

**SURREY COUNTY COUNCIL****CABINET****DATE: 28 MARCH 2023**

**REPORT OF CABINET MEMBER: DENISE TURNER-STEWART, DEPUTY LEADER AND CABINET MEMBER FOR COMMUNITIES AND COMMUNITY SAFETY**

**LEAD OFFICER: MARIE SNELLING, EXECUTIVE DIRECTOR CUSTOMER AND COMMUNITIES**

**SUBJECT: YOUR FUND SURREY- CF118 MASTER PARK COMMUNITY PAVILION**

**ORGANISATION STRATEGY PRIORITY AREA: EMPOWERING COMMUNITIES**

<b>Purpose of the Report:</b>
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This report sets out the key information on the **Master Park Community Pavilion** Your Fund Surrey (YFS) application, for the consideration of Cabinet.

The vision of YFS is to bring community-led and place-making projects to life, with a focus on the wider community benefit that leaves a real legacy.

<b>Recommendations:</b>
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It is recommended that Cabinet:

1. Agree to fund Master Park Pavilion Charity for the full amount requested of £1,860,000 towards the creation of the Master Park Community Pavilion.
2. Recommend the applicant provides evidence to confirm full funding is in place before funding is released.

<b>Reason for Recommendations:</b>
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This application has been the subject of a rigorous assessment process and officers consider the project meets the aims and published criteria of the Fund and to satisfy the requirements to award funding.

The new pavilion will create a new hub in the centre of the busy town, providing opportunities and facilities for the whole community.

<b>Executive Summary:</b>
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1. Master Park Pavilion is a single storey building situated within the eleven acres of Master Park, Oxted in Tandridge. Master Park is in the heart of Oxted where the community gather for sport, to utilise the playground or just relax. The park hosts many events and fairs throughout the year for the benefit of the local community and charities. The applying

organisation, Master Park Pavilion Charity (MPPC), own the building and land outright. The area ranks 292 out of 709 in Surrey, where first is the most deprived area.

2. The area is bordered by three areas of greater deprivation located in the Divisions of Limpsfield and Oxted North and Tandridge which the new facility will serve. Oxted Secondary School has a wide catchment area including Hurst Green, Godstone, Tatsfield and Lingfield. Hurst Green has been identified by Surrey County Council and Tandridge District Council as the key neighbourhood for Tandridge.
3. The application is for £1,860,00, equating to 63% of the overall project costs. As well as from sports clubs, the project has received considerable financial support from Tandridge District Council (£500k CIL) and Oxted Parish Council (£90k). The funding gap of c£440k is to be filled via a mixture of fundraising and corporate donations. A detailed fundraising strategy is in place and MPPC are confident that the amount can be achieved within 6-12 months as they have an existing track record and firm commitments from several individuals.
4. The existing Master Park Pavilion is primarily used by Oxted & Limpsfield Cricket Club (OLCC) and Oxted & District Football Club (ODFC) and has reached the end of its life. The proposed project entails the demolition of the existing pavilion and the construction of a new fit-for-purpose two-storey community hub and sports pavilion.
5. The new building will support the incumbent sports clubs as well as providing facilities for new sports clubs and wider community use. The building will increase from 218m sq. to 677m sq. but will utilise the same footprint to ensure there is no encroachment on the green space.
6. The ground floor will consist of a café, large clubroom, a bar, kitchen, public & disabled toilets with baby changing facilities. In addition, four gender-neutral changing rooms & showers will be provided. The upper floor will be a large flexible room which can be converted into two smaller rooms.
7. A key element is the partnership with seven local charities and organisations, their 'Pay It Forward Partners', whose work supports Surrey County Council's Health and Wellbeing Strategy. Each of the organisations will benefit from free and preferential access to the new community spaces and include charities that support people with learning disabilities, mental health issues, dementia and Parkinson's. Their partners also include the Primary Care Network, who will use the space to deliver services at a local level, and a Community Fridge. There is currently no community fridge provision in Tandridge south of the M25.
8. The proposed café area will serve park and pavilion users and will be outsourced to a 3<sup>rd</sup> party. The bar area will continue to be run by the cricket and football clubs.
9. A proposed usage plan for each of the rooms has been provided, based on the organisations and groups that have requested first refusal for space. The number of hours available for community groups has increased to 225 hours per week, with a minimum of thirty hours a week ringfenced for 'Pay it Forward' partners. The proposed rental prices are in line with other community pavilions and halls across the south of England.

10. The new pavilion has been designed to be sustainable. Included within the new pavilion, but not limited to, will be an Air Source Heat Pump, LED lighting, a rainwater harvesting system and photovoltaic panels.

### **Description of project benefits**

11. The benefits to the project include:

- A new community space with opportunities to enhance social interaction and support wider health and wellbeing.
- Builds on the 100 year legacy of Master Park Charity
- Increased capacity for new and existing sporting clubs
- Improved energy efficiency and reduced ongoing running costs.
- Opportunity for small businesses to thrive by utilising the pavilion.
- Provides a space for educational collaboration with Oxted School
- Provides a dedicated and safe space for organisations working with vulnerable people in Oxted.
- Enhanced community spirit through delivering a space for the whole community to be part of, fundraise for and be proud of.

### **Project Timeframes and Management**

12. The project will take approximately 12 months to complete. Planning permission has been granted and the new building will have an expected minimum life expectancy of 50 years.

13. A Pavilion Operations Committee (POC) will have overall responsibility for Management, maintenance and finance of the facility. It will report to the Master Park Management Committee (MPMC), an existing group of over 60 years. The composition of the POC will include representatives of MPMC, the sports clubs and other regular user groups of the building.

### **Consultation:**

#### **Summary of Support**

14. Have your say, which featured the Master Park Community Pavilion, received 1184 comments, almost 100% of which were positive. Letters of support have also been received from a wide range of groups and individuals.

15. The Divisional Councillor Cameron McIntosh commented as follows:

*'I am hugely supportive of this project and the benefits that the creation of a community, park hub will bring to the Oxted area. Not only Oxted, but the wider surrounding area including Hurst Green, Limpsfield and Tandridge Village. I am particularly enthusiastic about the projects' aim to create a community fridge/food bank option, a service that is limited south of the M25 in the Tandridge area and one that is much needed to support vulnerable groups across the south of the district. The location makes this a viable project in my view, situated in the busy centre of Oxted town, easily accessible by transport links including train and bus. The wide range of services that this newly developed 'hub' will offer, situated in one of the busiest towns in the district, accessible and reaching the many surrounding communities of Tandridge makes this a viable project to be considered for YFS funding'.*

**Risk Management and Implications:**

16. The risks to YFS funding were noted by the Advisory Panel as:

- Full project funding not realised.
- Unable to source a café provider or café proves unviable.
- Project costs rise.
- Lack of community use in new building.
- Weak management committee and lack of volunteers
- MPPC sell the venue.

17. It was felt that there were adequate controls in place for the level of risk including:

- MPPC having a clear fundraising plan in place. There is also evidence of recent community fundraising, securing the future of two community buildings in Oxted.
- There has been considerable interest in the café from both successful cafes operating in nearby parks and other local businesses.
- Confirmed interest from several community groups, sports clubs and local residents.
- An established management group who have been running Master Park for a number of years
- SCC would include a condition in the funding agreement that the venue is not to be sold / must be used for community use for a set number of years.

**Financial and Value for Money Implications:**

18. The application is for £1,860,00, equating to 63% of the overall project costs. YFS funding is requested for the construction of the superstructure, internal walls and all mechanical and electrical services. Table 1. outlines the Financial Summary and table 2 details the total project cost breakdown.

**Table 1. Financial summary**

<b>Amount applied for:</b>	£1,860,000
<b>Total project cost:</b>	£2,956,231
<b>Percentage of cost against total:</b>	63%
<b>Have other funding sources been secured?</b>	Yes
<b>Other funding:</b>	<p><b>Actual</b></p> <p>Oxted and Limpsfield Community Sport Association - £59,683</p> <p>Local business donations - £6,500</p> <p>Oxted Parish Council CIL - £90,000</p> <p>Individual donation - £615</p> <p>Tandridge District Council CIL - £500,000</p> <p><b>Fundraising Strategy 2023-24</b></p> <p>Individual donations - £160,000</p> <p>Local business donations - £100,000</p> <p>Fundraising events - £75,000</p>

	Loans and late funders - £104,433
<b>Is there a commercial element to the project?</b>	Yes
<b>Amount suggested for funding:</b>	£1,860,000

**Table 2. Project Cost breakdown:**

<b>Activity</b>	<b>Total Cost (inc. VAT)</b>
Professional fees – pre & post planning / tender and construction phase (cost partially incurred)	£180,231
Site clearance & sub structure construction	£340,000
Superstructure	£960,000*
Mechanical and electrical services	£610,000*
Internal walls	£290,000*
Internal finishings	£150,000
External works	£130,000
Furnishings, lighting, fittings and storage	£110,000
Publicity – CGI video, brochures, leaflets and events	£16,000
Evaluation	£5,000
<b>Sub total</b>	<b>£2,791,231</b>
Contingency	£165,000
<b>Total</b>	<b>£2,956,231</b>

\*Denotes YFS funded element

19. As with all applications, there is a risk that construction and purchase costs will increase between application and approval. This is partially mitigated by a contingency allocation included in the funding amount. We would aim to work with the applicant to value engineer the project where necessary to come in within budget.
20. MPPC are currently subject to normal rate VAT. The group believe they have a case to be zero rated as it is a community building and have been in conversations with HMRC for over a year. As part of the funding agreement, any VAT recoverable at a future date would need to be repaid to Surrey County Council.

### **Advisory Panel Comments**

21. The applicant presented the project to the Advisory Panel on 1<sup>st</sup> March 2023. Members of the Advisory Panel raised a range of questions for the applicant, including details of the green elements of the project, how they were planning to raise the outstanding balance, the basis of their long-term income projections, their links with Oxted Secondary School and regarding their VAT status.
22. Members of the Advisory Panel were satisfied by the answers provided and universally recommended the project for funding. They concluded that the project demonstrated considerable community support, would leave a significant legacy in the area and supported the east of the County.

## Financial Implications

23. The finance and commercial assessment have been completed, along with a summary of risk and mitigations set out in paragraph 16. 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. 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.
24. The borrowing costs associated with the fund have been fully built into the Council's Medium-Term Financial Strategy. The annual cost of borrowing for this specific project of £1,860,000 would be £94k.
25. Following the financial and commercial review this project has three outstanding risks identified. The first being that the VAT position for the expenditure has not been fully determined. The project financials have been constructed on a worst case scenario basis, but this creates the second issue which is a significant shortfall in funding that has yet to be identified. Should the VAT issue be resolved favourably, this will also resolve the funding issue. However, if VAT remains payable, the project has not yet secured enough funds to cover its requirements.
26. The third issue relates to the long term forecasts for running the operation. These are optimistic with marked increases expected in income levels. This risk will be managed through careful control of planned expenditure, which would require managed reductions if needed to offset income reductions.

### Section 151 Officer Commentary:

27. 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.
28. The long-term sustainability of the projects funded by Your Fund Surrey is a key factor in assessing their suitability. The ongoing sustainability of this project will require close management of income and expenditure. The S151 Officer concurs with the recommendations in this report.

**Legal Implications – Monitoring Officer:**

29. 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.
30. 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:**

31. 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 this project 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.
32. An Equalities Impact Assessment has been produced for YFS and was circulated as an Annex to the YFS Cabinet Report 26<sup>th</sup> January 2021.

**Other Implications:**

33. 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**

<b>Area assessed:</b>	<b>Direct Implications:</b>
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. Provides a space for local charities and groups to safely deliver activities for vulnerable people.
Environmental sustainability	<ul style="list-style-type: none"> <li>• Underfloor heating utilising air source heat pumps</li> <li>• All lighting low voltage LEDs</li> <li>• Rainwater harvesting to water sports pitches.</li> <li>• Installation of electric car charging points</li> <li>• Installation of photovoltaic panels on roof.</li> </ul>
Public Health	The project has a positive impact on wider health outcomes, users of the pavilion will be able to take part in a varied range of activities/classes that benefit not only physical but mental health.

**What Happens Next:**

- Following Cabinet approval of the funding a notice of the records of decisions taken under delegated power, will be published within 3 days of the decision being made.

- 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 issue a provisional offer of funding to the applicant, including a copy of the draft Funding Agreement
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**Consulted:**

Division County Councillor

Portfolio holder for Communities

Resources, Corporate Finance & Commercial – Surrey County Council

**Sources/background papers:**

Your Fund Surrey Criteria

Your Fund Surrey Governance Document

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