

COUNCIL-COMMUNITY HALL-CAPITAL PROJECT UPDATE  
Full Council 10<sup>th</sup> July 2017 – Agenda item 11(a)

**COMMUNITY HALL UPDATE**

Over the past few months several meetings have taken place involving members of the Town Council's Project Steering Group (Councillor Rolfe, Councillor O'Neill, Councillor Tillson, Town Clerk – Mrs Catherine Newcombe and Deputy Town Clerk – Mrs Tracy Morris), Synergy, and Guy Holloway Architects.

The design for the proposed building has been developed but is not, as yet finalised. At this time, it is anticipated that key elements of the proposed building will include:

- Ground Floor sports and changing facilities designed to meet current Football Association guidelines
- First Floor 'Community & Leisure' space which ideally will allow for
  - a) 150 seated function room which can be divided into a two third/one third split to enable greater flexibility of use and optimize potential revenue streams
  - b) two meeting room which can be accessed independently
  - c) kitchen area
  - d) bar area
  - e) first floor partially covered balcony
  - f) storage areas
  - g) lift/ stairs area

The architects worked to prepare a pre-application pack and this was submitted to the District Council. A first stage –pre-app meeting was held at the Town Hall with representatives from Shepway District Council's planning department. Following that meeting the Planners assessed the information they had received and prepared a formal response on our proposal which included the potential enabling development (see below). It is clear that Shepway support the project and the Council, its architects and consultants will work closely with the Planners to ensure the project is progressed.

Once the design for the building is nearing completion, the architects and project management consultants will be invited to a meeting of Full Council to give a presentation on the proposed design and respond to any questions. It will be for Full Council to formally approve the design before any Planning application can be submitted to Shepway District Council and we still have some way to go before we reach that key milestone.

**Actions required at this time:** None

Report by Councillor Patricia Rolfe – 10<sup>th</sup> July 2017

COUNCIL-COMMUNITY HALL-CAPITAL PROJECT UPDATE  
Full Council 10<sup>th</sup> July 2017 – Agenda item 22

**Private and Confidential**

**COMMUNITY HALL UPDATE – Part 2**

Following on from the report presented under Agenda item 11(a) of this meeting.

The design of the proposed building has been progressed. Part of the design process involves close monitoring of the estimated project costs by the Quantity Surveyor from Synergy, our appointed Project Management Consultants.

We have £630,000 allocated towards the project, part of which has, of necessity, been spent in developing the design. This is absolutely normal for such a large-scale project and one can usually look at consultancy fees taking up a fair percentage of the project costs itself. By using a range of professionals we can lessen the potential risks and ensure the building meets the necessarily high standards required. We only have to look at the recent Grenfell Tower tragedy to see how shortcuts may have very sad and far reaching implications.

The estimated build cost for the proposed building currently stands above £3million. It is possible that we can reduce that depending on how we stand with the VAT – ie whether we can claim it back. This can, however, have longer term implications but the Finance Clerk is looking into this and we will need to take specialist advice.

Hence, we have an obvious shortfall and will need to commence fundraising as soon as practical. This is an interesting point. Most grant funders will need to see the design and plans for the building and will require surety that it can be delivered. Therefore, the advice we have been given is that we will need to go through the Planning process and that way we can prove that the design is acceptable and is deliverable. But obviously, money will need to be spent using the pre-allocated Community Hall Professional Fee Reserve Fund before that can be achieved.

**So, how to fund the shortfall?**

Some time ago, the Town Council obtained approval from the Government office of the South East (G0SE) that the small land-locked triangle at the rear of the Sports Field can be disposed of. We proved that it was no longer required as allotment land, and after much negotiation, permission was granted.

Councillors are already aware that the developer of the adjacent land is interested in the area – and has been for some time. Indeed, at one point, it was thought that the Developer's interest was 'time-restrained'. I.e. he would only be interested in the adjacent land if it was available to develop when he was 'on site' developing the old allotment land. This is not, in fact the case.

The Project Steering Group have worked with our architect and looked at ways that the land can be developed and linked to the Community Hall development such that it becomes an 'enabling' development in the eyes of the Planners. Two very basic development schemes have been looked at

1. provides access from the Church Lane development to the triangle and allows for around 37 to 40 residential units and
2. provides independent access from Station Road to the rear of the sports field to the triangle. This is less preferable in that the cost of the road and access implications impact on the potential capital receipt. But it does provide a second option were negotiations with the adjacent landowner to fail. Also less units could be delivered since scheme 1 involves a portion of the Developers own land

Both schemes involve using a small portion of the rear of the Sports Field that is currently redundant. Importantly, even though we are extending into a small area of the field, the number and range of pitches will not be reduced.

A meeting with the developer took place two weeks ago and he has expressed an interest. The architects met with him last week to look at the numbers and potential range of units and have drawn up a rough sketch. The developer has gone away to look at numbers and values and may be in a position to make an informal offer this week.

The architects and Synergy have advised that there is strong merit in selling the land to a developer who effectively owns part of the land to be developed. (in this case a ransom strip) since the Planners will need the developer to be fully transparent about his potential profits and all figures will be scrutinized by the District Council. I attach an extract from a recent email from our architect:

Quote:

*For your benefit and if it helps when explaining to others I would make the following distinction –*

*With the sale of the land to a developer under the specific terms of 'enabling development', the developer will need to produce an open book that will be scrutinised by the local authority. James is aware of this and happy to be as open as needed in the process.*

*The question of values, build costs and profit will be tested, by a third party, to ensure that everything is fully explored justify the*

*need for enabling development.*

Unquote

The sale of this area will significantly reduce the shortfall in the project's funding and so it is hoped that Councillors will be minded to approve 'in principle' the ongoing negotiations with the developer.

The remaining shortfall will then need to be calculated. The Project Steering Group is looking at a range of funding streams. Importantly, the recently developed Socio-Economic Plan will underpin ALL of our future grant applications. It is the main priority project within this important document.

However, Team members are mindful that, if the Council is to deliver the project within a reasonable timescale, and if it is to be linked to the aforementioned 'enabling development' then, in order to provide some assurance to the developer that the project will be delivered then the Council may need to look at obtaining a Public Works Loan. In all enabling developments it is important the 'community element' is delivered before or in tandem with the residential development.

Therefore, if one uses a metaphor of a partially filled glass, it is proposed that the 'project funding' glass will be filled up by

- h) proceeds of sale of enabling development on land to the rear of the Sports Field and
- i) grants funding streams – eg Football Foundation, Sport England, Roger De Haan Charitable Trust, local fundraising, crowd funding, business sponsorship and private donations and
- j) Public Works Loan

Note: that all funding applications will require the Building Design, ideally Full Planning Permission and a Business Plan.

A copy of a very draft 'suggested' plan for the enabling development is attached however this is not a final proposal and much will depend on whether the preferred developer chooses to enter into further negotiations with the Council.

Finally, I would like to thank fellow members of the Project Steering Group for their dedication and time spent in progressing this important Community project. We are working with a great team and will do all we can to ensure this much awaited new facility is delivered.

**Actions Required: - see separate report prepared by the Town Clerk**

*Report prepared by Councillor Patricia Rolfe – 10<sup>th</sup> July 2017*

