

## ELY YOUTH ZONE: PRE-DECISION SCRUTINY

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*Appendices 1-6 of the Cabinet Report attached at Appendix A are not for publication as they contain exempt information of the description contained in paragraphs 14, 16 and 21 of Schedule 12A of the Local Government Act 1972. It is viewed that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

### Purpose of the Report

1. To provide Members with background information to assist pre-decision scrutiny of the draft report to Cabinet titled 'Ely Youth Zone, to be considered by Cabinet at their meeting on 10 March 2022.
2. Members should note that **Appendices 1-6** of the Cabinet report are exempt from publication. Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct and the Cardiff Undertaking for Councillors.

### Scope of Scrutiny

3. At their meeting on 10 March 2022, the Cabinet will consider a report seeking authority to prepare a Full Business Case for the Ely Youth Zone project and to assemble land for the delivery of the Ely Youth Zone project.
4. During this scrutiny, Members can explore:
  - a. The proposed Ely Youth Zone
  - b. The proposed partnership working with the *OnSide* Charity
  - c. The proposed land and property acquisitions
  - d. The financial, legal and property implications for the Council and any risks to the Council

- e. The next steps and timelines involved, and
- f. The recommendations to Cabinet.

### **Structure of the meeting**

- 5. The Chair will move that this item be considered in two parts: an open session, where Members will be able to ask questions on the issues and papers that are in the public domain; and a closed session, where members of the public will be excluded, where Members can ask questions that pertain to **Appendices 1- 6**.
- 6. Members will hear from Councillor Lynda Thorne (Cabinet Member – Housing and Communities), Neil Hanratty (Director of Economic Development), and Jon Day (Operational Manager – Investment and Tourism). Members will be able to ask questions of the panel of witnesses.
- 7. Members will then be able to decide what comments, observations, or recommendations they wish to pass on to the Cabinet for their consideration prior to making their decisions.

### **Background**

- 8. Capital Ambition, the administration’s five-year plan includes the following commitment:

*“As a Child Friendly City, [we will] deliver dedicated youth zones in the east and the west of the city.”*

- 9. In addition, the ‘*Greener, Fairer, Stronger: City Recovery and Renewal Strategy*’ includes a priority to create safe and accessible local centres for everyone, particularly children and older people.

- 10. At **point 14** the report to Cabinet states:

*‘A key priority for the administration is increased investment to support the development of integrated services for young people, targeting areas of greatest need. The establishment of the Youth Zone would represent a significant contribution to the Council’s commitment to improved integrated provision. It will*

*be critical for the Council's Youth Services team to be fully engaged in the development of the project at all stages including the Full Business Case*

11. **Points 3-6** of the report to Cabinet define a youth zone and state that an opportunity has arisen to work with *OnSide*, a national charity that has established 14 Youth Zones in England, with a further 7 being developed. Each Youth Zone is owned and managed by a new charity established by *OnSide* and the local authority, who are represented on the charity along with other local stakeholders.
12. **Points 6 and 9** of the report to Cabinet set out the support that *OnSide* provides in terms of working with local stakeholders, building design and development, involving young people, and fundraising and marketing, as well as operational support, training, development and progression opportunities, and national recognition.
13. **Points 10-11** of the report to Cabinet summarise the benefits identified by research and external evaluations of Youth Zones, as follows:
  - a. A return on investment of £6.66 for every £1 invested
  - b. Health and wellbeing improvements, and improved school attendance for young people
  - c. Reductions in crime and anti-social behaviour (ASB), with ASB in areas surrounding Youth Zones reducing by between 50-70%
  - d. Opportunity to enhance skills and employability for young people
  - e. Opportunity to offer volunteering and training opportunities for wider community.
14. **Points 15-16** of the report to Cabinet highlight that unemployment rates in and around the area of Ely exceed the city average by circa 50%, with disproportionately more young people in these areas claiming unemployment benefits, and that the area has also suffered historically from high levels of unemployment (especially for younger people), low levels of economic activity and low educational attainment.
15. The draft report to Cabinet titled '*Ely Youth Zone*', is attached at **Appendix A** and has **6** appendices:
  - **Confidential Appendix 1: Funding Strategy**

- **Confidential Appendix 2:** Land Strategy
- **Confidential Appendix 3:** Delivery Strategy
- **Confidential Appendix 4:** Cardiff Feasibility and Development Costs Summary
- **Confidential Appendix 5:** Grant Agreement *OnSide* Feasibility Study Template
- **Confidential Appendix 6:** Added Value in Youth Zone Delivery

### Issues identified in the Cabinet Report

16. **Points 7-8** of the report to Cabinet set out that it is proposed to fund the development 50% through a capital contribution (which will be the Council's responsibility to secure) and 50% through fund-raising (which will be *OnSide*'s responsibility to secure).

17. It is proposed to deliver the Council's capital contribution by applying to the Levelling Up Fund. One bid per MP constituency is allowed to this fund and the report to Cabinet in June 2021<sup>1</sup> contained the proposal to include a Youth Zone for Ely as the project for the Cardiff West constituency.

18. In addition, in years 1-3, *OnSide* advise that a contribution towards running costs will be needed, circa 1/3<sup>rd</sup> of running costs, whilst the new charity builds-up their local fundraising work. It will be the Council's responsibility to secure this revenue contribution and the report to Cabinet states that the Council will seek to utilise UK and Welsh Government grant schemes accordingly.

19. **Point 17** of the report to Cabinet states the Council is seeking to develop a masterplan for regenerating Ely, to address some of the persistent issues that impact local communities, including access of provision of support, facilities for young people, and the ability to access jobs and services.

20. **Points 23 – 28** of the report to Cabinet set out the following issues:

- a. Need to develop a Full Business Case to be able to prepare a compelling application for Levelling Up funding. It is proposed that the Council will fund

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<sup>1</sup> Levelling Up Fund and Community Renewal Fund Applications – available at [Agenda for Cabinet on Thursday, 17th June, 2021, 2.00 pm : City of Cardiff Council \(moderngov.co.uk\)](#)

the costs of this via a grant to *OnSide*. Work will include scheme development through to RIBA Stage 3 including the preparation and submission of a planning application

- b. In the event the Council is unsuccessful in its bids for Shared Prosperity Funding or other Welsh Government funding, a provisional allocation has been made in the Medium Term Financial Plan to meet these costs.
- c. The Council has begun the acquisition of plots on the preferred site, which occupies a strategic gateway location. Should the Youth Zone project ultimately not progress, the site has potential for a range of alternative uses, including residential development
- d. It is planned to bring the masterplan for the regeneration of Ely to the local community for discussion later in 2022
- e. *OnSide* will manage the development of the business case and design process and, if the Levelling Up Fund bid is successful, the delivery of the construction project.
- f. The appointment of the contractor will require a full and transparent public sector procurement which encourages local contractors and modern methods of construction
- g. *OnSide* will manage the establishment of a new local charity to own and operate the new facility and work with the charity to establish a sustainable financial footing.

**21. Points 29 – 34** set out the Next Steps, namely:

- a. The Full Business Case will set out detailed costs and confirm the means of meeting these costs. It will include an assessment of the overall sustainability of the project, certainty over revenue projections, additional detail on operating costs, identification of ongoing risks, an assessment of delivery mechanisms, and any tax implications
- b. There will be due diligence of the Full Business Case and any legal agreements
- c. Commissioning of the Full Business Case will include a requirement to align with the Levelling Up Fund process
- d. The Full Business Case will be brought to Cabinet for approval.

22. **Point 35** highlights the need to work with Youth Services, to ensure a seamless link to the overall programme of youth services in the west of the city. Following initial discussions, *OnSide* will invite Youth Services to play an active role in the development of the Full Business Case and to be engaged in the long-term operation of the facility.

23. **Financial Implications** are set out in **Points 37-39** and include:

- a. The Council's capital programme, approved March 2021, includes £0.8million to be used towards initial land acquisition and £0.2million towards design and professional fees; there is no further allocation in the capital programme
- b. £0.2million is available from Earmarked Revenue Reserves towards the development of the business case – this, along with the capital programme £0.2million, provides the £0.4million initial grant proposed to support the business case, design, and development.
- c. Initial development costs may be the subject of grant bids, with options to repay business case development costs being considered
- d. In the event the project does not proceed, costs may be abortive
- e. A robust business case and due diligence will help support grant applications for external funding and determine detailed financial implications including taxation and ongoing operating costs.
- f. Further land acquisitions will be subject to attracting external funding
- g. The Medium-Term Financial Plan 2023/24-2026/27 includes an initial allowance towards operating costs that may be required as part of any grant agreement in the initial years.

24. The **Legal Implications** are at **Points 40-50** and include:

- a. Further officer reports will be required setting out the terms and valuations re property matters, upon which detailed legal and financial advice can be provided.
- b. In the event agreements cannot be reached, compulsory powers may need to be considered, which will require further detailed consideration and decisions before proceeding.

- c. Consideration should be given to alternative uses for the land should the project not proceed beyond final business case.
- d. Further advice and decisions will be required re award of grant funding and construction and letting of land
- e. Decisions about the recommendations need to be made in the context of the Council's public sector equality duties and duties arising from the Equality Act 2010, including the Socio-Economic Duty, the Well-Being of Future Generations (Wales) Act 2015, the Welsh Language (Wales) Measure 2011 and Welsh Language Standards.

25. The Property Implications, at **Points 51-52**, state:

- a. Strategic Estates have secured a parcel of land and have opened discussions with the remaining landowners as outlined in the Land Strategy schedule at Appendix 2. Advanced progress has been made with one party being the main site to date and initial discussions have taken place with the remainder.
- b. The Council would wish to acquire by agreement but should the need arise, the Council may need to consider enacting its Compulsory Purchase Powers to complete the site acquisition to provide the land mass required by the operator. The Council would prefer to avert this action and work with landowners on the regeneration of this prominent corner situated on Cowbridge Road West.

### **Proposed Recommendations to Cabinet**

26. The report to Cabinet contains the following recommendations:

- 1) *Delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development, the Section 151 Officer and the Legal Officer to acquire the land illustrated in Confidential Appendix 2 in line with the funding strategy set out in Confidential Appendix 1.*
- 2) *Authorise the development of the Full Business Case including the submission of a planning application in-line with the financial strategy set out in Confidential Appendix*

*1 and the delivery strategy set out in Confidential Appendix 3 and to return to Cabinet for final approval.*

- 3) *Delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Investment and Development, the Section 151 Officer and the Legal Officer to prepare and submit a Levelling Up Fund bid for the Ely Youth Zone.*

### **Previous Scrutiny**

27. On 15 June 2021, following scrutiny of the report to Cabinet on Levelling Up and Community Renewal Fund applications, the Chair sent a Confidential Letter to Councillor Huw Thomas, Leader, setting out the committee's comments and observations. This letter has been re-circulated to Committee Members in advance of this meeting.

### **Way Forward**

28. Councillor Lynda Thorne (Cabinet Member – Housing and Communities) will be invited to make a statement. Neil Hanratty (Director of Economic Development) and Jon Day (Operational Manager – Investment and Tourism) will attend and all witnesses will be available to answer Members' questions on the proposals.

29. All Members are reminded of the need to maintain confidentiality with regard to the information provided in **Appendices 1-6**. Members will be invited to agree the meeting go into closed session to enable discussion of this information.

### **Legal Implications**

30. The Scrutiny Committee is empowered to enquire, consider, review, and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person

exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### **Financial Implications**

31. The Scrutiny Committee is empowered to enquire, consider, review, and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

### **RECOMMENDATION**

The Committee is recommended to:

- i) Consider the information in this report, its appendices and the information presented at the meeting
- ii) Determine whether they would like to make any comments, observations, or recommendations to the Cabinet on this matter in time for its meeting on 10 March 2022, and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**4 March 2022**