

SURREY COUNTY COUNCIL**CABINET****DATE: 23 APRIL 2024****REPORT OF CABINET MEMBER: DENISE TURNER-STEWART – DEPUTY LEADER AND CABINET MEMBER FOR CUSTOMER AND COMMUNITIES****LEAD OFFICER: MICHAEL COUGHLIN - EXECUTIVE DIRECTOR - CUSTOMERS, DIGITAL & TRANSFORMATION****SUBJECT: YOUR FUND SURREY APPLICATION – EPSOM SPORTS CLUB OLD SCHOOLS LANE PAVILION****ORGANISATION STRATEGY PRIORITY AREA: EMPOWERED AND THRIVING COMMUNITIES****Purpose of the Report:**

This report sets out the Your Fund Surrey (YFS) application from **EPSOM SPORTS CLUB OLD SCHOOLS LANE PAVILION** for the consideration of the Cabinet.

The vision of YFS is to bring community-led and place-making projects to life, with a focus on wider community benefit that leaves a real legacy. YFS helps Surrey County Council (SCC) meet its priority to support empowered and thriving communities and tackle inequality to ensure that no one is left behind.

Recommendations:

It is recommended that Cabinet:

1. **Agree to fund project CF235 the full amount requested of £1,000,000 comprised of:**
 - **£1,000,000 of capital funding towards the development of the pavilion to be paid in staged payments, on evidence of spend.**
 - **Including 5% to be held by SCC until final evidence is provided of income and expenditure, evaluation and completion (such as building control sign-off).**

Reason for Recommendations:

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.

Epsom Sports Club's (ESC) proposed pavilion at Old School's Lane will provide a home for community sports and offer long term sustainability for football, hockey, cricket and other sports for all ages. This will address a deficiency in current provision and benefit the local community.

The proposed pavilion facilities will also be used by other community clubs and organisations, ensuring the space is a vibrant hub in the heart of the local community, adjacent to an identified SCC Key Neighbourhood.

Executive Summary:

1. ESC is a registered charity that has been running for over 100 years at Francis Schnadhorst Memorial Ground on Woodcote Road, Epsom. It's objectives are to:
 - promote community participation in healthy recreation by providing sporting facilities;
 - provide recreational facilities for disadvantaged people in the local community; and
 - improve awareness of the benefits of participation in recreational activities and provide appropriate coaching and training.
2. The existing site in Woodcote Road is used by various community user groups, including a charity that supports adults with learning difficulties, a menopause support group, a music and movement class for elderly adults, an art class, and a bridge club. The sporting facilities and grass pitches are used by Epsom cricket club for men, women and juniors, a thriving croquet group and a tennis section including sessions for individuals with special needs.
3. Three years ago, ESC partnered with Abbeyfield Southern Oaks (Abbeyfield), a provider of community living for independent older people, to restore a redundant playing field and create new community sports facilities comprising of a full-size, floodlit all-weather pitch, a full-size grass pitch and cricket pitch facility at Old Schools Lane. As part of Phase 1 of this project, all the pitches have now been completed.
4. Funding is now being sought towards Phase 2 which is for a new Clubhouse and associated car parking at the Old Schools Lane. The new building will have modern, fully accessible changing facilities to cater for increased demand for women's, girls and disability sports as well as providing space for community activities and socialising.

Project Summary

5. ESC's Old Schools Lane site is located 0.3 miles from Ewell West station and is located in Ewell which is ranked Decile 8 (Surrey Decile 4) on the Index of Multiple Deprivation. Within close proximity to the Club is Court Ward which is Decile 3 (Surrey Decile 1) and is one of SCC's Key Neighbourhoods.
6. Two portacabins are currently located on the site providing basic toilet, changing and kitchen facilities which do not comply with national sport governing body guidelines. Furthermore, accessible toilet facilities have to be accessed at the nearby Bourne Hall Library.
7. The proposed clubhouse has been designed in response to local need and will contain four changing rooms plus an accessible changing room and toilet, officials' room, club room, kitchen/bar, office, storage and 45 parking spaces.
8. The new clubhouse will enable the club to maximise community use of surrounding outdoor pitches as well as providing an indoor space for new activities for the club and the wider community.
9. ESC has secured the playing fields for future generations under a 125-year lease and a Deed of Covenant with Fields in Trust to protect the facilities in perpetuity. They share the site with Abbeyfield, who are the Landlord. ESC has an Agreement for Lease (AFL) with

Abbeyfield for the construction of the pavilion. A new 125-year lease will be put in place once the pavilion is constructed.

10. Abbeyfield will be contracting the works, with ESC integrally involved in the delivery through monthly liaison meetings.
11. Environmental features have been included including electric vehicle charging points, bicycle racks, rainwater harvesting, photovoltaic cell installation, and air sourced heat pumps. ESC is planning motion-controlled lighting and a system enabling control of hot water and heating by segment to reduce energy consumption.
12. Once the project is complete the new and additional activities and benefits will include; art clubs, health and fitness groups, counselling services, walking hockey social groups, cricket groups, parent and toddler sessions, Surrey user Voice and participation team, running groups, and the Sunnybank Trust which supports 250 vulnerable men, woman and young adults with learning disabilities.

Details

Description of project benefits

13. The main benefits to the project include:
 - Improve physical and mental wellbeing of the community in Epsom & Ewell by providing an accessible and affordable local community facility
 - Meeting SCC ambition of 'Nobody Left Behind' by providing community amenities and support close to a Key Neighbourhood
 - Encouraging under-represented groups to play sports by providing accessible facilities

Project Timeframes and Management

14. The project delivery is estimated to be approximately 7 months. Planning permission was granted 23 December 2022.
15. A robust governance structure is in place. ESC is governed by a Board comprising Directors from each of the sports sections, a Chairperson, a Treasurer, and an independent member with a Director and the Treasurer having designated responsibility for oversight and scrutiny of the project.
16. ESC has over 70 years' experience of successful facility management and development, as evidenced through long-term management of the Club's existing Woodcote Road facilities and the all-weather pitch at Old Schools Lane.
17. Currently the Club employs two members of staff who report to the Board. They are a Club Manager (16 hours a week) and an Administrator (18 hours a week). They estimate they will need a second part-time manager to run both sites successfully.

Project Lifespan

18. The new building will have a life expectancy of at least 50 years. The ongoing maintenance procedures that the Club Management Team will undertake has the potential to extend the lifespan beyond this.

Consultation:

Summary of Support

19. Have your say, which has had Epsom Sports Club featured on the Commonplace website, received 584 comments. There were no negative comments. Letters of support have also been received from the Councillors, organisations, groups and individuals.

Advisory Panel Comments

20. The project was discussed by the YFS Advisory Panel on 13th March 2024. All members of the Advisory Panel were supportive of the application and the benefits it would bring to the community.

Risk Management and Implications:

21. The risks to the project have been considered and Officers consider there to be adequate control measures in place. They key risks are:
- Increase in construction costs
 - Future loss of amenity
 - Increasing clubhouse costs
22. Grants greater than £500,000 are monitored annually for 20 years after works completion to ensure ongoing community use. If a project were struggling to reach community groups, SCC would link them with Community Link Officers and Local Area Coordinators as appropriate as well as other partners in the voluntary sector.

Financial and Value for Money Implications:

23. The project has applied for £1,000,000 which equates to 44% of the overall project costs. The remaining monies needed for the project have been raised or are expected.
24. Table 1. Financial Summary details the £1,144,472 of other funding against the total project cost of £2,144,472. Table 2 details the total project cost breakdown.

Table 1. Financial summary

Amount applied for:	£1,000,000
Total project cost:	£2,144,472
Percentage of cost against total:	44%
Have other funding sources been secured?	Yes
Other funding:	<u>Secured funding:</u> £315,395 ESC Reserves £359,642 Abbeyfield

	<p>£83,333 ESC pledges £41,666 Loan from ESC £144,436 ESC Reserves for professional fees (made up of various contributions including Hockey Club, Co-op, sale of bricks and hockey pitch squares, Mayors Charity donation, legacy, gift-aid etc) Total £944,472</p> <p><u>To be raised:</u> £100k Loans from ESC Members £100k Claude Thompson Charitable Trust (for kitchen & Bar) Total £200,000</p>
Volunteer contributions:	£93,920
Non-cash contributions:	£13,250
Is there a commercial element to the project?	Yes
Amount suggested for funding:	£1,000,000

Table 2. Project Cost breakdown:

Activity	Total Cost (Inc. VAT)	YFS Funding	Other Funding
Planning Fees	£11,486	£1,000,000	£1,044,472
Other Advisor Fees	£132,950		
Building: Envelope	£477,809		
Building: Internals	£246,945		
Mechanical & Electrical	£306,758		
External Works	£420,798		
Design & Statutory Fees	£45,000		
Preliminaries	£72,616		
Overheads & profit	£239,631		
Contingency @ 5% of build cost	£90,478		
Bar & Kitchen	£100,000	£0	£100,000 Claude Thompson Charitable Trust TBC
Total	£2,144,472	£1,000,000	£1,144,472

25. As with all applications, there is a risk that construction and purchase costs will increase between application, approval and tendering. This is partially mitigated by the contingency. The applicant has secured quotes that support their costing, and will ultimately be funded based on evidenced, actual spend, up to the amount awarded.

26. Release of any funding will be conditioned in a funding agreement to an acceptable specification, tender process and tender selection as well as verification of all funding in place (should costs have increased following tender).
27. The commercial viability of the project has been assessed and deemed to be satisfactory. They have a good track record of fundraising and securing income through subscriptions and fees. The bar, catering and hire income have increased as expected. Rental income is also new income that has been included. If the new sources of income do not materialise to the levels expected there are opportunities to reduce costs, or defer the large future one-off spends

Section 151 Officer Commentary:

28. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
29. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.
30. As such, the Section 151 Officer supports this application. This project is a relatively large investment. The organisation has secured more than half of the 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. They have a good track record of fundraising and securing income through subscriptions and fees. The bar, catering and hire income have increased as expected. Rental income is also new income that has been included. Maintenance and similar costs continue at previous levels with some large one-off costs. Repayments of the loans that have been included in the project funding, are also included in the cash outflow. If the new sources of income do not materialise to the levels expected there are opportunities to reduce costs, or defer the large future one-off spends. This project 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.
31. 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 £1,000,000 would be c£58,000.

Legal Implications – Monitoring Officer:

32. 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.

33. 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:

34. 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.

35. 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:

36. 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 below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Environmental sustainability	Environmental aspects have been considered in relation to the new building
Compliance against net-zero emissions target and future climate compatibility/resilience	The works will be in compliance with the net-zero emissions target
Public Health	The project has a positive impact on wider health outcomes, encouraging activity and social interaction

Report Author:

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Consulted:

Divisional County Councillor
Portfolio Holder for Customer and Communities
Land & Property, Corporate Finance and Commercial - SCC

Sources/background papers:

YFS Criteria
YFS Governance Document

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