

**Manchester City Council
Report for Resolution**

Report To: Executive – 15 September 2010
Subject: Harpurhey Youth Zone
Report of: Director of Children’s Services and City Treasurer

Summary

To request approval to a package of measures to support the delivery of a project to provide a new Youth Zone in Harpurhey. The support includes providing revenue support and the disposal of land at an undervalue. The disposal will be by way of a 125 year lease of the site on the junction of Rochdale Road and Factory Lane to Onside, a company established as an interim delivery agency to develop the MyPlace programme of youth facilities across North West England

Recommendations

The Executive is asked to:

1. Approve the proposal to develop a new Youth Zone facility at Harpurhey
2. 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.
3. Authorise the Deputy Chief Executive (Regeneration) in consultation with the Executive Member for the Environment, to consider any objections and representations in relation to the proposed disposal and determine whether to dispose of the land
4. Subject to the Deputy Chief Executive (Regeneration) in consultation with the Executive Member for the Environment, being satisfied that the disposal should proceed to approve the disposal of the site to Onside Limited and the provision of revenue support for the project and authorise the City Treasurer to negotiate and agree final terms of the transaction.
5. Authorise the City Solicitor to enter into the lease, funding agreement and all ancillary documentation required to give effect to the proposals

Wards Affected:
Harpurhey and neighbouring wards

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Regeneration of the area and increased opportunities for local employment and employability of young people entering the job market
Reaching full potential in education and employment	Engagement with youth people who face greatest disadvantage, providing positive role models through mentoring and volunteering in order to promote confidence, skills and address barriers to learning and achievement
Individual and collective self esteem – mutual respect	Wide range of activities in high quality environment is based on tested model and evidence of improved confidence amongst young people who use it.
Neighbourhoods of Choice	Complements a range of outstanding local provision including new Academy, Library and Leisure facilities sited within the North City Area

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 as a condition of the lottery funding agreement to provide revenue support of up to £400k per annum. It is anticipated that this will be made by way of a mixture of cash and “in kind” commitments such as the secondment of staff. This will be met from the existing Children’s Services cash limited budget.

Financial Consequences – Capital

The proposed terms represent a disposal as less than best price. The Head of Corporate Property has valued the site at £180,000

Contact Officers:

Name: Mike Livingstone
Position: Deputy Director
Telephone: 0161 234 3803

Name: Mary Maguire
Position: Head of Youth
Telephone: 0161 274 6440

mike.livingstone@manchester.gov.uk

mary.maguire@manchester.gov.uk

Name: Helen Jones
Position: Head of Corporate Property
(Legal)

Telephone: 0161 234 1202

[email: h.jones4@manchester.gov.uk](mailto:h.jones4@manchester.gov.uk)

Name: Des Gardner
Position: Head of Regeneration

Telephone: 0161 234 3013

[email: d.gardner1@manchester.gov.uk](mailto:d.gardner1@manchester.gov.uk)

Background documents (available for public inspection):

MyPlace grant agreement letter
Youth Zone Site Appraisal document
Planning Approval report

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 Harpurhey at a site on the junction of Rochdale Road and Factory Lane
- 1.2 The support will comprise of the disposal of land for the development of the facility for nil value to a charity that has secured lottery funding for the delivery of the capital works. The City Council will also as a condition of the lottery funding provide the charity with a commitment to provide revenue funding of up to £400k per annum for three years to support the operation of the facility.

2.0 Background

- 2.1 Launched on 3 April 2008 by the then, Minister for Children, Young People and Families, **MyPlace** responds to the commitments made in *Aiming High for Young People - a 10 year strategy for Positive Activities*.
- 2.2 Setting out the Government's vision for improving youth facilities in response to clear ongoing demand from young people, parents and communities for more and better places for young people to go, the strategy's ambition is for new and improved places to go in all areas of the country.
- 2.3 The aim is to provide sustainable co-funded resources for young people and communities. The programme is being administered by the Big Lottery Fund (BLF) that has established a fund to provide grant funding towards new facilities across the country.

3.0 Harpurhey Youth Zone

- 3.1 The planned Youth Zone in Harpurhey will be a not-for-profit facility, in purpose built premises for children and young people in North West Manchester. The objective for the Youth Zone is to provide a universal activity-based service, complemented by a range of targeted support services to help and educate them by promoting their full physical, intellectual and social potential in order that they may grow to full maturity as individuals and members of society and that their conditions of life may be improved.
- 3.3 The project has secured £5m capital funding from the MyPlace programme administered by the Big Lottery Fund (BLF). The application for the grant was submitted by 'Onside' a charitable organisation set up to support cross sector partnerships in the North West and develop similar projects across North West England..
- 3.4 The new facility will be constructed on a site at the junction of Rochdale Road and Factory Lane that is owned by the City Council. .Construction is planned to begin in October 2010. It is proposed that Onside will be on site, by October 15th in order to take responsibility for managing the project including selecting and awarding the contract for design and build.

4.0 Disposal of Land

- 4.1 In order to support the delivery of the lottery funded project the City Council has been requested to contribute the land at nil value. In order to satisfy the grant conditions Onside require title to the land before it can draw down the grant funding . It is proposed to dispose of the land to Onside by way of a 125 year lease.
- 4.2 Under the terms of the lease 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. It is proposed that following completion of the construction of the building or within two years of granting the lease, whichever is earlier, Onside will assign the lease to a newly established charity that will assume the obligations to operate the facility in the long term. These arrangements reflect the national model that has been developed for the MyPlace programme.
- 4.3 The Head of Corporate Property has valued the site at £180,000. In order to support the project it is proposed that this value is foregone and the site is disposed of for a peppercorn. Under the terms of the lease Onside will be permitted to assign the lease to the charity established to operate the facility.
- 4.5 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 Executive is minded to approve 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 Executive Member for Environment 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 Executive Member for Environment, is satisfied that the scheme should proceed will the disposal to Onside proceed.

5.0 Operational Arrangements

- 5.1 The release of the capital funding from Big Lottery Fund is contingent on Onside securing an assured commitment from the City Council of 40% and the private sector 25% of the annual revenue requirements of the facility. The remainder will at the commencement of the works be unassured and is comprised of 25% trusts and grants and 10% income from users. The draft budget from Onside has an annual revenue requirement of £1m, which would require a contribution of £400k from the Council. It is proposed that this is met by way of a cash contribution equivalent to the hypothecated funding set aside for this project of £160k and a commitment 'in kind' met mainly through staff secondment.

- 5.2 Other commitments from the Council are for the provision of advice and guidance on the development of the Youth Zone, including the development of the local delivery vehicle to which the lease will transfer on completion of the building or within two years of signing the lease whichever is earlier. This organisation will be established as a charitable trust.
- 5.3 Manchester Metropolitan University is another key partner and has made commitment to:
- Sit on or advise the Board of Trustees
 - Support the development of the Youth Zone, through student and staff contribution.
 - Provide a (yet to be agreed) number of student placements within the Youth Zone to support the services provided.
 - The development and delivery of pre-higher education learning.

6.0 Next Steps

- 6.1 Onside submitted an application for planning approval in May this year and planning approval was granted on August 19th 2010 subject to an agreed response to the Environmental Health Report recommendations.
- 6.2 A Board of Trustees has been established to manage the YouthZone. It is currently seeking incorporation and charitable status and will hold the lease over the term subject to the conditions above
- 6.3 Subject to the outcome of the advertisement of the disposal of land, it is anticipated that the lease can be granted within the timescales anticipated by the lottery funding agreement subject to the negotiation of satisfactory terms for the lease and the City Council concluding a due diligence exercise to establish that the facility's business plan is robust and financially sustainable..

7.0 Recommendations

- 7.1 The recommendations are set out at the beginning of this report.

8.0 Contributing to the Community Strategy

(a) Performance of the economy of the region and sub region

This development will have a marked impact on the regeneration of the area and increased opportunities for local employment and employability of young people entering the job market. The ward is amongst the most disadvantaged in the City and has a higher than average number of young people who are out of work, training or education. This development will create new opportunities for employment of local skills and will provide entry into work for adults through volunteering and paid staffing (both full time and sessional youth work and other support staff) and mentoring for young people. There is potential to co-locate the Connexions service which is nearby and to provide a location for delivery of health services.

(b) Reaching full potential in education and employment

The work of the youth zone will complement the work of other providers and establish good relationships with schools and colleges to facilitate the engagement of young people who face greatest disadvantage, providing positive role models through mentoring and volunteering in order to promote confidence, skills and address barriers to learning and achievement

(c) Individual and collective self esteem – mutual respect

Wide range of activities in high quality environment is based on a model which has been tested in a neighbouring Authority. There is good evidence of improved confidence amongst young people who use it and its potential to reach thousands of young people across the city can not be underestimated.

(d) Neighbourhoods of Choice

This development will complement a range of outstanding local provision including new Academy, Library and Leisure facilities sited within the North City Area. It will operate all year, with a strong focus on evening, weekend and holiday provision. The building which is of a very high specification has been designed by architects Stephenson Bell.

9.0 Key Policies and Considerations

(a) Equal Opportunities

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.

(b) Risk Management

A risk assessment has been undertaken as part of the planning procedures and is 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

The City Solicitor will advertise the proposed disposal in accordance with s123(2A) of the Local Government Act 1972. If after consideration of the objections by the deputy Chief Executive it is determined to proceed it will be necessary to formalise the legal arrangements to allow the scheme 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 of £180k.