

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

**Scrutiny
Cabinet**

**10th December 2009
14th December 2009**

MyPlace Youth Hub

Report of Strategic Director - Children

1. Purpose of Report

The purpose of this report is to:

- 1.1 Update Cabinet on the latest position of the MyPlace Youth Hub project, and seek approval to proceed with the project, subject to confirmation of funding from the BIG Lottery's MyPlace Programme.
- 1.2 To outline opportunities and risks/mitigations associated with this project. These opportunities and risks will be communicated on an ongoing basis to cabinet.

2. Summary

- 2.1 The MyPlace Leicester Youth Hub project team have been developing a project to convert the Haymarket Theatre into a Youth Hub under a national scheme funded through the BIG Lottery Fund for the Department for Children Schools and Families (DCSF) for facilities for young people. The project is currently awaiting confirmation of award of the £5 million grant from BIG Lottery and subject to Cabinet approval, will proceed as soon as this has been received.

3. Recommendations

- 3.1 CYP Scrutiny is recommended to consider this report and advise Cabinet of any observations it wishes to make.
- 3.2 Cabinet is recommended to:
 - i) Consider the risks and funding implications set out in this report.
 - ii) Subject to confirmation of a successful funding application from BIG Lottery Fund;
 - a. Delegate authority to the Divisional Director – Access, Inclusion and Participation

- in consultation with the Cabinet Member for Children and Schools, the Chief Operating Officer, the Director – Strategic Asset Management and the Director – Legal Services to agree the final terms for the revised leasehold of the Haymarket Theatre and to finalise the terms of any sub leases required with Partner organisations;
- b. Delegate authority to the Divisional Director – TLE in consultation with the Cabinet Member for Children and Schools, the Chief Operating Officer, the Director – Strategic Asset Management and the Director – Legal Services to enter into the various contracts for site preparations and Construction;
 - c. Authorise the Director – Legal Services in consultation with the Divisional Director – TLE, the Director – Strategic Asset Management and the Cabinet Member for Children and Schools to enter into all necessary contracts and agreements necessary to complete the project in accordance with the timescale set out in paragraph 4.4, with the Director – Legal Services and the Director – Strategic Asset Management being satisfied on the terms and form of the legal documentation; and
 - d. Approve the addition of the £5 million of Lottery funding to the Capital Programme. Together with the £1.5m already identified in the Capital programme this will be the total capital spend - £6.5m
 - e. Establish a Members’ Steering Group to oversee the project.
 - f. Secure the support and commitment of the Leicester Partnership to the project, initially by means of a presentation.

4. Report

Background

- 4.1. Following a successful bid in September 2008, the MyPlace Leicester project team has been working to deliver the second stage of information required by the Big Lottery Fund, which is delivering the MyPlace Programme on behalf of the Department for Children Schools and Families (DCSF). This project will deliver the local manifesto commitment to a Children and Young People’s Hub in the centre of the city.
- 4.2. The project is also aligned to the Integrated Youth Support Strategy, and the Youth Hub will form a key component of the overall strategy for delivery of services and activities for young people across Leicester. The Youth Hub will provide a strong city centre presence that currently does not exist, in conjunction with the neighbourhood facilities that will be developed under the Integrated Youth Support Strategy.
- 4.3. It is anticipated that the MyPlace project will act as a ‘catalyst’ for regenerating this area of the city around the former Haymarket theatre.
- 4.4. At the end of September 2009, a submission was made to Big Lottery containing the following elements:
 - Business Plan

- Capital Delivery Plan
- Draft Partnering Agreements

4.5. The project is currently awaiting feedback from this submission, which it is hoped will lead to the confirmation of the allocation of the £5 million funding to proceed with the Youth Hub development. The project is scheduled for completion in September 2011.

Project Partners

- 4.6. The project has identified a number of partner organisations with specialist skills and experience to enhance the delivery of services within the Youth Hub. This will include full partnering agreements with organisations such as Connexions, NHS Leicester, 2Funky Arts (Creative Zone) and Leicester STRIDE (Café delivery). Furthermore, Service Level Agreements will be in place with external organisations and Memoranda of Understanding for internal Council departments for the delivering of specific activities and services.
- 4.7. By partnering with organisations that already have strong associations with Leicester City Council, the youth hub will benefit from experienced, proven specialists in working with young people in the city. Furthermore, by partnering with organisations that have existing strong relationships with Leicester's Young People, the project will further enhance the numbers of young people that are likely to use the facility. Young People themselves, through the Young People's Council and MyPlace Young People's Board will play a full and active role in the design and management of the building.

Lease Agreements

- 4.8. Due to the change in use of the building, a lease of additional premises (essentially of the ground and first floor area adjoining the Centre's Belgrave Gate entrance) is required to establish the Youth Hub in the building. This (together with supplementary agreements including a licence to carry out alterations to the theatre to permit the youth hub use) is being negotiated and drawn up with ING the building owners, although the final additional lease and other documents will not be completed until the funding from BIG Lottery has been confirmed.
- 4.9. The Council will also need to grant sub-leases or tenancies to Partner organisations which will be renting space within the Youth Hub – this is likely to include Connexions and NHS Leicester. This will provide them with dedicated space within the Youth Hub to deliver youth provisions, with Connexions relocating from their existing Halford House site on Charles Street into the Youth Hub. The grant of these sub-leases will be subject to the consent of ING as the landlord.

Project Programme

- 4.10. The current programme is for the Youth Hub to open by September 2011, following an approximate 16 month construction period beginning in May/June 2010. This programme is predicated on the confirmation of funding from Big Lottery by the end of December 2009 which would allow for procurement of the building contractor during the

first quarter of 2010, along with the implementation of enabling works. The project programme is included at Appendix A.

Project Design

- 4.11. The facility has been designed with substantial consultation with young people, and this consultation and engagement of young people will continue and increase as the project progresses. Proposed partner organisations and other users of the facility have also been consulted. The design involves almost total refurbishment of the building to accommodate the various zones and activities, whilst working around the existing structural elements and limitations of the building.
- 4.12. Design meetings with architects, project team members and service providers take place on a regular basis to look in detail at areas such as access and security, accessibility, ICT and staffing. These meetings also include stakeholder “walk throughs” of the building with refinements to the architects’ plans as required.
- 4.13. Through this open and iterative process, MyPlace Leicester has developed a design that meets the needs and high expectations of our various stakeholders. Our partnering agreement, individual statements of service and letters of support from both users and providers also attest to their satisfaction with the current proposals.
- 4.14. The Youth Hub will be accessed through the existing entrance point on Belgrave Gate, although a lift will be installed adjacent to the existing stairs to enable access for disabled users. The existing foyer area will become the social zone – with space for young people to relax, meet and “chill out”. This area will also have a café facility and ICT provision allowing Internet access, digital jukebox and console gaming.
- 4.15. The main auditorium will be retained for small scale performances; presentation ceremonies etc. as part of the “Creative Zone”, and will have suitable audio visual equipment installed as described in the project ICT specification. The existing stage will be reduced in size by a wall to separate off the current “front stage” and “back stage” areas. This “back stage” area will become the Active Zone with capacity for indoor football, basketball, table tennis etc. although due to restrictions on space these will not meet regulation size facilities. The current workshop area behind the stage will be converted into music recording facilities and practice space that again forms part of the creative zone.
- 4.16. The current office space in the building will be refurbished and re-used as office space to accommodate Connexions and the Children’s Information Service, with the existing dressing rooms downstairs being used as changing room facilities.
- 4.17. On the top floor, the current studio will be converted into a “Youth Disco” for disco nights and band performance evenings. This is something that was very important to young people to have in the building. There will also be technology-rich training rooms, and a Boardroom for Young People’s Council meetings and external training usage as required.
- 4.18. The Property Services Team is developing this scheme in accordance with best practice measures and with an emphasis on longevity, flexibility and the reduction of

energy use. Wherever possible sustainable principles will be incorporated into the design such as:

- using wood from sustainable sources
- using locally sourced construction materials for all cladding and joinery works
- installing gas fired condensing boilers to replace existing oil fired
- Building Energy Management System (BMS)
- heat recovery ventilation systems
- zone control to as many areas as possible
- improving levels of insulation
- installing secondary glazing and solar shading to existing windows
- solar panels where practical
- blended hot and cold water to hot taps 43°c
- minimising water use by incorporating low flush WC's, and low use spray showers with push taps
- recycling rainwater
- minimising the exportation of construction waste.

4.19. The latest plans that were submitted at the end of September are appended to this report in Appendix B.

Project Costs and Funding

4.20. The capital funding expected to be available is £6.5 million, being £5 million from the BIG Lottery Fund and £1.5 million from the Council's capital programme. It is intended to use this funding to meet the costs of constructing the Youth Hub, including the directly related professional costs such as architects. The scheme is at outline design stage and the accuracy of cost estimates reflect this. The costs will need to be carefully managed as the design is further developed.

4.21. In addition to the direct construction and related costs, expenditure is also being incurred on project management and development estimated at around £700,000. This has included the costs of developing the project to date, and into the future it will provide for on-going project development and management, including the early appointment of a Centre Manager, Project Manager and meeting legal costs. These costs will be met from a range of sources, including the CYPs reserves, the Positive Activities for Young People funding in the Area Based Grant, the Youth Capital Fund and a proposed early release of part of the revenue growth provision in the Council's corporate budget plan.

On-going Revenue Costs and Funding

4.22. A five year revenue strategy was developed as part of the Business Plan document submitted at the end of September 2009. A summary of this revenue plan is shown below:

	2011/12	2012/13	2013/14	2014/15	2015/16
Expenditure					

Staffing Costs	£506,500	£634,200	£643,600	£653,300	£663,200
Premises Costs	£341,600	£348,400	£356,500	£364,800	£373,500
Operational Costs	£208,200	£272,700	£299,100	£303,400	£306,500

Total Expenditure	£1,056,300	£1,255,300	£1,299,200	£1,321,500	£1,343,200
--------------------------	-------------------	-------------------	-------------------	-------------------	-------------------

Income					
LCC Revenue Support	£400,000	£400,000	£400,000	£400,000	£400,000

Other Funding					
PAYP Funding	£300,000	£300,000	£300,000	£300,000	£300,000
Rental Income	£73,400	£127,700	£129,800	£131,600	£133,700
Activity Charges, New Grants, Events	£312,200	£427,600	£469,400	£489,900	£509,500
Other Funding Sub-Total	£685,600	£855,300	£899,200	£921,500	£943,200

Total Income	£1,085,600	£1,255,300	£1,299,200	£1,321,500	£1,343,200
---------------------	-------------------	-------------------	-------------------	-------------------	-------------------

Surplus	£29,300	£0	£0	£0	£0
----------------	----------------	-----------	-----------	-----------	-----------

Note – the revenue forecast takes into account the current proposed opening of September 2011, meaning the Youth Hub will only be operational for 7 months in financial year 2011/12.

- 4.22 As can be seen from the summary table above, LCC has committed £400,000 per annum from 2011/12, which is included in the Council's forward corporate financial plan.
- 4.23 Although incomes from activities in year 1 are reduced by the Youth Hub only being open for 7 months of the financial year, it is anticipated that many of the other key incomes will exist for the full year – this includes the income of new grants from additional funding areas as they arise via the dedicated Revenue and Funding Generation Officer that will be in place. This officer will be tasked with identifying new grant funding from sources such as government initiatives, internal fundraising etc to support the revenue costs of the Youth Hub throughout the first financial year and beyond.
- 4.24 In addition, Positive Activities for Young People (PAYP) funding will be applied; any transfer of current activities into the centre will be accompanied by the associated funding; and the Centre is part of the on-going review and development of an Integrated Youth Support Service in Leicester, which will place it as a key service delivery point within the mainstream Youth Support Service.
- 4.25 Sensitivity Analysis has been carried out as part of the revenue strategy within the Business Plan, at a 5% and 10% reduction of incomes (i.e., assumed for funding other than the Council's agreed contribution), with the following forecast revenue funding shortfalls:

Sensitivity applied	Funding Shortfall				
	2011/12	2012/13	2013/14	2014/15	2015/16

5%	-£34,280	-£42,765	-£44,960	-£46,075	-£47,160
10%	-£68,560	-£85,530	-£89,920	-£92,150	-£94,320

- 4.26 Sales and charges are sources of income such as those generated via activities, hire of facilities, the Youth Disco nights, café trading etc. and have been built up with partner organisations and internal service providers based on assumptions for charges, rates of useage and proposed timetables for activities.
- 4.27 It should be noted that there are a number of financial risks associated with funding. Funding agreements have not yet been concluded with partners, the expectation is that public spending will be reduced in future and this may affect PAYP funding and the income forecasts for this new facility cannot be made with any certainty. The business plan will be further developed as the project progresses.

MyPlace Business Plan

- 4.28 The MyPlace Business Plan was produced as one of the core documents required by the BIG Lottery Fund to assess the project for funding. Furthermore, it is a document for Leicester City Council describing the financial and operational requirements of the facility, combined with the benefits and outcomes that will be delivered.

The Business Plan incorporates the following sections:

Project Overview	An Executive Summary of the project, the scope, delivery plans and beneficiaries
Organisation Summary	How Leicester City Council as an organisation aligns with the project, including governance arrangements between the project and existing Council governance arrangements
Strategic Context	Puts the project into context in relation to the need of the population, highlighting the many consultations with young people that have identified the need for a city centre provision. This section also assesses other complementary and potentially conflicting projects throughout the city and addresses how the Youth Hub will interact with them.
Project Delivery	Information on the project location, how the construction will be delivered, along with how the centre will operate – opening times, target user groups, activities provision etc.
Risk Analysis	A summary of key project development and operational delivery risks, including risks relating to partners. Also includes a SWOT and PEST analysis of the project conducted within the project team.
Marketing and Communications	Summarises the Marketing and Communications plan that has been developed for the project including key stakeholders and routes to communicate with them.
Capability and Staffing	Describes the staffing requirements to deliver the facility in terms of premises management and activity provision, including line management structures and brief outline job descriptions for each post.

Collaborations and Partnerships	Summarises the intended partnership organisations, and their involvement with the project, along with Service Level Agreements that will be implemented with other organisations for the provision of activity delivery within the Youth Hub.
Finance and Funding	This section summarises the five year revenue strategy along with the assumptions for each of the income and expenditure items captured in the revenue summary.

Communications

- 4.29 A Communications plan has been developed to ensure that all relevant internal and external stakeholders are kept informed and involved in the key issues of delivering the project during its development.
- 4.30 The plan includes the utilisation of existing communication networks within Leicester, and the adoption of new methods specifically for the Youth Hub. Accordingly there is a MyPlace presence on Facebook and Twitter, along with a dedicated website at www.hayouthub.org.

5. Financial and Legal Implications

5.1 Financial Implications

The report has set out the costs and funding of the project and the on-going operation of the centre. The key points to note are that the capital resources available total £6.5 million, which will be used to fund the construction costs; project management and development costs which are estimated at around £700,000 and will be met from a range of sources; and that the on-going revenue costs once the centre is operational are estimated at £1.3 million per year, which will be funded by the Council (existing youth support service budgets and additional funding), Positive Activities for Young People funding in the Area Based Grant, rental income and the proceeds of sales, charges and new grants.

The key financial risks are around the ongoing revenue affordability once the centre has opened, in particular:

- Variations in the forecast income and expenditure, recognising that this is a significant new facility and that the projections are estimates, albeit on robust bases.
- The potential impact of future restrictions on public spending, which could affect the £400,000 set aside by the Council, the PAYP funding in the Area Based Grant and the ability of partners to maintain their commitments.

It is unlikely that activities or opening hours could be curtailed without putting the Council at risk of clawback of the lottery funding. Ultimately there will be a minimum level of service and associated cost to meet the requirements of the project funders and of the young people, and the Council will need to commit to meeting the net cost of the hub (spending less available income) into the future

Colin Sharpe, Head of Finance and Efficiency CYPS, Ext. 297750

5.2 Legal Implications

The development of the existing Theatre and the additional premises for conversion into a youth hub will be subject to the consent of the Centre's landlord, both for the grant of the lease of the additional premises, but also in respect of the alterations to be undertaken. The Council will also be responsible for the landlord's professional costs in connection with consent being obtained and also in respect of the additional documents referred to below.

The existing lease contains restrictions on underletting, and negotiations are currently ongoing with the landlord's agents to agree appropriate terms to permit the Council to underlet premises to its partner organisations. However although there are legal obligations on the landlord to act reasonably in granting consent, the landlord may still be entitled to refuse consent on reasonable grounds.

It is usual for the terms of lottery funding to provide for the repayment or clawback of capital grant in the event that grant is not used for the purpose for which the grant was made, or in the event that the proposals and objectives as set out in the business plan, are not met.

The award of contracts for works for the refurbishment of the existing theatre and the redevelopment of the additional premises will need to be procured in accordance with the Council's obligations under the procurement rules, and also in accordance with the Council's Contract Procedure Rules. Any contracts that may be in excess of the EU competition threshold will need to be awarded in accordance with EU regulations on procurement.

It is a term of the lease documentation that the Council will obtain all consents, licences and approvals required in order to carry out alterations to the property and in respect of its future use, before any lease of the additional premises is granted.

John McIvor, Team Leader, Legal Services, Ext. 297035

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	Yes	
Policy	Yes	
Sustainable and Environmental	Yes	

Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

7. Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
Insufficient capital available to deliver the proposed scheme	M	H	<ul style="list-style-type: none"> • Detailed costing exercise with Quantity Surveyors and Construction Project Team • Allocate contingency within capital costs • Engage with contractor at earliest possible stage to ensure accurate pricing
Loss of project personnel at key stages during development and operation	M	M	<ul style="list-style-type: none"> • Develop continuity strategy for key posts • Develop plans for engagements with consultants and specialists beyond submission stage • Ensure detailed job descriptions of operational centre are maintained and up to date
Shortfall in revenue funding due to change in government policy withdrawal of funding, or lower sales than anticipated.	M	H	<ul style="list-style-type: none"> • Continue to develop business plan and match income and expenditure through review of service levels, costs and income generating opportunities. Ultimately there will be a minimum level of service (and cost) to meet the requirements of funders and the Council will need to commit to meeting these costs in the future by reprioritisation of resources. • Seek commitment from LCC for on-going revenue funding in light of any changes • Ensure revenue income estimates are realistic and robust
Obtaining relevant consent from the Landlord within the timescales	M	H	<ul style="list-style-type: none"> • Provide ING and their legal representatives with

			information as early as possible • Engage with Shopping Centre Manager on local level
--	--	--	--

8. Background Papers – Local Government Act 1972

- MyPlace Leicester Business Plan
- MyPlace Capital Grant Submission

9. Consultations

- 9.1 One of the fundamental elements of all the projects under the MyPlace scheme is the involvement of Young People in the process. As a result of this, the project team has held a number of consultations involving young people. In the first instance, this was via the Young People’s Council, who were involved in the assessment of potential projects at bid stage in the summer of 2008.
- 9.2 Subsequently, further consultations have taken place with the Young People’s Council, as well as wider consultation events with young people from other youth organisations across Leicester. This has also been supported by a questionnaire that was distributed as part of Shine Week in July 2009 to young people asking for their views on a city centre youth facility.
- 9.3 Going forward, the project is seeking to establish a formal MyPlace Young People’s Board that will include representatives from the Young People’s Council, including those who are coming to an end of their current term and may not wish to be re-elected to the Young People’s Council. This Board will also involve representatives from other organisations, including the Disabled Children and Young People’s Forum, and will be key in consultations with young people as the project progresses.

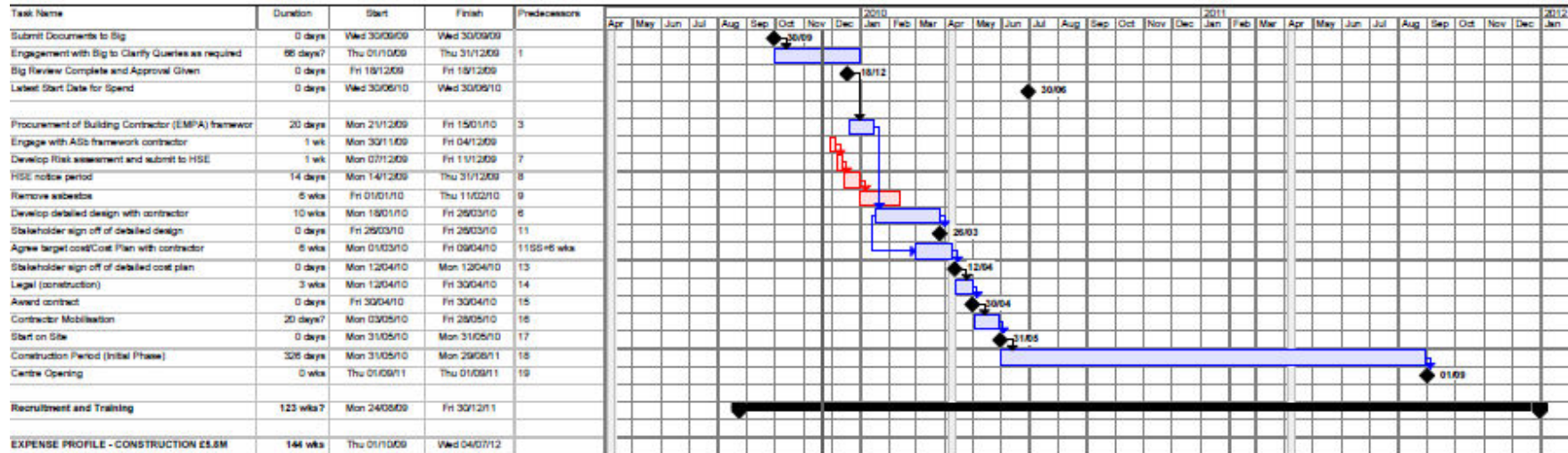
10. Report Authors

Helen Ryan, Divisional Director, Learning Environment, Tel: 252 8791
 Stephen Pain, Business Analyst, Serco Consulting
 John Garratt, 11-19 Programme Director, Tel 0116 2211654, Extn 391654

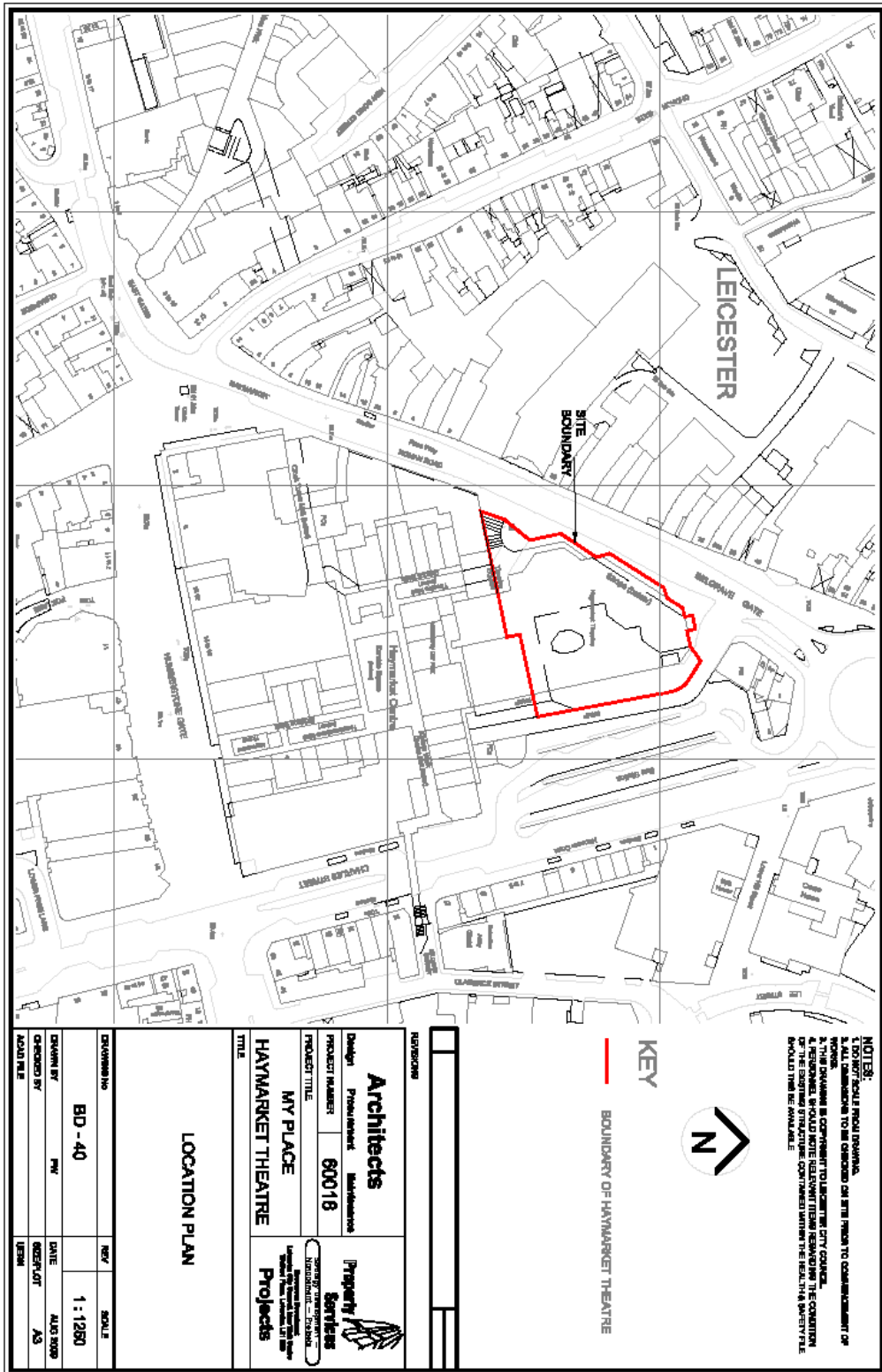
Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

Appendix A – Draft Project Construction Timeline

MYPLACE CHILDRENS HUB



Appendix B – Current Plans



NOTES:
 1. THIS SCALE IS FOR GENERAL INFORMATION ONLY.
 2. ALL DIMENSIONS TO BE CHECKED ON SITE PRIOR TO COMMENCEMENT OF WORKS.
 3. THIS DRAWING IS COPYRIGHT TO LEICESTER CITY COUNCIL.
 4. NO PART OF THIS DRAWING IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE EAST ANGLIAN ARCHITECTS LIMITED. THE REALITY OF ANY PART OF THIS DRAWING SHOULD BE VERIFIED ON SITE PRIOR TO COMMENCEMENT OF WORKS.
 5. THE DRAWING IS NOT TO BE USED FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN PERMISSION OF THE EAST ANGLIAN ARCHITECTS LIMITED.



KEY
 — BOUNDARY OF HAYMARKET THEATRE

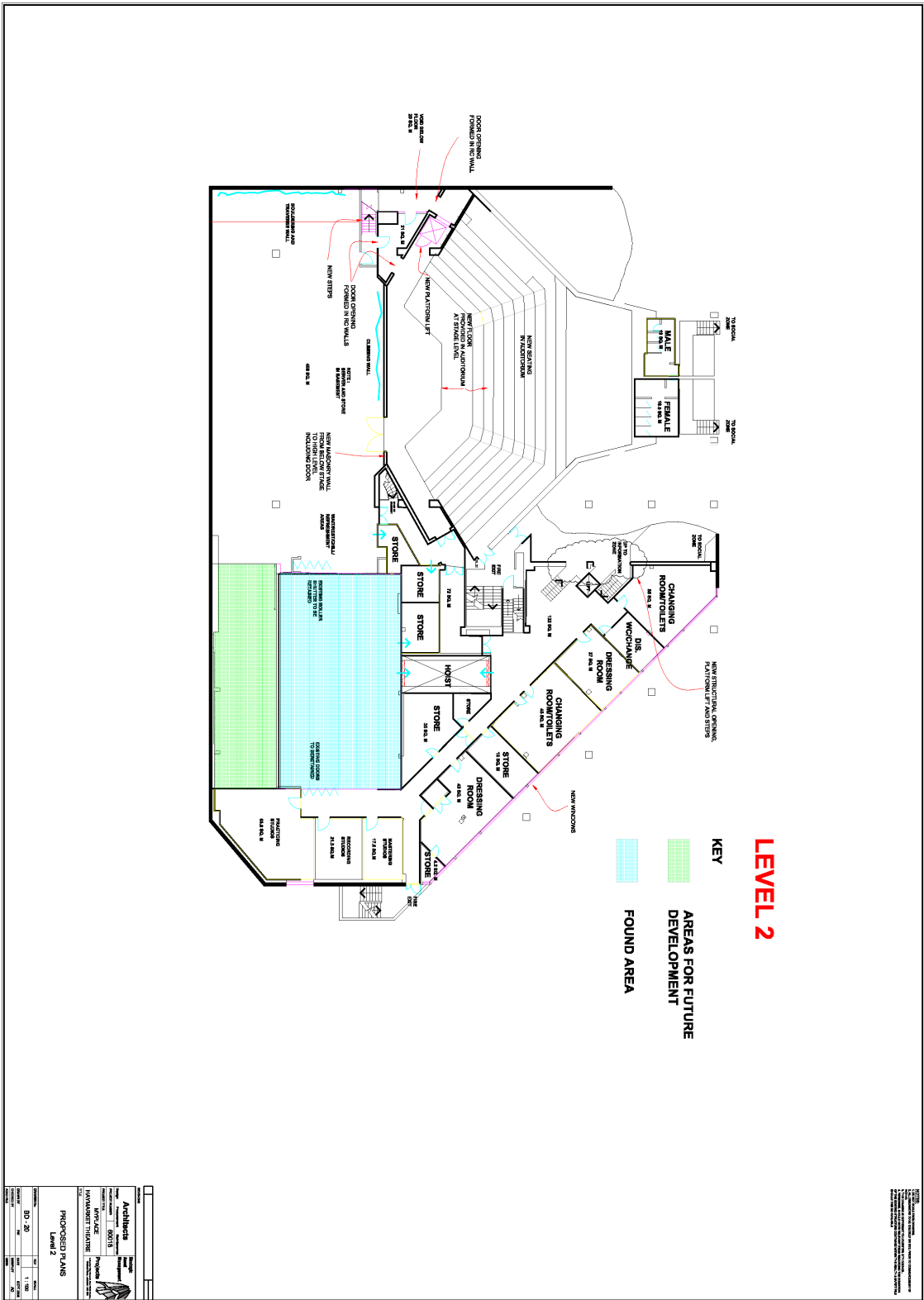
NO. OF SHEETS	
TOTAL NO. OF SHEETS	

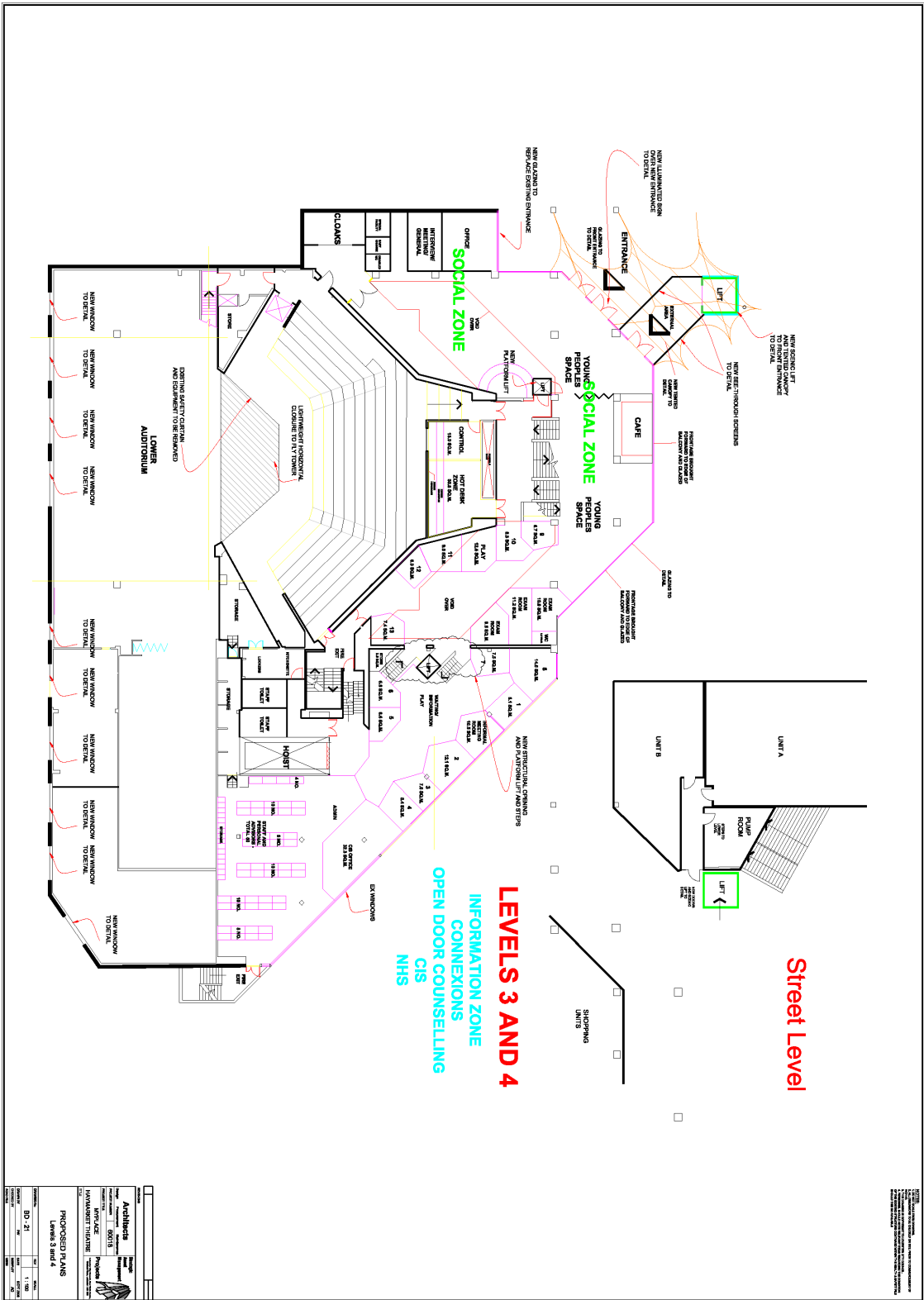
Architects
 Design Professionals
 PROJECT NUMBER: 60018
 PROJECT TITLE: MY PLACE
 HAYMARKET THEATRE

Property Services
 PROJECT NUMBER: 60018
 PROJECT TITLE: MY PLACE
 HAYMARKET THEATRE

DRAWING NO.	BD - 40	REV	SCALE
DRAWN BY	PM	DATE	1 : 1250
CHECKED BY		DESIGN/DT	AJD 2020
APPROVED BY		DATE	AS

TITLE	LOCATION PLAN
-------	---------------





Architects		Client	
Haymarket Theatre		Theatre Company	
Project Name		Project No.	
Levels 3 and 4		HT-21	
Scale		Date	
1:100		1/2021	
Author		Check	
[Name]		[Name]	
Drawn		Approved	
[Name]		[Name]	
Project Address		Project Location	
Haymarket Theatre		Edinburgh, Scotland	

