

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- CF211 OLD WOKING AND DISTRICT COMMUNITY CENTRE****ORGANISATION STRATEGY PRIORITY AREA: EMPOWERING COMMUNITIES****Purpose of the Report:**

This report is for Cabinet approval to fund £982,389 from Surrey County Council's (SCCs) Your Fund Surrey, towards the rebuilding of a village hall located in Woking South, 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 CF211 for the full £982,389 requested, composed of:
 - £902,389 of capital funding towards the extension and refurbishment works to be paid in staged payments, on evidence of spend.
 - £49,119 (5%) is to be held by SCC (Surrey County Council) until final evidence of income, expenditure, evaluation and building control sign-off is received.
 - £80,000 contingency is to be held by SCC, only to be released on evidence of need.
2. Recommends the following conditions for the applicant should be included within the funding agreement:
 - 2.1 evidence that all planning requirements are met prior to the project start

- 2.2 evidence of management agreement, lease and underlease in place prior to release of funding
- 2.3 final evidence of all funding secured to complete the project
- 2.4 the applicant uses all possible measures identified to increase sustainability and reduce environmental impact during construction and operation of the facility
- 2.5 To develop a usage policy to be adopted by Old Woking Community Centre for the life of the facility which ensures the widest access to the community, to include;
 - I. a booking policy to ensure capacity for community uses is maintained at a specified level
 - II. schedule of fees maintaining affordable rates.
 - III. To encourage the applicant to consider all reasonable measures which could be undertaken to expand the reach and use of the facility, in particular to work closely with Woking Borough Council (WBC) and the local voluntary sector.

Reason for Recommendations:

The recommendations will enable expenditure from the Your Fund Surrey to be awarded to Old Woking and District Community Centre. 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 to meet the aims and published criteria of the Fund and to satisfy the requirements to award funding.

Executive Summary:

1. Old Woking and District Community Centre (OWCC) is a registered charity with nine volunteer trustees that manages a large community centre for local residents. The venue is situated in Woking South which is ranked decile 5 on the Index of Multiple Deprivation (IMD) and services the surrounding area including the villages of Kingfield, Old Woking and Westfield.
2. The land on which the building sits is leased from WBC at a peppercorn rate. A new 125-year lease is proposed which provides greater security for a community venue in the area. OWCC will underlease part of the building to Woking College as part of this proposal on a matching 125-year term.
3. The centre has seven main rooms and halls plus several smaller meeting rooms and offices. Current maintenance costs are high and life expectancy is less than 5 years without major refurbishment.
4. The proposal aims to create a fully sustainable and accessible community centre by converting a large, inefficient 1960s building to a low carbon, low resources and low running cost, future proofed community asset. The project achieved planning permission in October 2021 including for a 2-storey extension to the community entrance of 210 square metres. A revised application is currently being considered for a reduced scope of a single storey extension to the community entrance of 85 square metres, this is to reduce costs.
5. The plan involves a 2-storey extension at the entrance on the north side for Woking College use and a single storey extension on the south side for the community entrance. In addition, significant reconfiguring of inside space is planned to maximise the space available. The project is multi-faceted with substantial contributions from WBC and Woking

College. The applicant is seeking investment from Your Fund Surrey to fund the refurbishment, repair and modernisation of the areas that have the most community use. In addition to basic environmental enhancements the proposals include a full rewiring of electrics, long lasting LED (Light Emitting Diode) lighting with Passive Infrared (PIR) sensors, replacement of gas boiler with air source heat pump, installation of solar panels and electric car charging points. Due to the size and scope of the project, implementation of the plan is being managed by WBC's Asset Management team.

6. The overall proposal will allow Woking College to use a large part of the centre during the daytime for their performing arts and art students, while leaving ample space for charitable and community use. This local partnership ensures local education for local young people while reducing emissions by reducing journeys by car and public transport.
7. OWCC has a wide range of regular users that includes dancing groups, singing groups, mother and toddler groups, martial arts classes, scouting and guiding groups and music lessons. The centre also hosts the Montessori Nursery who will have sole use of their own secure area during the day in term time.
8. The plans include furnishing a community café space committed to offering local people an affordable, locally sourced, healthy alternative to commercial cafes. The café will be located in the foyer area of the ground floor and will have seating for up to 26 patrons. Woking college will provide catering from the kitchen to a separate café space for college students (safeguarding requirement) and also to the community café during term time. A mechanism for provision of community refreshments outside of term time is being considered.

Details

Description of project benefits

9. 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 place for local business
- A space for young people to gain work experience.
- Offering projects that increase skills and employment opportunities
- Local education offering

Tackling health inequality

- Provide a suitable space for community classes that help to improve physical fitness
- Enhance socialisation for local people by improving accessibility

Enabling a greener future

- Enhancements of environmental credentials of the building
- Reduction in journeys and encouragement of more sustainable forms of travel through EV (Electric Vehicle) charging points and cycle parking

Empowering communities

- A place for local people to be proud of and use for a variety of services.

Project Timeframes

10. The project timeframes are approximately nine months, comprised of:
 - Construction
 - Monitoring and control
 - Fit out
 - Move in
11. The intention is to start the works for the college in September 2022 and be completed by the end of March 2023. Woking College students arrive Easter Term 2023 as extra space for existing students but will fully launch in September 2023 when extra enrolled students will join (approximately 90 students in total).
12. If YFS funding is not awarded or not in full, WBC and Woking College funds will be used for a much-reduced project. There will be no sustainable energy provision, no community café, no insulation or new windows, diminished internal decoration and no external decoration.

Management of the project

13. The delivery phase of the project will be managed by WBC in conjunction with the Secretary and Treasurer of OWCC and Woking College.
14. The ongoing operation will be managed by the Trustees of OWCC, with overall responsibility resting with the Chair, Treasurer and Secretary (the centre manager).
15. A management agreement will be in place in order to make the OWCC Facilities available for use by both the OWCC (community use/lettings) and Woking College (student learning and social space at OWCC) beyond the use that is suggested by the underlease agreement between OWCC and Woking College. The management agreement also details responsibility for longer term running costs of the building which will be agreed at annual finance meetings. OWCC will have sole responsibility for the structure of the building and cost of communal areas will be shared according to usage. Day to day running cost of areas of sole use by OWCC or Woking College will be the responsibility of the respective organisation.
16. Long term maintenance will be managed using a reserves policy and will be stated in the management agreement.

Project Lifespan

17. The proposed works will significantly extend the lifespan of the building to over 25 years.

Consultation:

Summary of Support

18. Have Your Say, which had the Old Woking Community Centre featured on the Commonplace website, received 309 comments. There were two negative comments stating that there is too much building work in this local area already, including works at Woking College just down the road and to consider car parking as it is a current issue with the college, a church and local school.
19. It is considered that the issues raised through Have Your Say comments would have been considered during the planning process by the Borough Council.

20. The Divisional Councillor Will Forster is in full support of the project.

Financial and Value for Money Implications:

21. YFS funding is requested for the refurbishment and repair of the Old Woking Community Centre. The project has applied for £982,389 which equates to 31% of the total project costs. The remaining monies needed for the project are the contribution from WBC S106 and Woking College.
22. Table 1 sets out a Financial Summary and shows the total project cost of £3,137,176.
23. Table 2 sets out the Project Cost Breakdown and Grant Utilisation provided by a Quantity Surveyor, itemising the allocation of YFS grant against the overall works.
24. Table 3 is the Community Centre Works Cost Breakdown and details the allocation of YFS grant against the community centre works proposed.
25. As with all applications, there is a risk that construction and purchase costs will increase between application and approval due to the current economic environment. 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 1. Financial summary

Amount applied for:	£982,389
Total project cost:	£3,137,176
Percentage of cost against total:	31%
Have other funding sources been secured?	Yes
Other funding:	£700,000 £1,336,459 £118,328 Total = £2,154,787
Volunteer contributions	Yes - £17,150 in non-cash contributions
Is there a commercial element to the project?	Yes
Amount suggested for funding:	£982,389

Table 2. Project Cost breakdown and Grant Utilisation:

Activity	Total Cost	YFS Contribution
Professional Fees	£345,000	£0
Woking College Works	£1,721,211	£0
Woking College Contingency	£79,076	£0
Community Centre Works*	£902,389	£902,389
Community Centre Contingency	£80,000	£80,000
Total	£3,137,176	£982,389

Note – VAT not included

Table 3. Community Centre Works* Cost Breakdown:

Activity	YFS Contribution
Furnish community cafe	£4,895
Solar Panels	£103,500

Drains and attenuation tank - part of total costs - £368,455	£231,493
Electrical systems	£287,022
Insulation	£52,000
Air Source heat pumps and plant room	£67,799
Replacement lighting with energy efficient system	£29,546
Upgrade of nursery toilets	£18,304
Baby change room	£5,538
Main kitchen with appliances - Surveyor estimate for general use not café	£18,080
Ladies, Mens and disabled main toilets	£30,562
Doors to last throughout the building @ £1300 each	£13,000
Main hall doors and windows North side removal and replace	£15,400
Mid lobby windows and door	£4,250
Shackleford windows	£4,000
Electrical Car charging points	£6,000
Cycle Park	£6,000
External lighting	£5,000
Total community centre costs	£902,389

Note – VAT not included

Assessment of the application against the criteria for the fund:

26. 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.
27. 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

28. Commercial – The income and cost assumptions have been broken down in detail and reviewed against previous years accounts. A small surplus is anticipated each year and the room hire rates have headroom to increase should it be necessary. The applicant has agreed with the suggestion to remove the café operation self-delivery from the project (they will outsource to the college's caterers), which was considered a risk and a potential distraction from the core objectives. The ongoing commercials of the project do not carry any significant risk.
29. Finance – The project costs have been reviewed and queries around this are resolved. This is a large investment and the project will be supported by some element of WBC project management. The long-term implications for the sustainability of the funding depend on the commercial viability of the maintenance of the space.

Section 151 Officer Commentary:

30. 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.

31. The long-term sustainability of the projects funded by Your Fund Surrey is a key factor in assessing their suitability.
32. The finance and commercial assessment is set out in paragraphs 35 and 36, along with a summary of risk and mitigations set out in paragraph 42. 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.
33. The borrowing costs associated with the fund have been fully built into the Council's Medium-Term Financial Strategy.
34. This is a substantial investment into a project which delivers wide community benefits and whose delivery will be supported by Woking Borough Council. The commercial elements have been reviewed and areas of risk modified. As such this project is considered low risk. Your Fund Surrey funding will be released at stages, on satisfying relevant criteria.

Legal Implications – Monitoring Officer:

35. 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.
36. 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:

37. 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.
38. An Equalities Impact Assessment has been produced for YFS and was circulated as an Annex to the YFS Cabinet Report 26th January 2021.

Risk Management and Implications:

39. 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 4 below. Officers consider there to be adequate control measures in place.

Table 4. Summary Table of Risks and Key Mitigations

Risk description	RAG	Mitigation action/strategy
Delay in construction due to discovery of unknown services, asbestos or poor ground conditions.	Yellow	Conduct relevant surveys prior to build
Project costs do not match cost plan / budget	Red	Regular cost plan reviews taking design changes into account. Cost rises to be agreed or rejected by clients via a change control process.
Supply chain delays	Yellow	Constant communication with contractor to ensure they have access to materials. Alternative suppliers monitored.
Failure to obtain building control approval	Red	WBC to engage their building control team during planning determination to take them through proposals. Building Regs application to be made at Stage 4 design
COVID-19 affects site productivity	Yellow	Project team to remain aware of evolving national and regional coronavirus guidance.

Other Implications:

40. 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 5 below.

Table 5: Implications on Council Priorities and Policy Areas

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No direct implications
Safeguarding responsibilities for vulnerable children & adults	A Safeguarding policy will be required.
Environmental sustainability	<ul style="list-style-type: none"> •Enhancements of environmental credentials of the building •Reduction in journeys and encouragement of more sustainable forms of travel through EV charging points and cycle parking
Public Health	<p>The project will have a positive impact on wider health determinants with reference to:</p> <ul style="list-style-type: none"> • signposting to services • close work with local charities • enhance social cohesion and wellbeing in an area of deprivation

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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