

Agenda Item 9

Executive Member	Councillor Lucy Botting – Executive Member for Wellbeing
Strategic Management Team Lead Officer	Rachel O'Reilly – Corporate Head of Service
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Date	6 th February 2018

Ward (s) affected	Ashtead Common, Ashtead Park, Ashtead Village, Bookham North, Bookham South, Fetcham East, Fetcham West, Leatherhead North & Leatherhead South	Key Decision	Yes
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Subject	Thomas Flack Trust Fund Applications
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<p>Recommendations</p> <ol style="list-style-type: none"> 1. That the views of the Thomas Flack Working Group are taken into account and the grants outlined in Section 2 Table 1 for the financial year 2018/19 are approved. 2. That the views of the Thomas Flack Working Group are taken into account and that authorisation is given for the appointment of Bruton Knowles to undertake an independent development appraisal on 255 Guildford Road, Effingham in accordance with trust law and as outlined in Section 4. A fee quote of £3,050 plus reasonable disbursements and VAT has been obtained and it is recommended these fees should be paid from Trust funds.
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<p>Executive Summary</p> <p>Applications to the Thomas Flack Trust Fund are considered by the Thomas Flack Working Group. The Working Group is made up of elected Members from Wards in the north of the District, who offer views on all applications. The Executive is then asked to decide on the awards to be made.</p> <p>Three applications to the Thomas Flack Trust Fund were received by the deadline of 30 September 2017 for funding in 2018/19. The Working Group assessed these applications and their views on awards and refusals based on eligibility and projected outcomes are contained within this report.</p> <p>This report also contains the views of the Working Group regarding a proposal to appoint qualified professionals to conduct a disposals strategy for 255 Guildford Road, Effingham, a property held within the Thomas Flack Trust Fund portfolio of which the Council is the trustee.</p>
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<p>Corporate Priority Outcomes</p> <p>The criteria for the Thomas Flack Trust Fund are set out in Section 1 of this report. The Council is the trustee for the fund, and as such, funding is determined based on these</p>
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criteria and not in relation to the Council's corporate priorities.

The Executive has the authority to determine the Recommendations

1. Background and Process

- 1.1 The Strategy Committee of 21 June 2005 agreed that a Thomas Flack Working Group should be established with the following terms of reference:

'To meet once per annum to consider the applications for funding from the Thomas Flack Fund and to advise the officers of the Working Group's views on each application.'

- 1.2 The Council is the trustee of the Thomas Flack Trust Fund, which was established "for the general benefit of the people of the Leatherhead Urban District". The estimated unallocated fund balance for 2018/19 is £55,295 before consideration of the applications in this report. A detailed summary of the account is attached at Appendix 1.

- 1.3 The Council's guidance as trustee for applications to the Fund states that:

"Mole Valley District Council is the trustee for the Thomas Flack Trust Fund which was set up to offer funding for the general benefit of the inhabitants of Leatherhead, Ashtead, Bookham and Fetcham.

Eligibility

- 1.4 Applicants must show that their organisation or project will benefit residents in the above geographic areas. Funding is not available for the benefit of an individual.

Criteria

- 1.5 Generally, funding is available for:

- Capital projects that will provide permanent facilities for local people.
- Initial revenue contributions to assist the start-up of new initiatives, provided that arrangements are in place for funding in future years which does not rely on Grant Aid from the Trust.
- There is no restriction on the amount you can apply for, however grants are not generally awarded over the value of £25,000.

- 1.6 The Council will not normally provide grant support to organisations with **unencumbered** reserves exceeding 50% of annual running costs. For the purpose of determining grant awards, unencumbered reserves are considered to be funds held by the organisation that have not been set aside for a specific purpose.

- 1.7 Preference will be given to applicants that can demonstrate they have community support.

Additional Funding

- 1.8 The Trustees of the Thomas Flack Trust Fund encourage applicants to raise funding for their own projects through as many sources as possible. Particular weighting will be given to activities where significant funding has already been raised from the general public, or directly from members of the organisation making the application.

- 1.9 The Trustees are also willing to make contributions to projects that are partly funded by other public bodies (e.g. other District Councils, the County Council, health bodies, the Police), but will wish to ensure that the level of grant awarded is in proportion to the benefits delivered for residents of Leatherhead, Ashtead, Bookham and Fetcham.

- 1.10 Applications are very welcome from organisations that can demonstrate that a Thomas Flack Trust Fund grant will help to attract significant additional funding from other sources.
- 1.11 Before an application for 100% funding is considered, the applicant will be asked to state what efforts have been made to obtain part-funding from other sources.

2. Summary of Applications

Table 1

ORGANISATION	Grant Application for 2018/19 £	Working Group's Views Award/No Grant £
CAPITAL		
Bookham Community Association	1,800	1,800
South Bookham SPACE Ltd	20,000	10,000
TOTAL CAPITAL		11,800
NEW START-UP		
Independent Home Solutions	25,000	-
TOTAL NEW START-UP		
REVENUE		
		-
TOTAL REVENUE		-
GRAND TOTAL		11,800
Projected balance as at 31st March 2018		55,295

3. Thomas Flack Trust Fund Grant Applications 2018/19

Application from Bookham Community Association

- 3.1 Bookham Community Association is a registered charity whose purpose is to provide and maintain the community centre 'Old Barn Hall' in Church Road Bookham, serving residents of Little Bookham and Great Bookham. As well as income from lettings, the hall is supported by proceeds from Bookham Village Day.
- 3.2 The association is managed by a committee of trustees, and employs a hall manager and assistant. The Hall averages 2,000 users per week, 95% of whom live in Ashted, Leatherhead, Bookham and Fetcham.
- 3.3 Funding is requested for a disabled emergency entrance and exit ramp to the small meeting room. The existing exit includes two steps and the room is regularly used by course attendees in motorised wheelchairs. Quotations have been provided and the preferred contractor has built ramps and accesses at Eastwick Road Church.

Project Cost	
Exit Ramp	<u>£3,780</u>
Total Project Cost	£3,780
Fundraising to Date (secured):	
Existing Funds	<u>£1,980</u>

Total Fundraising	£1,980
<i>Shortfall if all funding secured</i>	<i>£1,800</i>
Total requested from Thomas Flack	£1,800
Unencumbered Reserves (13 months' running costs)	£70,637*

*Applicant has advised that the Old Barn Hall is a fourteenth century listed building with more recent flat roof extensions so reserves are kept high to allow for unforeseen problems.

- 3.4 *The view of the Thomas Flack Working Group is that £1,800 be awarded to Bookham Community Association.*

Application from South Bookham SPACE Ltd

- 3.5 South Bookham SPACE Ltd is a charity which manages the South Bookham SPACE, offering indoor activities for all ages and outdoor sports facilities. The charity was formed in 2011 to take over the lease to the MVDC owned building, and refurbish it as a community space. The facility now attracts in the region of 400 local users each week.
- 3.6 Feedback from regular users has identified that the existing committee room is too small, and this is deterring some hirers. The proposal is to construct a first floor extension to house a social meeting space for around 20-25 people, including kitchen facilities, and a balcony and covered area overlooking the outdoor area. It will be accessed by an outside stairway. Disabled access will be provided for by a stair lift.
- 3.7 The new self-contained facilities for smaller social functions and activities is proposed to attract new users and retain existing ones, so that a wider range of activities are available to local people. It will be actively promoted to the local community, including participation in Bookham Village Day. The planning application for the extension was submitted in December 2017 (MO/2017/2096), following amendments to address issues over increased parking, noise and loss of privacy raised by a neighbour within an earlier application which was withdrawn.
- 3.8 The charity has built up a cash surplus over its six years of operation. This is partly earmarked for increased maintenance costs in the later period of the lease, but £30,000 is available to fund the construction. Bookham Tennis Club intends to invest £7,500 in the shared facility as an alternative to developing their club house. In the event of a funding shortfall a loan from MVDC will be explored.

Project Cost:	
Architects' fees	£5,000
Construction costs	£78,000
Project manager	£9,000
Fixtures and fittings	£9,600
20% Contingency	<u>17,520</u>
Total Project Cost	£119,120

Fundraising to Date (secured):	
Own funds	<u>£30,000</u>
	£30,000

Fundraising to Date (not secured):	
Mole Valley District Council (Capital Grant)	£40,000
Bookham Tennis Club	7,500
Local fundraising events	£2,500

3.13 *The view of the Thomas Flack Working Group is that a grant is **not** awarded to Independent Home Solutions CIC as it would be difficult to ensure that only residents of Leatherhead, Fetcham, Ashted and Bookham would benefit from this service and a similar service may be provided by another agency.*

4. 255 Guildford Road, Effingham (The Property)

4.1 The property is located with frontage to Guildford Road (A246) in central Effingham, an area that is comprised of mainly residential properties, with the King George V playing fields opposite. The M25 is approximately 6.5 miles to the north east, whilst Bookham station is approximately 2 miles to the north east and Effingham Junction station 1.5 miles to the North. It is within the boundary of Guildford Borough Council.

4.2 The property is a two storey building comprising a ground floor self contained shop and a first floor residential dwelling. It faces onto the A246 and benefits from a large shop frontage. There is a large rear garden that runs along a residential road and an outbuilding located to the rear of the unit.

Lease position and options

4.3 The current lease, with a passing rent of £16,000 per annum, expires in April 2020, and the Property team considers that the current tenant will not wish to renew the lease after this date. The property is in need of renovation, and the future viability of a convenience shop at this location is questionable. It is estimated that the cost of renovating the property at the end of the lease will be in excess of £100,000. If the current tenant is unable to meet these costs then the Thomas Flack Trust Fund would have to pay for the work to be undertaken before the property could be let to a new tenant.

Reasons for Recommendations

4.4 The site is currently underutilised given its location and has development potential, this is borne out by redevelopment of the adjoining property to provide a number of one and two bedroom flats. . It is therefore feasible that there could be a similar scheme on this site which has a larger plot size.

4.5 Given its development potential, it is anticipated that the sale of the property and reinvestment of the funds would generate a higher return for the Thomas Flack Trust Fund than a further lease for the shop and flat.

4.6 In order to consider the options available to the Trust it is proposed that an independent qualified surveyor is commissioned to determine a residual valuation for the plot which will be in accordance with the Royal Institution of Chartered Surveyor's Valuation Professional Standards (Red Book). A fee quote of £3,050 plus reasonable disbursements and VAT has been obtained from Bruton Knowles, Guildford Office..

4.7 *The view of the Thomas Flack Working Group is that a Red Book valuation is commissioned which will ensure that mandatory rules and best practice guidance is undertaken by an independent valuer in order to maximise the assets of the Thomas Flack Trust Fund.*

5. Financial Implications

5.1 The estimated balance in the fund at 31 March 2018 is £55,295 before consideration of the applications in this report.

- 5.2 Considering the views of the Thomas Flack Working Group, the available balance will reduce to £43,495 after payment of the grants detailed in this report.
- 5.3 The trust fund has been subject to a yearly income from rents at an average of £31,427 and interest at an average of £370, based on the previous three years' income.
- 5.4 It was agreed at the February 2017 Executive meeting that in future years £10,000 per annum is allocated to a sinking fund to cover any major works which may need to be carried out on the Thomas Flack Trust Fund properties.
- 5.5 Attached at Appendix 1 is an analysis of the fund's actual income and expenditure for 2016/17 and projected income and expenditure for 2017/18. Appendix 2 contains an analysis of the fund's accounts for the last five years.

6. Legal Implications

A. Grant Applications

- 6.1 The Council, as trustee of the Trust Fund, is under a duty to administer it strictly in accordance with the terms of the Trust. This duty is fulfilled by making awards from the Fund where applications are for the general benefit of the people of Leatherhead, Ashted, Bookham and Fetcham, and by rejecting applications which do not qualify.
- 6.2 There are no financial limits to the number of awards or the amount of grant awarded.
- 6.3 In order to secure the maximum benefit from the Trust Fund, it is considered legitimate to apply the Council's guidance set out in section 1.3 of this report.

B. Appointment of qualified professional for residual valuation appraisal of 255 Guildford Road Effingham

- 6.4 The Council is sole corporate trustee of the Thomas Flack Will Trust and all decisions taken must be in the best interests of the Trust and in accordance with the objects of the trust. Other common law duties MVDC must take into account when acting as trustee include a duty to act responsibly and in good faith and take only relevant matters into account.
- 6.5 The report of the qualified professional at a fee quote of £3,050 plus reasonable disbursements and VAT will inform the Trust on the various options in relation to the disposal of the property and indicative values a disposal could achieve in current market conditions. This will enable the Trust to pursue the option which will maximise the Trust assets and produce a capital receipt which the Trust will reinvest in the future.

7. Options

A) Grant Awards

The Executive has two options for consideration.

1. The Executive approve the grants based on the view of the Thomas Flack Working Group; these views are made after assessing the grant applications against the agreed criteria and in line with the available budget.
2. The Executive refer the grants back to the Thomas Flack Working Group for further consideration.

Option 1 is recommended. Option 2 is not recommended, however, this would be appropriate if the Executive had concerns about the Working Group's view or assessment of any of the applications.

B) 255 Guildford Road, Effingham

The Executive has two options for consideration.

1. Based on the view of the Thomas Flack Working Group, the Executive approves the commissioning of a residual valuation in relation to the property at 255 Guildford Road, Effingham.
2. The Executive refer the proposal for 255 Guildford Road, Effingham back to the Thomas Flack Working Group for further consideration.

Option 1 is recommended. Option 2 is not recommended, however, this would be appropriate if the Executive had concerns about the Working Group's view.

8. Corporate Implications

Risk Implications

The Council, as Trustee, must award grants based on the criteria set out in section 1 of this report. The Council could suffer a reputational risk if the terms of the Trust are not adhered to or the Council is seen to benefit from grant funding awarded.

A. Grant Award

Option 1:

The Council, as Trustee, must award grants based on the criteria set out in section 1 of this report. The Council could suffer a reputational risk if the terms of the Trust are not adhered to or the Council is seen to benefit from grant funding awarded. Option 1 meets these criteria and provides funding for the general benefit of the inhabitants of Leatherhead, Ashted, Bookham and Fetcham.

Option 2:

If the Executive refer the grants back to the Thomas Flack Working Group for further consideration this will cause a delay in grants being awarded and grant payments being made. The delay in notifying grant applicants of the outcome of their grant application could cause financial uncertainty.

B. 255 Guildford Road Effingham

Option 1:

In order to consider the options available to the Trust it is proposed that an independent qualified surveyor is commissioned to determine a residual valuation for the plot. The Council could suffer a reputational risk if the commissioned surveyor did not provide a residual valuation in accordance with the Royal Institution of Chartered Surveyor's Valuation Professional Standards (Red Book).

Option 2:

If the Executive refer the proposal back to the Thomas Flack Working Group for further consideration the Council could suffer a reputational risk as without a residual valuation the Thomas Flack Working Group would be unable to consider which option would generate the highest return for the Thomas Flack Trust Fund.

Equalities Implications

The grants to be awarded are likely to have various positive impacts on individuals with certain protected characteristics. In particular, Bookham Community Association will be improving the disabled access at the Old Barn Hall in Bookham which will make the hall accessible to a wide range of users. The new committee rooms at South Bookham Space will enable an increased number of people to use the facilities as the existing committee rooms have been described as too small and impractical for users and are therefore under-utilised. A disabled stair lift has been included in the development proposal to ensure that disabled users will be able to access the new committee rooms on the first floor of the building.

Employment Issues

Not applicable.

Sustainability Issues

Not applicable.

Consultation

The meeting of the Thomas Flack Working Group took place on 24th November 2017 and the views of the Working Group Members are included in this report.

Communications

The Thomas Flack Trust Fund is publicised on the Council's website, through press releases and the Mole Valley News. Applicants will be written to when the outcome of their funding application has been determined.

9. Appendices

Appendix 1 – Thomas Flack Trust Fund 2017/18 Projections

Appendix 2 – Thomas Flack Trust Fund Income and Expenditure Over 5 Years

10. Background Papers

Thomas Flack Trust Fund grant application forms:

Bookham Community Association

South Bookham SPACE Ltd.

Independent Home Solutions CIC

Thomas Flack Working Group Agenda

Thomas Flack Working Group Report

Thomas Flack Working Group Minutes

Thomas Flack Trust Fund - Projections

Properties held by MVDC as trustee of the Thomas Flack Fund

- 255 Guildford Road, Effingham
- Post Office Stores, Forest Road, Effingham Junction
- 95 Kingston Road, Leatherhead

2017/18 PROJECTION

Actual balance of Thomas Flack Fund 1.4.17		33,530
<u>Interest and Internal Re-Charges</u>		
Interest on fund	200	
Insurance recharge	<u>500</u>	700
<u>Rent Income</u>		
255 Guildford Road, Effingham	14,000	
Post Office Stores, Forest Road, Effingham Junction	11,360	
Post Office Stores, Forest Road – Back Pay	655	
95 Kingston Road	<u>14,765</u>	40,780
<u>Expenditure</u>		
Bookham Sports Association	(4,000)	
Peer Productions	(3,000)	
Freewheelers Theatre and Media Ltd	(500)	
Ashtead Peace Memorial Hall	(1,000)	
Insurance	(500)	
95 Kingston Road – Council Tax for Void Period	<u>(715)</u>	
	(9,715)	
Sinking Fund		(10,000)
Projected closing available balance of Thomas Flack Fund 31.3.18		<u><u>55,295</u></u>

APPENDIX 2

Thomas Flack Trust Income and Expenditure over 5 years

	2012/13 Actual £	2013/14 Actual £	2014/15 Actual £	2015/16 Actual £	2016/17 Actual £
Fund Balance 1 April	94,135	76,337	90,847	101,245	75,711
Add : Income					
Rents	30,290	30,290	27,577	32,831	33,873
Late Payment Interest		27	14		
Interest on Balances	424	416	479	441	192
Insurance Recharged	458	465	477	411	420
TOTAL INCOME	31,172	31,198	28,547	33,683	34,485
Less : Expenditure					
All Aloud		2,625			
Age Concern Mole Valley - North	2,000				
Ashtead Bowling Club					1,000
Ashtead Community Vision			2,900		
Ashtead Dell Project				2,000	
Ashtead Rye Meadows					3,000
Bookham Community Association	8,000			20,000	
Bookham Residents Association		2,000			
Bookham Rifle Club				12,500	
Bookham Tennis Club	7,000				
South Bookham Youth and Community Association	16,114				
Freewheelers Theatre Company	1,950			2,000	
The Grange Centre	10,000			12,000	
Leatherhead Indoor Bowling Club			6,000		
Leatherhead Revival Trust		9,264			
Leatherhead Youth Project Ltd			5,150		12,176
Liquid Connection	3,500				
Mary Frances Trust					3,600
Mole Valley Home Start - Elmbridge				2,000	
Mole Valley Indoor Bowling Club					1,000
Outline				500	
SeeAbility			3,000	3,000	2,000
Wheels For All					1,500
Council Tax for Void Period					715
Insurance	406	443	449	452	467
Other Misc. Expenses including Property Maintenance		2,356	650	4,764	51,209
TOTAL EXPENDITURE	48,970	16,688	18,149	59,216	76,667
Fund Balance 31 March	76,337	90,847	101,245	75,711	33,529

