

HEREFORD CHILDREN'S CENTRE

PORTFOLIO RESPONSIBILITY: RESOURCES

CABINET

20TH SEPTEMBER, 2007

Wards Affected

Central and Three Elms

Purpose

To seek approval to establish a Children's Centre for North Hereford City on the site of Wide marsh Workshops by converting the current building, and relocating the present services to leased premises.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards and likely to result in the Council incurring expenditure above agreed budgets for the service or function (shown as a line in the budget book) to which the decision relates but allowing for virements between budget heads and savings within budget heads of up to £500,000.

It was not included in the Forward Plan however inclusion in the agenda gives the required notice in accordance with Section 15 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000.

Recommendations

THAT:

- a) **the Widemarsh Workshops be used as a Children's Centre following conversion works;**
- b) **the conversion works be funded from the ring fenced funds in the General Investment allocation for Children's Centres at a cost of £975,000; and**
- c) **two units be leased on the Foley Industrial Estate to facilitate the relocation of the workshops currently located at Widemarsh.**

Reasons

The existing Widemarsh premises are not fit for their current purpose.

Cabinet has previously agreed and endorsed the need to modernise the Council's services for people with learning disabilities based upon the principles of inclusion; this includes promoting employment as a viable option. This recommendation contributes to achieving this key objective along side meeting Government requirements to provide countywide Children's Centres.

Further information on the subject of this report is available from
Stephanie Canham, Head of Adult Social Care – Learning Disabilities on 01432 261552 and
Anne Heath, Head of Integrated Services and Inclusion on 01432 260804

The financial allocation for children's centres must be spent by 31st March 2008, although slippage to 31st August 2008, because of the difficulty in identifying a suitable building, has been agreed.

Considerations

Children and Young People

1. Herefordshire Council is under an obligation to provide a Children's Centre in North Hereford City to meet its outcome duties under the current legislative Child Care Act.
2. The Council is required to develop a total of nine Children's Centres by March 2008 based in areas of need.
3. Children's Centres deliver front-line integrated services for the community for families with children under 5 years old.
4. Statistical analysis in 2005 identified the need for one Children's Centre in Phase 2 to be located in the north area of the city. After an extensive property search to identify a suitable property in the correct location, Widemarsh Workshops were identified as offering the best site with potential for conversion.
5. The property does require modification and upgrading to provide community rooms, cafe, lecture theatre area, training areas and a crèche. Other agencies will also work from the Centre including health workers and Job Centre Plus 6. The full cost of the works budgeted at £975,000 are to be funded from the Government's allocated Capital Sure Start programme. The funds have to be committed and used by 31st March 2008. However, we have actively processed application for slippage because of the problems of identifying a suitable property and have been told verbally that approval will be given up to deferral to August 2008.

Adult and Community Services

6. The Widemarsh premises are not fit for their current purpose or suitable for creating the employment opportunities required for adults with learning disabilities through a range of social enterprises. As they are currently configured, the facilities have limited space, access for commercial purposes is difficult and the engineering services require upgrading. Adult and Community Services will declare them surplus once alternative accommodation is secured.
7. However two social enterprise organisations, which will provide paid work for disabled people, will be created within the Children's Centre. These organisations will provide a community café and garden maintenance and are compatible with, and support the activities within the Children's Centre
8. Leased premises have been identified which would be suitable for two additional social enterprise organisations to be established to provide existing Widemarsh Workshop services users with paid employment opportunities.
 - a. A wood-working organisation
 - b. Pack-IT, which is a highly profitable national social firm. Which can be established locally on franchise basis.
9. Council officers have worked with Pack-IT on the financial model which will be applied to these new units. An independent feasibility study by social enterprise experts has indicated that the market conditions in Herefordshire will sustain a profitable franchise

and has the potential to be financially self-sustaining within 3 to 5 years.

10. This new model of service delivery has been subject to extensive public consultation including press articles and the use of the Partnership web-site.
11. The Council's budget for Widemarsh Workshop is £271k pa with £50k on premises related costs. These costs will be released and made available towards the lease cost, however an additional £40k will be required from the Learning Disabilities modernisation fund for the initial 3 years until the social enterprises become self sustaining.
12. The lease agreement for the industrial units will initially be for a five year period, with a break clause in year two or three of the lease enabling the Council to mitigate any risk. A full review will be carried out after the first year to test the financial model.
13. In addition, one off capital set up costs -up to a maximum of £40k will be incurred. These costs will be offset by:
 - a. Grant funding of £17k from AWM (Advantage West Midlands) has been approved and a further £20k is available from Adaptations for the Disabled Funding.
 - b. A bid for lottery funding of £10k has been prepared and also for £50k from the Esme Fairbourne Trust. If unsuccessful contingency funding is available through the learning disabilities modernisation fund.
 - c. The café service and maintain the grounds enterprises will generate income and paid work opportunities for people with learning disabilities.

Financial Implications

All initial capital costs of £975,000 and revenue funding will come from the Government Sure Start programme.

Costs of moving the existing workshop activity to Foley Industrial Estate as identified above:

Revenue: £40k pa to be met out of funding agreed for modernisation of services in the short term and subsequently from trading revenue

Capital: £40k year 1 to be funded from AWM grant £17k, £20k Adaptation for disabled funding. Shortfall £3k

Risk Management

If the recommendations are not approved the Council will:

- Lose the £975,000 allocation for the-Children's Centre.
- Lose the opportunity to significantly progress two further strategic objectives – the promotion of employment opportunities for people with learning disabilities and modernising an out of date service, which is inconsistent with current policy.

What are the risks to the Council of supporting the development of Pack-IT?

- The optimum position is that the Pack-IT franchise develops in to a profitable company, ultimately having zero impact on the Council's budgets. In the longer term, this means that Social Care's financial commitments will be released back to the Council.

- Pack-IT achieved and sustained an annual position of £500,000 retained profit after eight years, but was self sustaining after five years.
- If the business does not generate the income anticipated, the financial risks lie only with the rental costs of the premises and this will be confined to the three year period for which funding has been identified.
- External funding will assist the business by providing resources, which the business can use flexibly across years two and three. This will also offset any negative financial impact on the Council

Alternative Options

There are no alternative options identified.

Consultees

Director of Adult and Community Services

Head of Commissioning and Improvement – Schools and Services
Head of Adult Learning Disabilities – Social Care
Director of Resources

Service users and carers

Staff and UNISON

Appendices

None

Background Papers

1. Hereford Local Health Community Information, Management and Technology Plan 2007/08 to 2009/10.
2. Capital Project Options – North Hereford City possible location.