

# Item 11

## REPORT TO CABINET

3<sup>rd</sup> February 2005

Report of Head of  
Strategy and  
Regeneration

**Portfolio: SUPPORTING PEOPLE/REGENERATION**

### **SURE START LOCAL PROGRAMME: SHILDON AND NEWTON AYCLIFFE WEST : CAPITAL PROGRAMME**

#### **1. SUMMARY**

- 1.1 The Sure Start Programme for Shildon and Newton Aycliffe West was approved by the Government in May 2003. The approval included a capital grant of £1m to be committed by March 2006 to support the provision of new Children's Centres within the Programme area, through which a range of services can be delivered to ensure that children achieve their full potential by ensuring that they have the best start to their lives.
- 1.2 In recognition of the distinctiveness of the two towns served by the Programme, the Partnership resolved to build two Children's Centres: at Stephenson Way Primary School in Newton Aycliffe and Timothy Hackworth Primary School in Shildon. This is to meet the Government's Children Centres requirement for Sure Start Programmes to integrate services for children and their families in one location around primary schools. The choice of locations also reflects the Partnership's own extensive consultation with the local community and stakeholders.
- 1.3 The Programme's ability to build two Centres was always seen as challenge due to the limited capital funding available and considerable efforts have been made to acquire additional funding to provide two Centres of the quality that the partners aspire to. In view of the fact the Centres will serve children and families from four of the most deprived wards in the Borough a request for a limited amount of funding is being made to the three key partner agencies, the Borough Council, Durham County Council and Sedgefield Primary Care Trust.
- 1.4 This report considers the case for the Borough Council to provide a financial contribution of £75,000 towards the planned Centres and seeks Cabinet's agreement for the Council as the Accountable Body for the Programme to submit the capital expenditure programme to the Sure Start Unit within the Department of Education and Skills.

## 2. **RECOMMENDATIONS**

2.1 It is recommended that the Cabinet:

1. Approve a financial contribution of up to £75,000 to support the development of two Children Centres as part of the Local Sure Start Shildon and Newton Aycliffe West Programme.
2. Approves the submission to the Sure Start Unit on behalf of the Local Sure Start Shildon and Newton Aycliffe West Programme a planned capital programme of £1,517,200 (inclusive of VAT) and to seek the agreement of the Sure Start Unit to meet the non recoverable VAT on the expenditure supported by the Sure Start capital grant.

## 3. **CHILDREN'S CENTRES DEVELOPMENT PROGRAMME**

### **Background**

- 3.1 Children's Centres are a part of the Government's Programme to deliver the best start in life for every child by bringing together: early education, childcare, health and family support. This integrated approach, which ensures professionals have a shared vision and principles for working with families, is seen as a critical factor in determining good outcomes for children. It is a requirement for local Sure Start Programmes to work towards the establishment of Children Centres and integrate all services for children and their families in one location around primary schools.
- 3.2 The Partnership identified a need for Children's Centres at Stephenson Way Primary School in Newton Aycliffe and Timothy Hackworth Primary School in Shildon. The choice of locations reflects the outcomes of the Partnership's own extensive consultation with the local community and stakeholders. The two Centres will produce better outcomes for up to 1000 children each year, their parents and the local communities by:
- improving the social, emotional and physical development of young children, through the provision of services which focus on play, learning and health related activities;
  - increasing the availability of childcare for all children through the provision of full-day and sessional care; and
  - supporting parents and in assisting them return to employment, through the provision of volunteering opportunities, access to training and advice and guidance and to direct job opportunities.
- 3.3 It is envisaged the Centres as community hubs for service delivery, will have far reaching positive impacts on the regeneration of their local community's. Services delivered through the Centres will lead to significant improvements in families' development which will have a knock on effect on their education and employment prospects and ultimately their socio-economic status. Attainment and aspirations will increase, potential will be realised and families will be more able to break free of the poverty cycle.

- 3.4 To date the Programme is making progress towards the achievement of the Government requirement that 80% of all children should be 'reached' by the Programme during the previous 12-month period. In the case of the Western part of Newton Aycliffe contact with local families is currently at a 54% level and this compares with 76% in Shildon. The lack of available community facilities with high quality children services provision is seen as a barrier to maintaining this momentum towards the set target and meeting local expectations for new services to address local needs.
- 3.5 The Council acts as the Accountable Body for the Sure Start Partnership and has played a leading role in the Programme's Capital Strategy Group's development of its proposals. The County Council will undertake delivery of the schemes, as the buildings will form part of their longer-term assets as Children Centres. It is a requirement of the Sure Start Unit that the capital allocation to the Programme is defrayed by March 2006.

#### **Available Funding**

- 3.6 The amount of capital funding allocated by the Government's Sure Start Unit to the Programme of £1m was always felt to be inadequate, as this was no more than for those Programmes established in 1999. Consequently there is a need to absorb increased building costs and inflation since 1999 and for the Programme to serve two large and distinctive communities (as opposed to one main centre). As a result the Partnership's Capital Strategy Group has critically reviewed the specification for the buildings and are now regarded as the absolute minimum for the buildings intended use. However, the Partnership is concerned that this might compromise both the delivery of high quality services and the ability of the Partnership to meet local need.
- 3.7 Securing additional resource would mean:
- the Centres will have sufficient space and appropriate facilities from which to be able to deliver the wide range of services that are needed;
  - services will be able to run concurrently and at times aligned to family need as opposed to space availability; and
  - the quality of the finishes will be of a high standard, with extra durability and thus sustainability.
- 3.8 The estimated building costs associated with the delivery of the two Children Centres at the desired specification is £1,517,200 inclusive of VAT charges.
- 3.9 Current funding commitments total £1,336,700 arising from the following contributions. This would leave a residual funding gap of £180,500.
- a) A Sure Start capital grant of £1million and an anticipated further £175,000 of Sure Start funding as a dispensation to meet non recoverable VAT on the £1m Sure Start grant.
  - b) A European Regional Development Fund grant of £58,700 from the Sedgfield Borough Priority 4 EU Package subject to a formal approval.
  - c) Sure Start County Durham Partnership to support Children Centre based services with a grant of £48,000.

- d) Stephenson Way Primary School have offered a contribution of £25,000 in recognition of the benefit of the Centre to the school's offer to the local community.
- e) Sedgefield Borough Primary Care Trust to support improved access to health services that will be provided through the Centres is seeking to provide a £30,000 contribution.

3.9 Further approaches for support have been made to

- a) The Sure Start Unit within the Department of Education and Skills to present a case on the particular circumstances of the Shildon and Newton Aycliffe Programme covering two separate and distinct communities.

They have confirmed that their maximum contribution of £1.0m excluding any non-recoverable VAT cannot be increased.

- b) Durham County Council (Local Education Authority) as the development will assist to integrate the Centres with the two schools in line with the Children Centres requirements and fact the two Centres will become property assets of the County Council. In addition at the Timothy Hackworth School site, the Sure Start Centre development will help provide improved car parking and access arrangements for the school.

The County Council have indicated that they consider that their contribution is reflected in making the land available for the two developments at nil cost and as such are not able to provide any further funding support for the Centres. They have also suggested that Timothy Hackworth School's Governing Body should be approached over the costs of improving the school's car parking and access arrangements.

Timothy Hackworth School have indicated they have insufficient resources available to make any contribution.

- 3.10 However, the Partnership is aware that any delays in moving towards the tendering stage whilst the attempt to negotiate additional funding is undertaken will lead to increased costs and require additional cost savings to be made on the building specification. It has been estimated by the County Council's Property Services Department that a delay to letting a contract to April 2005 might add a further £30,000 to the cost of the project.

**Contribution to the Council's Key Aims**

- 3.11 On the basis that the scheme will contribute to the wider regeneration and promotion of improved services into some of the Borough's most disadvantaged areas there would appear to be a justification for the Council to support the provision of the two Centres. The Centres will help to address the chronic problems associated with inequality, poor education attainment, social deprivation, poor health and low economic activity in the two communities. Such an investment would contribute to the wider regeneration programmes for these two disadvantaged areas in line with the Council's Local Neighbourhood Renewal Strategy objectives. The Centres will also serve to help achieve the priority aims and outcomes of the Council's Community Strategy.

- **Healthy Borough.** The Centres will bring together service teams to deliver co-ordinated health initiatives, including targeted activities with teenage parents, smoking cessation and mental health issues as well as out reach work with families.
- **A Prosperous Borough.** A lack of childcare has created a barrier to parents and carers seeking employment and accessing local training. The Centres will provide educational opportunities and help to address identified key training issues such as basic skills and ICT training.
- **Attractive Borough.** The Centres buildings and outdoor play areas will present a very positive image for the local communities. The Centres are to be designed to promote environmental sustainability.
- **A Borough with Strong Communities.** The Centres will provide a community hub that will attract local parents and carers and so foster greater community identity and cohesion.

3.12 An investment by the Council would also serve to demonstrate the fulfilment of a community leadership role in respect to the provision of services for young children and their families in line with the recently completed Children and Young Persons Service Review, and a commitment to ensuring quality children services in terms of education, social welfare and health are locally available in some of the Borough's most disadvantaged communities.

3.13 A Council contribution of £75,000 linked to the provision of the two Centres meeting rooms would help the venues provide support to the local communities in accessing services.

3.14 A contribution at this level together with a saving secured by seeking to meet £105,500 of the estimated £120,000 of 'furnishing and fitting' costs for the Centres from the revenue budget would permit the two centres to go forward to the tender stage.

#### 4. **RESOURCE IMPLICATIONS**

4.1 The financial requirements for the scheme and planned contributions have been fully detailed in Section 3

4.2 As part of this funding package, a Council contribution of £75,000 could be funded through the Regeneration Services Capital Programme for 2005/06. However the expenditure might in due course be financed by the use of housing land capital receipts, as the planned schemes will assist to bring presently under used land into a more effective use and so meet the qualifying regeneration activities criteria. This would be consistent with the Housing Land Capital Receipts Strategy approved by Cabinet in September 2004 under the theme of 'Strategic Investments'.

- 4.3 If the above funding package cannot be secured the likely outcome is the Sure Start Partnership would need to revise its current plans and commission the development of only one Centre as part of the Stephenson Way Primary School in order to commit the approved capital allocation to the Programme by March 2006. Consequently, the provision of Sure Start services for Shildon under the Children Centres agenda would in the short term be delivered through a number of centres on an outreach basis. The provision of the required day care spaces would need to be deferred and met by the County Durham Sure Start Partnership in consultation with Durham County Council at a later date.
- 4.4 If the Council's contribution to the scheme is agreed and other savings are found through meeting a substantial part of the furnishing and fitting costs from revenue budgets sufficient funding would be available to undertake the planned proposals. With this funding package secured, the Council would be able as the Accountable Body for the Programme to submit the capital expenditure programme to the Sure Start Unit within the Department of Education and Skills for approval including the application for additional grant to cover non recoverable VAT costs.

## 5. **CONSULTATION**

- 5.1 The development of the Programme's Capital Strategy with the proposals for the provision of two new Children Centres has involved extensive community and service provider consultations across both communities. Local parents have been actively engaged in the Programme's Capital Strategy Working Group. Further consultations took place in November 2004 in advance of the submission of the schemes for planning permission.

## 6. **OTHER MATERIAL CONSIDERATIONS**

### **Risk Management**

- 6.1 The major risks to this project arise from any increase in building costs following receipts of tenders or further delays to the project and from the Council being unable to secure additional grant of £175,000 for non recoverable VAT payments from the Sure Start Unit. The Sure Start Partnership recognise that any minor cost changes of up to £14,500 could be met through meeting more of the 'furnishing and fitting' costs from revenue funding.
- 6.2 Any more significant costs changes would require partner agencies to consider additional contributions or to revise the proposals to build only one Centre at the Stephenson Way site in Newton Aycliffe. If the eventual outcome is the construction of only one centre, the Council's contribution would not be required as all the costs could then be met by the Sure Start grant.
- 6.3 There are no other significant material considerations that have not been addressed in the report.

## 7. **OVERVIEW AND SCRUTINY IMPLICATIONS**

7.1 There are no specific Overview and Scrutiny implications.

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**Contact Officer**                      **Richard Prisk**  
**Telephone**                              01388 816166 ext. 4360  
**Email**                                      [rprisk@sedgefield.gov.uk](mailto:rprisk@sedgefield.gov.uk)

**Wards:**                                      West, Greenfield Middridge, Thickly, Sunnydale and Byerley

**Key Decision:**                              Not a key Decision as it involves Council expenditure of less than £100,000 and the development of the facilities will not have a significant impact on more than two wards.

### **Background Papers**

- Sure Start Shildon and Newton Aycliffe West Delivery Plan, January 2003.
- Report to the Chief Executive Officer, Sure Start Wave 6 Local Programme: Shildon and Newton Aycliffe West Capital Progress Report, 10 March 2004.
- Report to Cabinet, Sure Start Wave 6 Local Programme: Shildon and Newton Aycliffe West, Capital Works, 26 March 2004

### **Examination by Statutory Officers**

	<b>Yes</b>	<b>Not Applicable</b>
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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