

	Officer Key Decision
	Report to the Corporate Director, Neighbourhoods and Regeneration
	Cabinet Member for Regeneration and Planning & Growth and the Cabinet Member for Children, Young People & Schools
AUTHORITY TO AWARD CONTRACT FOR THE 10-YEAR SERVICE DELIVERY OF CHURCH END YOUTH ANCHOR PROGRAMME (HORNBY COURT NW10)	

Wards Affected:	Roundwood
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt (Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)")
No. of Appendices:	3 Appendix 1 – (exempt) List of Tenderers Appendix 2 – Evaluation Grid Appendix 3 – Equality Impact Assessment
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Grace Nelson Town Centre Manager grace.nelson2@brent.gov.uk

1.0 Executive Summary

- 1.1 This report seeks approval to appoint a third-party Operator for the operational management and delivery of services in the Church End Youth Anchor space within the Hornby Court NW10 site over a 10-year term. This report requests authority to award contracts as required by Contract Standing Order 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded to.

2.0 Recommendation(s)

That the Corporate Director of Neighbourhoods and Regeneration in consultation with the Lead Member for Regeneration, Planning & Growth and the Lead Member for Children, Young People & Schools:

- 2.1 Approves awarding the contract for the operational management and delivery of services within the Church End Youth Anchor for a term of 10 years to the lead consortium member Young Brent Foundation in the sum of £846,250 subject to the approval detailed in Recommendation 2.2.
- 2.2 Notes that the Corporate Director, Finance & Resources approval will be sought to enter into a subunderlease with lead consortium member, Young Brent Foundation for a term of 10 years at an annual rent of £75,000 subject to review after five years.

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

3.1 Strategic Priority 1 Prosperity and Stability in Brent:

Easing the Cost-of-Living Crisis: The Youth Anchor will act as a community hub within Church Road high street, supporting young people and the local community to access tools and resources to help improve their lives. This includes facilitating access to development and well-being workshops as well as employment opportunities. The Youth Anchor programme has been developed to bring key stakeholder partners together in an area of perceived low community cohesion to support skills and the local entrepreneurial mindset by increasing the uptake in training initiatives. This will therefore help achieve Desired Outcome 1 within Strategic Priority 1 in the Borough Plan.

3.2 Strategic Priority 3 Thriving Communities:

Enabling our communities: The Youth Anchor will provide a space to bring the community together and support them in taking on a more active role in managing the space and the programme of activities. The aim is to secure a suitable operator with a good knowledge and understanding of the local area including its challenges and opportunities to ensure that the hub is aligned with local communities' needs and aspirations. Brent's diverse heritage culture will be celebrated and there will be an active programme of activities and services within the space throughout the duration of the Youth Anchor programme to ensure the hub is engaging with a range of different communities. Acting as a safe and creative space for youth expression, it further aims to support the reduction of local anti-social behaviour activities and fears around crime. This will therefore help achieve Desired Outcome 1 within Strategic Priority 3 in the Borough Plan.

3.3 Strategic Priority 4 The Best Start in Life

Raised Aspirations, Achievement and Attainment: The Youth Anchor is focused at bringing in 16 - 25 years old from the surrounding Black African, Caribbean and Somali communities. Its programme of skills development and activities will support young people to access employment opportunities developing a range of local leaders. In addition to this, a Youth Advisory Board will be set up and will ensure that young people will have an active role in managing and deciding how the space will be used throughout the duration of the project. This will therefore help achieve Desired Outcome 1 within Strategic Priority 4 in the Borough Plan.

3.4 Strategic Priority 5 A Healthier Brent:

Tackling Health Inequalities/ Localised Services for Local Needs: The programmes delivered within the space will have a strong focus on young people's mental wellbeing. Extensive research was carried out in the Summer 2022 and gathering the feedback from over 90 local young people strongly indicates the need for offering support and delivering activities that are dedicated to improving our young people's mental health. This will therefore help achieve Desired Outcome 1 within Strategic Priority 5 in the Borough Plan.

<https://www.brent.gov.uk/the-council-and-democracy/strategies-priorities-and-policies>.

4.0 Background

4.1 Brent Council carried out an extensive procurement process with a view to appointing an experienced Operator (i.e., service provider, workspace Operator, youth-led charity or a mix of all working in partnership) to deliver an innovative, inclusive, safe, welcoming, inspiring & creative, financially self-sufficient youth hub provision in Church End over a 10-year period.

4.2 Council officers have identified a suitable contractor - Young Brent Foundation (YBF) who have formed a consortium with partner organisation United Borders. They provided the most economically advantageous offer in accordance with the relevant evaluation criteria, and it is therefore recommended to award the contract to Young Brent Foundation (YBF) acting as Lead Consortium member to successfully deliver this programme.

4.3 The primary role of the space is to provide a high-quality all-inclusive facility for young people aged between 16 – 25, supporting them with development & skills training and provide more opportunities linked to work experiences, employment opportunities & entrepreneurship pathways.

4.4 In addition to the above, the project will also help diversify Church Road's high street offer by creating a space that is genuinely owned/used by all communities to socialise, gather, learn, and collaborate. To support the high street diversification, the space will offer activities after school hours, weekends, half-terms, and holidays as well as provide robust services and programmes for the community during the day, serving as a local hub for residents and the wider

community with a range of social, economic, recreational and learning opportunities.

- 4.5 The project will be located on the ground floor of the Hornby Court development at High Road, London NW10 2AZ (450sqm GIA), which lies in a key anchor location on the high street.
- 4.6 To support the delivery of this project, the Council and the GLA will be contributing a total of £846,250 as per the following:
- A. £366,250 towards the annual rent (where £20,000 will go towards the rent deposit)
 - B. £200,000 towards activities for the first 2 years (service delivery)
 - C. £220,000 towards the fit out (capital fit out)
 - D. £60,000 towards dedicated business support for the first 2 years
- 4.7 The GLA is a key partner stakeholder in this programme and is matchfunding both the service delivery contract and capital fit out costs through the High Street Challenge Funds (March 2022), with the Council's contribution being £100,000 and the GLA contributing £100,000 towards the service delivery contract (£200,000 in total) and a further £120,000 from the Council and £100,000 from the GLA towards the fit-out costs (£220,000 in total).
- 4.8 The aim is for the space to become financially sustainable from year 3 onwards and continue its operations until year 10.
- 4.9 The Youth space will be co-designed with young people from the local area in the bid to encourage collaboration, creativity, and social engagement, ensuring it is conducive to fostering positive youth development and growth. Officers recommend award of the contract and lease to Young Brent Foundation ("YBF"). YBF's proposal includes the appointment of a development and construction company, Hollybrook Homes to lead on the detailed design and fit out of the space to meet the agreed end user requirements.
- 4.10 YBF have developed a full and robust programme for the space which seeks to operate on a typical 6-day week, with tailored activities and events catering to the diverse needs and interests of the community. The weekdays will be dedicated to a diverse and progressive youth work programme, including skill-building workshops, career development seminars, and mentorship sessions.
- 4.11 The space will offer after school support services, such as tutoring, homework assistance, and educational counselling led by youth organisations United Borders, N. Gage and The Cut. The space will be available to the wider community at the weekends including Sundays, which will accommodate private events, offering community engagement events, cultural festivals, and interactive workshops as well as providing opportunities for residents, businesses, and visitors to interact, gather and participate in various activities. The space will also incorporate flexible co-working spaces and event rental facilities, encouraging

collaboration and entrepreneurial activities among young people and local entrepreneurs.

4.12 The proposed award will provide added value: the space will support digital transformation through coding and robotics workshops, AI education and events, tech mentoring programmes, tech entrepreneurship incubators, experimental retail, and innovative Uses: Pop-Up Retail Spaces, temporary installations, interactive augmented reality exhibition and art installations as well as hackathons and innovative challenges.

5.0 The Procurement Process

5.1 The Church End Youth Anchor Contract was tendered using the Competitive Procedure with Negotiation tender process. This procurement has been conducted in accordance with The Public Contracts Regulations 2015 (the “PCR 2015”).

5.2 Interested parties were invited to submit a Selection Questionnaire (SQ), followed by receiving an Invitation To Submit an Initial Tender (ISIT). This was then followed by a short negotiation period and finally an Invitation to Submit Final Tender (ISFT).

Stage 1 – Selection Questionnaire (SQ)

5.3 Advertisements were placed on the London Tenders Portal to seek initial expressions of interest. A Contract Notice was placed on the Find a Tender Service & Contracts Finder Service. 25 initial expressions of interest were received. Bidders were provided with details of the tender approach and invited to complete the published Selection Questionnaire (SQ) using the Council’s Electronic Tendering Facility. Bidders were also provided a selection of draft tender documents relevant to the ISFT stage such as quality/method statements, payment mechanism, a social value action plan, contract terms and other information. 3 contractors subsequently completed the Selection Questionnaire.

5.4 Shortlisting was carried out based on the contractors’ financial viability, technical ability & their responses to project specific questions. On 16/10/23, 3 contractors were invited to submit an Initial Tender (ISIT).

Stage 2 - Invitation To Submit An Initial Tender (ISIT),

5.5 The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the following:

No.	Criteria	Weighting
1.	Quality	60%
2	Price	30%

3.	Social value	10%
	Total	100%

- 5.6 Initial Tenders had to be submitted electronically no later than 1pm on 17/11/23. 3 valid tenders were received. A Pricing Schedule was also required at this stage to better assist the Council to understand whether the requirement was affordable.
- 5.7 The Church End Youth Anchor tender evaluation was carried out by a panel of Council Officers and a member of Greater London Authority (GLA) staff who are funding some of the project. Each member of the evaluation panel read the tenders and carried out an initial evaluation of how well they considered that each of the award criteria was addressed in the tender. The panel met on 18/12/23 – 22/12/23 and the tenders were marked by the whole panel against the published award criteria in the ISIT. Two of the tenders were marked as a fail with 1 tender marked as a pass, providing a compliant tender submission. Tender scoring is at Appendix 2. The provider who submitted the compliant tender was then invited to a round of negotiation.

Stage 3 - Participate in Negotiation

- 5.8 Negotiation meetings were held with Council Officers and members of YBF and United Borders who had submitted the successful initial tender as a consortium.

Stage 4 – Invitation to Submit Final Tender (ISFT)

- 5.9 Invitation to Submit Final Tender was published on 03/04/24. The new contract will be let using Contract Terms issued with the ISFT. ISFT tender responses had to be submitted electronically no later than 17/04/24 @ 12pm. One valid tender was received.
- 5.10 The Church End Youth Anchor final tender evaluation was carried out by a panel of Council Officers and a member of GLA. Each member of the evaluation panel read the tender and carried out an initial evaluation of how well they considered that each of the award criteria was addressed in the tender.

Evaluation process

- 5.11 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. It will be noted that Contractor B was the highest scoring tenderer. Officers therefore recommend the award of the contract to Contractor B, YBF.
- 5.12 The contract will commence on 18th June 2024 subject to the Council's observation of the voluntary standstill period noted in paragraph 8.4 below and subject to paragraph 2.2 of this report.

6.0 Stakeholder and ward member consultation and engagement

- 6.1 The Cabinet Member for Regeneration and Planning and Growth and the Cabinet Member for Children, Young People & Schools have been routinely updated and briefed on the progress of the project and its delivery.
- 6.2 The Roundwood ward members have also been briefed on the programme delivery.
- 6.3 The GLA receives regular monthly briefings on the project.

7.0 Financial Considerations

- 7.1 Pursuant to Paragraphs 9.5 of Part 3 of the Council's Constitution the Corporate Director of Neighbourhoods and Regeneration has delegated authority to approve the award of contracts for services / supplies valued at less than £2 million. The estimated value of the Contract is £846,250.00.
- 7.2 YBF and United Borders (consortium) are both registered charities and have lodged audited accounts with the Charity Commission. Financial evaluations have been carried out and YBF and United Borders have both passed the Council's feasibility tests.
- 7.3.1 The project is summarised in the table below. It is funded by £713k from the Recovery Initiatives Youth Hub budget and £200k from the GLA High Street Challenge fund. As per the table, Phase 1 of the project was commissioned prior to the tendering process and included initial designs and survey work. This award report is focused on the delivery of Phase 2 activities with the award amount of £846,250 highlighted below.

Brent (KSP-R&E-009a)	£713,000
GLA High Street Challenge Fund	£200,000
Total Project Value (includes Phase 1 and 2)	£913,000

Phase 1: Funding already committed/spent.	
Research and Design RIBA Stage 1	£32,680
Internal surveys	£9,495
Contingency (additional surveys, water connection)	£24,575
Sub-total	£66,750

Phase 2: Funding yet to be spent directly related to the set up and running of the Youth Anchor space.	
Maximum Rent contribution	£346,250

Rent Deposit (refundable at the end of the 10-year term)	£20,000
Design (RIBA 2-6) + Refurb (Brent+GLA)	£220,000
Activities (Brent+GLA)	£200,000
Business Support (Brent)	£60,000
Sub-total	£846,250

- 7.4 By entering into the Hornby Court lease Brent will commit to rent payments of £346,250 spread out across the 10-year lease term with a commitment of 50% of the available rent budget before the break clause can be activated at year five.
- 7.5 The £200k funding for the activities' element covers years one and two of this ten year project only, after which time the operator is expected to be self-funding. If this does not happen, then Brent is liable for the cost of operating the Hub until the break clause is triggered at year five. Part or all of the GLA funding will need to be repaid depending on what project objectives have not been met.
- 7.6 There is a risk that the operators fail or will not be self-funding by year three. This will be mitigated as follows:
- A. Finance has carried out a viability assessment of the preferred operator.
 - B. Payments will be made in arrears on a quarterly basis once performance outputs have been successfully met, unless otherwise agreed in advance.
 - C. There will be ongoing business support provided by Brent for the life of the project which will include monitoring operator performance. £60k has been allocated from the existing project budget for this support. This £60k can also be used to fund activities if not required for business support.
 - D. The proposed operators have submitted a business plan setting out assumptions and income projections as part of the tender which has been assessed by a panel of Council and GLA representatives.
 - E. Should the proposed operators fail mid contract, the Council would have to consider the options for re-procurement.
- 7.7 This lease will be accounted for as a finance lease in line with IFRS 16 requirements. An implication of IFRS 16 is the profile in which expenditure is recorded. Net expenditure of the lease is higher in the early years and decreases as the lease approaches termination. The expenditure profile can be found in the table below.

7.8

Year	Net Expenditure
Year 1	£89,922.67
Year 2	£167,618.96
Year 3	£84,903.27
Year 4	£82,029.80
Year 5	£78,989.38
Year 6	£75,772.31
Year 7	£72,368.33
Year 8	£68,766.57
Year 9	£64,955.56
Year 10	£60,923.17
Total	£846,250.00

7.9 This IFRS16 calculation assumes that the contributions from both Brent and the operator will follow the same profile, and that profile is evenly distributed across the life of the lease.

8.0 Legal Considerations

8.1 The value of the contract for the operational management and delivery of services within the Church End Youth Anchor (the “Contract”) over its lifetime is in excess of the PCR 2015 threshold for Schedule 3 Services and the award of the Contract is therefore governed by the Light Touch Regime under the PCR 2015. Section 5 of the report outlines how the Contract was procured in accordance with the PCR 2015 using the Competitive Procedure with Negotiation tender process. The award is subject to the Council’s own Standing Orders in respect of Medium Value Contracts and Financial Regulations.

8.2 As indicated in paragraph 8.1, the award of the Contract is subject to the Council’s own Standing Orders in respect of Medium Value Contracts. The Corporate Director has delegated power to award Medium Value Contracts in accordance with paragraph 9.5 of Part 3 of the Constitution.

8.4 The Council will observe a voluntary 10 calendar day standstill period before the Contract is awarded. Therefore, once the Corporate Director has determined whether to award the Contract to the recommended tenderer, all tenderers will be issued with written notification of the Contract award decision. A minimum 10 calendar day standstill period will then be observed before the Contract is concluded – this period will begin the day after all Tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the PCR 2015. The standstill period will run concurrently with the Council’s usual call-in process. Subject to there being no call-in, after the standstill period ends, the successful

tenderer will be issued with a letter of acceptance and the Contract can commence.

- 8.5 As this is a new service there will be no TUPE implications at the commencement of the Contract.

Commercial Lease Agreement

- 8.6 Recommendation 2.2 details that subject to the Corporate Director of Neighbourhoods and Regeneration approval to award the Contract, the Corporate Director, Finance & Resources approval will be sought to enter into a subunderlease with Young Brent Foundation for a term of 10 years at an annual rent of £75,000 subject to review after five years. It is important to note that the council will grant a six months' rent free period to YBF during the first year of the term of subunderlease.

- 8.7 Under paragraphs 11.1 to 11.3 of Part 3 of the Constitution and in particular 11.2, the Corporate Director, Finance and Resources (the "Director") (and by virtue of paragraph 9.7 of Part 3 of the Constitution, the Operational Director of Property and Assets) has delegated authority to acquire or dispose of land and buildings and to agree new leases, licences, and easements providing:

8.7.1 The annual rental value (excluding other outgoings) does not exceed £250k; or

8.7.2 If acquired or disposed of at a premium the value would not exceed £1m in value; or

8.7.3 The term does not exceed 125 years.

- 8.8 Paragraph 11.3 of Part 3 of the Constitution requires the Director consult with the Lead Member in respect of any disposals or acquisitions where the value or term of the lease (as determined by the Director):

8.8.1 Has a value of more than £250k but below £1m; or

8.8.2 Where any leasehold interest has an annual value over £100k or below £250k; or

8.8.3 Where the lease length is between 50 and 125 years

- 8.9 Providing the proposed new lease to the appointed Operator does not exceed the above mentioned thresholds it is within the scope of the delegated authority given to the Corporate Director, Finance and Resources and Director of Property and Assets under the Constitution and may be authorised by either one of them.

- 8.10 Paragraph 11.4 of Part 3 of the Constitution stipulates that the Director must be notified within three months of a transaction where delegated authority is relied on, and it will be necessary to comply with this requirement.

- 8.11 Paragraph 11.6 of Part 3 of the Constitution stipulates that the Director may not sell or grant any lease or easement, licence or otherwise dispose of any land or buildings unless the consideration received as confirmed by them is the best that can reasonably be obtained, whether or not the grant, sale or disposal is covered by a general or specific consent from the relevant Secretary of State.
- 8.12 There is a break right in favour of the council on the fifth anniversary of the date of the underlease by giving the landlord six months prior written notice or at any time after the fifth anniversary of the date of the underlease.
- 8.13 The headlease between the freeholder and the head tenant contains a restriction that would prevent the Council from sub underletting to YBF. The freeholder has however agreed, as a one off concession, to permit the Council to sub underlet to the YBF.

9.0 Equity, Diversity & Inclusion (EDI) Considerations

- 9.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- 9.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 9.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 9.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 9.5 The Corporate Director is referred to the contents of this report for information, in particular the Equality Analysis at Appendix 3 and Section B of the report.

- 9.6 The Church End Youth Anchor programme is viewed as having positive impacts on groups with the protected characteristics of age, sex, race and disability. Provision of an affordable youth provision and workspace offer for businesses and employment has the potential to advance equality of opportunity for groups disproportionately affected by unemployment and economic inactivity. The space will also be accessible to all and include wheelchair access accommodating people with physical difficulties.
- 9.7 The programme proposal is viewed to have neutral impacts on the other protected characteristics, sexual orientation, gender reassignment, religion or belief, pregnancy or maternity and marriage.
- 9.8 Regard to all protected characteristics will follow through to the next stages of delivery.

10.0 Climate Change and Environmental Considerations

- 10.1 Brent Climate & Ecological Emergency Strategy 2021-2030 outlines the need to support a local circular economy. The Church End Youth Anchor aims to explore opportunities to promote repair/re-use materials as well as to use recycled materials and address local waste issues i.e., food for community activities.

11.0 Property Considerations

- 11.1 This is a new service and is currently not being provided by an external contractor and there are no implications for Council staff arising from tendering the contract.
- 11.2 The property is currently in a shell and core condition to be fit out by the Council for the purpose of use. The property has a glass shop front with paved front. Internally the property requires full fit out including the re-instatement of the water supply. Structurally the property is sound.

12.0 Communication Considerations

- 12.1 Following the appointment of YBF as the operator, a robust communications and engagement strategy will be developed to ensure the Youth Anchor is strongly connected to local schools, other youth provisions, networks, and organisations as well as to ensure the programme of activities and the design of the space has an active input from the local community.

Report sign off:

Gerry Ansell
Director, Inclusive Regeneration and Employment