Green to develop the project brief to ensure key requirements were met through the delivery phases of the project. It was through this process that the Council feels that the youth hub will significantly improve the range and quality of youth services within the immediate Wood Green area.
- 6.2. In August 2020, the Strategic Property Team completed an options appraisal of viable sites in within the Wood Green high street area and Unit 2 Lymington Avenue was selected as the preferred location.
- 6.3. In January 2021, following a competitive procurement process, Freehaus Design Ltd were appointed to provide multi-disciplinary design services and Barker Mallet LLP were appointed to provide quantity surveying services for RIBA stages 1-6 for the Wood Green Youth Hub project.
- 6.4. At the end of RIBA Stage 3 (Developed Design), the project team commenced the project enabling works on site. The enabling works removed the redundant building services, asbestos and completed the non-structural demolitions to return the building to a shell. This allowed the project team to expose a significant number of issues, which could have adversely impacted the project programme and budget if left to the main construction works. Exposing and addressing these issues early has de-risked the project and allowed the designers to mitigate in the building's proposed design.
- 6.5. The design team have worked with the client team and the WGYV to develop the design of the facility. The RIBA stage 4 detailed design has now been completed, which has allowed the main contract procurement process to be completed.
- 6.6. The contract award to Diamond Build Plc can be delivered within the approved General Fund Capital Programme. A breakdown of the project budget can be found in the Part B report.
- 6.7. The programme milestones are estimated as follows:

Table 1 – Programme Milestones

| Milestone | Date |
|-----------------------------------|---------------|
| On Site Construction Commencement | February 2022 |

| | |
|----------------------|------------------------------------|
| Practical Completion | June 2022 |
| Client Fit Out | July 2022 |
| Operational Opening | Before School Summer Holidays 2022 |

7. Contribution to strategic outcomes

- 7.1. Borough Plan Economy Priority: Outcome 17: Investment with local people at its heart, focused on Tottenham and Wood Green.
- 7.2. Borough Plan Your Council Priority: Outcome 20: We will be a Council that uses its resources in a sustainable way to prioritise the needs of the most vulnerable residents.

8. Statutory Officers comments

Finance

- 8.1 This report seeks the approval of the award of a construction contract to Diamond Build Plc for the sum of £1.070m.
- 8.2 Last financial year, a capital budget of £1.0m was provided for this project and was composed of:
 - a) £0.490m – SCIL
 - b) £0.250m – NCIL
 - c) £0.100m – GLA Good Growth Fund
 - d) £0.100m – Youth at Risk Strategy
 - e) £0.060m – LBH - Wood Green Regen budget.
- 8.3 SCIL of £0.45m was allocated to pay the lease rentals for 3 years.
- 8.4 In February 2021, an additional £0.248m was identified within the overall Children’s capital services programme budget, bringing the total budget envelope to circa £1.248m.
- 8.5 Approximately £0.25m has been spent on this project that relates to compliance works that are out of the scope of this contract and have been funded by the corporate landlord. The cost of the contract award can be met from the agreed capital programme budget of £1.248m.

Procurement

- 8.6 Strategic Procurement have provided advice on the procurement approach, and endorse the position set out in the paper.
- 8.7 The contract award to Diamond Build Plc is permissible under the authorities Contract Standing Orders.

- 8.8 A review of the submission for the works from Diamond Build Plc has been conducted and along with benchmarking data provides assurances that the fees proposed are deemed value for money.

Legal

- 8.9 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.
- 8.10 The contract referred to in the recommendations has been procured via the Council's Dynamic Purchasing System – Minor Works – Principal Contractor lot. This complies with the Public Contracts Regulations 2015.
- 8.11 The Cabinet has authority to approve the issue of a letter of intent.
- 8.12 In accordance with Contract Standing Order 9.07.1(d) Cabinet has authority to approve the award of the contract referred to in the recommendations.
- 8.13 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Cabinet from approving the recommendations in the report.

Equality

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

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

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

The proposed decision is to approve the award a construction contract to Diamond Build Plc for the delivery of the Wood Green Youth Hub fit out works, allowing the project to move closer to the operational opening of the facility. The design of the Wood Green Youth Hub has progressed with inclusivity at its forefront, to ensure the Early Help team are able to provide a service to meet the needs of the local community. This will positively impact young people in the Noel Park and Woodside area as well as across the borough at large, among whom BAME young people, those with physical disabilities and/or special educational and mental health needs, and from religious backgrounds are overrepresented.

The objective of the proposed decision is to improve access to youth services contained within the facility for Haringey's young people. The building's design currently includes a lift to make the upper floor accessible for all, a sensory room, flexible spaces to be programmed as prayer rooms and the colour

palettes and material finishes have been developed to provide autism friendly environments. The Wood Green Youth Hub's design has also been developed in partnership with WGYV to ensure the building is fit for purpose and meeting the needs of the end users. The WGYV has a broad representation of local young people, and the Wood Green Youth Hub will provide services to help improve the young people's lives and progress their professional careers. It is anticipated that the operationalisation of the facility will help address inequalities faced by several young people from protected groups and the proposed decision therefore represents a measure to address known inequality affecting these groups, and advance equality of opportunity.

As an organisation carrying out a public function on behalf of a public body, Diamond Build Plc will be required to have due regard for the need to meet the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the contract does not result in any preventable or disproportionate inequality.

Potential service users will continue to be engaged in the design and development of the Wood Green Youth Hub through partnership with WGYV. Engagement will continue to be inclusive of all protected groups and steps will be taken to ensure accessibility.

9. Use of Appendices

9.1 Part B Exempt Report

10. Local Government (Access to Information) Act 1985

10.1 This report contains exempt and non-exempt information. Exempt information is under the following categories (identified in amended Schedule 12A of the Local Government Act 1972).

10.2 Information relating to financial or business affairs of any person (including the statutory holding that information).