

# **MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON MONDAY, 19TH MARCH, 2018, 11.00am**

**PRESENT: Cllr Claire Kober – Leader of the Council**

**Also, present – Councillors: Brabazon, Carter, Connor, Ibrahim, and Hare.**

## **41. FILMING AT MEETINGS**

The Leader referred to the notice about filming and recording at meetings and meeting participants noted this information.

## **42. URGENT BUSINESS**

There were no items of urgent business to consider.

## **43. DECLARATIONS OF INTEREST**

There were no declarations of interest put forward.

## **44. CONFIRMATION OF THE SITE PROPOSED FOR A YOUTH ZONE AND APPROVAL OF CAPITAL AND REVENUE FUNDING TOWARDS THE PROJECT**

Ceri Williams put a deputation forward in relation to this report.

Ms Williams spoke against the recommendations contained in the report and with continuing the partnership with OnSide to provide a Youth Zone. In summary, the following issues were put forward to the Leader to consider:

- There was an abuse of process and misuse of a General Exception Notice (GEN). OnSide had been courting Haringey for years and in Ms Williams view, the Council could wait a further three weeks.
- The previous OnSide proposal was delayed and now an entirely new 3-way arrangement had been introduced at breakneck speed, giving nearly half the available borough-wide money to just one school in a single location, which was inaccessible in every way for most young people in the borough.
- No updated draft contract with OnSide was attached to the report to take into account the new 3-way arrangement. Nor draft to vary the current Woodside lease to allow them to lease to OnSide.
- Reference was made to recommendations 3.1f - 3.1G. In Ms William's view, if before the 3rd May, any Council officer attempted to actually pass over the £3m

capital cash, or draw up a binding contract to promise the revenue money to Woodside/OnSide, based on the inadequate supporting papers presented to date, they would be on very uncertain ground because so many key documents were missing.

- The deputation contended that Paragraphs 4.3 and 4.4 made extravagant claims that the new local Chair, Alderman King and OnSide itself would be able to lever in “unique” funds once the LBH match was confirmed. However, this was for the first 3 years as after that they could walk away. Ms Williams had spoken personally with local OnSide Board members in other towns, and with those involved in the voluntary sector in boroughs where the OnSide had been allowed in. They advised that the OnSide model brings huge problems. The vast buildings end up having to Hoover up all available local trust and private funding to cover their costs. After the initial 3 years, they were only competing for funding from the same pot. Most have to commercialise, and so you ended up with a publicly funded building operating as a semi-private sports hall.
- Ms Williams contended that the Council had been approached by Onside and questioned whether due consideration had been given to their governance profile and whether their expertise and experience was best placed to provide services for young people.
- Ms Williams concluded by stating that there were no credible strategic outcomes listed, no consultations with youth practitioners and young people in the borough to support the recommendations and this was the wrong location. This was not an emergency decision and not part of a council strategy.
- Ms Williams also claimed that both MP’s were calling on the Council to pause the proposed development.
- She believed no Council working with Onside had yet agreed site on school land apart from Haringey.

In response to a question from the Leader, Ms Williams explained that all local authorities knew that building a single location youth service offer in a town or borough absolutely required a neutral and independent location. For example in Wolverhampton, it was located next to the bus station, but even this was not ideal. Locating it within just one of the borough’s secondary schools, and a semi-independent Academy School at that, would be unthinkable to most Local Authorities. It would leave such a significant chunk of LA funded Youth Service offer being in effect run by just one School, in one location, with no borough wide accountability or responsiveness.

The deputation contended that, through this arrangement, the local authority would be in a weaker position to provide vital direction and input into a borough wide service, provided from the site. The deputation claimed that other local authorities, working

with OnSide, had avoided this type of position and made sure that the location was not in a school site, and not skewed to serve one part of the borough.

The deputation referred to the issues with crime in Pond Park, which was located opposite the proposed Youth Zone site. The Woodside School site was not seen as a good choice of location by local people to provide Youth facilities from.

The governance around the partnership with OnSide was also referred to. Concern was raised about how representatives on the Youth Zone board would be able to properly serve the Council and wider community as in this partnership arrangement; they would need to act in the interests of the charity and not the local authority.

The deputation also raised concern about the sustainability of the Youth Zone. Stating that other similar projects embarked upon by Onside showed that once the 3-year funding was concluded, they ended up competing with other local services for funding opportunities and became more commercialised.

Following a response to her question, the Leader continued to respond to the issues raised in the deputation and the following was noted:

- With regard to the notification of this decision, Cabinet made the initial decision for the Youth Zone and agreement to work with OnSide on 14<sup>th</sup> March 2017.
- The use of Metropolitan Open Land was subject to separate planning application to the GLA. The proposal from Woodside High School was to include a land-swap. MOL designation was subject to this process and would be determined on its merits by the GLA. The Leader referred to agreement of the Barking and Dagenham Youth Zone site by the Mayor as an existing example of MOL land change of usage.
- In relation to the accessibility of the Youth Zone site by young people across the borough, the W3 bus stop was 5 minutes walking distance. This bus route passed through both the east and west of the borough. Therefore, the location was not seen as an issue by the Leader as it was accessible through public transport.
- With respect to the issues raised on local authority representative's position on the Youth Zone board which charity law will govern, this was not a new occurrence and local authority representatives had the experience of participating in similar charity boards.

The Leader asked the Head of Early help and Prevention to introduce the report and he outlined the following:

Cabinet on March 14th 2017 agreed to form a partnership with OnSide to take forward proposals for a Youth Zone in Haringey. This was subject to identifying a site that was agreeable to both parties; subject to planning permission and agreement of final

terms. This was to be followed by planning pre-application discussions and a planning application alongside local engagement.

This report further included details of a capital contribution required for the project of £3m by the Council and a requirement for revenue contribution of £250,000 per annum for the first three years of the operation of the facility by OnSide.

The report sought approval of the proposed site identified for the facility and the capital and revenue contributions to the project.

The Leader took questions on the report from Councillors: Carter, Brabazon, Connor, Hare and Ibrahim and the following was noted:

- In response to a question on breach of contract, should a future administration not continue the partnership with OnSide, the Deputy Monitoring Officer advised that it was not appropriate, at the meeting, for officers to advise what may or may not happen.
- The Leader reiterated that the partnership with OnSide had been agreed in March 2017 and this report took forward the next phase of the Youth Zone Project which was agreeing the site, revenue and capital costs. The principle agreement of the partnership with OnSide had already been made in March 2017 and this report took forward that decision. Following the decision on the site, this would still be subject to a further phase of decision making involving the planning appraisal and agreement of heads of terms.
- In relation to the proposed Council revenue funding of the Youth Zone over the next three years and the potential impact this had more other youth related budget areas, it was noted that the youth service budget is contained within the much wider Early Help portfolio of services. There were still 2 years until this budget was called upon for use and this would provide the service time to ensure that this was an additional service rather than a call on existing service areas. However, as there was still 2 years until the Youth Zone was established, the Early Help service could not yet be explicit about where this funding would be drawn from although re-alignment of service delivery models was not discounted. Officers were disinclined to adjust delivery models and saw the Youth Zone as an additionality, rather than a deficit.
- The Leader had visited Youth Zones in different boroughs and met with Chief Executives and borough leaders with Youth Zones in their boroughs. She had also spoken with young people about the type of Youth facilities they wanted in the borough. The common messages were that there were not enough Youth activities for young people in the borough and although there was a Youth facility at Bruce Grove, some young people did not feel safe there. The Leader had observed Youth Zones and seen that that they offered a wide range of activities. There were football clubs, Holiday clubs, as well as positive outcome orientated activities involving skills development and homework clubs. There was engagement with young people on the edge of exclusion and projects aimed at young women. The Leader had seen the Youth Zone's deal with a

spectrum of issues for young people and concluded that the young people in Haringey deserved a similar offer to other young people in the country.

- When the Leader spoke with young people about the location and provision of Youth services, her understanding was that the postcode gang issue was a significant issue for a smaller number of young people. Many schools, for example, drew young people from across the borough and therefore the fear of crime and gangs was not an issue for vast majority of young people.
- In relation to engagement with the Police, there had been a letter of support from the Police issued in early March 2017 before Cabinet agreed the decision on the partnership with OnSide. The Leader offered to locate this correspondence, if required.
- In terms of the legitimacy of the decision being taken forward, this builds on a previous decision taken by Cabinet and the next steps to agree the location and funding of the Youth Zone were legitimate.
- There was no documentation provided to the GLA yet. There would have likely been a brief conversation but there had yet to be a pre- application meeting of the Council to consider this application. However, an officer may have been assigned to this pre- application by the GLA, which may have created the impression that this planning application was more advanced than currently the case.
- The Leader challenged the view that there was a remarkable scale of opposition to the proposals as this was not demonstrated, nor had there been any correspondence from the two local MP's on this decision, as insinuated.
- In relation to the objection against the use of Metropolitan Open Land, which was understood and recognised, it was important to note that the site was currently underused and the proposal involved providing a service for the greater good of the community. Therefore, the use of the site for a Youth facility, providing a spectrum of services for young people, outweighed this objection.
- There were ideological reasons put forward for not working with OnSide and instead providing this service as a Council. Given the current climate of austerity, it was important for local Councils to work in partnership with providers to bring in skills and funding capacity. This was in order, to provide quality provision and good outcomes.
- In relation to the impact on existing local providers that funding becomes stretched. In many scenarios, there is nothing to stop new charities setting up in the borough. However, in this case, a partnership arrangement was assessed as providing quality provision and delivering outcomes for young people so, this outweighed the impact on funding accessibility for other charities.

- The Leader was satisfied with the content of the equalities impact assessment attached.
- The Leader expressed that young people travel across the borough to access both schools and services as part of their daily lives. Therefore, this site was accessible to young people in both the east and west part of the borough as previously set out.
- Noted that OnSide operates each Youth Zone board at locality level. It was OnSide's prerogative to set up a board in the Youth Zone and there was nothing untoward about this. Officers could check what the latest position was in respect of setting up a locality board and the position of the Chair elect.
- In relation to the waiver of the required tender process for this concessionary contract, this was agreed following service and procurement analysis, which found that there was no other credible supplier to provide a similar offer to OnSide within the London area. There had not been a need to formally advertise this contract offer as the value of the contract £3.75m was below the Regulatory threshold of £4.55m requiring advertisement.
- There was no decision made on the Bruce Grove provision. As set out previously, this was a pressure for the Early Help and Prevention budget as a whole to consider over the coming two years. The TUPE issue did not arise, as OnSide would not be taking over Council services.

## **RESOLVED**

1. To approve the proposed location of the Youth Zone at Woodside High School as set out in the indicative plan in Appendix A subject to the Woodside Academy Trust, who hold for site on leasehold, obtaining the necessary consent of the Secretary of State for Education for the sublease to OnSide.
2. To agree to the Council providing consent (as Landlord) to Woodside Academy Trust for a lease to OnSide for the site to run alongside the Head Lease already in place between the Council and the trust, subject to the final terms and documentation being agreed with OnSide.
3. To approve £3m of Capital funding from the Council's Capital Programme to be put forward towards the project subject to final terms and documentation to be agreed with OnSide.
4. To agree to the virement of £3m from the Responsiveness Fund to a new capital scheme in Priority 1, Haringey Youth Zone.
5. To approve the revenue funding contribution of £250,000 per annum for the first three years that the facility is operated by OnSide, the purposes of which will be agreed and are subject to final terms and documentation.

6. To amend the Paragraph 2 of the Cabinet decision of 14th March 2017 to give delegated authority to the Director of Children & Young People Services after consultation with the Strategic Director Regeneration, Planning and Development, the Section 151 Officer and Cabinet Member for Corporate Resources to approve the final details of the project and the terms in respect of the grant funding agreement, lease, facility mix, and connection to other site specific regeneration proposals and operational detail and any further related agreements.
7. To approve the waiver of Contract Standing Order (CSO) 9.01.1 (contracts with an estimated value of £500,000 or above must be let following publication of an appropriate (tender) advertisement) as allowed under CSO 10.01.2 d) (the value of the contract is below the applicable threshold pursuant to the Regulations)

### **Reasons for decision**

The proposed Youth Zone development will engage young people across the Borough in the creation of a unique facility that genuinely responds to their views and provides sustainable, 21st century Youth provision significantly beyond the scale that the Council alone can deliver, which will make a positive difference to the experience of being a young person in Haringey. The proposed Council capital contribution of £3m towards the Youth Zone development will lever in external funding of a further £3.5m capital and ongoing revenue investment of £950,000 per annum for the first three years of operation.

This project would also make a significant contribution to making the Borough's vision – to work with communities to make Haringey an even better place to live through encouraging investment and creating opportunities for all to share in - a reality. Additionally, it will contribute significantly to each of our five corporate objectives enabling our young people to achieve their aspirations and growing our community assets to further demonstrate our ambition, innovation and collaborative approach.

One of the fundamental principles and attractions of OnSide's operation is the establishment of a standalone, locally reflective, charitable trust within the host borough, which is responsible for the operational delivery and financial viability of the venture. Under the guidance and direction of a high profile chairperson and private sector, locally-led membership, these boards have the professional and financial connections to attract investment into the 'not for profit' operation and critically, the future of local young people. This model offers a sustainable, long-term funding model and a four-way partnership between the private sector, the authority, young people and the community – cementing future Youth provision at a time of diminishing authority resources.

OnSide can evidence clearly the significant social impact that Youth Zones have by addressing disengagement, reducing school exclusions and unhealthy lifestyles and shows a positive economic benefit for local and national government. On average,

Youth Zones generate £2.03 of social value for every £1 spent on running these facilities, or £6.66 for every £1 invested by the local authority. As Haringey has negotiated a lower revenue contribution than other authorities, this return on investment would be closer to £11 for every £1 of Local Authority money spent to achieve a similar level of outcomes.

The benefits of Youth Zone extend beyond the financial and affect positively on education and employment outcomes for young people and improving health and wellbeing. In 2015, 92% of young people who complete the Youth Zone “Get a Job” programme, which focuses on giving young people the tools, motivation and aspiration to succeed in the future, progressed into paid employment or further study. 79% of parents surveyed reported that their child’s involvement in Youth Zone had made family life more positive and 89% of young people reported feeling more self-confident because of their joining Youth Zones. Communities also benefit from the presence of Youth Zones, such as a reduction in anti-social behaviour since Youth Zones opened – in Manchester, this dropped 13% in year 1 and 51% in year 2 of opening and in Oldham, and police reported a 40% reduction in anti-social behaviour involving young people.

### **Options (as considered by Cabinet, 14th March 2017)**

The options in this instance were limited. The Council had not considered developing a major purpose built Youth facility in the borough before being approached by OnSide; therefore, considering the proposal as presented, the options were limited as indicated below.

Option 1 - Do nothing. Reject the proposal and do not offer Council support. The impact of this would result in OnSide withdrawing its £3m investment offer into the borough and looking towards an alternative host authority. The opportunity to create sustainable Youth provision in the borough would be lost. This option was not recommended.

Option 2 - Support the proposal. Once a site has been identified and agreed by all parties, this required the scheduled transfer of £3m capital grant from the Council to OnSide (50% of the capital build) as approved by Cabinet as part of the Capital Programme, in June 2016. A further £250,000 per annum revenue contribution (25% of annual revenue costs) would be required from the Council for the first three years of operation. OnSide have committed to deliver 50% of the capital cost and 75% of revenue costs for the first three years. This option was recommended and approved at Cabinet in March 2017

Since the approved Cabinet decision, OnSide have advised that their Capital contribution will now be £3.5m to reflect increased development costs, whilst Haringey’s contribution remains the same at £3m (46%). Additionally, the ongoing revenue from OnSide will be increased to £950,000 per annum for the first three years of operation, during which time the Haringey contribution remains £250,000 per annum (21%).

It should be noted that there were considered to be three key risks to the recommended option:

(i) OnSide declining any site offered and withdrawing their capital funding offer to develop the project. This was considered to be a medium risk and has since been mitigated, with OnSide having approved the site as appropriate for a Youth Zone development, the risk to the delivery of the Youth Zone now relates to the necessary planning consents being secured.

(ii) Revenue shortfall in from Year 4. This is considered to be a moderate risk; however, the Haringey Youth Zone Board would be charged with securing on-going revenue support exploiting its network of supporters and potential funders.

(iii) If the project failed at some point in the future and the local Trust dissolved, the lease would be nullified and the building would become a Council asset/liability. The success of OnSide's Youth Zones elsewhere in the country suggests this is a low risk.

#### **45. DISPOSAL OF THE PROPOSED SHELL AND CORE FACILITY AT THE WELBOURNE SITE IN TOTTENHAM HALE FOR USE AS A NEW HEALTH CENTRE**

The report sought approval to enter into an agreement for lease with Healthlink Investments Ltd for a unit at the prospective Welbourne development at Tottenham Hale in order to realise the Welbourne Health Centre.

The Leader noted that the agreement with Argent Related contained an obligation for them to deliver a health care facility to shell and core specification, of 1,500 square metres, with the Council taking a long lease back for this health care unit, subject to a further key decision on the financial and operational arrangements for the health centre.

The report now sought this key decision in order to secure the health centre. Because the financial and operational details of the Health Centre had now been resolved, it was proposed that the Council dispose of a long lease to HealthLink, the third party developer appointed by the GP practice. HealthLink would fit out the health centre once Argent Related had completed the building and have leased the unit back to the Council. The terms of the disposal to HealthLink would be as set out in the agreed Heads of Terms, as referred to in Annex C of this report.

The CCG required a commitment from the Council to support the preliminary approval in order to secure the funding of the proposed health centre. Full business approval would be needed after planning consent was granted for the development scheme to be put forward by Argent Related, which was estimated for later in 2018. It was proposed that the Council agree now to dispose of the property based on a long lease to HealthLink Investments Ltd, appointed by the CCG to fit out the health centre, as per the Heads of Terms as referred to in Annex C of this report.

In response to questions from Cllr Brabazon and Cllr Connor, the following was noted.

- Argent Related had the responsibility for providing a health centre, regardless of the type of regeneration scheme being taken forward.

- Noted that the disposal of the lease would be for a term of 125 years for the premium set out in and based on the agreed Heads of Terms attached in Annex C of this report. Therefore, the Council would be obtaining a premium receipt for the lease and HealthLink Investments Ltd would be funding the fit out of the new health centre.
- It was not yet known what the range of health facilities expected to be provided from the new health centre would be. Agreed that Cllr Connor is provided with an update on when this decision is due to be made by the CCG and Health and Wellbeing board.

Further to considering private information at item 8,

## **RESOLVED**

1. To approve the disposal to HealthLink Investments Limited of the new health facility unit (outlined in red in the plan in Appendix A2) to be built by TH Ferry Island Limited Partnership under the Development Agreement dated 21 March 2017 on the Welbourne Centre site in Tottenham Hale subject to the Lease back to the Council; and
2. That the disposal shall be a lease for a term of 125 years for the premium set out in and based on the agreed Heads of Terms attached in Annex C of this report; and
3. To give delegated authority to the Strategic Director Regeneration Planning and Development after consultation with the Assistant Director of Corporate Governance to agree the final terms of the lease.

## **Reasons for decision**

On 21 March 2017, the Council entered into a Strategic Development Partnership (SDP) agreement with TH Ferry Island Limited Partnership (an Argent Related entity). The agreement contains an obligation for the developer to deliver a health care facility to shell and core standard. In November 2016, Haringey CCG was awarded over £11m capital from the capital funding from the NHS Estate and Technology Transformation Fund (ETTF), made available through the Department of Health, in order to support the development of three primary care premises in the east of Haringey (Wood Green, Green Lanes and Tottenham Hale).

One of these three premises is the proposed new Welbourne Centre facility at Tottenham Hale. The CCG resolved to use this funding to engage a third party developer to fit out the new health centre, commissioned by a GP practice selected through a competitive procurement process, as detailed below.

## **Alternative options considered**

Do Nothing – The Council could decide not to dispose of the long lease at the Welbourne site to HealthLink, or any other prospective third party developer or other body nominated by the CCG. However, the decision to secure this shell and core facility has already been made under a previous Cabinet Report, and as such this arrangement has already been included in the Council’s Strategic Development Partnership (SDP) with Argent Related. The value of the unit has already been foregone and the SDP Development Agreement stipulates that the space will be used as a health centre, so its value under alternative options are limited. There are no other feasible options for operating a health centre from this facility without following the process recommended by the CCG and utilising the capital funding it is bidding for.

Delay decision – There are risks in agreeing the proposed heads of terms for the lease as the proposal does not have planning granted currently and the design has not been finalised. This will create uncertainty and could delay the project.

**46. URGENT BUSINESS**

None

**47. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**

That the press and public be excluded from the remainder of the meeting as the items contained exempt information, as defined under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

**48. DISPOSAL OF THE PROPOSED SHELL AND CORE FACILITY AT THE WELBOURNE SITE IN TOTTENHAM HALE FOR USE AS A NEW HEALTH CENTRE**

As per item 45.

**49. NEW EXEMPT INFORMATION**

None

CHAIR:

Signed by Chair .....

Date .....