

Report for: Decision taken under delegated authority

Item number:

Title: Opportunity Investment Fund: Award of Contract to The High Cross 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 The High Cross London Ltd for the value of £72,000 subject to Planning Permission, Lease and Licence.

An interest rate of 6% will be applied to the loan sum making a total of £76,320. The loan will be paid back over 75 months with the first instalment being due in month 9. The business will use the loan to refurbish the toilets on Monument Way into a Bar/Cafe to operational standards and to purchase new equipment for the venue.

OIF will be used specifically for the installation of essential services, seating, new windows, bar/coldroom, kitchen, toilet and interior and exterior lighting and signage.

They have a 10 year lease on the property.

The business is match funding the remainder ¹⁰³ initial start up costs (a further £50,000).

The project will deliver:

- A minimum of 4 FTE new jobs
- 7 Apprenticeships (1 per annum)
- A commitment to pay all staff London Living Wage after their 3 month training period
- The Bar/Café will bring 47sqm of commercial space back into use.

2. Cabinet Member Introduction
N/A

3. Recommendations

Officer recommendations were approved by the Tottenham Programme Delivery Board at its meeting on 11 May 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 The High Cross London Ltd a loan agreement for the value of £72,000 subject to planning permission, lease and license. It is proposed that a charge of 6% interest is applied to the loan and repayments are made over 75 months with a payment holiday of 8 months (i.e. repayments begin at month 9).

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;
- 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.

In addition the building will be sensitively restored recognising its local heritage value and run a community engagement programme throughout the week, offering free / low cost classes (cooking, healthy eating, fitness to local residents and community groups). The Council will work with the applicant to ensure that this is maintained throughout the loan repayment period and that it is accessible to all residents with regard to the protected characteristics under Equality Act 2010.

9. Use of Appendices
Loan agreement.


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

Haringey Council

Written Statement/Record of a decision made by an officer under delegated authority

Decision Maker (Post Title)	Director of Regeneration
Subject of the decision	Opportunity Investment Fund – award of contract to The High Cross London Ltd
Date of decision	26 th July 2017
Decision	<p>This report seeks approval under delegated authority for the award of a loan agreement to The High Cross London Ltd for the value of £72,000 subject to the approval of license, lease and planning permission.</p> <p>The business will use the loan in order to refurbish the property to operational standards and to purchase new equipment. Works include the installation of essential services, seating, new windows, bar/coldroom, kitchen, toilet and interior and exterior lighting and signage</p>
Reasons for the decision	<p>Officers' recommendations have been approved by the Tottenham Programme Delivery Board on 11 May 2017, following evaluation of a funding application by officers, including the OIF Advisory Group made up of officers from LBH and GLA.</p> <p>The recommendation is to award The High Cross London Ltd a loan agreement for the value of £72,000 subject to the approval of license, lease and planning permission.</p>
Details of any alternative options considered and rejected by the officer when making the decision	<p>The project has been recommended for approval based on the evaluation of an application and business plan solicited through an open bidding round.</p> <p>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 the financial and operation competency of the applicant.</p>
<p><u>Conflicts of interest – Executive decisions</u></p> <p>Details of any conflict of interest declared by a Cabinet Member who is consulted by the officer which relates to the decision and details of dispensation granted by the Council's Head of Paid Service</p>	n/a
<p><u>Conflicts of interest – Non executive decisions</u></p> <p>Where the decision is taken under an express delegation e.g. by a Committee, the name of any Member who declared a conflict of interest in relation to this matter at the committee meeting,</p>	n/a
<p>Title of any document(s), including reports, considered by the officer and relevant to the above decision or where only part of the report is relevant to the above decision, that part)</p> <p>These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information</p>	Opportunity Investment Fund – award of contract to The High Cross London Ltd
<p>Reasons for exemption with reference to categories of exemption specified overleaf or</p> <p>Reason why decision is confidential (see overleaf)</p> <p>Decisions containing exempt or confidential information falling within the categories specified</p>	n/a

overleaf are not required to be published.

Signature of Decision Maker	
Name of Decision Maker	Helen Fisher
Does the decision need to be published	
Yes <input checked="" type="checkbox"/>	
No <input type="checkbox"/>	

Exempt Information

Local Government Act 1972 Schedule 12A

Part 1: Descriptions of Exempt Information

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 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 office 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 on 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.

Note: It is insufficient to simply identify a category of exemption, you must also conduct a public interest test on the basis specified in the Act as follows:
Information falling within categories 1-7 is exempt if and so long as in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Confidential Decisions

1. The decision contains information provided by a Government department on a non disclosure basis
2. There is a Court order against disclosure.