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**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 13 December 2017

**Subject:** New Manchester Youth Zone

**Report of:** Director of Education and the Strategic Director (Development)

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**Summary**

This report seeks approval to a package of measures to support the delivery of a project to provide a new Youth Zone in East Manchester. The initiative will be delivered by OnSide Youth Zones, a charity established as a delivery agency to develop youth zones across the UK. The new Youth Zone will be constructed in Gorton, on a site owned by the City Council at the junction of Hyde Road and Queensland Road.

To support the delivery of this scheme the City Council will provide a capital contribution to the cost of the new facility and make a commitment to revenue support. The Council's land will also be contributed to the scheme at no consideration. The disposal of the Council's land will be by way of a 125 year lease of the site to East Manchester Youth Zone (a new charity to be established by OnSide for the purpose of owning and operating the facility)

**Recommendations**

The Executive is asked to:

1. Support the proposal to develop a new Youth Zone facility in Gorton to be delivered by OnSide Youth Zones.
2. Recommend that the City Council approve a capital contribution of £1.2m towards the project build plus an additional £300k land allowance and a revenue contribution of £200k per year from 2020-2023. Further details are provided under the 'Financial Consequences' section of this report.
3. Authorise the City Solicitor to advertise the City Council's intention to dispose of the site for the purposes of the project in accordance with s123(2A) of the Local Government Act 1972.
4. Authorise the Deputy Chief Executive, in consultation with the Deputy Leader, Councillor Bernard Priest, whose portfolio includes responsibility for Corporate Property, to consider any objections and representations in relation to the proposed disposal and determine whether to dispose of the land.
5. Subject to the Deputy Chief Executive, in consultation with the Deputy Leader, being satisfied that the disposal should proceed, to approve the disposal of the site to East Manchester Youth Zone.

6. Approve the provision of Capital and Revenue support for the project.
7. Authorise the Strategic Director (Development), the City Treasurer and City Solicitor to negotiate and agree final terms of the transaction.
8. Authorise the City Solicitor to enter into the lease, funding agreements and all ancillary documentation required to give effect to the proposal pending Capital Approval Processes.

**Wards Affected**

Gorton North

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The new Youth Zone will help support the continued regeneration of this area whilst creating a wide range of new employment and volunteering opportunities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	A range of services and activities will be made available by the Youth Zone that will aim to enhance local children and young people's personal and social development allowing them to transition successfully into adulthood. A range of employment initiatives linked to private sector sponsors will be offered.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The new Youth Zone will create a high quality new environment and facilities that are accessible to the local community. It will complement and enhance the offer of Gorton Park working with local groups and other third sector groups.
A liveable and low carbon city: a destination of choice to live, visit, work	The new Youth Zone will be a world class facility, improving the local environment and improving connectivity to local amenities and services for children, young people and the wider community.
A connected city: world class infrastructure and connectivity to drive growth	The development of the new Youth Zone will contribute to the vibrancy and attractiveness of the area and create a seamless connection for young people across Central and East Manchester neighbourhoods and the services the City has to offer. Links will also be established with Youth Zones across the UK.

**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

The City Council will be required to provide revenue support of £200k per annum for 3 years initially (2020-2023). This will be met by utilising the future Youth Strategy cash limited budget

### **Financial Consequences – Capital**

The proposed terms represent a disposal as less than best price.

The proposed Capital investment from the Council to support the build of the new £6m facility is £1.2m. In addition to providing the Council land at a nil consideration, the site is a brownfield site and an allowance of up to £300,000 is required to remediate the site.

A budget increase for this project is included within the Capital Increases report elsewhere on the agenda.

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### **Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

## **1.0 Introduction**

- 1.1 This report seeks approval to a package of measures to support the delivery of a project to provide a new Youth Zone in Gorton at a City Council-owned site on the junction of Hyde Road and Queens Road, backing onto Gorton Park.
- 1.2 The support will include the disposal of the City Council land for the development of the facility for nil value to the East Manchester Youth Zone charity that will lead the development of the capital works. The Council will also contribute £1.2m Capital funding to support the development of the new facility. The remaining £4.8m will be provided by a private benefactor. The Council will also commit to £200,000 of revenue support per annum for 3 years from 2020/21 to 2022/23.

## **2.0 OnSide Youth Zones: Background**

- 2.2 OnSide is a registered charity, established in 2008 with a mission is to build world class Youth Zones, modelled on the success of the nationally recognised Bolton Lads & Girls Club. The organisation has one simple aim:  
“to build a network of 21st Century Youth Clubs, giving young people, safe and inspiring places to go in their leisure time”
- 2.3 OnSide Youth Zones are designed to give young people aged 8–19 years old (25 for those with a disability) somewhere to go, something to do and someone to talk to in their leisure time; occupying their bodies and minds with fun activities, learning new skills and socialising in a safe, positive way. Youth Zones are there for young people in deprived areas, where the alternative for many is spending their evenings on the streets or isolated in their bedrooms, surfing the internet.
- 2.4 OnSide currently has a network of eight Youth Zones including The Factory Youth Zone in North Manchester. There are a number of projects in progress across England at various stages of development with over 30,000 young people now engaged in positive, healthy activities through the OnSide Youth Zone network.

### **The Factory Youth Zone**

- 2.5 The Factory Youth Zone (Manchester), which is located in Harpurhey, opened to young people from across the city in February 2012. The City Council currently provides a revenue contribution of £300,000 per annum to the Factory Youth Zone and this supports them to leverage in a further £700k mainly from private sector investment to cover the £1m per year running costs.
- 2.6 Amion Consulting, who were commissioned by OnSide, recently published an impact report outlining some of the positive effects that Youth Zones, including the Factory Youth Zone in Harpurhey, have brought about since opening.

Their assessment of the outcomes to be secured by a Youth Zone approach delivered by OnSide were as follows:

- At least 3,000 young people are expected to join as Youth Zone members in the first year of operation;
- They expect approximately 300 of these members to be young people with disabilities;
- The Youth Zone will attract between 150-200 visits every night;
- More than half of all members say that they are less likely to skip school thanks to the impact that the Youth Zone has had on them;
- 80% of Youth Zone members report better marks in class, with 73% achieving better grades in exams, or coursework;
- Over 80% of young people achieve positive outcomes through the Youth Zone's employability programme;
- 70% of members exercise more regularly since the Youth Zone opened;
- 89% of young people reported that the Youth Zone has had a positive influence on their self-confidence

2.7 Other stakeholders also benefit from the creation of a Youth Zone. Examples from existing projects include:

- Reduced crime and anti-social behaviour relating to young people (including youth offending and arson) as a result of the high levels of young people engaged in positive activities;
- 75% of local business owners reported a reduction in fear of youth-related crime or anti-social behaviour as a result of the Youth Zone;
- Positive impacts on other council-delivered services such as public health and troubled families.

### **3.0 OnSide Youth Zones: A Second Youth Zone for Manchester**

3.1 In early 2017 the City Council were approached by OnSide Youth Zones to explore the potential for a second Youth Zone to be established in the city. This proposal to develop a second Youth Zone presented a unique opportunity as a private benefactor had indicated a willingness to specifically provide an exemplar facility for young people who live in the most disadvantaged parts of the city and make a donation of £6m. With youth facilities in the north, central and Wythenshawe areas of Manchester, it was proposed that work be undertaken to examine if a Youth Zone could be established in the east of the city. The criteria that would need to be satisfied in determining a suitable location were that the site should be highly accessible, offering the best possible opportunity to have a sizeable catchment of young people. The location of any facility should also afford young people a place that would be regarded as being neutral, safe and secure.

3.2 In the east of the city a number of sites in City Council ownership were reviewed. The site that offered the best potential for meeting the criteria set out in the previous paragraph was the Council land at the junction of Hyde Road and Queensland Road. OnSite have proposed that a new facility will be

constructed on this site. Initial feasibility work undertaken by OnSide has indicated the cost of this new facility will be in the order of £6.031m. This includes both professional fees and fees to OnSide of circa £850,000 in total.

- 3.3 Subject to the financing and running costs of the building being agreed, and subject to a successful planning permission being granted, construction would be anticipated to begin towards the end of 2018. OnSide would take responsibility for managing the project, including selecting and awarding the contract for design and build.

### **Land Transaction Details**

- 3.4 In order to support the delivery of the project, OnSide have indicated that the Council land must be contributed at nil value and that the land must be in a condition that requires no additional investment to remediate the site. The proposed site is the location of the former Gorton Baths. In order to support the delivery of the project it is proposed that the Council contribute the land at nil value and that the land be disposed to OnSide by way of a 125 year lease at a peppercorn rent. As a cleared site there will be a requirement for the land to be remediated. Until more detailed site investigations have been completed, along with the finalisation of a detailed design, it has been determined that some £300,000 should be set aside within the capital programme for these remediation works.
- 3.5 Under the terms of the proposed lease to East Manchester Youth Zone, the City Council will protect its freehold interest by imposing a strict user clause. The lease will also contain measures to protect the City Council's position by restricting the sale on of the site, other than to a local delivery vehicle or not for profit organisation who will continue to operate the centre in accordance with the permitted user clause.
- 3.6 The site required for the project is currently open space, which means that before any decision can be taken to dispose of the site the intention to dispose must be advertised and any objections considered in accordance with s123(2A) of the Local Government Act 1972. In the event that the Executive approves the proposals set out in this report, it is proposed that the intention to dispose be advertised and objections considered by the Deputy Chief Executive in consultation with the Deputy Leader, Councillor Bernard Priest, whose portfolio includes responsibility for Corporate Property, in accordance with the requirements of the City Council's Constitution. Only if, after considering any representations, the Deputy Chief Executive in consultation with the Deputy Leader, is satisfied that the scheme should proceed will the disposal to OnSide proceed.

### **Local Authority investment**

- 3.7 The annual revenue costs of OnSide running a Youth Zone is in the order of £1m. In running the Factory Youth Zone in Harpurhey, OnSide have demonstrated a track record in leveraging contributions from the private sector to support these annual running costs. OnSide's business model assumes that

the local authority will make a contribution to the running costs. In developing the second Youth Zone in Manchester, discussions between the City Council and OnSide have concluded that part of the £6m investment from the individual philanthropist can be used towards the revenue requirements in the initial 3-4 years of the second Youth Zone's operation, as long as the City Council makes an equivalent capital contribution. As such, the City Council will make a capital contribution of £1.2m towards the capital costs of the new Youth Zone facility, allowing £1.2m to be set aside for revenue delivery costs over the first three years of operating the new Youth Zone.

- 3.8 To maximise the leverage from the private sector, the City Council will have to provide an assured commitment to an ongoing revenue contribution from 2020/21 to 2022/23 of £200,000 per annum. OnSide will seek to maximise contributions from the private sector and seek funds from a range of charitable trusts and other grant funding opportunities. In operating their eight Youth Zones this approach to funding the ongoing revenue costs has worked well.

### **Operational and Governance arrangements**

- 3.9 An Operational Agreement will be established that will regulate the early years of the new Youth Zone project partnership. The principal parties will be the new Youth Zone operating charity, the Council and OnSide Youth Zones. It will cover summaries of:

- The Council's support of the project in general terms, and any agreed financial contributions;
- OnSide's contribution to development of the project and on-going support;
- The new Youth Zone charity's obligations in relation to the development and future operation of the Youth Zone, including its responsibility in terms of long-term sustainability;
- Branding and publicity methods;
- Normal Freedom of Information, prevention of corruption, confidentiality and dispute resolution provisions;
- Appropriate indemnities and provisions for termination on insolvency, or material and persistent default.

- 3.10 In order to deliver the new Youth Zone in Gorton East Manchester Youth Zone fully supported by OnSide will:

- Create a safe, inspirational and sustainable place for young people to go in their leisure time;
- Take full responsibility for the creation of the new local charity and the construction of the building;
- Raise the balance of private sector revenue funding required for the first three years;
- Support the new Youth Zone to create up to 50 full and part-time local jobs and recruit and train the team;
- Engage local young people to help shape their Youth Zone and work alongside other local voluntary sector groups in support of young people;

- Work with others in the voluntary sector in Central and East Manchester to ensure that all providers can benefit from this substantial investment in young people;
- Recruit and train 100 community volunteers;
- Deliver a comprehensive marketing and communications plan; and
- Support the new team throughout the opening period.

### **Internal Governance Arrangements**

- 3.11 The Council's Youth Project Board is chaired by the Director of Education and includes colleagues from Youth Strategy, Finance, Neighbourhood Services and Strategic Development. This group will act as an internal board through which The Youth Strategy Manager and colleagues can monitor and provide updates with regards to how the wider programme is progressing. Direct links will be made between this group and the independent project board/trustees.

### **Next Steps**

- 3.12 Subject to the Executive and the City Council supporting the proposal as set out in this report, OnSide will seek to take forward the necessary processes associated with developing and constructing the new Youth Zone. As part of these processes, OnSide intend to establish a Board of Trustees to manage the Youth Zone and incorporate this as a new Charity that will hold the lease over the term subject to the conditions referred to in paragraphs 3.4 and 3.5 above.

## **4.0 Concluding Remarks**

- 4.1 This proposal will bring much needed services for children and young people to this part of the City. It will be realised through an innovative and sustainable financial model, which will develop a beneficial partnership between the Private, Third and Public sectors across the City, with the ultimate aim of improving young Mancunians' life chances. The potential return on investment both financial and social is substantial.
- 4.2 Recommendations appear at the front of this report.

## **5.0 Contributing to the Manchester Strategy Outcomes**

### **(a) A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities**

The proposals for the Council to support the delivery of a new Youth Zone in Gorton presents a unique opportunity as a private benefactor had indicated a willingness to make a donation of £6m to support the provision of a facility for young people who live in the most disadvantaged parts of Manchester. It is anticipated that the new Youth Zone to create up to 50 full and part-time local jobs and recruit and train 100 community volunteers.

**(b) A highly skilled city: world class and home grown talent sustaining the city's economic success**

It is expected that around 3,000 young Mancunians will join as members of the new Youth Zone in Gorton in the first year of its operation. Based on the track record of existing Youth Zones, it is hoped that young people who attend the Youth Zone in Gorton will achieve positive outcomes, including:

- better marks in class, better grades in exams, or coursework;
- less likely to skip school thanks to the impact that the Youth Zone has had on them;
- exercise more regularly;
- positive influence on their self-confidence;
- skills training and preparation for work through the Youth Zone's employability programme.

**(c) A progressive and equitable city: making a positive contribution by unlocking the potential of our communities**

The proposals for the Council to support the delivery of a new Youth Zone in Gorton, in providing substantial investment in Manchester's young people has the potential to help to unlock their potential and give them self-confidence. The new Youth Zone in Gorton will work with others in the voluntary sector in Central and East Manchester to ensure that all providers can benefit from the creation of the Youth Zone.

**(d) A liveable and low carbon city: a destination of choice to live, visit, work**

The new Youth Zone in Gorton will give Manchester's young people a place that they can go to do fun activities, learn new skills, and socialise in a safe and constructive way.

**(e) A connected city: world class infrastructure and connectivity to drive growth**

The new Youth Zone in Gorton will provide a facility to support Manchester's young people and encourage them to develop the skills and self-confidence which will enable them to make a positive contribution to their community.

**6.0 Key Policies and Considerations**

**(a) Equal Opportunities**

- 6.1 The partnership between the City Council and the provider is explicit about the commitment to address disadvantage and discrimination and provide accessible provision to young people of all backgrounds and abilities relating to young people's, Gender, Sexual Orientation, Ethnicity, Disabilities etc. Due regard will be given to the Equality Act 2010 and the Public Sector Equality Duty through the project's development.

**(b) Risk Management**

- 6.2 A risk assessment will be undertaken as part of the planning procedures and will be available in summary form as a site appraisal document. Additional acoustics, transport and environmental impact assessment reports have been produced and are available for inspection.

**(c) Legal Considerations**

- 6.3 The City Solicitor will advertise the proposed disposal of the site in accordance with s123(2A) of the Local Government Act 1972. If, after consideration of the objections by the Deputy Chief Executive in consultation with the Deputy Leader, it is determined to proceed with disposal of the site, it will be necessary to formalise the legal arrangements to allow the disposal to proceed. Under s123 of the Local Government Act 1972, the City Council is required to secure the consent of the Secretary of State to a disposal at an undervalue. Under the terms of the Local Government Act 1972: General Disposal Consent 2003, the City Council may dispose of land at an undervalue of up to £2m where it is satisfied that it will contribute to the promotion of the social, economic or environmental well-being of the area. The positive impact of the project to the City Council's Community Strategy is set out in the report and provides the City Council with the legal basis to support the project through the disposal of the site at an undervalue.