

Report for: Cabinet Member for Placemaking and Local Economy, 13 August 2025

Title: Approval of an amendment to the Opportunity Haringey Workspace Fund

Report authorised by : Jess Crowe, Corporate Director of Culture, Strategy and Communities

Lead Officer: Helen McDonough, Head of Inclusive Economy, helen.mcdonough@haringey.gov.uk

Ward(s) affected: Noel Park

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

1. Describe the issue under consideration

This report seeks approval for an amendment to the Opportunity Haringey Workspace Fund Cabinet Member Signing Report agreed on 12 March 2024. The report seeks to amend the original 12 March 2024 report and recommends, subject to satisfactory completion of due diligence and agreement of funding terms, re-assigning a lower allocation of £1.5m of external funding, for the Wood Green affordable creative workspace from the property owner to the proposed tenant who will operate it. This report also recommends that it is noted that the timescale for the fund has now been altered and will be delivered by September 2026 when the Wood Green affordable creative workspace will open.

2. Recommendations

2.1 It is recommended that the Cabinet Member for Placemaking and Local Economy:

- (a) Provides delegated authority to the Corporate Director of Culture, Strategy and Communities to undertake further due diligence, negotiate and agree the terms, and approve the final funding agreements for the recommended workspace project for the Opportunity Haringey Workspace Fund.
- (b) Allocate up to £1.5m of external grant funding, as set out in Section 3, to the following project with a funding gap, the details of which are set out in the exempt part B report:
- (c) Notes that the timescale for the fund has now been altered and will be delivered by September 2026 when the aforementioned workspace will open.

3 Reason for decision

- 3.1 The rationale and context for Opportunity Haringey Workspace Fund is set out in the Cabinet Signing Report 12 March 2024¹.
- 3.2 The March 2024 decision anticipated providing funding to the property owner of a site in Wood Green in which the commercial space would be fitted out and let to an organisation who would facilitate the use of the space by multiple businesses.
- 3.3 However, following a process of due diligence and funding term discussions the following amendment is proposed to the Wood Green affordable creative workspace project only: the proposed funding allocation would go to a proposed workspace provider (the proposed tenant as opposed to the property owner) for operating space at the same site. Noting that the proposed workspace operator wasn't part of the original arrangements set out in the March 2024 decision report.
- 3.4 The proposed allocation for the project is up to £1.5m, as opposed to up to £1.863m in the March 2024 decision. The forecast inclusive economy and placemaking outputs meet the external funder requirements and are similar to those set out in the 12 March 2024 decision.
- 3.5 The external funder has agreed to an updated timeframe of the works completing in July 2026 and the space opening in September 2026.
- 3.6 In conclusion, the proposed amendment to the Opportunity Haringey Workspace Fund includes: (a) that the funding recipient is the proposed tenant who will operate the space, not the property owner or one of their group companies; (b) lower budget for the project of £1.5m down from £1.863m (c) minor adjustment to the outputs but that still meet the external funder requirements; and, (d) different timescales as approved by the external funder and set out above.

4 Alternative Options Considered

- 4.1 Officers originally considered the following options:
 - a. Providing funding to the property owner as originally anticipated, but this is not preferred due to the property owner not being able to agree to a claw back provision should the space be used for a different purpose in the coming decade. This is a standard requirement and the proposed operator is able to accept the claw back provision.
 - b. Officers considered returning the funding drawn down to date from the City of London Corporation (as detailed below). However, setting up the fund was deemed to be in the best interests of Haringey as it would

¹ [Agenda Item: Opportunity Haringey Workspace Fund, 12 March 2024, haringey.gov.uk](#)

enable a further £1.5m grant funding from the City of London Corporation to be invested in the borough to increase employment space which is needed to support jobs and inclusive economic growth.

- c. Re-allocating the £1.5m grant finance from the external funder to the two other approved Opportunity Haringey Workspace Fund projects which are in Tottenham, but this would result in a loss of valuable additional creative and affordable workspace in support of the cultural and creative quarter in Wood Green.

5 Background Information

- 5.1 The proposed project supports Theme 5 of Opportunity Haringey - Works Places and Spaces, which aims to promote quality workspace provision and encourage the delivery of additional workspace across the borough.
- 5.2 The source of funding is external grant funding from the City of London Corporation's Strategic Investment Pot and forms part of the Council's approved capital programme.
- 5.3 The proposed project will result in the 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. The forecast outputs meet the external funder requirements and include: at least 2,121 square metres of new workspace, 350 jobs and 80 businesses to be supported in the coming decade and £0.7m match funding to the borough. This compares what was in the March 2024 decision of forecast outputs at least 2,500 square metres of new workspace, 350 jobs and 160 businesses supported, £0.8 match funding and the same anticipated business rate uplift. Whilst the amount of space to be delivered is smaller than originally anticipated, it is at the same site and is still considered substantial and substantively similar - exceeding the external funder's requirements of 1,760 square metres of workspace. The forecast 350 jobs output also exceeds the 320 jobs output required by the funder. It's noted that the forecasted jobs and businesses supported are to be minimum agreed amounts and that many more jobs and businesses could supported than the forecast.
- 5.4 Risks relating to the allocation of funding, all of which are considered manageable, include:

Risk Area	Description	Mitigation Actions
Projects not delivered	Capital projects can be subject to slippage due to	The recommended project has demonstrated its deliverability within the timelines. Contingency time will

within funding deadlines	third party dependencies such as contractor and match funding.	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.	The property owner which has a high covenant strength will match fund the funding allocation, committing to spending whatever is required to deliver the agreed fit out.
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.

6 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes?

- 6.1 Place and economy: Deliver our affordable workspace ambitions through Opportunity Haringey Workspace fund award(s) and the Workspace Design Guide (embedded as a supplementary document in our Local Plan) and updating of our workspace providers list. Improving opportunities for co-production, embedding the property within local networks, and diversifying the local area through introduction of innovative new uses.
- 6.2 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.
- 6.3 Building an Inclusive Economy: High Streets, Town Centres & Businesses. Supporting high streets, town centres, local businesses, and industrial estates as destinations to flourish through business support, advice and access to funding.

7 Carbon and Climate Change

The recommended funding allocation will enable a contribution to be made to the Councils' commitment to achieving net zero by 2041 as follows:

- a. 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.

- b. 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.

8 Statutory Officers comments (Director of Finance (procurement), Director of Legal and Governance (Monitoring Officer), Equalities)

Finance

Finance supports the proposed amendment, noting that final funding disbursement will be contingent on the satisfactory completion of due diligence and agreement of funding terms.

The revised allocation of £1.5 million, funded through the City of London Corporation's Strategic Investment Pot programme and reduced from the original £1.863 million, reflects a more cost-efficient delivery model while maintaining key outputs. The project will deliver 2,121 sqm of new workspace, exceeding the funder's minimum requirement of 1,760 sqm and is forecast to support 350 jobs, surpassing the funder's threshold of 320 jobs. Further, the proposed grant recipient has accepted standard clawback provisions which strengthens the financial prudence and sustainability of the investment.

Strategic Procurement

Strategic Procurement have been consulted in the preparation of this report

Strategic Procurement note that the recommendation of this report is not a procurement related decision and have no objections to the report recommendations.

Director of Legal & Governance (Monitoring Officer. Margaret O'Connor Senior Lawyer – Contracts).

The Director of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

Pursuant to Section 1 of the Localism Act 2011, (General Power of Competence), and Section 111 of the Local Government Act 1972 (Subsidiary Powers of Local Authorities) the Council has power to approve these recommendations.

It appears that the proposed agreement would not infringe the provisions of the Subsidy Control Act 2022 which governs state assistance to enterprises.

The Cabinet Member for Placemaking and Local Economy has power to approve the recommendations under CSO 21.06 (Payment of Grants to External Bodies) and CSO 0.08 (Cabinet Member may, with the Leader's consent, take a decision which would be taken by Cabinet).

The award of the grant funding is a Key Decision and, as such, must comply with the Council's governance processes in respect of Key Decisions.

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

Equality

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 those protected characteristics and people who do not; and,
- foster good relations between people who share those characteristics and people who do not.

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.

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

This decision relates to the allocation of £1.5m of external funding to support the creation of affordable creative workspace in Wood Green.

Supporting workspace is expected to benefit residents in line with Opportunity Haringey's inclusive economy strategy 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.

9 Use of Appendices

Not applicable.

10 Background papers

[List background documents]

- 10.1 This document is seeking approval for an amendment to the Opportunity Haringey Workspace Fund Cabinet Member Signing made on 12 March 2024 [Minutes \(haringey.gov.uk\)](https://www.haringey.gov.uk/minutes).
- 10.2 The proposed project will contribute to the Haringey London Borough of Culture 2027 [haringey.gov.uk](https://www.haringey.gov.uk) and its legacy.
- 10.3 The approach recommended in this report is in line with the Opportunity Haringey inclusive economy framework, adopted at Cabinet in November 2023 [Minutes \(haringey.gov.uk\)](https://www.haringey.gov.uk/minutes).

Part B: Exempt from Publication

NOT FOR PUBLICATION by virtue of paragraph 3 and paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

This report is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

Report for:	Cabinet Member for Council House Placemaking and Local Economy	Item Number:	[...]
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Title:	Approval of an amendment to the Opportunity Haringey Workspace Fund
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Report Authorised by:	Jess Crowe, Corporate Director of Culture, Strategy and Communities
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Lead Officer:	Helen McDonough, Head of Inclusive Economy
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Ward(s) affected: All	Report for: Key Decision
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1. Describe the issue under consideration

1.1. Please refer to Part A

2. Recommendations

2.1 Please refer to Part A

3. Reasons for decision

3.1 Please refer to Part A for non-confidential reasons for the decision.

3.2 The funding allocation is a £1.5m capital grant. It is within the approved capital programme. The source of funding is a £1.5m inclusive economy and regeneration grant from City of London Corporation within the Strategic Investment Pot programme of grants. The spend and workspace delivery deadline is July 2026 and workspace opening in September 2026, the geographical focus is borough-wide, and output targets include: 1,760 square

metres of workspace and 320 jobs. The City of London Corporation provided an extension to the funding timescales from those detailed in the Opportunity Haringey Workspace Fund Decision Report in March 2024 to July 2026 for capital works and opening in September 2026.

- 3.3 The recipient of the funding is Affordable Workspace Partnership (CR) Ltd, which is a company within the Affordable Workspace Partnership group of companies. The group was established in 2018 by two experienced workspace professionals, namely:
 - a. Peter Flack who since the 1990s has led Artist Studio Company charity which has created affordable creative studios in 29 buildings in London, serving over 20,000 tenants who are artists and makers.
 - b. Mark Holden who is an experienced property professional, including residential and non-residential buildings, with just over 200 houses within his portfolio.
- 3.4 They came together to start Affordable Workspace Partnership with a shared desire to support entrepreneurship through workspace combined with business support across multiple sectors. They acquired a space in New Cross Gate in December 2023 which they have recently opened with 29 studios. They have a considerable number of properties in the pipeline that they will operate as affordable workspace. One of these properties is to deliver over 20,000 square feet of space in the Peabody Housing Trust's re-development of St Ann's Hospital in Haringey.
- 3.5 Affordable Workspace Partnership is on the lists of many London councils for delivering affordable workspace in developments with such planning requirements, including Haringey Council's recently re-launched Affordable Workspace Provider Network.
- 3.6 The site for the project which is the subject of this report is Alexandra Gate, also known as Clarendon House. It is owned by St William Homes LLP which is part of Berkeley Group Holdings plc. They originally applied for a £1.5m grant with the anticipation that Collage Arts would operate the workspace. The original proposal was for Haringey Council to provide a capital grant of £1.5m, which Collage Arts would match fund. Collage Arts had put a separate loan application into the Opportunity Haringey Workspace Fund for £0.363m, but there was still a funding gap, hence the 12 March 2024 decision included approval for up to £1.863m for the Wood. The match funding from St William Homes LLP was going to be £0.8m but is now £0.7m, which aligns with the smaller demise. However, Collage Arts wasn't able to secure the match funding required. As such, the application was considered withdrawn.
- 3.7 As the Council was considering its options, St William Homes LLP said their interest was still there to bring forward an affordable creative workspace, and they requested if the funding could continue to be offered but with a different

operator – namely Affordable Workspace Partnership and a slightly smaller demise. Given that the reduction in size was minor and the number of jobs outputs was similar, officers were of the view that this was within the scope of the Cabinet Member Signing decision report. Unlike the original arrangement, Affordable Workspace Partnership offered to acquire a long lease after 7-years. St William Homes LLP in return was able to get board sign off for a discounted rent and committing match funding to fit out the workspace to an agreed specification which is expected to be around £700k.

- 3.8 Negotiations took place, but St William Homes LLP's board was unable to approve a requirement from the Council – namely to have a clawback provision in it related to the purpose of the grant funding which is creative workspace provided with affordable rates in part of it. Whilst it's expected that all of the space will be lower rent than some workspace in the Wood Green area, partly due to the fit out being relatively budget, there is a requirement for a defined affordable workspace rate in at least 3,000 square feet of the space. This clawback provision is such that if there is a change in the purpose of the facility over a 10-year period post fit out, then the recipient needs to repay the grant on a pro-rata basis. This pro-rata basis is calculated on the percentage of time left within the 10-year period. So if the recipient provides 6 years of workspace, but changes it use, then they will need to pay back 4 years' worth (40% worth).
- 3.9 Senior officers met to discuss this matter and concluded that it would be not favourable to not have a claw back provision as this is standard and it could set an unhelpful precedence. Affordable Workspace Partnership is willing to have this clawback provision, so officer have advanced details as set out in this proposal.
- 3.10 Under the proposed approach, the grant recipient will be Affordable Workspace Partnership (CR) Ltd. CR stands for Clarendon Road. The business has been set up to take on the lease, then acquire a long-lease on the site. The notion of a long-lease acquired for an affordable workspace use is considered positive given the future long-term provision of creative and cultural space in Wood Green.
- 3.11 Affordable Workspace Partnership (CR) Ltd will then transfer the grant funding in arrears upon completion of works (milestones) to their landlord St William Homes LLP who will commit to completing the fit out by end of July 2026 and repaying any funding that is considered unlawful subsidy (a standard term in capital grants).
- 3.12 Officers will secure suitable provisions in the funding arrangements, such as a debenture on the recipient, collateral warranties for the contractor, and Employer's Agent providing Duty of Care to the Council, and potentially intra company guarantee/s within the Affordable Workspace Partnership group. A lawyer's account of Affordable Workspace Partnership's lawyer may be used

for the monies transfers. The exact detail of the arrangements is proposed to be a delegated authority to the Corporate Director of Culture, Strategy and Communities.

- 3.13 Due diligence has taken place and will continue to be undertaken. The funding allocation is subject to satisfactory completion of due diligence.
- 3.14 In conclusion, the proposed amendment to the Opportunity Haringey Workspace Fund includes: a) that the funding recipient is the proposed tenant who will operate the space, not the property owner or one of their group companies; (b) lower budget for the project of £1.5m down from £1.863m (c) minor adjustment to the outputs but that still meet the external funder requirements; and, (d) different timescales as approved by the external funder and set out above.

4 Background Information

Please refer to Part A.

5 Statutory Officers Comments

5.1 Finance Comments

Please refer to Part A.

5.2 Strategic Procurement Comments

Please refer to Part A.

5.3 Legal Comments

Please refer to Part A.

5.4 Equalities Comments

Please refer to Part A.

6 Use of Appendices

N/A

7 Local Government (Access to Information) Act 1985

Please refer to Part A.