



## Report to Policy Committee

### Author of Report:

Ian Turner  
Programme Manager

**Report of:** *Executive Director - Neighbourhood Services,  
Ajman Ali*

**Report to:** *Finance Committee*

**Date of Decision:** *1<sup>st</sup> August 2023*

**Subject:** **Youth Investment Fund Grants**

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? <b>2237</b>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

### Purpose of Report:

**The purpose of the report is to seek approval for the Council to become accountable body for multiple grants from the Youth Investment Fund.**

**Recommendations:**

It is recommended that the Finance Committee:

1. Approves the Council becoming accountable body for multiple grants up to a maximum combined value of £7.9 million from the Youth Investment Fund for the refurbishment and/or creation of youth and community facilities across the city in line with the basis set out in this report.

**Background Papers:**

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Alex Hill</i>
		Legal: <i>Gemma Beecroft</i>
		Equalities & Consultation: <i>Louise Nunn</i>
		Climate: <i>Submitted</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>SLB member who approved submission:</b>	<i>Ajman Ali</i>
3	<b>Committee Chair consulted:</b>	<i>Richard Williams</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Chelsea Renehan</i>	<b>Job Title:</b> <i>Head of Community Youth Services</i>
	<b>Date:</b> <i>20/7/2023</i>	

## **1. PROPOSAL**

### **1.1 Background**

The Youth Investment Fund (YIF) is a £368 million government commitment to young people to transform and level up the out-of-school youth sector.

It will be delivered by the Social Investment Business Foundation, in partnership with the National Youth Agency (NYA), Key Fund and Resonance via grant funding from the Department for Digital, Culture, Media and Sport.

The YIF objective is to create, expand and improve local youth facilities and their services, in order to drive positive outcomes for young people, including improved mental and physical wellbeing, and skills for life and work.

Investment is targeted in areas of greatest need and enables local youth organisations in 45 local authorities and over 600 district wards in England to apply. Approximately one-third of all young people in England aged 11 to 18 live in the eligible areas.

It will provide innovative youth facilities in levelling up priority areas, and early-stage/seed resource funding to underpin them, enabling more positive activities that deliver improved outcomes for young people. Grants can be used on the cost for building, renovating or refurbishing youth facilities as well as the associated costs, however applicants must either own or have a long lease on the land or buildings proposed.

The Council has submitted 13 applications to the fund and expects to hear the outcome of the applications shortly.

There are no guarantees that all, or indeed any, of the sites submitted will receive funding. Each will be assessed on its own merit as part of the application process. If all sites are successful, the total grant funding the Council could receive is up to £7.9 million.

### **1.2 Feasibility**

Many factors have been considered in compiling a shortlist of sites that stand the best chance of being successful. These include (but are not limited to):

- New or renewed youth facilities which will be able to expand the number of youth activities that are carried out.
- The investment needed would be of sufficient size - funding guidance is that it would not be possible to deliver a sufficient level of additional youth services desired for a budget below

£300,000 for each site.

- Priority to invest in existing Council owned buildings where these exist and are suitable with new-build only where needed.
- Areas where there is a lack of suitable community facilities and a lack of existing youth club provision. Youth services already utilise non-council community facilities in a number of locations in the city where there are few or no Council community buildings.
- Areas of the city where there is a known need for new and/or additional activity for young people and a known demand from young people for activities.
- Avoiding locations where other organisations have made us aware of their own intentions to bid for funding from this source, thereby avoiding being in competition with them.
- Prioritising locations (for example parks) where there is other investment planned that will provide additionality to YIF investment and/or there is an aspiration for new or existing facilities that can co-exist with youth facilities.
- Practicability of completion within the funding timeframe (before December 2024 with all funding requirements complete by 31<sup>st</sup> March 2025).

### 1.3 **Site Selection**

The sites that have been selected by the Council are those that are considered to have the best chance of being successful in gaining funding through providing investment that will grow the universal youth provision in the area.

Based on the factors, 13 locations have been put forward:

- 2 new builds using modern methods of construction.
- 3 larger refurbishment grants (>£300k).
- 8 smaller refurbishment grants (<£150k).

Refurbishment grant applications cover a wide variety of improvements including:

- Modernisation.
- Accessibility improvements – internal and external.
- Reconfiguration of spaces.
- Revamped/ improved kitchens.
- Environmental improvements.
- Revamped/improved toilet facilities.

1.4 It is expected that grant awards for each site will be subject to individual grant agreements with the Social Investment Business Foundation. In

anticipation that one or more of the submissions is successful, there is a need to ensure that the funded projects can progress swiftly and therefore it is recommended that the Council is in a position to accept funding through this decision across all possible sites.

- 1.5 All spend in relation to any of the successful projects will be via the Council Capital approval route.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

### **2.1 Corporate plan**

*Happy young people who have the start they need for the future they want. Young Sheffielders are happy, safe and have the opportunities they need to be fulfilled and reach their potential in a changing world.*

Investment in facilities suitable for youth work will contribute to the corporate priority by providing suitable and appropriate locations for the delivery of all types of youth work.

### **2.2 Community Youth Strategy 2022-25**

If successful, the funding will contribute to the aims of the Youth Strategy (2022-25) and enhance the provision of universal youth work. Youth work is a distinct educational process adapted across a variety of settings to support a young person's personal, social and educational development in order to:

- Explore their values, beliefs, ideas and issues
- Enable them to develop their voice, influence and place in society
- Facilitate the learning of a set of practical or technical skills and competencies that enable them to realise their full potential.

The Youth Strategy has a commitment to invest in youth facilities across the city to make them safe, secure and with the right equipment to meet young Sheffielders' expectations of modern, contemporary, welcoming spaces.

Having the right facilities in the right places will also contribute to the stated aim of having 3 universal youth provisions in each ward every week.

## **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 An initial drop-in session was organised with an open invitation to all Local Councillors to attend as part of the site identification process.
- 3.2 Some Local Councillors were also involved in broader community engagement during the early stages of the programme.
- 3.3 An update was sent out to all Local Councillors on progress against the youth strategy that highlighted all sites that could potentially receive funding.

- 3.4 Local Councillors in the Stannington ward have been involved as part of the community engagement on the replacement of Stannington Pavilion.
- 3.5 Young people have been consulted about the larger projects through the youth voice and influence team who have attended youth clubs, visited schools, attended sports sessions and accompanied detached youth workers in some areas. Their views have been taken into account in the design work that has taken place to date and will continue to be involved as and when the projects progress.

Building users have been consulted where appropriate.

#### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

##### **4.1 Equality Implications**

- 4.1.1 An equalities impact assessment (number 2237) has been completed. The proposal will, overall be positive across all characteristics. Universal youth work is open to all young people aged from 10 to 18 (to 25 including SEND). Its purpose is to offer safe, creative, ambitious Community Youth Services where all young people in Sheffield can thrive.

The proposals will provide modernised locations for the delivery of youth work.

- 4.1.2 Age has been identified as the area with the greatest impact. There will be a net benefit to young people as the buildings will provide an opportunity for Community Youth Services teams to deliver targeted and specialist youth services in an environment that is familiar to the young people alongside open universal youth services.

This will allow a joined-up approach to the different strands of youth work and connect young people with the opportunities to attend the open sessions.

##### **4.2 Financial and Commercial Implications**

- 4.2.1 Key features of the agreement (the “Grant Agreement”) and terms and conditions are summarised as follows. The Project Manager will need to read, understand, and comply with all of the grant terms and conditions and the Code of Conduct for Grant Recipients and develop an exit strategy to ensure that there are no ongoing unfunded costs when the Grant ends.

- 4.2.2 The below implications are prepared on the basis of a draft agreement and are therefore will not be finalised until a final version of the grant agreement has been reviewed and these implications updated.

##### **4.2.3 Project Details**

Mixed capital and revenue grant paid to Sheffield City Council (“SCC”) from Social Investment Business Foundation (the “Funder”).

The Grant is to for the construction, repurposing, refurbishing or extension of new or current youth centres/modular youth units (the “Project”). The Grant Agreement provides a detailed operational breakdown of activities and costs that are eligible to be funded by the Grant (see details).

The Grant must be used only for works relating to SCC owned (either by freehold or leasehold) youth centre sites, including any non-proprietary assets over the value of £5,000 (the “Grant Assets”).

The Project must:

- create, expand or improve local youth service;
- drive positive outcomes for young people, including improved mental/physical well being and skills for life;
- develop environmentally sustainable youth facilities;
- drive improvements in youth sector capability;
- improve access, participation and short-term wellbeing of young people; and
- improve the evidence base for the youth sector,

(the “Project Objectives”)

Funder’s prior written consent required to change Project scope.

#### 4.2.4 **Financial Terms and Conditions**

- The Grant bid process requires SCC to bid for each separate scheme within the Project, and therefore the amount of Grant is not yet known. SCC has bid for up to £7,900,000 of Grant from the Funder, and the implications recommend that SCC become the accountable body for up to the maximum amount.
- The originating funder is the Department for Digital, Culture, Media and Sport (“DCMS”)
- The Grant will be treated as Conditional and will be subject to clawback if the Grant terms and conditions are not complied with (see details).
- SCC must only use the Grant for the Project and associated eligible expenditure to meet the Projective Objectives, as specified in the Grant Agreement. Funder’s prior written agreement needed if SCC intends to apply the Grant to non-Project expenditure.

- Eligible expenditure is net of VAT recoverable and gross of unrecoverable VAT.
- SCC and the Funder agree that payment of Grant is not consideration for a supply for VAT purposes. If the payment of the Grant is deemed at a later stage to be a supply, then the Grant is inclusive of VAT.
- SCC will be making grant payments to third parties, and therefore SCC must ensure any third parties comply with the terms of the Grant Agreement.
- SCC must have Funder's prior written consent to borrowing, lending or indemnifying in respect of the Project (see details).
- Duplicate for the Project not permitted.
- Grant Commencement Date: date of the Agreement/TBC
- Grant End Date: TBC

#### 4.2.5 **Grant Payment and Claim Conditions**

Payment is made on the following terms:

- Grant to be paid within thirty (30) days of SCC submission of approved claim form and evidence to Funder, to the schedule specified in the Grant Agreement (see details).
- Grant must be spent in the relevant financial years and cannot be carried forward. The Funder may require SCC to return any unspent funding at the end of each financial year and at the Grand End Date.
- Funder Payment of Grant subject to the following:
  - Funder is satisfied the Grant will not be applied to expenditure incurred prior to the Grant Commencement Date;
  - Funder is satisfied that SCC has resources to complete the Project and operate youth services; and
  - SCC satisfying the Proprietary Conditions (see below).
- Funder may waive the above conditions at absolute discretion but may withhold any future payments until conditions are met in the future.
- Grant is subject to 5% retention, to be paid to SCC on Funder receipt of the Project practical completion certificate.
- Funder may withhold 95% of the Grant, until it receives from SCC



in respect of the Project, satisfactory evidence of:

- planning/building consents;
- the undertaking of a competitive tender process including tender report and market testing evidence (see details);
- supply of appropriate invoice evidence;
- an up-to-date capital project cost summary and cashflow (see details);
- the acquisition of all required partnership funding;
- confirmation of the engagement of a lead building professional manager, structural engineer, planning supervisor and other qualified staff (see details); and
- that Grant payments are being made three (3) months' advance of need. The Funder retains the right to reduce the Grant if SCC fails to make the advance claim.

#### 4.2.6 **Proprietary Conditions**

SCC receipt of Grant is subject to the following Proprietary Conditions:

- Funder receipt of evidence of SCC full leasehold/freehold title to the Grant Assets.
- SCC disclosure of fixed/floating charges/mortgages and/or other securities encumbering the Grant Assets.
- In respect of the Grant Assets, Funder receipt of surveyors' reports on suitability of the Grant Assets for the Project.
- Where the Grant allocation for an individual Grant Asset is over £300,000, SCC must provide the Funder with a certificate of title for the Grant Asset.
- Where the Grant allocation for an individual Grant Asset is over £600,000, SCC must enter into a deed of dedication with the Funder in respect of the Grant Asset, and enter a restriction on the Grant Asset title (if registered), or a land charge (if the Grant Asset is unregistered).
- Where the Grant Asset title is leasehold, SCC must provide assurance on the remaining term length of the lease, the level of assurance depending on the value of Grant allocated to an individual Grant Asset (see details). SCC will also need to provide the Grant Asset lease to the Funder, and where the Grant allocation for the Grant Asset is over £100,000.

- SCC cannot sell, lease, dispose of or change use of any Grant Asset with the Funder's prior written consent. Any approved disposal must be at full market value and evidence of this supplied to the Funder. If a under market value disposal is undertaken, SCC may be required to repay the Grant.
- SCC must acknowledge that DCMS has an interest in the Grant Assets.
- DCMS may require monitoring and reporting information in relation to the Grant Assets for up to 15 years after the Practical Completion of the Project (see details).
- The Funder may require the Grant to be secured against the Grant Assets, and may withhold up to 90% of the Grant until security requirements are satisfied.
- Funder may enter Grant Assets in order to inspect Project progress.

#### 4.2.7 **General Terms and Conditions**

- SCC required to prepare a business plan by March 2025 that demonstrates the financial sustainable of the relevant youth centres.
- SCC required to train staff by 31 March 2025 that improve staff marketing and revenue generation skills.
- SCC must train at least one volunteer or staff member to a recognised youth work qualification within twelve (12) months of the opening of any youth centre relevant to the Project.
- SCC must not use the Grant for a range of purposes (see details).
- SCC must comply with the detailed performance management and key performance indicator requirements specified in the Grant Agreement (see details)
- SCC must comply with the risk management obligations contained in the Grant Agreement and maintain an appropriate risk register (see details).
- SCC must evidence due diligence to manage fraud risk and data on key performance indicator progress
- SCC is to comply with the following requirements specified in the Grant Agreement:
  - the accounting audit, monitoring and reporting requirements (see details);

- the documentation, records and evidentiary requirements (see details);
  - the data protection, information and publicity requirements (see details);
  - the detailed performance management and key performance indicator requirements (see details); and
  - the insurance requirements (see details).
- SCC will ensure the use of the Grant does not breach any subsidy controls, legislation or international regulation.
  - SCC to comply with environmental requirements and sustainable development principles/policies (see details).
  - Funder prior written consent required for SCC to subcontract Project works.
  - SCC may have to enter into a Data Sharing Agreement with the Funder and DCMS.
  - The Grant maybe subject to an external evaluation procedure, and audit by the National Audit Office.
  - Chief Executive and Chief Internal Auditor to sign a declaration at the end of the Project.
  - The Grant Agreement does not explicitly refer to any prescribed retention period, and therefore the SCC standard period of seven (7) years is assumed.

#### 4.2.8 **Commercial Implications**

All public sector procurement is governed by and must be compliant with the Grant Agreement and UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs). CSO requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase / acquire services, goods or works must go via a competitive process, comply with the Local Government Transparency Code 2015 and the relevant provisions of the Grant Agreement. The Portfolio / Service Grant Manager will need to contact the Commercial Services Team for detailed guidance on adherence to these rules when spending the Grant.

#### 4.3 **Legal Implications**

- 4.3.1 The Department for Digital, Culture, Media and Sport has in accordance with its powers under section 70 of the Charities Act 2006, provided grant

funding to the Social Investment Business Foundation (the Funder). The Funder is then to provide grant funding to successful recipients pursuant to the Youth Investment Fund Phase 2 (YIF).

- 4.3.2 In accordance with section 507B of the Education Act 1996, the Council has a duty to secure in their area, access to sufficient educational leisure-time activities and recreational leisure-time activities as well as sufficient facilities for such activities for young people which are for the improvement of their wellbeing. By becoming accountable body for any grant funding from the Youth Investment Fund the Council are successful in being awarded in relation to the projects proposed, will further enable the Council to meet the above duty.
- 4.3.3 If the Council is successful in their bid/s and are awarded funding, the Council will be required to enter into grant funding agreement/s with the Funder. A draft grant agreement has been provided to the Council. Key terms are outlined above in the financial implications.
- 4.3.4 The grant agreement states that the Funder may require certain restrictions to be placed on the title of the land interest held by the Council. The level and type of restriction would be determined on a case-by-case basis starting from the level of funding secured. Officers would need to satisfy themselves that before applying the level of restriction required was proportionate to the outcomes sought to be achieved.
- 4.3.5 Officers must ensure that they are aware of the requirements that must be met before funding is paid to the Council, these include but are not limited to the funder being satisfied that the Council has sufficient funding to complete the projects and operate the services and that the grant is not used to pay expenditure commitments from before the commencement date.
- 4.3.6 There are a number of scenarios where the grant can be clawed back, suspended or withheld by the Funder, the officers involved in this project must ensure that they are aware of these.
- 4.3.7 The grant agreement also states that Funder shall only be liable to make any tranche payment to the Council pursuant to the grant agreement/s to the extent it is able to claim an equivalent amount of monies for the under the YIF Grant Agreement between the Funder and DCMS.
- 4.3.8 The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018, Equality Act 2010 and the Subsidy Control Act 2022.

A subsidy control assessment will be carried out once the final amount of grant and projects are known.

#### 4.4 Climate Implications

- 4.4.1 A blanket climate impact assessment has been carried out covering all

sites. Impacts vary depending on the nature of the proposed works. Overall, the impacts should be positive.

#### 4.4.2 **Construction**

2 x new buildings included in the project, one of which is a replacement for an existing end-of life sports pavilion.

Modern methods of construction will be used for 2 new build buildings and the aim will be to have low embodied carbon designs. Aim will be to achieve as low a carbon impact as possible in the building's construction and use.

#### 4.4.3 **Use**

New builds will include improved heating controls and bicycle storage. Bicycle storage will be included to encourage active travel. Heating controls will also be included which will result in a significant improvement in one of the projects.

#### 4.4.4 **Land use in development**

Landscaping surrounding the new buildings will be enhanced. Landscaping surrounding the new buildings will include wildflower areas and additional trees.

#### 4.4.5 **Demand Reduction/Efficiency Improvements**

Kitchen/Boiler/ lighting replacement.

New kitchens will replace old appliances with newer more efficient appliances.

Boiler replacement is likely to be more efficient.

Window replacement on some sites will improve heat retention - efficiency of new equipment to be considered during procurement.

New builds will be of a high thermal efficiency and, where applicable will result in a significant reduction in heating requirements due to the poorly insulated existing building.

Some existing buildings and both new buildings will incorporate solar generation to mitigate energy use and reduce energy demand.

#### 4.4.6 **Increasing infrastructure for renewables generation**

Solar panels will be included in the new building design where possible and on some existing buildings to decrease carbon use.

Solar panels will be included where this is possible to generate electricity for the buildings. This will be the case on up to 5 of the projects.

#### 4.4.7 **Awareness Raising**

Universal Youth Work increase.

Primarily, the facilities will be used for universal youth work, a key aspect of which is informal education. This includes opportunities to learn about environmental matters and will therefore raise awareness in the attendees.

#### 4.4.8 **Water Use**

Replacement toilet facilities.

Replacement toilet facilities are likely to be more efficient in the use of water - consider lower volume flush and other water saving measures during procurement.

#### 4.5 Other Implications

4.5.1 None

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

#### 5.1 **Alternative option 1 – Do nothing.**

A do-nothing option would be for the Council not to accept grant funding from the Social Investment Business Foundation through the Youth Investment Fund. This would result in not gaining the benefits of the funding for young people and communities across the city. Each individual project benefit will young people and their communities by increasing universal youth provision and/or providing facilities across the city that are safe, secure and with the right equipment to meet young Sheffields' expectations of modern, contemporary, welcoming spaces.

#### 5.2 **Alternative option 2 – Wait for the outcome of the application process.**

Waiting until after grants are awarded will lead to a delay in progressing the projects and would increase the risk that projects could not be completed before the end of the funding period. Authorising the acceptance of grants prospectively reduces this risk.

### 6. **REASONS FOR RECOMMENDATIONS**

6.1 The Youth Investment Fund (YIF) is a £368 Million Government commitment to young people to transform and level up the out-of-school youth sector.

6.2 Officers have been working on up to 13 proposals for funding from the Youth Investment Fund with a combined value of up to £7.9 million. It is a requirement of the funding that projects are fully completed by 31<sup>st</sup> March 2025.

6.3 If successful, the funding will provide up to 13 new and refurbished youth facilities that will contribute to the aims of the Youth Strategy (2022-25) of enhancing the provision of universal youth work by investing in youth facilities across the city to make them safe, secure and with the right equipment to meet young Sheffields' expectations of modern, contemporary, welcoming spaces.

6.4 Having the right facilities in the right places will also contribute to the stated aim of having 3 universal youth provisions in each ward every week.

6.5 This decision will ensure that, if successful, the acceptance of the funding

can be completed quickly to ensure that the projects can be delivered against the programme.

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