

Subject:	Central Youth Hub		
Date of Meeting:	8th March 2021		
Report of:	Executive Director for Families, Children & Learning		
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Ward(s) affected:	(All Wards)		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The purpose of this report is to provide this Committee with information on the option to form a partnership with OnSide and Brighton Youth Centre (BYC) to bid for funding from the Government's Youth Investment Fund (YIF) to develop a Youth Zone in the city and outline the Council's financial commitment if there is agreement to proceed.

2. RECOMMENDATIONS

- 2.1 That the Committee agrees that the Council can enter into a non-legally binding Memorandum of Understanding with Brighton Youth Centre and OnSide as a basis to submit a funding application and to develop proposals for a Youth Zone in the centre of Brighton.
- 2.2 That the Committee agrees to submit a joint funding application with OnSide and Brighton Youth Centre to the Youth Investment Fund.
- 2.3 That the Committee notes that any revenue the council commits to this scheme will not detract from the existing neighbourhood focused Youth Service Grants to areas 1, 2 and 3.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Brighton and Hove City Council 2020 to 2023 Corporate Plan outlines its commitment to deliver high quality youth services, including:
- Identify Council owned premises suitable for partners to offer youth services.
 - Protect funding and review youth services across the city to improve coordination, establish a central youth hub and deliver services directly where possible.
- 3.2 It was agreed at the Children and Young People and Skills (CYPS) Committee on 13th January 2020 that a review of current youth services in the city would be undertaken that would include considering the development of a central Youth

- Hub in the city, working in partnership with OnSide and BYC to develop their site as a Youth Zone.
- 3.3 The Youth Review Report was presented at the CYPs Committee on 14th September 2020 where it was agreed that Brighton BYC is recognised as one of the key youth providers in the city and for the Council to decide how to support with its refurbishment or rebuild, exploring all options.
 - 3.4 In September 2019 the Government announced a £500m Youth Investment Fund to help build new youth centres and refurbish existing centres; as well to support the provision and coordination of high-quality youth provision. On 14th February, in a webinar hosted by the National Youth Agency, the Minister for Civil Society (Baroness Barran) stated that the £500m YIF has been delayed; however, £30m capital funding from the YIF will be released in 2021-22.
 - 3.5 The Youth Cross Party Working Group have been presented with various options and met with BYC's CEO and Trustees. The preferred option is to form a partnership with OnSide and BYC to bid for funding from the YIF and secure the capital and revenue costs.
 - 3.6 OnSide is a charity that aims to build a network of 21st century Youth Centres (Youth Zones) giving young people quality, safe, accessible and affordable places to go in their leisure time (see appendix i for more detail). They started in the North West, with the first Youth Zone built in 2008 and have expanded to projects in the South East with three Youth Zones that opened in London in 2019. OnSide secure charitable donations which match local authority capital and revenue investment
 - 3.7 The Council has been approached by OnSide and BYC in partnership to support the development of a Brighton and Hove Youth Zone in the centre of the city. Other OnSide projects have generally started with Council identifying a vacant site, which it owns, in a central location. The vacant site would then form part of the capital investment offer from the local authority.
 - 3.8 For Brighton and Hove this model is incompatible as there is no centrally located vacant site which the authority owns or that would become available in the next 12-18 months. BYC owns the site that it is based on. The location is suitable for this project and is close to central bus routes that open up to the rest of the city. The BYC board members are supportive of a proposal to develop a partnership with OnSide and the Council to develop a Youth Zone on this site.
 - 3.9 The council own three youth buildings; 67 Centre in Moulsecoomb, Coldean Centre and Portslade Village Centre; all currently used by commissioned youth services. There are no council owned buildings in the centre of the city that would be suitable for offering traditional youth services.
 - 3.10 BYC attracts large numbers of young people (1189 individual young people were recorded as visiting the centre in 2019/20); it is popular and highly valued and young people travel across the city to attend but it is run down and in urgent need of investment. As well as improving the condition of the building there is a need to make it accessible. BYC also want to create better facilities and 7 day a week opening with a full programme. The review findings included a consensus

that funding needs to be found for this, however this should not be at the expense of neighbourhood provision.

- 3.11 As set out in the legal implications, the legal and procurement implications of these proposals need further consideration, but the following paragraphs set out a possible legal structure for the project. There will be further reports to this committee and to Policy & Resources Committee, seeking approval to progress the project, if the funding bid is successful. The recommendations in this report are to approve the next steps of agreeing a non-legally binding Memorandum of Understanding and to submitting a funding bid. The committee is not asked to make any commitment to proceed with the project at this stage.
- 3.12 The total cost of the capital required to build a Youth Zone is £8.4 million and the revenue £1.3 million per annum. This has significant funding implications for the Council, with an expectation that the Council contribution would be £4.8m capital; with funding from the Youth Investment Fund, this could reduce to £2.7 million and annual revenue of £200k for three years.
- 3.13 The Council's annual contribution to the total £1.3 million revenue required per annum would be £200,000. OnSide would commit to securing £1 million per annum towards the revenue costs for the first 3 years and the additional £100k would be generated from membership and entrance cost. After the 3 years BYC Youth Zone charity would be responsible for securing the £1 million pounds (by retaining private donors/funding from the local business community or recruiting new ones) and the Council would not be committed to continue contributing £200k.
- 3.14 BYC has indicated that subject to agreeing a partnership with OnSide and match funding from the Council there would be an option of selling the Council the land and building, for a nominal amount, to protect the Council's investment. The Council would then lease the site, again at a nominal cost, to a new charity established to run the Youth Zone.
- 3.15 Onside has been successful in securing the required capital and revenue funding for the 13 Youth Zones already developed and operating in the country, attracting large numbers of young people to their centres and evidencing overwhelmingly positive support that the OnSide model works; and their members are happier, healthier and more involved in their local communities (see appendix ii)

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Council has an opportunity to work in partnership with OnSide and BYC to develop a state-of-the-art youth centre (Youth Zone) in the city that would attract 3 to 4 thousand young people (based on attendance from other Youth Zones).
- 4.2 Other options considered included:
- A housing development on BYC's site with substantial youth space; however, BYC had previously explored this option and deemed this neither financially viable nor compatible with the 7 day a week youth services that would be on offer

- BYC applying for funding from the Youth Investment Fund without forming a partnership; if this meets the funding criteria (this would not be BYC's preference)
 - The Council to support a £2 million fundraising campaign to refurbish BYC
- 4.3 Brighton Youth Centre offers the ideal city centre location on which to build a Youth Zone; the recent Youth Review noted that young people are travelling into the city centre to attend BYC and others would be willing to if the activities or services available met their needs.
- 4.4 Working in partnership with OnSide and BYC to bid for funding from the Youth Investment Fund would maximise the investment opportunity in this project.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 As part of the recent Youth Review consultation events, young people and stakeholders focus groups were held where there was agreement that BYC attracts large numbers of young people who travel across the city to attend but it was run down and in urgent need of investment and funding for this should be to be found, as long as it wasn't at the expense of neighbourhood provision.

6. CONCLUSION

- 6.1 In a challenging financial climate securing the capital investment of £4.8 (without securing funding from the Youth Investment Fund) or £2.7 million (with a successful bid), in addition to identifying a £200k per annum revenue costs will be difficult. However, the creation of a Brighton Youth Zone would significantly improve the youth offer to young people living in the city and would bring in an additional capital investment of £5.7 million capital (with a successful bid) and further £3 million revenue over 3 years.

7. FINANCIAL & OTHER IMPLICATIONS

Financial Implications:

- 7.1 The financial plan provided by OnSide requires £8.400m capital investment and ongoing revenue funding of £1.300m per year. Detailed costings and service plans will need to be developed to verify the final financial commitment required.
- 7.2 The 2021/22 budget proposals currently include £0.150m to cover match funding for both the capital financing and operational running costs. The budget proposals assumed £0.074m funding for financing the borrowing required to raise £2.100m capital (repaid over 50 years) based on an early estimate. However, the more detailed financial plan and estimates now available indicate that the match funding capital investment requirement will be £2.700m. This will require the capital financing element to be increased from £0.074m to £0.095m. This leaves £0.055m per annum to fund the match funding for operational running costs.
- 7.3 With regard to operational running costs, the project will require £0.600m revenue funding over the initial 3 years of the project. Assuming the full service will commence in 2023/24, a cumulative budget of £0.165m would therefore be

available in the first year. The remaining £0.325m shortfall over the 3 years can be borrowed from reserves and paid back over a period of 6 years utilising the annual budget of £0.055m. However, it is recommended that if the council's financial position is better than projected at the end of the current financial year, consideration should be given by Policy & Resources Committee to setting aside one-off resources to increase the funding available to meet this match funding commitment as far as possible.

- 7.4 The funding model is reliant on significant contributions of £1m per annum being raised from local sponsorship and donations. Any shortfall in this funding would be subject to remedial action and discussions with OnSide to secure alternative sources of funding and/or mitigate the costs of the project as far as practicable.

Finance Officer Consulted: David Ellis

Date: 22/2/21

Legal Implications:

- 7.5 The legal structure of the project needs further detailed consideration. In particular, the provision of funding which is contingent on works being carried out is likely to be a works contract which is caught by the Public Contracts Regulations 2015 (PCR). The threshold for works is currently £4,733,252 so if the Council's contribution exceeds this figure, then it will not be permissible to directly award the contract to Onside, BYC or a new charity formed by them. The Council will therefore need to carefully consider alternative options if this project progresses and the Council's contribution will exceed that figure. Similarly, if the Council provides revenue costs contingent on youth services being provided on the site, there is a risk that it is a services contract which will be caught by the PCR.
- 7.6 The Council's legal team will also review the Memorandum of Understanding and ensure that it is not legally binding as Policy & Resources Committee will need to approve any legally binding agreements which have budgetary implications.

Lawyer Consulted: Alice Rowland

Date: 23/2/21

Equalities Implications:

- 7.7 Each Youth Zone provides local young people, including those with a disability, affordable access to high-quality sports, arts and leisure facilities and activities, seven days a week, 52 weeks a year.
- 7.8 This universal offer is complemented by crucial, targeted services that support employability, wellbeing and health, helping those young people who need additional support.
- 7.9 Data collected across the network of Youth Zones shows that 1 in 10 young members have a disability or additional needs.

SUPPORTING DOCUMENTATION

Appendices: An Introduction to OnSide Youth Zones
OnSide Youth Zones Network – Ambition and Impact

Documents in Members' Rooms: None **Background Documents:** None