

Brighton & Hove City Council

Policy & Resources Urgency Sub Committee

Agenda Item 2

Subject: Hangleton and Knoll Community Youth Project – Youth Investment Fund Grant

Date of meeting: 30th March 2023

Report of: Executive Director Economy Environment and Culture
Executive Director Families Children and Learning

Contact Officer: Name: Rachel Chasseaud
Tel: 07795336180
Email: Rachel.chasseaud@brighton-hove.gov.uk

Ward(s) affected: Hangleton and Knoll

For general release

Note: Urgency

By reason of the special circumstances below, and in accordance with section 100B(4)(b) of the 1972 Act, the Chair of the meeting has been consulted and is of the opinion that this item should be considered at the meeting as a matter of urgency.

Note: Reasons for urgency

The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were due to a very short timescale between notified of a capital grant of £776500 has been offered to the council by the Department of Culture, Media and Sport (DCMS) and the deadline for acceptance which is 31st March 2023. The Hangleton and Knoll Project (HKP) made a bid with city council support in late 2022 to the Youth Investment Fund, which is being administered by Department of Culture, Media and Sport (DCMS). This was done on the understanding that HKP had won the bid and that the funds would be directed to them to commission the building.

It was only week commencing 13th March that DCMS contacted the council to ask to meet to discuss the project. A meeting was held on 21st March. The report details why the decision is urgent and means the council must accept the grant by 31st March or the funding opportunity will be lost

1. Purpose of the report and policy context

1.1 There is a lack of provision of Youth Services facilities in the west of the city.

- 1.2 The Hangleton and Knoll Community Youth Project (HKP) have successfully made a bid to the DCMS to be part of a pilot project for a new modular building to be placed in Knoll Park. The bid was supported by the council.
- 1.3 DCMS provided detail to the council of the funding, S.31 funding agreement and method of project implementation on 24th March. The council must agree to this by 31st March if the project is to proceed.
- 1.4 This report seeks permission to accept the grant and to proceed with the project in partnership with HKP and DCMS.

2. Recommendations

- 2.1 That the Urgency Sub-Committee agrees to proceed with the Hangleton and Knoll Community Youth Project - Youth Investment Fund grant for the provision of a new modular building in Knoll Park.
- 2.2 That the Urgency Sub-Committee delegates authority to the Chief Executive Officer and the Chief Finance Officer to enter into agreement with the Department of Culture, Media and Sport to accept a capital grant of £776,500 for the provision of a modular building for the provision of Youth Services.
- 2.3 That the Urgency Sub-Committee delegates authority for the Executive Director of Economy, Environment & Culture, in consultation with the Executive Director of Families, Children and Learning, to enter into contracts for the delivery of a new modular building provided for Youth Services and to enter into a lease with the Hangleton and Knoll Community Youth Project once the building is complete.
- 2.4 That the Urgency Sub-Committee notes that this is subject to the successful conclusion of negotiations with Department of Culture, Media and Sport and Hangleton and Knoll Youth Project on the contracting, funding and capital build contracting arrangements, as well as the revenue support from government for subsequent use of the building.

3. Context and background information

- 3.1 HKP have successfully bid to DCMS to be part of a pilot scheme whereby a new, energy efficient modular building is provided to extend the provision of youth services.
- 3.2 The council conducted a Youth Review in 2020 that confirmed the high value placed on neighbourhood youthwork and highlighted the lack of dedicated youth space in the west of the city. The city network youth providers prioritised Knoll park, recognising the under-investment, lack of venue and high level of need in the area.
- 3.3 The Knoll estate has Super-Output Areas within the Index of Multiple Deprivation that are within the top 10% of most deprived areas. It is

estimated that 24% of children and young people are living in poverty. It is also situated far from the services and facilities of the town centre. This facility would enable the commissioned youth provider to support significantly more disadvantaged young people, particularly those living within or in close proximity to the Knoll estate.

- 3.4 As part of the Youth Service Grant Programme, HKP are a commissioned youth provider for the west area, with an annual grant total of £0.087m. The funding period is from 1st October 2021 to 31st March 2025. The funding is subject to an annual review, achievement of the defined outcomes and annual council budget setting in February of each year. HKP are performing very well, with data reports highlighting that they are exceeding targets, with excellent partnerships and services that are very much valued by young people accessing their services. The HKP Annual Report is attached as Appendix 1.
- 3.5 DCMS are piloting a method of provision of facilities for Youth Services through the use of highly energy efficient modular buildings to minimise running costs for the service. The method involves partnership working between the council, the youth services organisation and DCMS to deliver the scheme. HKP is one of four schemes to be delivered in England as part of this pilot.
- 3.6 In addition to being highly sustainable and low cost, the new building will be fully accessible for people with disabilities and will include disabled access toilet facilities. A Design and Access Statement which sets out the plans including sustainability benefits and accessibility benefits is attached at Appendix 2 and included as part of the planning application.
- 3.7 HKP were successful in their bid to DCMS. However, details of the grant funding agreement and method of implementation were only provided by the government to the council on 24th March 2023.
- 3.8 This requires the council to receive and manage the funding for new building and to enter into a contract with the selected building contractor. Council officers will be part of the contractor selection panel and can withdraw from the project progressing if the specification is altered or the building cannot be delivered for the available budget.
- 3.9 Unusually DCMS will procure the building with council input and provide construction management services through their contractor Hawkins Brown. Construction management functions will be funded centrally by DCMS and this is separate to the grant provided to the council for the building and associated works. Hawkins Brown will draw down the funds required from the council for the project. This does create risks for the council because we are not procuring our own design team, making the commitment from DCMS to cover cost escalation very important.
- 3.10 DCMS have provided guarantees that the council will not be exposed to the risk of a project which escalates in costs in the form of a 'Letter of Comfort'. The Letter of Comfort makes it clear that there are a number of break points if the council is not happy with the specification changing too much and/or in

the event that the costs exceed the agreed capital budget. DCMS also state that if the costs increase and cannot be reduced they will support an additional award to the council for additional funding to enable the project to go ahead.

- 3.11 DCMS will hold the contracts with Hawkins Brown who will procure the construction / building contract then project manage the build. Hawkins Brown will procure the building on the council's behalf through a government NHS Buildings Framework in order to provide value for money and the requisite skills and experience to undertake a specialist modular build. The DCMS is intending to procure all four buildings for the pilot in one lot to reduce costs. Once procured the council will enter into a contract with the contractor.
- 3.12 The Letter of Comfort provided by DCMS gives the council and DCMS the opportunity to review the costs of the project before entering into a construction/building contract. In the event that the projected costs exceed the budget agreed, the council is not obliged to proceed with the contract. Consideration will be given to reducing the cost of the scheme; additional funding to be provided by DCMS or if neither of these options are possible the council can withdraw from the scheme and repay any unspent capital.
- 3.13 Further to this, if costs escalate during the course of construction and cannot be reduced through value engineering, the Letter of Comfort confirms that the DCMS will support a bid for additional capital to cover the costs of the scheme.
- 3.14 The council will be the 'client' in relation to the building/ construction contract and will need to appoint an Agent to support this function. The estimated cost of and Agent is £0.035m of which £0.030m will be funded by DCMS as part of the capital grant. A Clerk of Works is also included in the contract value, working for the council but funded by DCMS.
- 3.15 The council will be required to report back to DCMS on the progress of the development and provide details of actual costs.
- 3.16 An application for planning consent to construct the building in Knoll Park was lodged by Hawkins Brown on 7th February 2023 and is due to be determined on 18th April 2023. HKP have already undertaken consultation with ward councillors, local residents and other park users. There have been no objections to the proposed scheme to date.
- 3.17 The new building would be owned by the council and leased to HKP on a full repairing lease at a peppercorn rent.
- 3.18 HKP will also be awarded a one-off revenue grant in 2023/24 from DCMS. The value of this is yet to be determined. This is to assist the organisation to move into the new building and to use it for Youth Services.

4. Analysis and consideration of alternative options

- 4.1 The council could decide to reject the offer of the grant but this is not recommended as an opportunity would be lost for a much needed youth facility in the west of the city.
- 4.2 The contracting route is unusual and would not be the council's preferred method to procure a building. However, it is being 100% funded by DCMS so our options are limited by their offer.

5. Community engagement and consultation

- 5.1 HKP is a community-based organisation of very long standing and good reputation in the local community. They have led the consultation with ward councillors and residents and held an open event for local residents and park users in November 2022.
- 5.2 HKP have also involved ward councillors who officers believe are supportive of the project.
- 5.3 HKP leafleted 200 homes in close proximity to the park.
- 5.4 They have also consulted with the Friends of Knoll Park and the Bowls Club in Knoll Park.
- 5.5 The planning consultation for the proposed building is currently open. A link to the live planning application is provided below as background to this paper.
- 5.6 To date no objections have been raised.

6. Conclusion

- 6.1 That the acceptance of the Youth Investment Fund Capital Grant provided by DCMS for the provision of a new building for Youth Services in Knoll Park is agreed in order to take the opportunity for the provision of a new accessible and low energy building which is much needed for Youth Service Provision in the west of the city.
- 6.2 The risks of cost over-run to the council have been substantially mitigated through the terms of the funding agreement and Letter of Comfort provided to the council by DCMS.

7. Financial implications

- 7.1 DCMS have awarded £0.776m to cover the costs for the installation of a new modular building for the provision of youth services at Knoll Park and have provided a very limited time to accept. It is not clear at this stage that the funding will be sufficient and so the DCMS have provided assurance that the award will be reviewed prior to the council entering into any contract for construction of the facility at procurement stage and, should costs increase

after the procurement stage, DCMS will support an additional award to complete the project.

The assurances from DCMS for the capital works means the risks of capital costs falling to the council are low. The ongoing revenue costs have not been established though it is anticipated this would be managed within the full repairing lease to HKP and therefore this potential financial risk is also considered low.

Name of finance officer consulted: John Lack Date consulted: 29/03/23

8. Legal implications

- 8.1 The Council has sought to mitigate the risk of cost over-runs by negotiating the Letter of Comfort. This is not legally binding but provides some assurance.
- 8.2 Hawkins Brown and 00 Architects are contracted by DCMS, not the Council. HB/ 00 Architects have designed the building and drafted the specification for the building/ construction contract. The Council's Agent will check the works comply with the specification, but this does not mitigate the risk that there is an issue with the design or specification.
- 8.3 The Hangleton and Knoll Project will be responsible for all repairs required but may not agree to be responsible for defects with the building (and may not have the resources to do so).
- 8.4 It is unclear at this stage whether the Council will have the benefit of a collateral warranty (CW) in relation to the HB/ Architecture 00 contracts. A CW would allow the Council to take legal action against HB/ Architecture if they did not comply with the terms of their contract(s) with DCMS. Legal Services will need to check their contracts with DCMS are appropriate and include industry standard terms.
- 8.5 Officers understanding is that the Council will be entering into the building/ construction contract. DCMS recommend the use of an NHS Framework and officers will need to check the Council is permitted to use this framework and that its terms are suitable.
- 8.6 The Council has not yet had sight of all the relevant legal documents and Legal Services will continue to advise as this project progresses.

Name of lawyer consulted: Alice Rowland Date consulted: 29/03/23

9. Equalities implications

- 9.1 The new building will be fully accessible for service users with disabilities and will provide accessible toilets for people with mobility issues.
- 9.2 All commissioned youth providers are required to have equality, diversity and inclusion embedded in their activities, governance, and management

arrangements with plans on how they will promote inclusion within their service. This is reviewed regularly via the Youth Service Grant Programme (2021-25) monitoring framework.

10. Sustainability implications

- 10.1 The modular building is of a zero carbon design and highly energy efficient. More details are contained within Appendix 1.
- 10.2 It is designed to minimise ongoing running costs to the service.

11. Social Value Implications

- 11.1 HKP work with young people on social action projects, including the Friends of Knoll Park Group (FOKP). Young people are involved with litter picking, community surveys to improve the park and attending FOKP meetings to be a representative for HKP Youth Club.

12. Crime & disorder implications:

- 12.1 The building is designed to minimise the risk of anti-social behaviour through designing out crime. The orientation of the building allows for passive surveillance and is fitted with CCTV and motion sensor lighting. More details are included in Appendix 1.

13. Public health implications:

- 11.2 In the 2020 Youth Review it was acknowledged that youth workers have a significant role to play in supporting young people with their mental health. An extended youth offer in this area, would result in more preventative support for mental health.

Supporting Documentation

1. Appendices

- 1. Hangleton and Knoll Project Annual Report 2021-22
- 2. Design and Access Statement for proposed new Modular Build for HKP

2. Background documents

- 1. Link to Live Planning Application:

[BH2023/00361 | Erection of single storey modular building to provide youth services with paved terrace and associated landscaping. | Knoll Recreation Ground Stapley Road Hove \(brighton-hove.gov.uk\)](#)