

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 – THE HASLEMERE LINK COMMUNITY HUB

ORGANISATION STRATEGY PRIORITY AREA: EMPOWERED AND THRIVING COMMUNITIES

Purpose of the Report:

This report sets out the Your Fund Surrey (YFS) application from **THE HASLEMERE LINK COMMUNITY HUB** 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 the full amount requested of £1,000,000 comprised of:**
 - **£1,000,000 of capital funding towards transforming the Haslemere Link Community Hub, to be paid in staged payments, on evidence of spend.**
 - **Including 5% to be held by SCC (Surrey County Council) until final evidence of income, expenditure, and final 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.

The project aims to transform an existing community building (the Link) in the East of Haslemere into a larger, more useable space and, in addition, to create smaller meeting areas to meet increasing demand.

Executive Summary:

1. The Link, adjacent to Bartholomew's Church, is looking to renovate their ground floor to increase accessibility and flexibility of the space for community. It will also introduce an upper floor within the existing roof line to create smaller, private rooms suitable for counselling and other community support services not currently available in Haslemere. Counselling is in great demand and has long waiting lists and local community services have struggled to find suitable spaces.
2. The planned spaces in the project will enable a local affordable counselling service to expand, a local charity to provide support to those with hearing loss and increased social prescribing to improve mental and physical health. There will be a commercial component to the downstairs upgrade through hire of the space, which will be used to support the charitable element of the project upstairs.

Project Summary

3. The Link is a Grade 2 listed, passed to the Church for the benefit of the community in 1986. The building is run by the Haslemere Parochial Church Council (HPCC), a registered charity (1127927).
4. The project is in the East of Haslemere, close to the high street, next to the High Lane Estate where 43% of the properties are local authority owned compared with 23% across the whole town. It has a high footfall with families accessing the local primary school and residents accessing local shops.
5. The new building will be fully accessible, light, secure and will include a lift to the first floor. The plans include private rooms for counselling and one-to-one support, two larger rooms for physical or recreational activity and a large office. It will also have a kitchen to allow for multiple use, and accessible WCs on each floor. The proposed configuration includes an entrance from the car park and another discrete entrance, enabling access to the first-floor counselling suites.
6. A management group will be set up to ensure efficient operation and appropriate governance and any surplus from hire fees will be reinvested back into the building. Future users will include Citizen's advice, Crossways Counselling service, Haslemere festival, Haslemere for Ukraine support group, Haslemere clothing bank, free community meals, Mental health support services, English lessons for refugees and youth group support.
7. There are two other community venues at the opposite end of Haslemere, currently working at capacity. They do not see the project as competition, but welcome additional services in the other part of town. Many residents are deterred from travelling to the other side of town due to the cost of buses.
8. The HPCC are committed to the Church of England's aim to be carbon neutral by 2030 making the Link Community Hub as efficient as possible. The building will be highly insulated and will incorporate photovoltaic panels.

Details

Description of project benefits

9. The benefits of the project include:

- Several organisations planning to use the building to support children and young people with counselling and other activities.
- The building designed to be welcoming and the kitchen space offers the opportunity for a cafe and social spaces for everyone.
- The building is designed to be more sustainable and bicycle racks are included.

Project Timeframes and Management

10. The project delivery is estimated to take approximately 11 months to complete.
11. The HPCC is the owner of the building however it is vested in the Diocesan Board of Finance (DBF) to ensure that the PCC does not sell a community asset for its own benefit.
12. The Link Project team is made up of 5 volunteers from the HPCC. The team are recently retired, have relevant professional experience in finance, project management and funding and have a track record of involvement in the delivery of medium and large-scale. This core team will manage the project through to building and commissioning.
13. The new building will have a life expectancy of 50 years or more. The project will be monitored after completion for 20 years.

Consultation:

14. Have your say received over 400 positive comments with 3 negative comments regarding parking. The application has benefited from a substantial number of signatures and supporting letters from local residents.
15. Letters of support have been received from Councillors, organisations, groups and individuals and the Divisional Councillor John Robini fully supports the application.

Advisory Panel Comments

16. 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:

17. The risks to the project have been considered and Officers consider there to be adequate control measures in place. They key risks are:
 - Cost over runs
 - Shortage in cashflow during build
 - Low utilisation rate resulting in lower revenue from hire fees
 - Inflation increases costs beyond budget
18. 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:

19. The project has applied for £1,000,000, equating to 47% of the overall project costs. The remaining monies needed for the project have been raised or are expected from various sources (see Table 2).
20. Table 1. Financial Summary details the £1,126,722 of other funding against the total project cost of £2,126,722. Table 3 details the total project cost breakdown.
21. Table 2. Project Cost Breakdown and Grant Utilisation, itemises the allocation of YFS grant against specific works.

Table 1. Financial summary

Amount applied for:	£1,000 000
Total project cost:	£2,126,722
Percentage of cost against total:	47%
Have other funding sources been secured?	Yes
Other funding:	Confirmed: £400k Haslemere Fund £400K Waverley CIL Pending: £200K Haslemere Parish (fundraising Mar/Apr 2024) £100K Garfield Weston £50K Haslemere Town Council £50K Other individual fundraising £25K Local business (sponsorship)
Volunteer contributions:	£45,000
Non-cash contributions:	£0
Is there a commercial element to the project?	Yes
Amount suggested for funding:	£1,000,000

Table 2. Project Cost breakdown:

Activity	Total Cost (Including VAT)	YFS Contribution	Other Funding
Professional fees	£227,217	47% of project costs	53% of project costs
Substructure	£8,400		
Building envelope	£453,800		
Internal works	£148,600		
M&E, fittings and fixtures	£429,600		
External works	£226,800		
Preliminaries	£139,392		
Overheads & Profit	£105,494		
Contingency	£113,406		
Inflation to summer 2024	£113,785		
Inflation to 2025	125,228		

Furnishings	£35 000	£0	
Total	£2,126,722	£1,000,000	£1,126,722

22. As with all applications, there is a risk that construction and purchase costs will increase between application and approval and tendering. This is partially mitigated by the contingency. The applicant has secured quotes that support their costing, and will be funded based on evidenced, actual spend, up to the amount awarded.
23. 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).
24. The commercial viability of the project has been assessed and deemed to be satisfactory. The applicant has confirmed the Church will cover most of the costs, with the balance to be dependent on two tenants' rental income. Both tenants have expressed an interest, although they have not legally committed. If these tenants do not take leases, the Church would have to fund the shortfall.

Section 151 Officer Commentary:
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25. 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.
26. 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.
27. As such, the Section 151 Officer supports this application. The financials submitted appear thorough and all expenditure seems appropriate and adequately costed for the project. 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.
28. 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:

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 26th 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 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:

Your Fund Surrey Criteria
Your Fund Surrey Governance Document

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