

Report for: Decision taken under delegated authority

Item number:

Title: Opportunity Investment Fund: Award of Contract to Five Miles London Ltd

Report authorised by : Helen Fisher, Director of Regeneration

Lead Officer: Keith Trotter, Tottenham Town Centre Growth Manager  
Email: keith.trotter@haringey.gov.uk  
Tel: 020 8489 2695

Ward(s) affected: Tottenham Wards

Report for Key /  
Non Key Decision: Non Key

1. Describe the issue under consideration

This report seeks approval under delegated authority for the award of a loan agreement to Five Miles London Ltd (cafe, bar, event space and micro-brewery) for the value of £150,000 subject to the approval of planning permission. An interest rate of 6% will be applied to the loan sum making a total of £159,000. The loan will be paid back over 84 months with the first instalment being due in month 7.

The business will use the loan to move into Tottenham in order to provide a bar/cafe, club/performance space and micro-brewery on the site at Markfield Road, Tottenham Hale.

OIF will be used specifically for the building works including the construction of the state-of-the-art event space and part payment for the construction and fit-out of the trade area, micro-brewery and back of house. They have a twelve year lease on the property (sub-let from Ten87 another OIF loan recipient) and intend to be fully operational by May 2017.

The business is match funding the remainder of the costs (a further £150,000).

The project will deliver:

- A minimum of 19 FTE new jobs
- Five Apprenticeships
- a commitment to pay all staff London Living Wage
- a new destination for Tottenham Hale, contributing to the emerging food and beverage / entertainment / micro-brewing industry cluster in the area.

2. Cabinet Member Introduction

N/A

3. Recommendations

Officers recommendations were approved by the Tottenham Programme Delivery Board at its meeting on 6 February 2017, following the evaluation of a funding application by officers and the OIF Advisory Group made up of LBH and GLA officers.

The recommendation is to award Five Miles London Ltd a loan agreement for the value of £150,000 subject to the approval of planning permission. It is proposed that a charge of 6% interest is applied to the loan and repayments are made over 84 months with a payment holiday of 6 months (i.e. repayments begin at month 7).

4. Reasons for decision

Decision under delegated authority is required.

5. Alternative options considered

The project has been recommended for approval based on the evaluation of an application and business plan solicited through an open bidding round.

The evaluation process is set out in the application pack and assesses applicants' proposals on the contribution to core criteria of the fund, strategic objectives as set out in the Tottenham Strategic Regeneration Framework and Haringey's Economic Development and Growth Strategy and the financial and operational competency of the applicant.

6. Background information

The Opportunity Investment Fund is a £3.67M programme to enable investment in workspace and employment projects in Tottenham. The fund is jointly provided by Haringey Council and the GLA. Through this programme we are seeking projects that help existing SMEs grow and bring new operators into the local economy that can drive and increase entrepreneurship, business growth and diversify the local economy.

To secure economic outcomes for local residents and businesses, public sector investment can help kick start economic growth; whether that is with time and expertise, assets or capital. The Opportunity Investment Fund seeks to respond to this need.

7. Contribution to strategic outcomes

Projects delivered under the Opportunity Investment Fund contribute towards and have been assessed against the objectives of the Tottenham Strategic Regeneration Framework and the borough's Economic Development and Growth Strategy.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

## Finance and Procurement

The budget for the Opportunity Investment Fund was approved by Cabinet on 7 February 2012. The funding for the programme is secured from the GLA and an allocation of LBH Capital.

The proposal has been reviewed, and it is considered that the loan term and value are appropriate given the business plan and assumptions, the financial standing of the company, an acceptable level of risk and the desired regeneration outcomes.

Under the terms of the grant agreement with the GLA, the income and expenditure is ring fenced. Therefore when the loans are repaid to the Council, the funds are to be used for further loans or grants to businesses.

## Legal

Legal comments have not been pursued as risk to the council is manifested through financial risk, which has been addressed by the Head of Finance for Regeneration, Planning and Development above.

Templates used for loan agreements have been reviewed by legal services and no changes have been made to the terms and conditions.

## Equality

This application was judged on the merit of its strategic contribution to OIF programme objectives and financial robustness of the business case. There are no anticipated equalities issues, as set out under the Public Sector Equality Duty in Equality Act 2010, with regards to that process. Job creation is a key outcome and the Tottenham Regeneration and Economic Development Teams will work with the applicant to ensure that local residents can overcome barriers to work caused by, for example, race, age, sex, and disability.

By receiving this loan the applicant has committed to:

- Support the creation of new job and training opportunities in Tottenham;
- Working with local food and drink producers, entertainment promoters and musical artists in the local area;
- Providing an accessible leisure space for all residents who wish to use it;
- Paying the London Living Wage as a minimum;
- Working with the council and partners to source local residents for interview to access the job and apprentice opportunities.

9. Use of Appendices  
Loan agreement.

10. Local Government (Access to Information) Act 1985  
N/A



2. There is a Court order against disclosure.

