

## Decision Making Report Cover Sheet

Report Title: Opportunity Haringey Workspace Fund  
 Date of Decision: 12 March 2024  
 Report Author: Helen McDonough  
 Contact No: 07973783120  
 Corporate Board Lead (and date report agreed): David Joyce [dd] February 2024

Report Title	Answer/comments
* <b>Legal Comments Provided by:</b>	Oliver Higgins
* <b>Financial Comments Provided by:</b>	John O’Keefe
* <b>Equalities Comments Provided by:</b>	Elliot Sinnhuber
* <b>Procurement Comments Provided by:</b>	Peter Capp
<b>Number of Appendices included</b>	0
* <b>Background documents</b> The approach recommended in this report is in line with the new Opportunity Haringey inclusive economy framework, adopted at Cabinet in November 2023 <a href="https://www.haringey.gov.uk/minutes">Minutes (haringey.gov.uk)</a>	1
<b>Date considered by Corporate Board or Priority Board</b> [Key decisions which are implementing MTFs agreed savings or are part of an overarching Council Policy would normally go to Priority Board meetings. Politically sensitive strategic key decisions would need to be considered by Corporate Board.] Please contact Ben Hunt on x1164 if you have any queries about which meeting your report should be considered at.	Placemaking and Housing Board, 23 Nov 2023 and 22 Feb 2024
<b>Date considered by informal CAB</b> [Politically sensitive strategic key decisions would need consideration at CAB – Please contact Felicity Foley with any queries about Informal CAB.]	N/A as it’s a Cabinet Member signing
Is a briefing on this key decision required at <b>Labour Group / Liberal Democrat Group meetings?</b> When?	<b>N/A</b>
Is the decision compliant with the <b>Council’s Budget and Policy Framework</b> as set out in Part Four Section E of the Constitution?	<b>N/A</b>

\* Statutory requirements

<b>For Cabinet response to scrutiny reports</b>	
Recommendation number (continue as needed)	Chief Officers consulted on response
1	
2	

**Report for:** Cabinet Member for Council House building, Placemaking, and Local Economy

**Item number:** [To be added by the Committee Section]

**Title:** Opportunity Haringey Workspace Fund

**Report authorised by:** David Joyce Director Placemaking and Housing

**Lead Officers:** Helen McDonough, Head of Inclusive Economy

**Ward(s) affected:** All

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

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

- 1.1 The Opportunity Haringey Workspace Fund provides resources to support Haringey's creative economy and the thriving small and medium-sized enterprise (SME) sector. The source of funding is a mix of external grant funding and council match funding as set out in section 6 of this report. Specifically, the funding will support compelling workspace projects with a clear funding gap to come forward, that wouldn't happen without the proposed funding allocation. This is a great opportunity for the Council to support providers, creating much needed employment space for inclusive economic growth in Haringey. The recommended funding allocation follows an open call for funding proposals and will be delivered by experienced and established organisations. It has the potential to deliver up to 3,785 square metres of additional workspace in the borough, supporting up to 425 businesses, 625 jobs in the years to come and bring in £1.5m additional investment to the borough. Funding available is capital only. The recommended allocation is a positive step providing investment in organisations and workspace projects which are tried and tested and investment ready.

## **2. Recommendations**

- 2.1 It is recommended that the Cabinet Member for Council House Building, Placemaking and Local Economy:
- (a) Provides delegated authority to the Director of Placemaking and Housing to undertake further due diligence, negotiate and agree the terms, and approve the final funding agreements for the recommended workspace projects for the Opportunity Haringey Workspace Fund.
  - (b) Subject to satisfactory completion of the above, allocate up to £3.9m of Opportunity Haringey Workspace Fund resources, as set out in section 6, to the following projects with funding gaps, the details of which are set out in the exempt part B report:

- (i) Wood Green affordable creative workspace;
- (ii) Tottenham affordable music studios workspace; and,
- (iii) Tottenham affordable community co-working workspace.

### 3. Reasons for decision

- 3.1 The Opportunity Haringey Workspace Fund was set-up to enable additional workspace to come forward in the borough, which is a key priority of Opportunity Haringey – the Council’s inclusive economic framework. The sources of funding are set out in section 6. It is an ambitious fund that aims to have a catalytic effect through supporting new and expanding workspace projects that have a funding gap. It was established as a result of:
- (a) recognition that workspace is a highly effective way to support economic growth, inclusive economy and regeneration for Haringey’s creative economy and thriving SME sector, noting workspaces are in high demand amongst SMEs and two thirds of the workspace in Haringey are focussed on the creative economy;
  - (b) the Council having sufficient capital funding within the approved capital programme, relevant external grants and Council match funding to external grants, for spend on workspace projects;
  - (c) the aim to deliver additional workspace meeting funder requirements within tight timelines; and,
  - (d) awareness of multiple compelling workspace projects in the borough with funding gaps.
- 3.2 There was an open call for funding proposals starting from 19<sup>th</sup> December 2023 for a six-week period. Application briefing sessions were provided to interested parties. Following receipt of applications, eligibility requirement checks took place ahead of a multi-disciplinary funding panel convening to assess the applications in detail. The panel included officers from Economic Development, Regeneration, Property and Finance. The panel assessed and scored eligible applications in light of the following priorities: strategic priority alignment and clear funding gap, track record, deliverability, impact, and value for money.
- 3.3 The funding panel recommends Opportunity Haringey Workspace Fund resources are allocated to the following projects:
- (a) **Wood Green affordable creative workspace** - Creation of affordable creative workspace in Wood Green. This project will enable much needed additional workspace in the borough and has potential to stimulate others in the market to bring forward workspace in Wood Green. It would support the cultural character of Wood Green, support local job growth, and will generate additional workspace in the borough. Forecast outputs: over

2,500 square metres of new workspace, 350 jobs, 160 businesses to be supported and bring in over £0.8m additional funding to the borough.

- (b) **Tottenham affordable music studios workspace** - Creation of affordable music studios in containers. This project will enable additional workspace in the borough, strengthen the music industry, which has a strong and growing presence in Haringey and Tottenham, and meets increased demand for more of this type of space in the borough. Forecast outputs: over 125 square metres of new workspace, 25 jobs and 15 businesses to be supported.
  - (c) **Tottenham affordable community co-working space** - Creation of an affordable community co-working space in Tottenham to support existing and new residential communities with a modern inclusive work environment. Forecast outputs: over 1,250 square metres of new workspace, 250 jobs and businesses to be supported and bring in £0.7m additional to the borough.
- 3.4 The funding panel recommends the funding allocation as detailed above as it:
- (a) will support Haringey's creative economy, inclusive economic growth and thriving SME sector;
  - (b) is a positive step to invest in some of the organisations and workspace providers which are tried and tested, and investment ready;
  - (c) supports projects that meet the eligibility requirements, have a good financial standing, have a clear funding gap that wouldn't happen without funding support, collectively bring in additional investment in the borough and align with criteria outlined in 3.2;
  - (d) will enable additional workspace in the borough, fulfilling a key ambition of Opportunity Haringey inclusive economy framework, which was adopted at Cabinet in November 2023;
  - (e) fulfils funder requirements, enabling external grant funding to be invested in Haringey, and meet the Council's match funding requirements; and,
  - (f) the proposed projects for funding provide a balanced approach that align well with strategic priorities, deliverability, impact, and value for money.
- 3.5 The funding agreements will have clear clawback rights for grants and call-in rights for loans, as well as other provisions that will ensure the workspaces continue as envisaged for the long-term. This is important to ensure the Council has the right level of control over its investments over the whole period.
- 3.6 This report recommends delegated authority to the Director of Placemaking and Housing to negotiate and agree the terms, funding arrangements and approve the final funding agreements for the workspace projects.

#### 4. Alternative options considered

- 4.1 Officers considered direct awarding the available funding as an alternative approach to an open call for funding proposals through setting up the Opportunity Haringey Workspace Fund. However, setting up the fund was selected as the preferred option for reasons set out in paragraph 3.1.
- 4.2 Officers considered returning the funding drawn down to date from the City of London Corporation (as detailed below) that was used for feasibility studies regarding re-developing Council commercial properties into workspace. However, setting up the fund was deemed in the best interests of Haringey as it would enable a further £1.5m grant funding to be invested in the borough to increase employment space which is needed for inclusive economic growth.

## 5. Background information

- 5.1 The source of the funding is as follows, which is in the approved capital programme:
- (a) Economic development and regeneration grant from the City of London Corporation's Strategic Investment Pot and Council match funding to this grant. The spend and workspace delivery deadline is November 2025, geographical focus is borough-wide, and output targets include: 1,760 square metres of workspace and 320 jobs.
  - (b) Economic development and regeneration match funding requirement for Tottenham specific external grant funding from the Department for Levelling Up, Housing and Communities (DLUHC). The spend and workspace delivery deadline is March 2026, geographical focus is Tottenham, output target of 876 square metres of workspace, and wider impacts sought to safeguard and adapt the town centre offer, define and reinforce an identity for Tottenham High Road, and improve perceptions of the area leading to residential value uplift.
  - (c) Loan funding through the Council's Productive Valley Fund (PVF) and/or Opportunity Investment Fund (OIF). Note, the use of this loan funding would be subject to meeting the requirements of the respective funds.
- 5.2 Risks relating to the allocation of funding, all of which are considered manageable, include:

<b>Risk Area</b>	<b>Description</b>	<b>Mitigation Actions</b>
Projects not delivered within funding deadlines	Capital projects can be subject to slippage due to third party dependencies such as contractor and match funding.	Recommended projects have demonstrated their deliverability within the timelines. Contingency time will be built into programmes. Funding will be contingent on match funding being in place before being drawn down.

Projects under-capitalised	Workspace projects might cost more than anticipated and take longer to become a going concern.	Financial projections have been reviewed, with contingencies built into project budgets. A fundamental principal established in the detailed due diligence process and funding agreements will be that funding will not be allocated to projects where the risk of project cost overruns cannot reasonably be met by the applicant or finance they have access to from third parties.
Projects are not operationally sustainable	Workspace projects not being operationally sustainable	Financial projections and track record for delivering workspace have been analysed for the proposed projects and will be further interrogated ahead of entering funding agreements.
Loan funding is not repaid	Workspace projects do not pay loan funding on time or the complete sum	Projects have been assessed for their ability to pay back loan funding, and will be further assessed in the due diligence process. Ongoing communications with borrowers will aim to flag any issues in the future ability to repay loans. Security will be explored at the due diligence stage.

5.3 The recommended funding allocation will enable a contribution to be made to the following:

(a) **Corporate Delivery Plan 2022-2024** – High level strategic outcomes including:

- i. Place: Improving opportunities for co-production, embedding the property within local networks, and diversifying the local area through introduction of innovative new uses.
- ii. Good Economy: Supporting Good Economy principles, such as through the creation of training opportunities, business support provision, and employment and skills opportunities in key sectors for local micro businesses and people.
- iii. Towards an Inclusive Economy: High Streets, Town Centres & Businesses – CDP Outcome to Increase resilience and growth in creative industry, businesses, freelancers, and workspaces. Outcome to deliver new workspaces created in the borough, meeting the need for local, affordable places to work, increasing the local employment base and driving spend.

- iv. Community Wealth Building: Encouraging community wealth building and invest locally, through methods such as localised supply chains and procurement.
- v. Financial Sustainability: Supporting the property to create no ongoing net loss to the council and ideally surplus generating.

(b) **The Councils' Commitment to achieving Net Zero by 2041**

- i. Mitigating Carbon - In line with central government policy which makes it unlawful for landlords to grant new leases and licences on commercial premises if the Energy Performance Certificate (EPC) rating is below an E as of 1 April 2023, the workspace projects will meet EPC ratings. Proposed legislation is that from 1 April 2027 commercial buildings will be required to deliver a standard of building with an EPC rating of C and from 1 April 2030 a rating of B. Therefore, this is the level that will be targeted by the funded workspaces.
- ii. Mitigating Carbon – Travel Emissions - Creating workspaces in the which caters to local people will contribute to reduction of travel emissions, by giving residents access to a site which they can easily commute to on foot or by bicycle, rather than by car.

(c) **Opportunity Haringey – The Council's Inclusive Economy Plan**

- i. Theme 5 - Works Places and Spaces - Promote quality workspace provision and encourage the delivery of additional workspace across the borough.

## 6. Statutory Officers comments

### 6.1. Finance Comments

6.1.1 The recommendations are to fund the following schemes in the following amounts, subject to satisfactory due diligence:

- (a) **Wood Green affordable creative workspace** – up to £1.863m.
- (b) **Tottenham affordable music studios workspace** – up to £0.145m.
- (c) **Tottenham affordable community co-working workspace** – Up to £1.897m.

6.1.2 Opportunity Haringey Workspace Fund has been generated by amalgamating Corporation of London SIP programme (£1.5m) and by utilising the Council's match funding for this and Tottenham specific external grant funding from the Department for Levelling Up, Housing and Communities (£2.038m), with match funding from the Opportunity Investment Fund and/or Productive Valley Fund finance of £0.367m. These are in the approved General Fund capital programme. The funding provided to the projects will be a mixture of loans and grants that are set out in the exempt report, along with details on the prospective recipients and borrowers of funding. The recommendation to award

funding to these groups will be subject to a due diligence process that will further assess the various organisations business plans, cash flows, lease arrangements, and other related financial matters.

## **6.2. Strategic Procurement Comments**

6.2.1 Strategic Procurement have been consulted in the preparation of this report. The grants and loans detailed in this document will not be caught by Public Contracts Regulation (2015) or the Concessions Contracts Regulation (2016), and indeed the awarding of the funds is not a procurement exercise because the loan and grants are not a procurement of works or services.

## **6.3. Legal Comments**

6.3.1 The authority to enact this report's recommendation is delegated from the Leader to the Cabinet Member for Council House building, Placemaking, and Local Economy. Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

6.3.2 The authority to enact this report's recommendation is delegated from the Leader to the Cabinet Member for Council House building, Placemaking, and Local Economy.

6.3.3 Pursuant to Section 1 of the Localism Act 2011 and section 111 of the Local Government Act 1972, the Cabinet Member has authority to approve the recommendations in this report.

6.3.4 The Assistant Director for Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member for Council House building, Placemaking, and Local Economy from approving the recommendations in the report.

## **6.4. Equalities Comments**

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

- (a) eliminate discrimination, harassment and victimisation and any other conduct prohibited under the act;
- (b) advance equality of opportunity between people who share those protected characteristics and people who do not; and,
- (c) foster good relations between people who share those characteristics and people who do not.

6.4.2 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 apply to the first part of the duty.

6.4.3 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.



- 6.4.4 Procuring commercial property management services is expected to benefit residents in line with Opportunity Haringey's inclusive economy strategy and the Good Economy Recovery Action Plan, which describes the Council's objectives regarding bringing social and economic benefits to residents, including those with protected characteristics. As a result, this decision may have indirect positive impacts on equality, but the decision itself is likely to have a neutral impact. Additionally, it should be noted that this decision will have no known negative impacts on those who share the protected characteristics.
- 6.4.5 As an organisation carrying out a public function on behalf of a public body, the chosen supplier will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.

## **7. Use of Appendices**

Not applicable.

## **8. Local Government (Access to Information) Act 1985**

### **Categories of Exemption**

Exempt information means information falling within the following categories:

#### Part 1

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
4. Information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed upon a person; or (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

#### Part 2

Qualifications to the above exempt information:

1. Information falling within paragraph 3 above is not exempt information under that paragraph if it is required under – (a) the Companies Act 1985 (b) the Friendly Societies Act 1974 (c) The Friendly Societies Act 1992 (d) The Industrial and Provident Societies Acts 1965 – 1978 (e) the Building Societies Act 1986 (f) The Charities Act 1993.
2. Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

3. Information which – (i) falls within any of paragraphs 1-7 above; and (ii) is not prevented from being exempt under (a) or (b) above is exempt information so long as, in the opinion of the Monitoring Officer, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.