

**Agenda Item No:** **Report No:**  
**Report Title:** **Denton Island Children and Family Centre**  
**Report To:** **Cabinet** **Date:** **17 October 2007**  
**Lead Councillor:** **Councillor De Vecchi**  
**Ward(s) Affected:** **Newhaven**  
**Report By:** **Chief Executive**  
**Contact Officer(s):** **John Crawford**

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### **Purpose of Report:**

To seek the Cabinet's views on an application by Newhaven Community Development Association (NCDA) for a concession in respect of the rent due on the Children and Family Centre.

### **Officers Recommendation(s):**

- 1 That the request is dealt with as a request for a grant.
- 2 To agree the principle of granting a further rent concession to the NCDA subject to the production of the audited accounts for the previous two financial years and the projections of income for the three years for which the concession is sought.
- 3 To grant delegated powers to the Chair to approve the request if the financial information shows that the grant is needed to enable this facility to continue to operate for the benefit of the locality of Newhaven.

### **Reasons for Recommendations**

To enable the Cabinet to reach a considered decision.

#### **1 Information**

**1.1** NCDA have asked for an abatement of the rent they pay to the Council under their lease of the land on which the NCDA constructed the Children and Family Centre building.

**1.2** NCDA have given the following reasons for the request:

"With the non-renewal of the ESCC contract, NCDA has been operating the building at a loss which we predict will take the next 3 years to resolve building alternative business relating to the buildings purpose (including now some room hire from the Sure Start programme and advanced discussions with South Downs College about the delivery of care apprenticeships as part of the delivery of a Skills Centre for Newhaven. NCDA would be grateful for the serious consideration by

LDC that there is a peppercorn allowance for the 3 years November 2006 to October 2009 until the new users are established. NCDA is totally committed to fulfilling the purposes of the centre within the original vision for Denton Island”

- 1.3** The Council leased the land on which the Nursery is built to the NCDA on 15 November 2004 for 125 years commencing on 16 November 2003. The NCDA raised the money for the building.
- 1.4** NCDA runs the "Denton Island Children and Family Centre" from the building. The lease allows the NCDA to let the building in the open market, but if they do so, they must pay a full market rent. NCDA pay a subsidised rent as long as they are carrying on a "Subsidised Use".
- 1.5** "Subsidised Use" means use as a children's nursery with associated play space and car parking together with associated meeting rooms used for purposes connected with the welfare of children and young people together with any other activities carried on by or in association with the tenant or which are in the reasonable opinion of the Council in accordance with this definition and that operate for the benefit of the people or the community of Newhaven.
- 1.6** NCDA lost the East Sussex County Council contract for the Family Support Service in 2006 but continue to operate the building as a nursery.
- 1.7** Officers visited the premises on 12 September 2007 and were satisfied that the building is being used for the subsidised use as a children's nursery and could see no sign of any other use. The details of that visit are in Appendix A.
- 1.8** NCDA have confirmed that they do not anticipate any changes in the subsidised use this year or in 2008.
- 1.9** NCDA must dedicate in excess of 50% of the internal floor space of the building exclusively to the subsidised use. If they do not, they must pay a full market rent.
- 1.10** The rent can be reviewed every five years from 16 November 2003 to keep it in line with inflation.
- 1.11** The rent for the subsidised use is £6,600 per year but there is a rising scale towards that full rent as follows:

From 16 November 2003 a peppercorn

From 16 November 2006 the rent is £990 per year

From 16 November 2007 the rent is £1,980 per year

From 16 November 2008 (first review date) the rent is £3,300 per year

From 16 November 2009 the rent is £6,600 per year (unless reviewed upwards)

The rent quoted is for the land on which the existing building stands. If the NCDA exercised their option to extend the building the rent for the extension would be a proportion of £6,600 depending on how much extra space was created.

## **2 Financial Appraisal**

- 2.1** If approved, the rent concession requested by the NCDA would cost the Council £6,270 in lost revenue income. As the rent concession would constitute financial support to a community organisation, it is proposed that NCDA's request should be treated as an application for a grant. Accordingly, NCDA have been asked to supply details of their recent financial performance and projections of income going forward. In this way it will be possible to consider how important the rent concession will be to the continued operation of the Children and Family Centre. Details of NCDA's Child Protection procedures have also been requested.
- 2.2** There is a limited amount of money available for grants to community organisations within the Council's approved budget. In April 2007, Cabinet agreed that a one-off amount of £25,000 should be made available for grants. Of this, £3,750 has been allocated to a project. Applications for a total of £4,500 have been received from two organisations and will be passed to the Lead Councillor Community for a decision shortly. Application forms have also been sent to a number of other organisations but have not yet been returned. Under the terms of the Council's Grants Scheme, projects are expected to be of a 'capital' nature, rather than in support of revenue running costs.

## **3 Environmental Implications**

I have completed the Environmental Implications questionnaire and this Report is exempt from the requirement because it is a progress report

## **4 Risk Management Implications**

I have completed a risk assessment in accordance with the Council's Risk Management methodology and the following risks and mitigating factors have been identified.

## **5 Background Papers**

Letter of request from NCDA\*\*\*

## **Appendices**

**Appendix A:** Information arising from the Officers' visit to the Children and Family Centre

### Current use

On 12 September 2007, two officers from the Legal Department visited the premises to look at the use of the building. They looked in all the rooms and found the following facilities:

- Soft play room
- Staff room
- Several "multi-purpose" rooms used for:
  - a) parenting skills
  - b) confidential parenting support / advice
  - c) general parenting support
  - d) confidential support / advice to young people
  - e) NVQ training in child care (carried out in conjunction with South Downs College)
    - Administrative offices / reception area
    - Baby sleeping room
    - Children's activity room (a very large room with various activity areas / play equipment etc)
    - Baby activity room
    - Kitchen (used for parenting skills and by the children for "fun" cookery)

At the back of the building there is a large open space. This is laid out as a garden with decking, play equipment and storage for bikes and toys. The building and grounds were full of children. A number of parents were using the multi-purpose rooms. The NCDA advised that about 80 children are registered with the Centre.

NCDA provided the following information:

- a) A flyer relating to the "Young Peoples Drop in Centre" being operated from the Centre. This service includes confidential information, support and advice together with various workshops for young people such as arts, cooking, fitness and sexual health.
- b) A flyer for the Autumn 2007 Season, including:
  - a. Midwife appointments
  - b. "Pop in and weigh" with support from health visitors
  - c. Cooking on a budget course
  - d. Parenting programme for parents of 4-11 year olds
  - e. Young mums club

- f. "Socatots" football for youngsters
- g. Play sessions

c) Denton Island Nursery Prospectus

The officers were satisfied that the premises are being used for the "Subsidised Use" and could see no sign of any other use. NCDAs have confirmed that there will be no material changes this year and into 2008.