

CABINET

DATE	14 th June 2023
REPORT OF	Councillor Philip Jackson, Leader of the Council and Portfolio Holder Economy, Net Zero, Skills, and Housing
RESPONSIBLE OFFICER	Sharon Wroot, Executive Director, Place and Resources
SUBJECT	Horizon Youth Zone Update
STATUS	Open Report.
FORWARD PLAN REF NO.	CB 06/23/08

CONTRIBUTION TO OUR AIMS

Delivering the Grimsby Youth Action Zone, or Horizon Youth Zone, will make a significant contribution to the Council's strategic objective of a 'Stronger Economy'. The Horizon Youth Zone aims to raise the aspirations of young people within Grimsby and North East Lincolnshire and support the regeneration of Grimsby Town Centre.

The scheme will also make a significant contribution to the Council's 'Stronger Community' objective by delivering new youth provision to improve the range of diversionary activities available for young people aged 8-19, support improved health and wellbeing outcomes for young people and support improved engagement and educational attainment outcomes that will, in the medium/long-term, also contribute to local economic growth.

EXECUTIVE SUMMARY

The purpose of this report is to seek Cabinet approval of additional Council funding, on top of that previously agreed, to contribute to the finalisation of the funding package that will see the Horizon Youth Zone project delivered. This will support delivery of the transformational project that will improve life outcomes for young people across the Borough and support the regeneration of Grimsby Town Centre.

The Horizon Youth Zone will provide a multi-activity youth centre, in partnership with national youth charity OnSide. In addition, the project will refurbish the vacant and derelict West Haven Maltings, adjoining the Garth Lane site, to accommodate the Youth Zone.

Further investment is sought from the Council's capital programme to fund the scheme, which will supplement investment already secured by OnSide, which includes previously agreed North East Lincolnshire Council contributions, National Lottery Heritage Funds, and Youth Investment Funds.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Notes the progress made to date regarding delivery of the Horizon Youth Zone.
2. Approves the additional capital investment as set out in this report.
3. Delegates authority to the Executive Director Place and Resources, in consultation with the Leader of the Council to so implement and deal with all matters reasonably arising from and ancillary to the above.

REASONS FOR DECISION

Supporting the Horizon Youth Zone will deliver a new multi-purpose Youth Zone facility, which will make a very significant contribution to achieving the Council's Stronger Economy/Stronger Communities outcomes and support the regeneration of Grimsby Town Centre.

1. BACKGROUND AND ISSUES

- 1.1 On 19th December 2018, Cabinet approved the Greater Grimsby Town Deal, which included a financial provision towards delivery of the Horizon Youth Zone, which was funded by the Greater Grimsby Town Deal.
- 1.2 This report outlined the benefits that the Horizon Youth Zone would bring to Grimsby and the North East Lincolnshire area and approved both a capital and revenue financial contribution from North East Lincolnshire Council to the project.
- 1.3 Since the report was approved, OnSide has been working to develop their plans, securing planning approval, a contractor, and additional grant funding, and are now at a point whereby the construction of the project is ready to commence.
- 1.4 OnSide has secured c. £12 million funding from a mixture of sources, including North East Lincolnshire Council, via Towns Fund (as per the Cabinet approval in December 2018), National Lottery Heritage Fund, Youth Investment Fund, plus various smaller contributions from other grant funders and sponsors of the project.
- 1.5 As outlined above, a main contractor has been appointed and fully costed the scheme at a total build cost of £13.5 million. This is higher than anticipated due to a mixture of additional costs associated with redeveloping a locally listed building, plus wider inflationary pressures that are affecting construction projects across the country.
- 1.6 As outlined in paragraph 1.4, Onside has secured c. £12 million funding, which leaves a shortfall of £1.34 million, which is being sought from North East Lincolnshire Council

- 1.7 The Cabinet report approved on 19th December 2018 included provision for North East Lincolnshire Council to step in and meet any identified shortfall in funding, because of pressures associated with the redevelopment of a locally listed building, which has transpired.
- 1.8 However, the costs outlined above, have been subject to extensive testing by OnSide and its contractor, including fixed costings tendered via the market. Consequently, it is anticipated that the £13.5 million figure is an accurate reflection of the current economic climate.
- 1.9 If approved, construction of the Horizon Youth Zone would commence imminently and be open during the financial year 2025/26.
- 1.10 In addition to the above, Cabinet also approved on 19th December 2018, a revenue contribution of £1.5m, spread over Horizon Youth Zone's first five years of operation. This contribution is coming from Childrens Services and is allocated within their budget accordingly. This support is being supplemented by additional revenue funding that OnSide has secured from grant funding, sponsors, and donations. This mixture provides certainty towards operation of the Horizon Youth Zone upon completion of the building works.

2. RISKS AND OPPORTUNITIES

- 2.1 Several risks have been identified at this stage. These include the following.
 - The Council is required to underwrite a substantial revenue contribution to the Youth Zone for the first five years of its operation, which in the current financial climate is challenging, however, the Council has identified the budget for this, which is included within the Medium-Term Financial Plan and therefore available for the project.
 - The West Haven Maltings is a locally listed building, which therefore presents potential risks to the construction project usually associated with such projects, however, OnSide has secured the appropriate planning consent and undertaken extensive surveys & investigations, which has ensured their contractors have been able to develop a construction plan that will enable redevelopment of the site.
 - Due to the current economic climate, specifically regarding inflation, there could be further cost increases to the project. However, the project's contractors have gone to the market to secure fixed prices for the various works, which has provided as much certainty as possible within the current cost plan. If the Horizon Youth Zone project is subject to further cost increases, these will need to be met by OnSide and their other funders.

3. OTHER OPTIONS CONSIDERED

- 3.1. The Council has considered the 'do nothing' option in relation to the project, but this would result in failure to deliver the Horizon Youth Zone with the loss of significant economic and social benefits for Greater Grimsby and North East Lincolnshire as a whole.

- 3.2. There would also be significant reputational risks to the Council because of this approach including damage to its key stakeholder relationships with Government, OnSide, and other members of the Greater Grimsby Board.
- 3.3. The Council has also considered implementation of scaled back version of the current proposals. However, a scaled back delivery of the Horizon Youth Zone would fail to capitalise on the opportunity for comprehensive regeneration of the area and failure to bring West Haven Maltings back into use would leave a vacant/derelict building in place with the potential to have a negative impact on developer/occupier perceptions of the adjoining, strategic Alexandra Dock area.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1. Delivery of the Horizon Youth Zone will generate significant reputational benefits for the Council locally, regionally and nationally and will create a further opportunity to enhance its relationship with key stakeholders.
- 4.2. There are also some reputation/communications risks associated with failure to deliver the scheme, and there will be further, ongoing risks associated with project delivery as the scheme moves into implementation. These will be managed through the established governance/project management arrangements that are in place.

5. FINANCIAL CONSIDERATIONS

- 5.1. The original North East Lincolnshire Council contribution came via the Greater Grimsby Town Deal grant fund secured from Department of Levelling Up and Housing.
- 5.2. The additional funding will be met via the Council's Capital Programme.
- 5.3. The project will leverage a further private/charitable investment to deliver the Horizon Youth Zone.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 6.1. The Council ceased delivering universal youth services from its former network of youth centres in 2014 because of budget constraints. Although the Council still provides extensive outreach support, there is a shortage of high quality, multi-purpose youth facilities in North East Lincolnshire to support effective engagement.
- 6.2. The Horizon Youth Zone will provide "somewhere to go, something to do and someone to talk to" and aim to be safe, supportive and affordable places where young people can spend their free time constructively.
- 6.3. Targeting young people aged 8-19, the Horizon Youth Zone will provide large-scale multi-activity facilities which typically include multi-use 3G pitches, indoor sports hall, climbing wall, gym, music, dance and performing arts facilities and café, along with flexible spaces that can respond to young people's changing

needs and preferences.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

OnSide will consider and consult with environmental and climate change officers to ensure sustainability and low carbon initiatives are incorporated at every opportunity.

8. CONSULTATION WITH SCRUTINY

There has been no consultation with Scrutiny on this report.

9. FINANCIAL IMPLICATIONS

An increase in the Council's contribution to the costs of this scheme will result in additional borrowing costs that will be required to be met from the revenue budget.

10. LEGAL IMPLICATIONS

10.1. The Executive Director Place and Resources and acting as s151 Officer has the constitutional responsibility for the proper administration of the Council's financial affairs. The Executive Director is supportive of the above.

10.2. However, the Council must be cognisant of subsidy control implications and any further investment will be subject to compliance with the subsidy control regime.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications.

12. WARD IMPLICATIONS

The Horizon Youth Zone is situated within the East Marsh ward, but its impact will be felt across all wards in North East Lincolnshire.

13. BACKGROUND PAPERS

Greater Grimsby Town Deal – 19th December 2018

14. CONTACT OFFICER(S)

Sharon Wroot – Executive Director – Place and Resources

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Councillor Philip Jackson,

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