

CABINET	AGENDA ITEM No. 7
16 JANUARY 2023	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director for Place and Economy Cecilie Booth, Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Councillor Steve Allen, Deputy Leader and Cabinet Member for Communications, Culture and Communities, and Councillor Ayres, Cabinet Member for Children's Services, Education, Skills and the University	
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PETERBOROUGH YOUTH ZONE

RECOMMENDATIONS	
FROM: <i>Executive Director for Place, Economy and Communities</i>	Deadline date: <i>January 2023</i>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Note the progress of the project and endorse the continuation of partnership work with Onside in order to deliver a Youth Zone for Peterborough. 2. Note the projected total costs for the Youth Zone Project and approve the council's capital and resource contributions. 3. Delegate responsibility to the Executive Director of Corporate Services and S151 Officer in consultation with the Cabinet Members for Property and Resources / Childrens Services, Education, Skills and University and the Leader of the Council in respect of:- <ul style="list-style-type: none"> • The final site decision for the Youth Zone. • The approval of associated leases and other development agreements with Onside in association with chosen site. • The approval to transfer SPF or other funds to Onside Youth Zones in order to complete initial feasibility, design and planning work in line with amounts set out in this report. 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted as an update to the Cabinet report of 20 September 2022 in respect of agreement by cabinet to partner with Onside Youth Zones charity to develop a state-of-the-art Youth Zone for Peterborough.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to update members on progress of the project and seek further approvals to allow the Youth Zone project to progress to the next stage of development.

In anticipation of a successful Youth Investment Fund bid officers are seeking agreement to progress key elements of the project to ensure the best opportunity to realise a Youth Zone for

Peterborough and delivery within the designated timescales of the Youth Investment and Shared Prosperity Fund.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.2, *‘To take collective responsibility for any Executive decision that has significant implications across two or more portfolios,’* and, No. 3.2.3, *‘To determine any key decision (as defined in Article 11 – Decision Making), with the exception of any time-critical, operational, or routine decision, which may be determined by the relevant portfolio holder.’*

2.3 There is an exempt annex attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains information that relates to the financial or business affairs (past or present) of a particular person (including the Council). The public interest test has been applied to the information contained within this exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. **BACKGROUND AND KEY ISSUES**

4.1 As a result of the agreed recommendations from the Cabinet meeting on 20 September 2022, (to progress in partnership with Onside a Youth Investment Fund (YIF2) bid) a core project team has been put in place and work has been undertaken to produce the documentation and supporting evidence needed to support an application.

Youth Investment Fund Application Update

4.2 On 28 November 2022 a pre-application was submitted to the Department of Culture Media and Sport for the YIF Phase 2. The bid, led by Onside charity was accompanied by a letter of intent from Peterborough City Council setting out our commitment to the development and support of a Youth Zone for Peterborough.

4.3 Also submitted were support letters from both Peterborough MPs the Youth Council and Children in Care Council, as well as evidence of young people’s consultation via a school survey which has seen over 900 responses with over 80% saying they would use a Youth Zone.

4.4 The pre-application submission is for the amount of £8.7m which will contribute toward the overall capital cost of the Youth Zone project, estimated to be in the region of £10.9m.

Shared Prosperity Fund

4.5 As part of the Onside partnership model the council is required to make a minimum capital contribution of £0.95m, the amount of which has also been confirmed in our letter of intent. This funding has been identified through the Shared Prosperity Fund (SPF) in our aspiration to mitigate as much of the capital costs as possible through external grant funding.

4.6 Since the last Cabinet report, officers have continued to work with Cambridgeshire and Peterborough Combined Authority (CPCA) to finalise the funding profile for the Shared Prosperity Fund element of the Youth Zone Project.

Confirmation has been received from the CPCA that their investment plan has been accepted by government and officers are now undertaking work to transfer the allocated funds for 22/23 to Peterborough City Council.

4.7 The Shared Prosperity Fund element now totals £1.255m which gives an additional £305k above the minimum contribution required adding capacity to the project and raises the amount of match funding contribution. The SPF is to be disseminated to Peterborough City Council between April

2023 and March 2025, in line with the overall project plan for the Youth Zone build and set out below:-

Jan 22/2023 (Q4)	April 23/24 (Q1)	April 24/25 (Q1)
£205,499.56	£200,000.00	£849,500.44

4.8 Youth Zone Site

A key aspect of the YIF bid and included in the Council's letter of intent is the commitment to identify a potential site for the Youth Zone. As per the previous report in September a long list of locations was produced which is set out below:-

- Bishops Road Car Park
- Stanley Park
- Between Key Theatre and Lido
- Wellington Street Car Park
- Dickens Street Care Park
- Pleasure Fair Car Park
- Embankment East
- Fletton Quays
- Riverside Car Park
- Gladstone Park Community Centre
- East Community Park
- Vineyard Road Roundabout Green Space

The criteria which Onside consider for establishing a Youth Zone are as follows -

- **Prominence** – The prominence of the site is important not only to encourage young people to walk straight off the street to use the services but also as the building will have great design principles and therefore be a visual asset to the City Centre.
- **Independent location** - Away from estates so young people using the facilities are on neutral ground and therefore have no barriers to accessing the Youth Zone. It is an asset for all communities in the City.
- **Good public transport** - pedestrian and cycle links, Young People need to be able to get to the Youth Zone easily and with minimal expense. This widens the catchment area for the services offered ensuring the facilities are well used and within reach of communities living further out from the City Centre.

4.9 Since the last report officers have undertaken an options appraisal of above sites based on the criteria set out by Onside, cross referenced against the councils' requirements as well as deliverability against timescales. A summary of this work is set out in Confidential Appendix 1 as the information in Confidential Appendix has the potential to be commercially sensitive.

4.10 As a result of the options appraisal described in 4.9 two prime sites have been identified and initial feasibility, design and planning submission work is being carried out in parallel, at risk, to RIBA 2 stage (up to the amount of £250k) this is as agreed by Cabinet on 20th September 2022 in anticipation of successful YIF and SPF bids.

4.11 The approach of identifying two prime sites gives the best opportunity to meet the tight timescales stipulated by the Youth Investment Fund (for delivery of the project by 31st March 2025) as well as ensuring the best possible site for the Youth Zone can be achieved as it is recognised that location and deliverability are key to the success of the project.

4.12 Next steps will be for more detailed design work to be carried out at pace based on the identified sites in order to meet the requirements of the Youth Investment Fund decision panel, anticipated to be held at the beginning of February.

- 4.13 This will require an additional at-risk amount to be committed by the council, the amount of which at the time of publication of this report has yet to be confirmed by Onside, but is anticipated to be in the region of £200k to ensure that the opportunity to draw investment of £10.9m remains viable.
- 4.14 It also should be noted that the most streamlined project timeline indicated by Onside for a Youth Zone build is 30 weeks, it has been indicated that the council will be liable for costs over and above the YIF funding spend deadline of 31st March 2025 at the cost of £650k per month.
- 4.15 Therefore, this report sets out the above recommendations in order to continue to carry out the actions needed in respect of site and associated costs to continue initial feasibility, design and planning work, at risk, in consultation with the relevant cabinet portfolio holders.
- 4.16 However, it is the intention to bring reports back to Cabinet at the earliest opportunity when the outcome of the Youth Investment Funding is known. Further information will be available at that time which will inform the deliverability of the project within timescales and decisions can then be made in regard to any risks and associated costs which could be incurred if the project cannot be delivered within the YIF funding window.

4.17 **Running Costs Contribution**

Also set out in our letter of intent is a commitment for the council to contribute £200k per annum (15%) for a period of 7 years (commencing April 2025) toward the overall revenue cost of running the youth zone the total being £1.4m.

- 4.18 The previous cabinet report notes that Onside have committed to raising 85% of this revenue through private sector funding, ensuring the best possible opportunity in making the Youth Zone sustainable for the future.
- 4.20 Onside are already making progress with identifying private sector support with local organisations such as Whirlpool being supportive and the council are continuing in partnership to drive this element of the project forward with internal and external partners.
- 4.21 An indication of the potential for this approach is the £500k of private sector capital which has already been secured for Peterborough.
- 4.22 Discussions are ongoing with internal and external public sector partners to investigate opportunities to work together to meet the £200k contribution as a result of this work Public Health have committed to a £50k per year contribution for 7 years from 2025.
- 4.23 Further information will be brought forward to Cabinet as officers progress the work needed to maximise the opportunities that a Youth Zone will provide for young people in Peterborough, ensuring that services are joined up and accessible and that it plays a pivotal role in providing support to young people which is aspirational, motivational and helps all young people meet their potential.

4.24 **CORPORATE PRIORITIES**

The recommendation links to the following Council Corporate Priorities:

4.25 **The Economy & Inclusive Growth**

Carbon Impact Assessment - The Carbon Impact of the development cannot be quantified until design work has commenced. A BREEAM (Building Research Establishment Environmental Assessment Method) assessment of the 30 building will be completed as part of the statutory planning process and the project will be compliant with the Council's required level of BREEAM.

There are specific links to the following corporate priorities in respect of the development of a Youth Zone.

4.26 **Our Places & Communities**

There is evidence that a Youth Zone for Peterborough would have a positive effect on levels of antisocial behaviour, perceptions of crime and feelings of safety as well as footfall to the city centre by providing a safe place for Young People to go in a state of the art building that adds significant value to the local landscape. Increased footfall from parents and young people who visit from around the city. As well as this health and wellbeing will be positively impacted due to increased positive activities and opportunities that a state of the art purpose built facility will bring.

4.27 **Prevention, Independence & Resilience**

A Youth Zone for Peterborough will give universal access for young people and opportunity to be supported through youth mentoring and personal development, classes and activities which promote young peoples informal learning and life skills, a typical Youth Zone has a membership of around 4000 young people from 8 – 19 years who potentially will become more mentally and physically resilient.

4.28 **Sustainable Future City Council**

The Youth Zone model through Onside and the Youth Investment Fund not only affords the City the opportunity to bring in £10.9m of capital investment but also offers a sustainable model for running costs through business philanthropy, therefore a £200k yearly investment leverages £1.4m of accessible informal learning opportunities and support for young people in the City.

5 **CONSULTATION**

5.1 Consultation has continued with members, there have been a number of visits to other Youth Zones venues, Youth Zone representatives have visited Peterborough to engage with the youth council and a schools survey has been completed with more than 900 responses.

6. **ANTICIPATED OUTCOMES OR IMPACT**

6.1 The outcome of this report will be to delegate authority to approve funding for further feasibility and design work for the Youth Zone decision on final location as well as authorisation for any associated agreements and leases required.

7. **REASON FOR THE RECOMMENDATION**

7.1 The reasons for the recommendations in this report are to allow for continued work to be undertaken pending announcement of successful Youth Investment Fund Phase 2 bid, in partnership with Onside charity and successful Shared Prosperity Fund bid.

To allow for flexibility in the programme around final site options due to the timescales, complexity and risks to the project.

Allow for appropriate transfer funds to Onside youth zones in line with Shared Prosperity Fund profile and grant limits.

8. **ALTERNATIVE OPTIONS CONSIDERED**

8.1 Both Shared Prosperity Fund and Youth Investment Fund pre application have been submitted and the council awaits the final outcome. The decision was taken at cabinet meeting on 20th September 2022 to proceed with feasibility and design work at risk to give the best opportunity to deliver the project and secure £10.9m capital investment as well as £1.1m yearly revenue investment for services for young people.

8.3 **Option 1 – Pause Project.**

Council could at this point decide not to commit any further, at risk, funding and to pause the project, awaiting the outcome of the YIF. However, it is far less likely that an underdeveloped bid would be successful and as set out in the report the anticipated panel date will be at the beginning of February 2023 with notification of success sometime after that, at which time the deliverability of the project within timescale is not achievable, Onside have stated that each month over YIF spending timeframe (March 2025) will need to be underwritten by the council at a cost of £650k per month. With a 30 month project time this could put the project 6 months over budget.

8.4 Option 2 – Terminate Project at this Point

Council could decided not to continue with the Youth Zone project at this point, however significant officer time and at-risk funding of around £150k has been invested up to this point in order to keep the project on track and maximise the unique opportunity to down £10.9m of external capital investment as well as £1.1m ongoing service investment through corporate social responsibility. It is advised that there will be opportunities to make further decisions about the commencement of the project once the result of the Youth Investment Fund application is known.

9. IMPLICATIONS

9.1 Financial Implications

9.2 The proposal is to secure grant funding from both the Youth Investment Fund (£8.7m), and Shared Prosperity Fund (£1.255m), to fund the construction of a Youth Zone facility. In the event that funding is not secured, the Council will be liable for abortive project costs up to £500k, although this takes into account any capital and revenue contributions the Council has already made at that point. This is not budgeted; however, it has been confirmed that the Shared Prosperity Fund (£250k) can be used for initial feasibility and planning.

9.3 Until the bid outcome is known in February 2023 this spend as set out in the report will be at risk to the Council. The proposal will involve disposal of Council Land (by way of lease). The financial implication of this has not yet been determined, a final site has not yet been confirmed.

9.4 Although the minimum Capital contribution required is £0.95m, Onside have advised that it is likely that an additional project cost in the region of £1m may be incurred and have asked if the Council will underwrite this. This is subject to further discussion and officers have asked that the bid to DCMS (YIF 2) is increased to cover.

9.5 There is a revenue cost implication of £200k for 7 years (£1.4m) from April 2025, a £350k commitment from Public Health reserve has been agreed in this respect with the remaining £1.05m not currently budgeted. Efforts will be made to re-position funding in existing PCC budgets and to secure partner contributions to manage this cost. Alternatively this would need to be factored into budget proposals from 2025/26.

10. Legal Implications

10.1 As we progress through the process further due diligence will be undertaken in respect of Peterborough City Council interaction and relationship with Onside Charity, the development of a new charity “Peterborough Youth Zones” and our legal position with DCMS as a partner in any Youth Investment Fund bid with Onside.

10.2 Legal papers are being reviewed at the time of writing this report and steps taken to ensure that the Letter of Intent will not legally bind the Council to provide funding or grant a lease. There will however be a legal obligation for the Council to make a payment capped at £500k for abortive costs if the application is not successful.

10.3 The proposal to dispose of Council Land by way of a long lease at less than best consideration must comply with the provisions of Section 123 Local Government Act 1972, and this will need to be considered once the financial implications of the selected site has been undertaken to ensure

that the proposal meets the requirements of a general disposal consent or whether an application to the Secretary of State will be required to obtain consent to the proposed disposal.

- 10.4 With regard to the selected site, a title check will need to be carried out to check that there are no legal impediments to the grant of the proposed lease for the proposed use and whether there are any statutory restrictions in relation to the land that must be complied with before a disposal is entered in to.

11. Equalities Implications

- 11.1 The building of a Youth Zone is generally projected to have a positive impact on equality in the city providing universal support opportunity to young people of Peterborough. However further work will need to be carried out if the recommendations of this report are agreed to ensure that access issues such as transport, provision for those with a disability or other potential barrier is made. Further consultation work with young people is being carried out at the time of writing this report and will continue moving forward.

12. BACKGROUND DOCUMENTS

None

13. APPENDICES

- 13.1 Appendix 1

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