



Leicester
City Council

WARDS AFFECTED: All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**CYP Scrutiny
Cabinet**

**13th April 2010
19th April 2010**

Remodeling & Refurbishment of YMCA, East Street, Leicester

Report of the Strategic Director Investing in our Children

1. Purpose of Report

- 1.1 The purpose of this report is to advise Members of the current position regarding the remodeling and refurbishment of the Leicester YMCA, to provide accommodation and support to vulnerable young people, including care leavers. Retrospective approval is sought from Cabinet to enable the Council to work in partnership with Leicester YMCA to deliver the scheme by 31st August 2011.

2. Recommendations

- 2.1 Scrutiny Committee is recommended to note the report and make any observations to Cabinet.
- 2.2 Cabinet is recommended to;
- a) Endorse the Council's support for the scheme;
 - b) Confirm the urgent action of senior officers in accepting the grant of £2.64m from Partnerships for Schools (PFS);
 - c) Authorise the addition of the £2.64m to the Council's capital programme;
 - d) To authorise the Head of Democratic Services to enter into a funding agreement with the YMCA;
 - e) Authorise the Strategic Director, Investing in our Children to pay the YMCA on account the £600,000 received from PFS and in advance of the funding agreement being signed; and
 - f) Authorise the Strategic Director, Investing in our Children to make subsequent payments to the YMCA as they become due;

- g) Request the provision of regular monitoring reports to the Cabinet Lead for Children and Young People; and
- h) Agree that these decisions not subject to call-in procedures due to the urgency of the need to make payments to the YMCA and to confirm the Council's commitment to the scheme.

3. Summary

- 3.1 Following the publication of the Care Matters White Paper (2007), funding was made available via the Housing Capital Care Fund (DCSF) over a two-year period (2009 to 2011) to support a number of demonstration projects. This was focused on providing care leavers with good quality transitional accommodation and better access to housing support and other relevant services.
- 3.2 Local authorities with innovative proposals to develop such transitional accommodation were encouraged to consider making an application to the fund. The City Council subsequently submitted a bid in April 2009 in partnership with the YMCA and Children's Trust stakeholders.
- 3.3 The bid was successful and the grant acceptance was signed in June 2009, with a view to Cabinet approval being sought.
- 3.4 The Investing in our Children Priority Board will oversee the programme, as the primary focus of the grant is to improve the outcomes for care leavers.

4. Report

- 4.1 Following the Care Matters White Paper (2007), funding was made available from the Housing Capital Care Fund (DCSF) over a two year period (2009 to 2011) for a number of demonstration projects, focused on providing care leavers with good quality transitional accommodation and better access to housing support and other relevant services.
- 4.2 Local Authorities with innovative proposals to develop such transitional accommodation and facilities were encouraged to consider making an application to the Co-location fund. A joint bid was written for submission to the fund by the Head of Supporting People and the Service Manager for Leaving Care in conjunction with the Chief Executive of the Leicester YMCA. The bid had to be supported by a senior representative of relevant Children's Trust partners and endorsed by the Council.
- 4.3 The bid was aligned to research undertaken in 2006, commissioned by the Council's Supporting People Service to determine the housing-related support needs of vulnerable young people in Leicester. This was supported by further research into the requirements of young adults with very complex needs commissioned by the YMCA. The findings identified the need for a multi-agency approach in meeting the support needs of this high priority client group.

- 4.4 In addition, the Strategic Review of Housing Related Support Services to Homeless People in 2008/09 identified a need to re-configure existing supporting people services for care leavers and young people at risk, in order to develop services for those with high and complex and multiple needs.
- 4.5 The YMCA identified both need and demand for this project, commissioning a strategic property review in 2007. The findings showed the most viable option was to refurbish the existing Grade II Listed Building in East Street, reducing the current accommodation from 52 single bed units to 46 units, which includes 10 one-bedroom apartments.
- 4.6 The approach is also central to meeting PSA 16 commitments to Care Leavers and the enhanced service outcomes for this group. The bid was also developed to support the strategic priorities of the Leicester Children and Young People's Strategic Partnership (the 'Children's Trust') as detailed at Appendix A.
- 4.7 The project will create high quality multi-cultural living for young people who are socially disadvantaged. These young people will receive multi-agency support within a multi-faceted environment that includes a professional theatre, a recognised and endorsed customer service training programme (specifically for service users), sports and education within an organisation that sees supporting and empowering young people at its core.
- 4.8 This model offers a more cost effective way of meeting the needs of a small group of care leavers and other young people with complex needs. As children's research shows, currently these young people take up significant resources, but continue to achieve poor outcomes; the development of this project offers opportunities to model new ways of working with this group to secure more positive outcome
- 4.9 The value of the project is £4m. Of this, £2.64m will be funded by the Co-location Capital Grant which the Council has secured from the DCSF and by £1.36m that the YMCA has secured directly from the Homes and Communities Agency.
- 4.10 The bid proposed that the YMCA would manage the project and engage the necessary contractor to undertake the work. It was agreed that the Council would be a member of the Project Board for project management assurance.
- 4.11 The following provides an overview of the key milestones of the programme:

DCSF funding secured	May 2009
Planning consent	June 2009
Listed building consent	July 2009
Secure HCA funding	July 2009
Complete design	Sept 2009
Enabling contract	Oct 2009
Tender returns	Nov 2009
Start on site	Jan 2010
Completion	Mar 2011
Fit out and occupy	June 2011 to August 2011

- 4.12 The YMCA is managing the project in line with these milestones and officers from Children's Services and Adults and Communities have been keeping a watching brief over the programme. The project has also been included as part of the Council's Project Management Portfolio. A recent 'health' check has confirmed that the programme is being managed appropriately and has met the required milestones to date.
- 4.13 The YMCA has incurred expenditure in line with the key milestones and is seeking access to the Co-location funding through the City Council. Therefore, in order to release the funding the scheme needs to be added to the capital programme and a Funding Agreement completed.
- 4.14 The YMCA has requested that the £600,000 received from Partnerships for Schools by the Council in January 2010 be paid on account and in advance of the Funding Agreement being signed, to offset the expenditure already incurred. It is proposed to authorise the Strategic Director, Investing in our Children to make such a payment following the Cabinet meeting. This use of such funding by the YMCA would be subject to the terms and conditions proposed in the draft Funding Agreement.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications (Colin Sharpe - Head of Finance and Efficiency, Children's Services, ext. 29 7750)

- 5.1.1 The following information provides an overview of the cost of the programme and the funding arrangements

Development Costs	£	
Construction	2,675,230	
Fixtures and Fittings	626,015	
Fees	466,655	
VAT on construction	134,000)	Not recoverable from HMRC
VAT on fees	<u>98,100)</u>	
Total	4,000,000	

Funding	£	
Co-location fund	2,640,000	From the DCSF/PfS via Leicester City Council
HCA	1,360,000	Direct to YMCA from Homes & Communities Agency
Total	4,000,000	

- 5.1.2 As the project is being managed by the YMCA, the Council's main financial role is to receive the grant funding from Partnerships for Schools (on behalf of DCSF) and to pass it to the YMCA. However, the Council remains liable for compliance with the grant conditions and meeting the expected outcomes both during construction and into the future, and should a breach occur then the Council could be subject to claw back of all or part of the grant by the Secretary of State. If claw back were to occur then the Council would seek recovery from the YMCA, and would seek to provide for this

possibility in the Funding Agreement with the YMCA. The legal implications set out the Council's obligations in more detail.

5.1.3 The revenue implications are expected to be broadly cost-neutral for the Council. Funding from the Social Care and Safeguarding Division for existing bed spaces for care leavers at the YMCA would be transferred to the East Street project. Funding for Housing related users will be from Supporting People, which in 2010/11 has become part of the Area Based Grant and therefore subject to local commissioning priorities.

5.2 Legal Implications (Joanna Bunting- Head of Commercial & Property law ext 29 6450)

5.2.1 Although, this is not a formal 'accountable body' arrangement the City Council will be the grantee, but are discharging our purposes through a sub-grantee. However, there are a number of obligations arising from the grant. These are summarised as:

- The project must be complete by 31st August 2011. The Secretary of State could make the Council repay the grant if this condition is not met;
- The local authority must ensure that any expenditure incurred by partners is in accordance with the grant conditions and applicable financial and administrative guidelines;
- Any additional costs that arise must be met by the local authority and its partners;
- If the building were sold, the proceeds up to the value of the grant would have to be surrendered to the Secretary of State;
- If there were a change of use of the building, the grant would need to be repaid. The building must remain available for the delivery of the service;
- The Council must ensure that procurement of goods, services and works complies with the EU Procurement Directive, UK Procurement regulations. If necessary derogation should be sought from DCSF to cover contracts already let by the YMCA, as they are not a public body subject to EU procurement rules; and
- the Secretary of State has a general power to require the Council to repay the grant if the conditions and requirements of the funding agreement are not met.

5.2.2 Action required

- Conduct an audit of the management and governance arrangements;
- Conduct an audit of all financial transactions, including payments and procurement exercises;
- Draw up and enter into a funding agreement with the YMCA which, as far as possible, 'passes on' the obligations on the Council arising from the funding

agreement with PfS and secures by way of a legal charge the use of the building for the delivery of the service; and

- agree a mechanism to allow the YMCA to draw down funding. This will require YMCA to demonstrate that expenditure has been properly incurred in accordance with the grant conditions.

5.2.3 The draft Funding Agreement makes it clear that between YMCA and Council there is no entitlement for the YMCA to claim anymore than the maximum sum set out above as co-location funding. The draft agreement also steps down the claw back events and it is proposed to secure any indebtedness arising by way of a legal charge in the Council's favour over the East Street property. The draft also provides for a condition precedent - the satisfactory conclusion of an initial review. This could encompass a review of the cost estimate, the completeness and co-ordination of design and the robustness of the contract arrangements as to cost over-runs. The opportunity would therefore be there for the Council, before signing off the proposed pre-condition, to require further steps to manage this risk.

5.2.4 As a further means of reducing any financial risk, the Council will investigate the possibility of obtaining a performance guarantee from the head YMCA charity.

5.3 Corporate Parenting Implications (Andy Smith – Director, Social Care and Safeguarding ext 29 8306)

As corporate parents the City Council has a responsibility to improve the outcomes of children in care and those leaving care. The re-modelling and refurbishment of the Leicester YMCA will provide more suitable accommodation and targeted support to vulnerable young people, particularly those leaving the care system. The project will lead to improved outcomes across all key aspects of young people's lives and help them with the transition into adulthood. This project is a positive example of corporate parenting in action.

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	yes	Detailed throughout the report
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

7. Risk Assessment Matrix (Attached)

8. Background Papers – Local Government Act 1972

- 8.1 Care Matters - White Paper (2007)
Supporting People Review of Homeless Services 2008/09
YMCA research data (2008)
Supporting People research data 2006

9. Consultations

- 9.1 None

10. Report Authors

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Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

Appendix A

Strategic Priorities of the Leicester Children and Young People's Strategic Partnership Supported by the YMCA Remodeling and Refurbishment

- NI 117 16 to 18 year olds who are Not in Education and Employment (NEET) – by strengthening the accommodation and support available to care leavers and other vulnerable young people. This project will contribute to the work to reduce NEET that is currently being developed through the Raising Achievement Board and the NEET Action Forum.
- Contribute to an improvement in NI 147 (care leavers in suitable accommodation) and NI 148 (care leavers in Education, Employment or Training (EET)).
- NI 110 Young People's participation in positive activities – the range of resources and services available through this project offers considerable potential to increase young people's engagement in positive activities.
- NI 141/142 Vulnerable people supported to achieve and maintain independent living – the project offers a model that will enable young people to move from highly supported through to lower level support within the project, and on into independence with access to floating support services. This well structured and supported pathway will result in a higher number of vulnerable care leavers and young people achieving and maintaining independence.
- The project will contribute to relevant government priorities through PSA16 – the partnerships within the project will strengthen links between supported accommodation and access to EET, and will lead to better outcomes for young people (NI 147 and NI 148)

The project will contribute to improved outcomes for young people as follows:

- **Be Healthy**
 - Improved access to primary health services to support their health and development by ensuring that all young people are registered with a GP and a dentist
 - Improved access to appropriate information, advice and services to support their health and development, including emotional well-being, sexual health and substance misuse
 - Improved support for young people to take greater responsibility for making positive choices about their health and lifestyle, particularly in the areas of sexual health and substance misuse, through the provision of information, advice and guidance about health issues and accessing health services
- **Stay Safe**
 - Young people will maintain a feeling of security and stability as they make a planned, smooth and positive transition from care placements to independent living through the provision of good quality accommodation where they feel stable and secure
 - Young people will develop skills and resources to keep themselves safe including self-confidence and social skills to be better equipped to manage challenging situations.
 - Young people will have a greater feeling of safety and security through knowing that they have a "safety-net" and will be able to access accommodation in the

event of a crisis. This will include young people presenting as homeless under the Southwark judgement.

- **Enjoy and Achieve**

- Young people will be supported to access positive places to go and things to do, with an emphasis on engaging in inclusive leisure, recreational, cultural or faith related activities
- Young people will have opportunities and support to continue their personal, social and emotional development, and will be supported to achieve their personal goals, however small, and these achievements will be recognised and celebrated.

- **Make a Positive Contribution**

- Young people will be positively involved in planning for their own future and will have a clear understanding of the steps that are needed to achieve their objectives
- Young people will have opportunities to engage in activities that benefit others and the wider community
- Young people will be supported to engage in positive behaviours and to avoid the negative consequences of involvement in the criminal justice system

- **Achieve Economic well-being**

- Young people will be supported to remain in appropriate post-16 provision to maximise their opportunities to achieve qualifications in readiness for employment.
- Young people will have opportunities to engage in less formal education and learning opportunities such as pre-tenancy training programmes
- Young people will have access to money management advice that ensures that they can maintain at least a basic standard of living and avoid getting into debt.