

Report for: Leader signing 19th March 2018

Title: Confirmation of the site proposed for a Youth Zone and approval of capital and revenue funding towards the project

Report authorised by : Emma Williamson, Assistant Director Planning

Lead Officer: Gill Gibson, Assistant Director Early Help and Prevention,
Steve Carr, Interim Assistant Director Economic Regeneration and Growth

Ward(s) affected: Woodside / All

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

1. Describe the issue under consideration

- 1.1 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 preapplication discussions and a planning application alongside local engagement.
- 1.2 The report also 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.
- 1.3 This report seeks approval of the proposed site identified for the facility and the capital and revenue contributions to the project.

2. Cabinet Member Introduction

- 2.1 This is a unique opportunity for Haringey Council to deliver against our ambitions for the young people of the borough. By supporting this proposal to work in partnership with the OnSide Youth Zone charity, we have the opportunity to leverage external funding into Haringey which will massively increase the scale of the available youth service offer, expand its reach and scope, and make a lasting difference to young people now and for generations to come.
- 2.2 A site has now been identified at Woodside High School in White Hart Lane and the school has approached the Council in order to support the proposed Youth Zone through leasing part of its playing field which is currently under used.

2.3 I support this proposal which provides the opportunity to take forward the proposal agreed at Cabinet in March 2017 for a Youth Zone in partnership with OnSide.

3. Recommendations

3.1 The Leader is recommended to:

- a) 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.
- b) 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.
- c) 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.
- d) Agree to the virement of £3m from the Responsiveness Fund to a new capital scheme in Priority 1, Haringey Youth Zone.
- e) 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.
- f) 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.
- g) 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).

4. Reasons for decision

- 4.1 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.
- 4.2 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.
- 4.3 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 chair-person 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.
- 4.4 OnSide can evidence clearly the significant social impact that Youth Zones have by addressing disengagement, reducing school exclusions and unhealthy lifestyles and also 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.
- 4.5 The benefits of Youth Zone extend beyond the financial and impact 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 as a result 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 police reported a 40% reduction in anti-social behaviour involving young people.

5. Options (as considered by Cabinet, 14th March 2017)

- 5.1 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.
- 5.2 **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.

- 5.3 **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%).

- 5.4 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.

6. Background information

- 6.1 There has been a thorough search for a site to accommodate the Youth Zone over a long period of time. OnSide has considered other sites proposed by the Council including the Chestnuts Centre and land adjacent to the New River Sports Centre but has discounted them as not being suitable for a site which will deliver borough-wide youth provision. The Chestnuts site was discounted as it is a well used public and open and space, and the loss of this space would be impact negatively on the local community. The New River Sports Centre site was deemed unsuitable as this is Metropolitan Open Land (MOL) and there was no opportunity of allocating land in compensation.
- 6.2 OnSide has identified the playing field at Woodside High School as a suitable location for the Youth Zone. The playing field at Woodside High School is currently under-used by the academy and the two parties are in discussion for the potential provision of the Youth Zone facility on this site. The area to be leased is still yet to be agreed between Woodside High School and OnSide and the plan in Appendix A is indicative at this stage. This site is considered to be a suitable location for the facility and unlike Chestnuts Centre site, is under used. Unlike the River Sports Centre site, the land adjacent can be used to compensate for the loss of MOL.
- 6.3 The Woodside Academy Trust holds the site under an academy lease granted by the Council for a term of 125 years lease from 2011. Any subletting of part of the High School land will require the consent of the Secretary of State for Education. The Trust are discussing the opportunity to sub let the playing field to OnSide for a period which runs with the head lease. In order to do this they also require the Council's consent as Landlord.
- 6.4 The site is designated as Metropolitan Open Land (MOL) and would require a very special case in order for it to be built on. However the school are willing to designate the equivalent area of another playing area on the site (identified on the plan in Appendix B) to be designated as MOL on the basis that this will then allow the Youth Zone building to be built on the proposed site.

- 6.5 The proposed facility will require planning consent and this will include referral to the GLA. Planning Policy sets out that construction of new buildings on Metropolitan Open Land is inappropriate except in limited circumstances. However in this instance it is proposed to extend the Metropolitan Open Land to compensate for the loss of the land which will be built upon. In addition the type of usage and outdoor spaces proposed are consistent with the characteristics of a park and garden and would lead to increased use of the outside space for youth and sport activities which is a purpose of Metropolitan Open Land and would weigh in favour of the proposal. Subject to detailed consideration of the proposal, Planning Officers are of the view that the principle of this development in this location is acceptable. Because the proposal is located on Metropolitan Open Land and on playing field this application will be referable to the Mayor of London under his planning powers.
- 6.6 Sport England will also be consulted as part of this process. The Department for Education will also need to provide consent to the leasing of the land by the school to OnSide.
- 6.7 The Cabinet paper of 14th March 2017 also sets out the principle of the Council providing £3m to OnSide as a capital contribution to the proposal and also a revenue contribution of £250,000 per annum for the first three years of the operation of the facility once built. The terms on which this funding will be provided is still being discussed and will be the subject of a delegated report as per the delegated authority.

7. Contribution to strategic outcomes

- 7.1 The Youth Zone facility will provide a contribution to all the Council priorities especially Priority 1 - Enable every child and young person to have the best start in life, with high quality education. It will also support delivery of the priorities cited by the Youth Council which is a recognised mechanism for presenting the voice of young people in Haringey.

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

Finance

- 8.1 The report is recommending that the Council agree, as freeholder of the site of the Woodside High School, to the leasing of part of the site to OnSide, a charity, to establish the Haringey Youth Zone, subject to the final terms and documentation being agreed with Onside.

- 8.2 The exact details of the contractual relationship with OnSide and the associated construction contract have yet to be agreed and these matters are as recommended to be delegated to the Director of Children & Young People Services after consultation with the Strategic Director of Regeneration, Planning and Development, the Section 151 Officer and the Cabinet member for Corporate Resources.
- 8.3 The Council at its budget setting meeting of the 26th February 2018 agreed to the establishment of a Responsiveness Fund within the capital programme. The fund is there to allow timely responses to be made to in-year requests for funding and is primarily intended to support in-year match funding requests. The report is recommending that the Responsiveness Fund is used to provide the capital funding for the Youth Zone project, subject to the final terms and documentation being agreed with OnSide.
- 8.4 The report is also recommending approval of revenue funding of £250,000 per annum for the first three years that the facility is operated by OnSide, subject to final terms and documentation being agreed.
- 8.5 In the Cabinet report of the 14th March 2017, it was noted that there was a three year £250k per annum commitment to the scheme and that in order to meet this commitment that existing budgets in this service area would be used to leverage additional third-party contributions.
- 8.6 Currently the service budget is £596k (excluding corporate overheads) and the commitment to provide £250k per annum of funding from existing budgets would represent a significant proportion (42%) of the current service budget. Dependent upon what would have to be foregone to meet this commitment, there may well be other financial implications arising from the entering into of the contractual arrangements to create the Youth Zone.

Procurement

- 8.7 The contract the Council is proposing to enter into with OnSide, is a Concession Contract as allowed within the Council's Contract Standing Orders. One of the determining factors relating to whether a contract falls within the Concessions Contract Regulations 2016 is the profiling of the financial and operational risks and with whom these lie. In the proposed contract with OnSide, the financial and operational risk primarily lies with the Contractor (OnSide), with the Council providing a Concession through initial capital funding and a low percentage of operational financial support. Onside are required to match fund the Capital funding and provide more than double the ongoing operational funding. Strategic Procurement is satisfied the proposed contract with OnSide falls within the Concessions Contract Regulations 2016.
- 8.8 These Regulations require concession contracts valued at, or in excess of £4.55m, are advertised in the Official Journal of the European Union Journal.

The Council is intending to award a 3-year contract with OnSide that has a £3m capital concession and £250k p.a. revenue concession. This is a total of £3.75m and therefore falls under the threshold that requires the Council to advertise the opportunity.

- 8.9 Strategic Procurement is satisfied the use of a waiver in respect of CSO 9.01.01 (contracts with an estimated value of £500,000 or above must be let following publication of an appropriate (tender) advertisement) is justified in accordance with CSO 10.01.2 d) (the value of the contract is below the applicable threshold pursuant to the Regulations) for the following reasons:
- I. The value of the contract £3.75m is below the Regulatory threshold of £4.55m requiring advertisement
 - II. The nature of the market was limited. Whilst the Council could have opted to advertise the opportunity, the view from Officers and Strategic Procurement was that the probability of finding a credible alternate supplier who could match -fund the Capital investment and secure additional revenue funding of £750k p.a. was minimal. Given OnSide has a demonstrable track record of delivering these services, were willing to accept the operational and funding risk, had the required infrastructure and experience, were able to work within the desired timescales of the Council, undertaking a procurement exercise would have in all probability yielded little or no additional response from the market.
 - III. It is in the Council's overall interest for reasons previously stated in this report.

Legal

- 8.10 The Council is also making a grant and revenue funding contribution towards the scheme and any sums advanced must comply with value for money. Any grant will be the subject of a grant funding agreement or other similar agreement. Where the Council is providing funding this funding must comply with State Aid rules. Aid for sport and multifunctional recreational infrastructures must comply with the General Block Exemption Regulation. Further advice will be required when the full details of the funding have been agreed on any state aid obligations and on how best to protect the Council's position in this matter.
- 8.11 The Council can make grant payments under section 1 of the Localism Act 2011. Section 1 is a very broad based power which allows local authorities to do anything that an individual may do. There are some limits on the power set out in section 2 of that Act. If exercise of a pre-commencement power (i.e. power in existence before the general power became law) is subject to restrictions then these restrictions also apply to the exercise of the general power so far as it is overlapped by the pre-commencement power. This general power also does not enable the Council to do anything which the Council is unable to do by virtue of a pre-commencement limitation. It further does not allow the Council to do anything which the Council is unable to do by virtue of a post-commencement power.

Contractual Issues

- 8.12 It is proposed that OnSide will lead and be fully responsible for the procurement and subsequent management of the construction project (subject to planning approval) local companies will have the opportunity to tender for the construction related works. The detail of the operational arrangements will be developed pending planning approval as per recommendation (ii).

Equality

8.13 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.14 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.15 The proposal will enable the progression of a Youth Zone in Haringey, as set out in the March 2017 Cabinet Report. As evidence in the Equality Impact Assessment enclosed as an appendix to this report, the Youth Zone will expand the range and quantity of activities available to young people in the borough. It will offer activities that are targeted at and accessible to those with protected characteristics, including those with disabilities, minority ethnic and religious groups. The Equality Impact Assessment outlines an action plan to ensure that: young people from protected groups are fully involved in consultation and co-production activity on the Haringey Youth Zone; the membership of the Youth Zone reflects the proportion of young people with protected characteristics in Haringey; and local providers of youth services are meaningfully engaged to ensure the Youth Zone is part of an integrated, complementary, cross-borough offer for young people.

8.16 It is notable that BAME young people are overrepresented in the populations of the ward in which the site is located and its neighbouring wards, relative to the population of Haringey as a whole. The proposal will therefore enable the Council to meet its public sector duty to eliminate discrimination, and to advance equality of opportunity, as youth activities will be accessible to all and support the attainment of improved outcomes in relation to health and wellbeing, education, and safety.

9. Use of Appendices

Appendix A – Indicative site plan

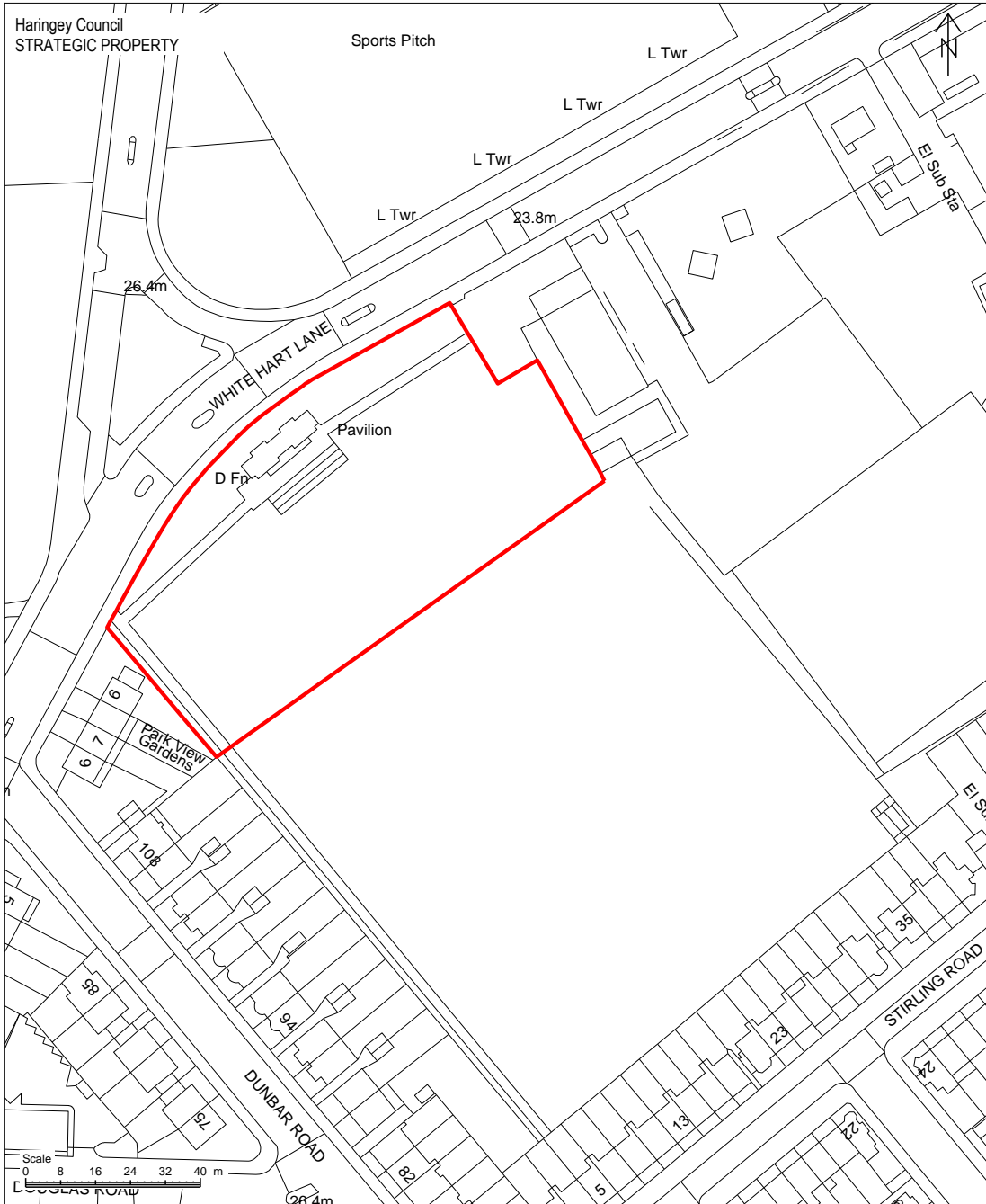
Appendix B – Site plan showing land for alternative MOL designated land

Appendix C – Equalities Impact Assessment

10. Local Government (Access to Information) Act 1985

A) Cabinet Paper March 14th 2017.

Appendix A – Indicative site plan



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Youthzone letting - Indicative area only
 Woodside High Playing Field West
 White Hart Lane
 LONDON
 N22

UPRN Commercial file ref :

Overlay : Educ - misc.

Plan produced by Janice Dabinett on 07/03/2018

Deed document no. : WGUDC 181

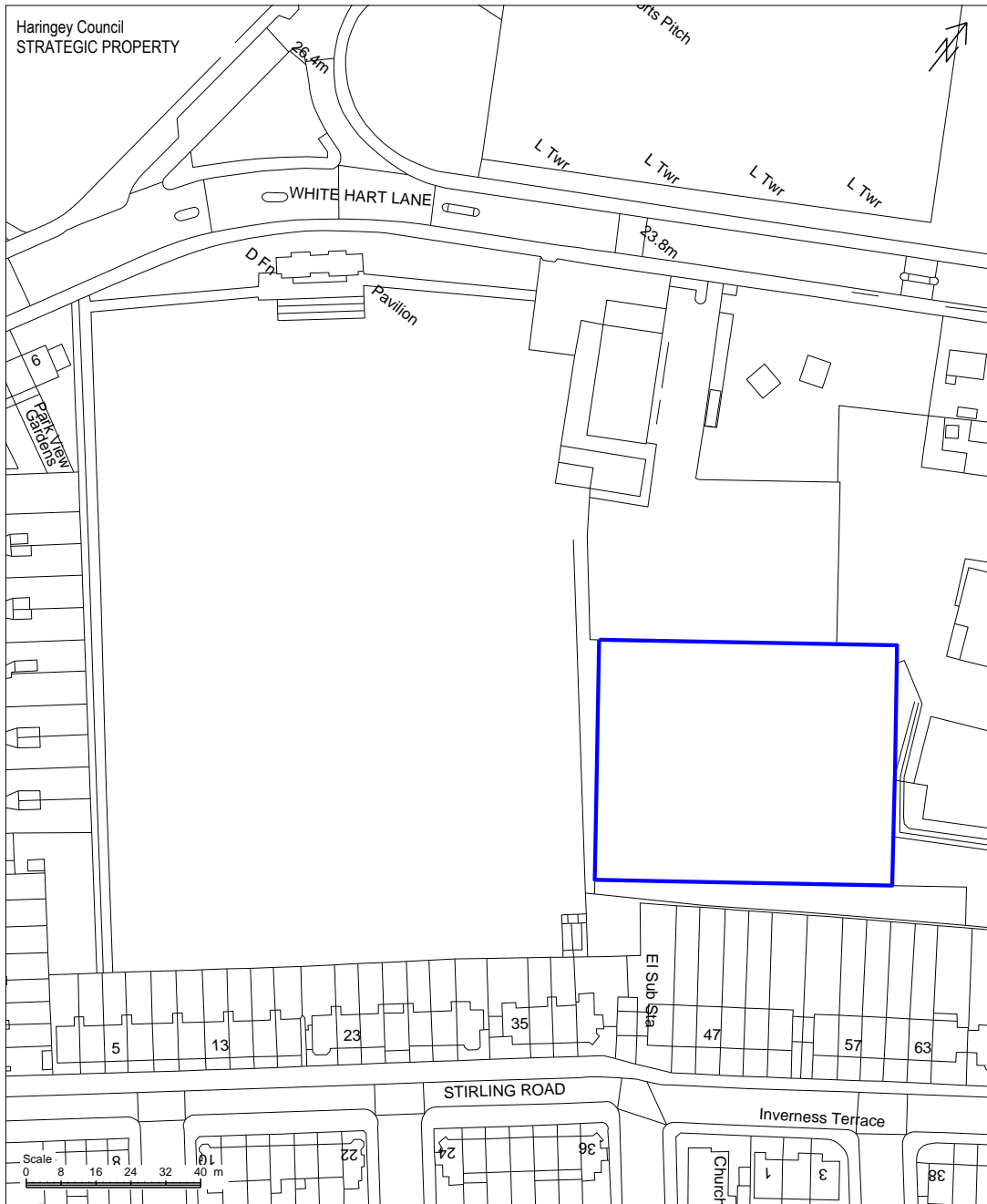
LR title no. : AGL199836

Site Area (hectares) :

Scale 1:1250

Drawing No. BVES A4 2901

Appendix B – Site plan showing land for alternative MOL designated land



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Land at Woodside High School
 White Hart Lane
 LONDON
 N17

CPM No.
 Overlay : Education - misc.
 Plan produced by Janice Dabinett on 19/12/2017

Deed document no. :
 LR title no. :
 Site Area (hectares) : 0.3766 ha
 Scale 1:1250
 Drawing No. BVES A4 misc.