

SURREY COUNTY COUNCIL**CABINET****DATE: 27 SEPTEMBER 2022****REPORT OF CABINET MEMBER: DENISE TURNER-STEWART, CABINET MEMBER FOR COMMUNITIES AND COMMUNITY SAFETY****LEAD OFFICER: MARIE SNELLING, EXECUTIVE DIRECTOR CUSTOMER AND COMMUNITIES****SUBJECT: YOUR FUND SURREY- CF149 REBUILDING RIPLEY VILLAGE HALL****ORGANISATION STRATEGY PRIORITY AREA: EMPOWERING COMMUNITIES****Purpose of the Report:**

This report is for Cabinet approval to fund £586,396 from Surrey County Council's (SCCs) Your Fund Surrey, towards the rebuilding of a village hall located in Ripley, Surrey. Under the governance of the fund Cabinet is responsible for decisions on expenditure over £500,000.

An important consideration is that Your Fund Surrey is a key part of the Council's Empowering Community approach focused upon enabling communities through investing in a meaningful and lasting way. Therefore, the success of Your Fund Surrey will set against establishing a different relationship with communities, empowering them to be more self-reliant. In forging that relationship, the success of individual projects will vary within the benefits delivered by the programme as a whole. Learning points from successful and unsuccessful projects will be taken and used to inform the development and evolution of the Fund over time.

The body of the report sets out detail on the project and the assessment of the application against the Fund.

Recommendations:

It is recommended that Cabinet:

1. Agrees to fund project CF149 for the full amount requested of £586,396, composed of:
 - £538,084 capital funding towards the rebuild of the Village Hall, comprising of three fully accessible community rooms, new kitchen, male and female toilets, and offices for the Parish Council.
 - £26,904 (5%) final payment is to be held by Surrey County Council (SCC) until final evidence of income, expenditure and evaluation is received and building control has signed-off the work.
 - £48,312 is to be held by Surrey County Council (SCC) as contingency funding, for release only upon an evidenced request.

2. Recommends the following conditions for the applicant should be included within the funding agreement:
 - 2.1. The applicant provides evidence, prior to release of any funding, to confirm £600,000 Section 106 funding from Guildford Borough Council (GBC).
 - 2.2. The applicant uses all measures identified to increase sustainability and reduce environmental impact during construction and operation of the facility.
 - 2.3. Requests that the applicant develops a usage policy to be adopted by Ripley Village Hall for the life of the facility which ensures the widest access to the community, to include a booking policy to maintain affordable rates and subsidies for the under privileged within the community.

Reason for Recommendations:

The recommendations will enable expenditure from the Your Fund Surrey to be awarded to Ripley Village Hall Charitable Incorporated Organisation (CIO). This application has been the subject of a rigorous assessment process by officers, as set out in the body of this report. Officers consider the project meets the aims and published criteria of the Fund and to satisfy the requirements to award funding.

Executive Summary:

1. Ripley Village Hall is seeking funding for the second phase of its two-phase project. Phase one, completed in April 2022, was the construction of a smaller community building containing two small halls downstairs and two one-bedroom flats above the building to be rented out to locals within the area at affordable rates.
2. The second phase of the project is to rebuild the village hall. The new building will include three fully accessible community rooms, a new kitchen, male and female toilets and offices for the Parish Council. It will replace the former wooden framed building originally erected as a temporary structure in the 1970s.
3. Ripley Village Hall was registered as a Community Interest Organisation (CIO) in 2016. It is managed by a group of seven trustees from professional backgrounds such as legal, accounting, finance, and business as well as representatives from the community. The land is owned freehold by the CIO and planning has been approved for both phases of the project. A detailed tender comparison was completed, and a contractor chosen based on cost, being local and offering a fixed rate price.
4. The old hall serviced 930 households of Ripley and 1,000 households of Send Marsh. The hall was popular with local groups and pre-Covid hosted around 25 social, cultural, sporting and health activities and associations on a weekly and monthly basis. The wide range of groups using the facility covered all ages, from toddlers to the elderly. Activities included an after-school youth club, a baby and toddler group for young mothers, a veteran's cycling club, Boxgrove Sure Start and Surrey Adoption Services used the hall as a safe meeting place. Ripley and Send History society were also located within the old hall and hosted large popular events like the Ripley Event and antiques fairs attracting over 250 visitors. The hall also provided a key marshal hub for the Prudential Ride London of over 25,000 cyclists.

5. The original hall ran at 90% capacity and was turning away new bookings through lack of space and suitable facilities. The new Ripley Village Hall has been designed to meet the current and rapidly increasing community demands. Facilities would enable:
 - Space for the youth group facilities
 - A place for the elderly to meet and participate in physical and social activity
 - Provide space for the community's amateur dramatic society
 - Outside sports space
 - A safe and protected area for vulnerable groups of children to meet and play
 - Community facilities to encourage participation in physical, mental and educational activity.

6. The new hall will also be able to offer a range of health care facilities, which are not currently available within Ripley including counselling / support services and satellite health care provision. The Villages Medical centre names Ripley Village Hall in its disaster recovery plan and the trustees are working closely to identify services that could be supplied at the Village Hall. The new facility will also have space for a purpose-built Parish Office which will be of huge benefit to the community providing a permanent office with space for Parish Council meetings, parking and storage. This will all be provided at an under-market rent that will provide a secure tenure and allow more of its stretched funding to be used for the community.

7. This proposal is located in the electoral division of Ripley, in the borough of Guildford. According to the Index of Multiple Deprivation (IMD), the division is in decile 5 out of 10 (decile 1 being in the most deprived 10% nationally and decile 10 being in the least deprived 10% nationally). There is a higher-than-average proportion of Band D properties and a large number of residents who live in social housing.

Details

Description of project benefits

8. Officers consider the project contributes towards the following areas of the SCC priorities 2021-2026:

Growing a sustainable economy so everyone can benefit

- Provide an affordable location for local people to continue to host events and socialise.

Tackling health inequality

- Support the wellbeing of local people by providing a place for socialisation.
- Providing counselling / support services and satellite health care provision.
- Providing a venue for Flu/Covid vaccinations.

Enabling a greener future

- A new purpose-built building with environmental credentials
- Reducing vehicle movements by providing improved local facilities within walking distance of the community and new housing development.

Empowering communities

- Replacing a community asset so it becomes suitable for wider user groups and increases social cohesion
- A requirement for all people is the need for social interaction especially after the pandemic. The new Village Hall is the perfect place to deliver this, positioned in the

heart of the village. The increased footfall from the location of the Parish Office within the site adds to the Village Hall being the natural hub for the village

- The Village Hall design and layout provides extra spaces for increased educational events, a need demonstrated by the under capacity of the original hall, thus broadening the range of events available to the community whilst also benefiting the associated employment and business development opportunities the hirer. The increased scale of the Village Hall will also allow for direct employment opportunities.

Project Timeframes

9. The management team is in place and the project is ready to continue as soon as full funding is achieved. The build is estimated to take 12 months:

Management of the project

10. Since 1975 the Trustees of Ripley Village Hall have run a successful village hall operation, demonstrated by the hall being so well used. The hall's management committee has been adapted to the developing requirements of the community and ran facilities for a good mix of ages, activities and educational purposes for both regular and one-off users.
11. The management team which is made up of the Trustees have over 45 years' experience of running and managing Ripley Village Hall. It is a constitutional requirement that there is an appropriate range of skill sets and that professional persons such as those with legal, accounting, finance and business backgrounds are engaged to be trustees as well as community representation.
12. The management team has just completed phase 1 of the project within budget and timescales. The experience and knowledge gained from phase 1 will be carried through to the second phase of the project.
13. Two Trustees will be appointed to liaise and oversee the management of the new build. They will report back monthly to the Committee. There will be regular site meetings (minimum of monthly) during Phase 2 with the builder, Architect, Quantity Surveyor and managing Trustees.
14. Detailed risk assessments are in place and routine checks will be undertaken on a regular and ongoing basis by the Hall Administrator.

Project Lifespan

15. The new village hall will have a life expectancy of 100 years or more.

Consultation:

Summary of Support

16. Have Your Say, which has had Ripley Village Hall featured on the Commonplace website, received 185 comments. There was one negative comment suggesting utilising the unused hall at Ripley Village primary school. Ripley Primary School buildings and the land surrounding is in the ownership of SCC and Guildford Diocese. The Trustees investigated the use of this building which was only available on a short-term rental basis on terms that were unaffordable and not a long-term solution.

17. Letters of support were received from a range of local groups and societies and divisional Councillor Colin Cross is in full support of the project.

Risk Management and Implications:

18. This application for funding has been through the due diligence and agreed governance process. As part of this process the applicant has provided an overview of risks against the project. This is summarised in Table 1 below. Officers consider there to be adequate control measures in place.

Table 1. Summary Table of Risks and Key Mitigations

Risk description	RAG	Mitigation action/strategy
Full Funding not secured	Yellow	<ul style="list-style-type: none"> Keep investigating sources of funding until firm offers of funds received
Increase in building costs	Yellow	<ul style="list-style-type: none"> Have included inflation as well as contingency allowances in the budget
Delay in project completion	Yellow	<ul style="list-style-type: none"> Monitor building progress with Architect monthly
Usage of Hall lower than forecast	Green	<ul style="list-style-type: none"> Advertise the opening of the big hall. Pro-active approach from Administrator with Trustee monitoring at monthly meetings
Damage to building by hirers	Green	<ul style="list-style-type: none"> High level of hirer information. Safety warnings and T&Cs included in Hire Agreement Damage waiver retained
Major injury to hirer of hall	Green	<ul style="list-style-type: none"> Incident plan in place Liability Insurance in place
Major Fire/Flood or break in or theft	Green	<ul style="list-style-type: none"> Insurance in place

Financial and Value for Money Implications:

19. YFS funding is requested for the new build of Ripley Village Hall. The project has applied for £586,396 which equates to 47% of the overall project costs. The remaining monies needed for the project have come from reserves which have been built up by fundraising, as well as section 106 funding from GBC.

20. Table 2 sets out a Financial Summary and shows the £661,925 of other funding which has been secured against the total project cost of £1,248,321.

21. Table 3 sets out the Project Cost Breakdown, providing a list of all the build costs for the project provided by a Quantity Surveyor.

22. As with all applications, there is a risk that construction and purchase costs will increase between application and approval. This is mitigated by the contingency (which will only be released if there is demonstrated need). The applicant has secured quotes that support their costing, and will ultimately be funded based on evidenced, actual spend, up to the amount awarded.

Table 2. Financial summary

Amount applied for:	£586,396
Total project cost:	£1,248,321
Percentage of cost against total:	47%

Have other funding sources been secured?	Yes
Other funding:	£600,000 – GBC – Section 106 funding £61,925 – Reserves from fundraising Total £661,925
Volunteer contributions	£57,500
Is there a commercial element to the project?	Yes
Amount suggested for funding:	£586,396

Table 3. Project Cost breakdown:

Activity	Total Cost (Including VAT)
New build work – Substructure	£97,725
Frame Glulam beams	£30,000
Upper Floors joists flooring	£6,890
Roof structure, tiles, eaves fascias, gutters Velux roof lights	£146,510
Stairs to gallery, to loft storage, to stage	£9100
External walls Kassandra multi	£80,450
Windows and external doors	£57,140
Internal Walls	£44,320
Internal Doors	£14,080
Wall finishes	£72,340
Floor finishes	£49,185
Ceiling Finishes	£27,740
Fixtures & Fittings	£32,873
Mechanical Installation including underfloor heating and air source heat pumps	£86,904
Electrical installation	£56,341
External works including car park surface, paving, bin store	£43,824
Drainage including rainwater harvesting	£27,538
Service connections	£4,750
Preliminaries - full build up	£104,950
Overheads and profit	£88,771
Professional fees for Architect, QS, and all other consultants as commissioned by the architect	£54,100
Equipment and materials	£10,000
Sub total	£1,145,531
Contingency 5% including an element for inflation 4.5% of building supplies	£102,790
Total	£1,248,321

23. YFS funding will contribute 47% funding towards the overall project costs, £586,396.

Assessment of the application against the criteria for the fund:

24. This application for funding has been through the due diligence and agreed governance process for the fund, which are publicly available on the County Council website.

25. The application was subject to a rigorous two step application process involving assessment and scoring by YFS Officers, with input from the Expert hub, a group of

specialist Officers providing insight for the eligibility of funding. The application was assessed and scored independently by three Officers.

Expert Hub Review

26. Commercial – The projected income from the combined Ripley Village Hall (phase 2) and Victory Hall (phase 1) appears reasonable, with income from the completed phase 1 being a key component to support the combined project. The income is a relatively stable mix of function hall rental at a reasonable increase (considering greater time availability and improved facilities) over the previous space, residential letting from phase 1, and other miscellaneous income. The costs include a significant increase in administrative and managerial staff, but the applicant has advised this can be flexed to adapt to any shortfalls in projected income. It is advised that the applicant build a sinking fund to cope with any future major maintenance requirements, even when income levels fall below expectation.
27. Finance – A financial review has taken place on this project and all queries raised from this have been dealt with satisfactorily. This is a large investment into a phase 2 of an existing capital project, phase 1 of which has been delivered successfully. The validity of the investment lies in the commercial review of the project, to ensure the Council's outlay is protected and long standing. The project appears to be well considered and managed and is backed by substantial wider funding from GBC's S106 contribution.

Section 151 Officer Commentary:

28. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
29. The long-term sustainability of the projects funded by Your Fund Surrey is a key factor in assessing their suitability.
30. The finance and commercial assessment are set out in paragraphs 24 and 25, along with a summary of risk and mitigations set out in paragraph 32. These factors set out alongside the expected benefits of the project have been scrutinised and challenged by officers and are deemed acceptable in this instance.
31. The borrowing costs associated with the fund have been fully built into the Council's Medium-Term Financial Strategy.
32. This project is a relatively large investment into phase 2 of an ongoing capital project. The organisation has secured significant funding from other sources and has comprehensive project and financial planning in place. Once built, the projected cashflow provides assurance that the Council's investment can be maintained. This does rely on commercial elements which hold inherent risk, but methods to reduce costs when required are possible, addressing this concern. Your Fund Surrey funding will be released at stages, on satisfying relevant criteria.

Legal Implications – Monitoring Officer:

34. The report sets out the information and steps for the consideration of the application further to the Council’s governance arrangements for Your Fund Surrey.
35. Further to those arrangements, if approved, the Council and the organisation will enter into a comprehensive funding agreement which will include the performance measures that will be put in place to ensure the funding is used as intended as well as clearly describing any support or additional conditions agreed as part of the funding award.

Equalities and Diversity:

40. Your Fund is designed to provide investment in schemes that encourage community participation, reduce isolation, and develop the potential for social wellbeing and economic prosperity. As such it is anticipated that it will have a positive impact on a number of those who may rely on or gain support from within the local community and those within protected characteristics that may be more likely to experience social and economic exclusion.
41. An Equalities Impact Assessment has been produced for YFS and was circulated as an Annex to the YFS Cabinet Report 26th January 2021.

Other Implications:

42. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail in Table 4 below.

Table 4. Implications for council priorities and policy areas

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No direct implications
Safeguarding responsibilities for vulnerable children & adults	Safeguarding policy in place and made available to all hires of the hall. Conditions of Hire for those working with vulnerable groups asks for persons with appropriate DBS certification to be present during the period of the hire. The Hirer is asked to provide Ripley Village Hall with sight of the relevant DBS documentation in accordance with their safeguarding policy.
Environmental sustainability	<ul style="list-style-type: none"> • Triple glazing • Underfloor heating utilising air source heat pumps • All lighting low voltage LEDs • Rainwater harvesting feeding grey water • Installation of electric car charging points • Car park surface has been designed for water permeation • Ripley Village Hall is situated in a conservation area and have not been allowed to install photovoltaic panels on the roof of the hall
Public Health	The project has a positive impact on wider health outcomes, users of the hall will be able to take part in a varied range of activities/classes that benefit not

	only physical but mental health. The creation of a local community hub will help enhance social cohesion.
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What Happens Next:

- Following Cabinet approval, in line with the normal Cabinet decision making process as set out within the constitution, the Cabinet decisions will be incorporated and published a part of the Cabinet decision notice according to standard procedures and are subject to call-in.
- Once the financial decision has been taken and published and the call-in period has expired, the YFS Team officers will prepare the relevant schedules and funding agreements to enable payment of funds and monitoring and evaluation of the project against its outcomes.
- The YFS Team officers will then issue a provisional offer of funding to the applicant, including a copy of the draft Funding Agreement incorporating any additional conditions.

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Sources/background papers:

Your Fund Surrey Criteria

Your Fund Surrey Governance Document

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