

CARDIFF COUNCIL CYNGOR CAERDYDD

CABINET MEETING: CABINET DATE

ELY YOUTH ZONE

HOUSING AND COMMUNITIES (COUNCILLOR LYNDA THORNE)

AGENDA ITEM:

PORTFOLIO: HOUSING AND COMMUNITIES

Appendices 1-6 of this report are not for publication as they contain exempt information of the description contained in paragraphs 14 and 16 of part 4 and paragraph 21 of part 5 of Schedule 12A of the Local Government Act 1972.

Reason for this Report

1. To provide an update on the Ely Youth Zone project and to seek authority to prepare a Full Business Case.
2. To seek authority to assemble land for the delivery of the Ely Youth Zone project.

Background

3. An opportunity has arisen for the Council to work with a national charity, *OnSide*, to deliver Wales' first Youth Zone project.
4. A Youth Zone is a state-of-the-art facility for young people providing access to a range of sport, arts, culture, education and leisure activities aimed at helping young people become happier, healthier and more aspirational young adults. The facilities are open to young people between the ages of 8 and 19 (or up to age 25 for young people with a disability), 7 days a week, 52 weeks a year. They are staffed by skilled and dedicated youth workers to support the personal development of young people. Whilst Youth Zones are independent organisations run by a charity, they work closely with the Council's Youth Services providing an additional level of support for young people.
5. There are currently 14 Youth Zones in England established by *OnSide* with a further 7 under development or progressing towards development. Their current network of Youth Zones engage with over 50,000 young people in some of the UK's most disadvantaged communities.

6. Each Youth Zone is owned and managed by a new charity established by *OnSide* and the local authority (the project partners). *OnSide* and the local authority are represented on the charity along with a range of local stakeholders. The new charity will become a member of the *OnSide* network of Youth Zones benefitting from operational support, fund-raising support, training, development and progression opportunities, and national recognition.
7. Confidential Appendix 1 sets out the funding strategy for the project, covering the pre-development stage (feasibility and business case); the development/construction stage; and the operational stage. In summary, the development is proposed to be funded 50% through a local capital contribution (which will be the Council's responsibility to secure) and 50% through fund-raising (which will be *OnSide*'s responsibility to secure). The local capital contribution is normally either provided directly from local authority capital resources or through grants secured by the local authority from third parties, such as UK Government. For example, *OnSide*'s latest project in Preston has been supported by the UK Government's Towns & Cities scheme, approved in January 2022. It is the Council's intention to submit an application to the Levelling Up Fund to deliver the local capital contribution for a Youth Zone project in Ely.
8. The cost of operation of the facility once delivered will become the responsibility of the newly created local charity. In the early years of the project (years 1 -3), a local revenue contribution to the running costs will be required of circa 1/3rd of the total running costs. This is to provide the new local charity with time to build-up their local fund-raising work. The Council will be responsible for securing this local revenue contribution and will seek to utilise grant schemes available through UK Government and Welsh Government to meet this commitment.
9. *OnSide*'s approach to supporting Youth Zones includes:

Working with local stakeholders

Local partnerships are an integral part of any new Youth Zone. We bring together our knowledge of building successful Youth Zones, with insights and input from the community that know and understand local needs best, to create something truly amazing for young people.

Building design and development

From the initial building design (which we constantly evolve using experience gained from the existing Network of Youth Zones), to the construction and internal specifications, we have developed the expertise to ensure every Youth Zone is delivered on time and on budget.

Involving young people

We involve young people throughout the process of developing every Youth Zone, after all it is their space. We work with them to develop and decide on the Youth Zone's name and branding, its interior design, and to recruit the key staff who will run it.

Fundraising and Marketing

We work with the Youth Zone's Board to raise funds for the cost of building a new Youth Zone, and the first three year's running costs ahead of opening. We also support on internal and external communications, helping the local community understand how they can make the most of their soon-to-be Youth Zone.

10. An external evaluation commissioned by *OnSide* in 2015 indicated that every £1 invested in Youth Zones by local authorities achieved a social return on investment of £6.66. The evaluation identified benefits for young people including health and wellbeing improvements, improved school attendance and reductions in crime and anti-social behaviour.
11. More recent research has identified the reduction rate of ASB in areas surrounding Youth Zones as being between 50-70%. The centres also provide opportunities to enhance the skills of local young people to support them in becoming more work-ready through employability programmes and to offer volunteering and training opportunities for the wider community too.
12. Capital Ambition, the administration's five-year plan for the city includes a specific commitment that outlined "As a Child Friendly City, [we will] deliver dedicated youth zones in the east and the west of the city." This was also outlined as a key element of the city's investment and development agenda, reflecting the regeneration potential of the development.
13. In addition, the City Recovery Strategy, Greener, Fairer, Stronger, outlines an ambition to take a more pro-active role to curate a city of networked centres that delivers for the economy, communities. This includes making it a priority to create safe and accessible local centres for everyone, particularly children and older people.
14. 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.
15. As part of the Southern Arc, Ely is an area of the city that has been identified as a focal point to address economic disparities. Unemployment rates in and around the area exceed the city average by circa 50%, with disproportionately more young people in these areas claiming unemployment benefits.

Claimant Rate December 2021

| Area | Claimants as a proportion of residents aged 16-64 |
|------|---|
|------|---|

| | |
|---------|-----|
| Cardiff | 4.4 |
| Caerau | 6.3 |
| Ely | 7.6 |

Source: Nomis

16. The area has also suffered historically from high levels of unemployment (especially for younger people), low levels of economic activity and low educational attainment. The Council therefore recognises the need to invest in provision in and around the Ely area to support better economic outcomes, especially for young people.
17. In response to this the Council is seeking to develop a masterplan for regeneration for Ely, that will address from a place-based perspective some of the persistent issues that have impacted on local communities. This includes issues relating to access of provision of support, facilities for young people, and the ability to access jobs and services.
18. The need to modernise facilities, especially in terms of provision for young people, has also been recognised as an area that needs prioritisation and investment.
19. In March 2021, the UK Government announced details of new UK-wide investment programmes in parallel with the Budget, including the £4.8bn Levelling Up Fund.
20. Local authorities were chosen to lead bids to the Levelling Up Fund. A report was tabled to Cabinet on 17th June 2021 where the Council's initial approach to the Levelling Up Fund was presented, which included prioritised projects for each of the city's constituencies for which one bid per funding round is allowed. As part of the approach, it was agreed to include a Youth Zone for Ely as the project for the Cardiff West constituency.
21. It is intended that the Levelling-Up proposal would act as initial match funding for the capital aspects of the scheme, with further support provided by the On Side charity itself.
22. Whilst the Council has yet to respond to the Shared Prosperity Fund, it is also clear that funding may also be made available to support activities such as Youth Zones emerging from UK Government funding schemes.

Issues

23. In order to prepare a compelling application to the Levelling Up Fund and other potential funding sources, a Full Business Case needs to be developed. At this stage in the process, it is the Council's capital contribution that is not as yet confirmed and therefore it is proposed that the costs associated with progressing the Full Business Case, as set out in Confidential Appendix 1 and detailed in Confidential Appendix 4, will be funded through a grant from the Council to *OnSide* using funds allocated in the Council's budget. These costs will form part of the overall capital

cost that will be shared with *OnSide* if the project subsequently progresses. During this phase, *OnSide* will provide a development management role co-ordinating a range of professionals and consultants to develop the scheme through to RIBA Stage 3 including the preparation and submission of a planning application. Confidential Appendix 6 provides an overview of the added value *OnSide* brings to this phase of the project.

24. It is the Council intention to submit an application to the Shared Prosperity Fund and/or other potential Welsh Government funding sources to secure the required local revenue contribution for the early years of operation. In the event that the Council is unsuccessful with these bids, a provisional allocation has been made in the Medium Term Financial Plan to meet these costs.
25. A preferred site has been identified by the Council and *OnSide*, illustrated in the site plan attached at Confidential Appendix 2. The site is made up of a number of smaller plots which need to be acquired by the Council to create a consolidated site of an appropriate size to deliver the Youth Zone project. Confidential Appendix 2 sets out the Council's land assembly strategy. The Council has already begun the acquisition of plots on the site in advance of the approval of the Full Business Case to avoid the opportunity being lost to piecemeal development of the site.
26. The site is considered an ideal location for a Youth Zone for a number of reasons, namely:
 - It offers a location that is easily accessible by public transport and active travel.
 - It offers a neutral territory for different communities that feels safe and accessible for young people across the west of the city.
 - It provides an opportunity to deliver further regeneration benefits and improvements to the local area.
27. The Council has recently begun to prepare for the development of a new masterplan for the regeneration of Ely. The plan will be brought forward for discussion with the local community later in 2022. In the context of a new masterplan, the preferred site occupies a strategic gateway location which would benefit significantly from the delivery of a Youth Zone facility. However, should the Youth Zone project ultimately not progress, the land assembly undertaken in advance of the Full Business Case being approved would not be abortive as the site has significant potential for a range of alternative uses including residential-led development.
28. As noted above, *OnSide* has delivered 14 Youth Zone projects across English local authority areas and has another 7 either under development or progressing towards development. Confidential Appendix 3 sets out the delivery strategy for the project which is predicated on a direct relationship between the Council and *OnSide*. The strategy proposed is essentially the same approach that has been adopted for the delivery of most of the Youth Zones delivered in England. In summary, the process is based on:

- Appointing *OnSide* to manage the development of the business case and design process that will inform and form the basis of funding applications including a Levelling Up Fund (LUF) bid.
- Should the LUF bid be successful, *OnSide* will then manage the delivery of the construction project. The appointment of the contractor will require a full and transparent public sector procurement which encourages local contractors and modern methods of construction to support the Council's One Planet Cardiff de-carbonisation agenda and deliver social value benefits.
- *OnSide* would 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.

Next Steps

29. This report sets out the process for the delivery of a Youth Zone in Ely. The project is currently at the feasibility stage and subject to the approval of a Full Business Case (FBC) by Cabinet setting out detailed costs and confirmed means of meeting those costs. The work to develop the Full Business Case involves the development of the design scheme to RIBA Stage 3 to enable a planning application and to support a bid to the Levelling Up Fund. It is proposed that the Council provides *OnSide* with a grant to develop the Full Business Case from the funding sources set out in Confidential Appendix 1.
30. The Full Business Case will include:
 - Detailed costs for delivery of the development including progressing the design scheme to RIBA Stage 3;
 - Submission of a planning application to confirm deliverability and any related cost implications;
 - Confirmation of the funding approach;
 - Assessment of the overall sustainability of the project;
 - Certainty over operational revenue projections;
 - Ongoing risks associated with the project;
 - An assessment of delivery mechanisms, and the skills and capacity to deliver the project; and
 - Any taxation implications.
31. All of the above issues, and any legal agreements to be entered into will need to be the subject of due diligence as part of the development (and any subsequent approval) of the Full Business Case.
32. The Full Business Case will also provide additional detail on the operating cost of the Youth Zone as set out in Confidential Appendix 1. It is intended that this will be met by a mixture of fundraising (including from *OnSide's* founder patron scheme), membership fees, and other local contributions. Whilst the full detail for the operating costs will be

determined by the business case, an allocation has been included within Council's Medium Term Financial Plan in anticipation of the project progressing, based upon the level of funding provided by local authorities in the Youth Zones currently operating across the UK.

33. Completion of the Full Business Case and a planning outcome are essential to the preparation of a credible Levelling Up Fund bid, as a key criteria for the scheme is deliverability certainty. Whilst the details of Round 2 of the Levelling Up Fund are yet to be published, the commissioning of the FBC will include a requirement to align with the Levelling Up Fund process.
34. The decision to progress the project will ultimately be dependent on a successful business case appraisal and is subject to future Cabinet approval.

Integration with Youth Services

35. To date, the project has been led from a regeneration/development perspective within the Council. *OnSide* has had initial discussions with the Youth Service, mainly to understand the local environment to help identify the best location to deliver the project. The Council's Youth Service will be invited by *OnSide* 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. The intention is to provide additionality to existing provision and to ensure there is a seamless link to the overall programme of youth services in the west of the city.

Reason for Recommendations

36. To progress the Ely Youth Zone project.

Financial Implications

37. The business case proposed will need to set out the Council's contributions to the project, and also ensure the sustainability, governance approach and deliverability of proposals. Capital contributions are likely to involve the long term lease of land, contributions to construction development costs, with a revenue contribution towards initial operating costs. The Council's capital programme approved in March 2021, included £1 million, with £0.8 million to be used towards initial land acquisition, and subject to approval of a grant award outlined in the report, £0.2 million towards design and professional fees. A further £0.2 million is available from Earmarked Revenue Reserves towards the development of the business case, the total amount of £0.4 million being the initial grant proposed to be provided to support the business case, design and development of a Youth Zone. Initial development costs may be the subject of grant bids, with options to repay business case development costs being considered as part of the project. In the event that a project does not proceed, costs may be abortive. No further capital allocation from the Council is included in the capital programme.

38. The report includes a funding, delivery and land strategy, all of which will need to be developed in detail with partners as part of a robust business case to be considered by Cabinet. This due diligence will also support grant applications for external funding and determine detailed financial implications including taxation and ongoing operating costs. The report sets out the intention to seek significant external grant, in line with the Council's Capital strategy of working with partners. Further land acquisitions will be subject to success in attracting external funding.
39. The Council's Medium Term Financial Plan 2023/24 to 2026/27 includes an initial allowance towards operating costs that may be required as part of any grant agreement in the initial years of the facility and service.

Legal Implications
(including Equality Impact Assessment where appropriate)

40. This report identifies the need to assemble a site for the proposed Ely Youth Zone project and to prepare a full business case, approval of which is intended to be brought back to Cabinet.
41. In relation to property matters, it is noted negotiation have commenced with existing land owners and once agreed further officer reports and will be required prepared setting out the terms and valuations upon which detailed legal and financial advice can be provided. It is also noted that compulsory powers may need to be considered in the event agreements cannot be reached, which will also require further detailed consideration and decisions before proceeding. Consideration should be given to alternative uses for the land should the project not proceed beyond final business case.
42. Further advice and decisions will be required with regard to award of any grant funding for the scheme to be made by the Council, and construction and letting of the land as the project progress and more detail is available.

Equalities & Welsh Language

43. In considering this matter the decision maker must have regard to the Council's duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are: (a) Age, (b) Gender reassignment, (c) Sex, (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation, (i) Religion or belief –including lack of belief.
44. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh

Ministers ([WG42004 A More Equal Wales The Socio-economic Duty Equality Act 2010 \(gov.wales\)](#)) and must be able to demonstrate how it has discharged its duty.

45. An Equalities Impact Assessment aims to identify the equalities implications of the proposed decision, including inequalities arising from socio-economic disadvantage, and due regard should be given to the outcomes of a Equalities Impact Assessment.
46. The decision maker should be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.

The Well-being of Future Generations (Wales) Act 2015

47. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The wellbeing objectives are set out in Cardiff's Corporate Plan 2020 -23.
48. When exercising its functions, the Council is required to take all reasonable steps to meet its wellbeing objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the wellbeing objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.
49. The wellbeing duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
 - Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them
50. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible on line using the link below:
<http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

Property Implications

51. 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.
52. 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 in order to provide the land mass required by the operator. The Council would prefer to avert this action and work with land owners on the regeneration of this prominent corner situated on Cowbridge Road West.

RECOMMENDATIONS

Cabinet is recommended to:

- 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.

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|---|----------------------------------|
| Director of Economic Development | Neil Hanratty |
| | Date submitted to Cabinet office |

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