


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

<b>Decision Maker (Post Title)</b>	Lyn Garner , Strategic Director of Regeneration, Planning and Development
<b>Subject of the decision</b>	Labour Market Growth and Resilience Reserve - Allocation of funding to Create for the transition of Chicken Town Ltd to a new business model and new restaurant operator.
<b>Date of decision</b>	22 July 2017
<b>Decision</b>	The Strategic Director of Regeneration, Planning and Development authorises, under delegated authority, £40,000 from the Labour Market Growth and Resilience Fund to be provided to Create London to fund a transition period of 6 months (July 2017 – December 2017) to enable a new restaurant operator to be found and to continue the delivery of the social and economic outputs for Tottenham during this transition period.
<b>Reasons for the decision</b>	<p>Chicken Town restaurant at Tottenham Green opened in December 2015. Good progress has been made in building the business and delivering the social outputs, however customer numbers, and therefore income, have not been as high as originally projected. Chicken Town and Create are now seeking a new partner to run the restaurant businesses so that income can be increased at a quicker rate, the business can be stabilised, and the socio-economic benefits of the venture can be maximised. The new operator will continue to pursue socio-economic targets and priorities associated with the OIF loan, either directly or in partnership with Create.</p> <p>Create have invested significantly in the business to date but are unable to commit any more funding to Chicken Town Ltd post June 2017. In order to ensure that the restaurant does not close and that a new restaurant partner can be found the Council is proposing to provide gap funding for this transition period during which the restaurant will continue to develop local employment and training opportunities and pursue community outreach work.</p> <p>A target date of September has been set for identifying a new operating partner and agreeing a revised business plan. The business plan will address future operation and profitability of the restaurant and achievement of OIF socio economic and loan repayment targets. Milestones will be included to support effective monitoring by the OIF team.</p> <p>Chicken Town Ltd received a £210,000 loan from the Opportunity Investment Fund (OIF) in 2015 which is repayable once £50,000 per annum profits (after tax) are reached. Based on the current operation the repayment of the loan is unlikely to commence in the near future. The appointment of a new commercial partner who can drive up profits at a quicker rate is an objective of the Council to ensure timely repayment of the OIF loan.</p>
<b>Details of any alternative options considered and rejected by the officer when making the decision</b>	<p>Not to award Create the funding for the transition period- This was considered as an option however this would mean the restaurant will close with immediate effect and that existing jobs will be lost, and new jobs and apprenticeships cannot be created during the transition period.</p> <p>The recommended scenario of providing £40k transition funding supports continuity and the continuing delivery of social and economic development outcomes, while at the same time</p>

	maximising the opportunity for a new commercial restaurant operator to be found who can drive up profits and ensure the future success of the restaurant at Tottenham Green.
<p><b><u>Conflicts of interest – Executive decisions</u></b></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><b><u>Conflicts of interest – Non executive decisions</u></b></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>	N/A
<p>Reasons for exemption with reference to categories of exemption specified overleaf, or</p> <p>Reason why decision is confidential (see overleaf)</p> <p>Note: decisions containing exempt or confidential information falling within the categories specified overleaf are not required to be published.</p>	N/A
<p>Communicating your decision: Who needs to know about this decision and is a plan in place to tell them? (Officers in your department, in other departments where necessary, members, external stakeholders).</p>	
Signature of Decision Maker	

Name of Decision Maker	Lyn Garner, Strategic Director of Regeneration, Planning and Development
Does the decision need to be published?	

**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

**Report for:** Lyn Garner, Strategic Director of Regeneration, Planning and Development

**Item number:** N/A

**Title:** Labour Market Growth and Resilience Reserve - Allocation of funding to Create

**Report Authorised by:** Vicky Clark, Assistant Director for Property and Economic Development

**Ward(s) affected:** Tottenham Green

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

**1. Describe the issue under consideration**

- 1.1 To allocate £40,000 transition funding to Create London from July to December 2017 to enable the appointment of a new commercial restaurant operator for Chicken Town Ltd. The funding will also enable new jobs, apprenticeships and a community outreach programme to be delivered throughout the transition period.

**2. Cabinet Member Introduction**

Not applicable.

**3. Recommendations**

- 3.1 The Strategic Director of Regeneration, Planning and Development authorises, under delegated authority, £40,000 from the Labour Market Growth and Resilience Fund to be allocated to Create London for the transition of Chicken Town Ltd to a new business model and new restaurant operator.
- 3.2 The £40,000 will be paid in two tranches of £20,000. The first £20,000 will be payable in July 2017 and the second will be paid in September 2017 upon appropriate evidence being provided that a new restaurant operator is being secured.
- 3.3 That the Strategic Director of Regeneration, Planning and Development approves on behalf of the Council, a 12 month rent free period for Chicken Town Limited

from January- December 2017 amounting to a total value of £20,000. The Council is joint partner in the Tottenham Green Enterprise Centre alongside the College of Enfield, Haringey and North East London (CONEL), where Chicken Town operates from. Rental income from the TGEC building (the former fire station at Tottenham Green) is not paid to the Council but is ring-fenced by CONEL and put towards the future maintenance and management of the former fire station. CONEL have approved the rent free period.

#### 4. Reasons for decision

- 4.1 Chicken Town restaurant at Tottenham Green opened in December 2015. Good progress has been made in building the business and delivering the required social outputs however customer numbers, and therefore income, have not been as high as originally projected.
- 4.2 The preferred scenario for the business is for Chicken Town to find a new commercial partner/operator to run the restaurant by the end of December 2017 which will enable the continuation of the project's social and economic aims. Therefore, a new operator is currently being sought to run the restaurant, either as Chicken Town, or under a new name. The overall aim is that the new partner can build and grow the restaurant business so that income continues to increase at a quicker pace. This will allow the £210k Opportunity Investment Fund loan to be repaid at an earlier date, while at the same time continuing to deliver the social and economic benefits of the project.
- 4.3 A preferred operator has provisionally been identified and dialogue is ongoing. This relates both to the profitable operation of the restaurant and to the meeting of OIF socio economic and loan repayment obligations. The current preferred operator is an experienced restaurateur from the local area so should be well placed to assess and maximise the opportunity.
- 4.4 In the event that this operator does not want to pursue the opportunity a partner search will continue, with expectations around OIF obligations being made clear to all interested parties.
- 4.5 Chicken Town will continue to pursue socio economic targets during the transition period, including the creation of two part time jobs in the restaurant. After December 2017 the new restaurant operator will be required to take on the staff members recruited, as well as the existing staff who work in the restaurant should those individuals choose to remain employed by the business.
- 4.6 The current timetable for securing a new operator is set out below, with two options according to whether discussion with the current preferred operator concludes successfully or whether further marketing is required:

*Option 1 – Current preferred operator*

**July** – dialogue continues and heads of terms agreed

**August** – submission of offer including deposit and full business plan

*Option 2 – Alternative operator search*

**July – September** – full market testing and marketing of opportunity

**Mid – September** – full progress report on search and expressions of interest submitted, Eols evaluated

**End September** – submission of offer/ deposit/ business plan from selected partner

Business Plans submitted will include:

Income and cover forecasts

Target date for OIF repayment

Employment strategy and numbers

All with key milestone dates to allow for effective monitoring of the project.

- 4.7 Chicken Town Ltd received a £210,000 loan from the Opportunity investment Fund in 2015. The loan is repayable to the Council only when £50,000 profits per annum after tax have been reached. Based on the performance of the current business the repayment of the loan is not expected to begin in the near future. The Council is keen to ensure that the OIF loan is repaid as soon as possible to enable the repayments to be reinvested in other businesses in accordance with the conditions of the loan fund. The new commercial operator will be required to take on the outstanding OIF loan amount and continue to deliver the social and community benefits as set out in the OIF agreement.

## 5. Alternative options considered

- 5.1 Not to award Create the funding for the transition period. This was considered as an option however this would mean the restaurant will close with immediate effect and that existing jobs will be lost, and new jobs and apprenticeships cannot be created during the transition period.
- 5.2 The recommended scenario of providing £40k transition funding instead provides funding and a £20k concession on the rent due for the restaurant to continue prioritising socio economic targets, while at the same time maximising the opportunity for a new commercial restaurant operator to be found who can drive up profits and ensure the future success of the restaurant at Tottenham Green.

## 6. Background information

- 6.1 The establishment of a restaurant in the former fire station at Tottenham Green was part of the Council objectives to enhance the role of Tottenham Green as the civic and cultural heart of Tottenham and create a well-used day and night time destination as set out in the Tottenham Area Action Plan (2017) and Tottenham Strategic Regeneration Framework (2014). The restaurant in the former Tottenham Green fire station complements the existing cultural and community offer including the Bernie Grant Arts Centre, Fusion Leisure Centre, Marcus Garvey Library and Tottenham Green Market.
- 6.2 In 2014 Create identified the former fire station at Tottenham Green as a site for a potential new restaurant and applied for and received Opportunity Investment Funding to fund the capital start up costs of the restaurant.



6.3 Since its opening in December 2015, Chicken Town has delivered the following social and community activities:

- Delivering a successful long-term growing project with local primary school Earlsmead, working with groups of students to plant a playground garden. This involved growing herbs and vegetables, trying new foods and sharing different cultural approaches to eating and cooking. Hosting healthy food cooking lessons for all of Year 5 using the vegetables grown in the Earlsmead garden. Delivering the workshops with a total of 83 students and 12 staff members.
- Events for young people with live music and cinema taking place once a month on a Tuesday. There are 10 – 15 young people involved in delivering the events, attracting an additional 20 young people each time.
- Hosting 60 of Earlsmead School Year 6 pupils for their end of exams celebration.
- Hosting local youth groups for dinner, where they talk about healthier eating and about access to jobs in the restaurant industry, depending on their age. Groups that have participated include Haringey Young Carers, Haringey Tuition Service, Haringey Shed, UpLifters, Action for Kids, CONEL, Create Jobs Northumberland Park School and The Vale. They have hosted over 400 people through this initiative.
- Holding two free Christmas Day dinners in December 2015 and December 2016 for local elderly and vulnerable adults living in the borough each with 25 – 35 people attending.
- Hosting a free, monthly sew-and-mend club, run by a local resident, which hosts 10 – 15 people each session.
- Setting up a Youth Board, putting the views of young people at the heart of Chicken Town, giving them valuable experience working with a social enterprise and providing the opportunity to programme their own ventures and events at Chicken Town.

6.4 Utilising the transition funding Create will provide two part time jobs in marketing and communications and a front of house role. One apprenticeship position will be created in collaboration with Waltham Forest College for a trainee chefs to start in September 2017. Their placement will continue beyond December 2017 with the new restaurant operator. The apprenticeship post will commence in September.

6.5 In addition, Create have a comprehensive planned programme of activities to engage with the local community and schools over the next 6 months up to December 2017:

- Cookery class for 30 pupils at Earlsmead Primary School in July 2017 and Harvest Day celebration with 52 pupils in August 2017;

- Youth music nights and youth documentary film nights – taking place monthly until December 2017;
- Beer festivals/showcase supporting local breweries- 2 between July and December 2017;
- Cookery School Pop up – week long activities of cookery classes for teenagers with behavioural problems (Attention Deficit Hyperactivity Disorder ADHD). This will lead towards setting up a year long stand alone research and engagement programme, with support from the Wellcome Trust;
- Cookery workshops with 4 local primary schools (Ferry Lane and Earlsmead primary schools confirmed, two additional schools to be confirmed. Estimated to be 420 pupils engaged);
- Haringey Youth Festival – programmed youth music festival in partnership with Jackson’s Lane;
- Two day intensive event training – readiness for work scheme for 18-24 year olds;
- Regular “Family and Food” events in include cookery sessions, foraging and growing- monthly from September 2017;
- Free Christmas dinner for local vulnerable isolated adults;
- Pop up event with WAVE café – pop up café hosted by adults with learning difficulties from the local area;
- 1 day cookery workshop with The Virtual School;
- Continued support of the local community groups and events including Free food vouchers, CONEL Freshers Fair recruitment session and food stall, and events at the Town Hall;
- Ongoing subsidised meals and meeting space for local youth groups;
- Work experience placements with 2 local students;
- Apprenticeship to start in September 2017.

6.6 The following sets out the full funding commitment to Create and Chicken Town should this report be approved:

#### **Chicken Town Limited**

- £210,000 Opportunity Investment Fund Loan (repayable when £50,000 profit per annum is reached). One of the intentions of this further additional assistance is for another restaurant operator to be found who is able to repay the loan earlier than currently anticipated.
- £30,000 rent free period (6 months from July-December 2016 to the value of £10,000 and 12 months from January- December 2017 to the value of £20,000)

#### **Create London**

- £90,000 Opportunity Investment Fund grant
- £40,000 Local Labour Market Growth and Resilience Reserve (the subject of this report)
- £15,500 Greater London Authority as part of Crowd Funding pledge



Taken together, this will represent a contribution from the public sector of £175.5k in grant and a £210k repayable loan.

Officers believe the grant contribution is reasonable in light of the extensive social and economic contributions both already provided by Create and Chicken Town and planned to be provided.

## **7. Contribution to strategic outcomes**

7.1 This project will contribute to Priority 4: Drive Growth and Employment from which everyone can benefit.

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

### **8.1 Finance comments**

Not required.

### **8.2 Procurement Comments**

Not required.

### **8.3 Equalities comments**

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- b) Advance equality of opportunity between people who share relevant protected characteristics and people who do not
- c) Foster good relations between people who share relevant characteristics and people who do not.

This duty covers the following protected characteristics: age (including children and young people), disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. It is not anticipated that this decision will result in negative impacts on these characteristics.

## **9. Use of Appendices**

N/A

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

Not applicable.