

Committee: **Cabinet**

Date: **19 October 2004**

Title of Report: **Hastings and St Leonards Children's Centre**

By: **Director of Education and Libraries**

Purpose of Report: **To agree the Children's Centre capital allocation to the Hastings and St Leonards Programme. To delegate authority to negotiate the lease agreements and the transfer of the accountable body status from the National Children's Home (NCH) to East Sussex County Council (ESCC).**

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**Recommendations:**

**The Cabinet is recommended to:**

- (i) note the Department for Education and Skills (DfES) approval of the Hastings and St Leonards Children's Centre Implementation Plan;**
- (ii) approve the capital development to deliver the Hastings and St Leonards Children's Centre subject to formal approval from the three additional external funding streams, and also to agreement between the Council and NCH on the terms of the lease for the site of the Children's Centre from Hastings Borough Council (HBC) (with a view to the Council taking over the lease if the "accountable body" responsibility for the Centre transfers from NCH to the Council);**
- (iii) approve the addition of £278,000 to the Education and Libraries capital programme to cover the Children's Centre element for the proposed capital development, which will be fully funded by grants from the Government's Sure Start Unit and Single Regeneration Budget (SRB); and**
- (iv) delegate authority to the Director of Education and Libraries and the Deputy Chief Executive and Director of Corporate Resources to negotiate with NCH on the transfer of the accountability arrangements from NCH to ESCC and the terms of the proposed leases from HBC (if appropriate)**

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**1. Financial Appraisal**

1.1 The Cabinet approved on 3 August the overarching proposals for the use of the Children's Centre capital allocation within the General Sure Start Grant (GSSG), including a provisional allocation of £278,000 to NCH towards the capital costs of a Children's Centre based on the Hastings and St Leonards Sure Start project. A capital strategy for the Centre has been developed by NCH, on behalf of the multi-agency Partnership Board, over the last year and has been endorsed by the DfES. The total cost of the new build is £1,328,915. Beyond the GSSG allocation there will be no direct cost to ESCC for this development; the costs will be fully funded by other grants from the Sure Start Unit and SRB. The SRB grant has been released and the release of the Sure Start local programme grant is expected shortly. The DfES has approved the Children's Centre Implementation Plan.

1.2 Current proposals, subject to further negotiation, involve the Council taking over the "accountable body" responsibility for the Hastings and St Leonards programme and therefore taking over the lease for the Centre. If the service were to prove unsustainable this would require the Council to dispose of the building and return the grant to the DfES. This risk is judged to be very small, however (see below). Depending on how quickly the change to accountable status is progressed, the lease will either be negotiated with HBC by ESCC, if the accountable body status has been transferred, or agreed jointly by NCH and ESCC, if the accountable body negotiations have not been concluded.

1.3 The DfES requires that full day-care is a part of the 'core-offer' of the Children's Centre. The capital funding released by the government for all the East Sussex Children's Centres is directly linked to the development of childcare places. For Hastings and St Leonards this will be achieved through the creation of a 30 place nursery operational within the Children's Centre. The Sure Start local programme will be re-profiling its budgets to pump prime the childcare using the Neighbourhood Nursery formula for the subsidy of places. The assumption is that the childcare will be sustainable after three years (by

2009). The programme has experience of delivering this service. A similar facility run by the Fellowship of St Nicolas on behalf of the programme already has a waiting list.

1.4 Sure Start funding will meet any revenue shortfall of the Children's Centre. The DfES funding tapers, with 2010/2011 as the last year of revenue funding. After this point the pick up of this cost will be by partner agencies and/or a management plan for reducing the shortfall. Subject to the agreement of the Hastings and St Leonards Sure Start scheme, a management risk action plan will need to be reported annually to the Lead Member for Children and Young People; and Libraries to outline the size of the problem in 2011/2012 and the management actions taken to mitigate this (see Appendix B for the revenue breakdown).

1.5 It is also assumed in the revenue projections that the proposed nursery element is cost neutral in revenue terms as the nursery provision will be provided by an independent sector provider. It will be a condition of the contract that the financial risks are borne by the provider and not by the accountable body. This will be reviewed and reported to the Lead Member annually in conjunction with the Risk Management Action Plan already mentioned.

## **2. Supporting Information**

2.1 The Hastings and St Leonards Children's Centre aims to improve the life chances of all children under 5 and their families in the programme area by increasing access to childcare and early education, health services, family support and outreach and improving local employability. NCH is currently the accountable body for the programme and will remain so until March 2006 when this function is required by the DfES to be transferred to ESCC. NCH has expressed an interest in negotiating the early transfer of the accountable body status to ESCC.

2.2 A range of potential sites was identified for the location of the proposed new Children's Centre as part of the capital strategy approved by the Sure Start Unit, which summarises each of the original options and the reasons why they were rejected in preference for the proposed Waterworks site (see Appendix A).

2.3 The proposal is to develop the Children's Centre on land owned by Hastings Borough Council. On the land there are currently two houses owned by the 1066 Housing Association. NCH proposes to purchase the leasehold of these buildings (at low cost), demolish them and use the site for a new building, with a lease for the land from HBC on terms to be agreed.

2.4 NCH is seeking to begin negotiations to transfer the accountable body function to ESCC. If the lease is concluded prior to this transfer, NCH has requested a commitment from ESCC to take on the lease and to continue to operate services for children under the age of 5 years and their families once the accountability arrangements have been transferred to ESCC. NCH will be seeking a deed of indemnity for the grant NCH has received from the Sure Start Unit for the Sure Start local programme capital funding. It is proposed that NCH indemnify ESCC up to the date of the transfer of the lease to ESCC, and ESCC will indemnify NCH thereafter. If agreed, this would mean that the County Council would take on the responsibility for claw-back once the lease has been transferred. It is considered that this risk is manageable and that it would be appropriate for ESCC to take on the lease as and when accountability for the service transfers. Attaching a condition to the GSSG grant that the lease arrangements should be agreed from the outset with the Council provides protection against having to inherit a disadvantageous lease.

2.5 Having assessed the proposal for the Centre carefully, the Early Years Development and Childcare Team and the Children's Services Commissioning Unit are confident that it is sustainable. In relation to childcare, market testing/consultation suggests that there is significant demand; places at a recently established neighbourhood nursery were filled quickly. The proposed link with the new University – which is keen to promote initiatives to help parents get into employment through training – should generate further demand. The location of the site, in the centre of the town, should make it attractive to parents. As far as other services are concerned, the central location also makes the site a good one from which to deliver a range of services (such as family support) not already provided in the area.

## **3. Conclusion and Reason for Recommendation**

3.1 The proposed Children's Centre would directly contribute towards the Council's strategic priorities of tackling deprivation and inequalities and promoting lifelong learning. This is a major project which must be completed, under the terms of the funding, by April 2006. An early decision on the County Council's contribution is important if this deadline is to be met to secure the capital for East Sussex.

DENISE STOKOE

Director of Education and Libraries

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Local Members: Councillors Birch, Daniel, Kramer, Lock, Scott, Stevens, Waite, Webb

#### BACKGROUND DOCUMENTS

Capital strategy

F25 – capital application to the Sure Start Unit

Letter from NCH regarding the lease arrangements

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