

**Committee: CABINET**

**Date of meeting: 13 September 2017**

<b>Subject:</b>	Reinstatement of Fire Damaged Pavilion at Claygate Recreation Ground
<b>Lead Officer:</b>	Head of Asset Management & Property Services
<b>Portfolio Holder:</b>	Leader of the Council – Cllr S.J. Selleck, Portfolio Holder for Resources – Cllr C.R. Sadler and Portfolio Holder for Leisure & Culture – Cllr Mrs. J.R. Turner
<b>Link to Council Priorities:</b>	All
<b>Exempt information:</b>	None
<b>Delegated status:</b>	For Recommendation to Council on 27 September 2017
<b>Key decision:</b>	Yes

### **EXECUTIVE SUMMARY:**

On 7<sup>th</sup> November 2016, the Pavilion within Claygate Recreation ground burnt to the ground and, following the necessary fire investigations from the fire brigade, it was found to be unsalvageable with fire and smoke damage through the building. Since then, Claygate Recreation Ground Trust (CRGT) who are the leaseholders of the building have salvaged all fixtures and fittings but the property has now been boarded up awaiting reinstatement or enhancement. This report outlines the principle proposals for rebuilding and enhancing the pavilion along with time tables for the way forward enabling Elmbridge Borough Council to continue to support CRGT throughout the process.

### **RECOMMENDATION: THAT**

- (A) MEMBERS AGREE, IN PRINCIPLE, TO SUPPORT THE REBUILDING AND ENHANCEMENT OF CLAYGATE PAVILION IN LINE WITH CLAYGATE RECREATION GROUND TRUST'S (CRGT) CURRENT PROPOSALS;**
  
- (B) THE COUNCIL WORKS WITH CRGT TO ESTABLISH A TOTAL PROJECT BUDGET WHICH COMBINES THE INSURANCE SETTLEMENT (CIRCA £600,000) WITH CRGT FUNDRAISING OF £190,000, SUBJECT TO AN OVERALL PROJECT COST LIMIT OF UP TO A MAXIMUM OF £880,000 INCLUDING FEES AND CONTINGENCY. AN ALLOWANCE OF +10% BE MADE ON THE BASIS THAT THIS WILL BE MET BY CRGT IF REQUIRED, THUS LIMITING THE COUNCIL'S TOTAL LIABILITY TO £688,000 INCLUDING THE INSURANCE SETTLEMENT. SHOULD THESE LIMITS BE FOUND TO BE INSUFFICIENT PRIOR TO COMMENCEMENT OF CONSTRUCTION THE MATTER WILL BE REPORTED TO CABINET AND COUNCIL FOR RECONSIDERATION;**

- (C) FOLLOWING THE CONFIRMATION OF THE REINSTATEMENT FIGURE AND THE INSURANCE SETTLEMENT, THE COUNCIL WILL MEET ANY SHORTFALL UP TO BUT NO MORE THAN £ 90,000 TO BE FUNDED FROM CAPITAL RECEIPTS. IN ADDITION, THE COUNCIL WILL CONTRIBUTE UP TO £10,000 TOWARDS FIXTURES AND FITTINGS TO BE FUNDED FROM THE COUNCIL'S REVENUE CONTINGENCY BUDGET;**
- (D) SUBJECT TO THE ABOVE, THE COUNCIL HOLDS THE TOTAL BUDGET AND COMMISSIONS AN APPROPRIATE CONTRACTOR THROUGH A FRAMEWORK CONTRACT TO DESIGN THE CRGT SCHEME, SEEK PLANNING PERMISSION, AND, IF APPROPRIATE, PROJECT MANAGE AND CONSTRUCT THE FACILITY. CRGT REPRESENTATIVES WILL BE INVOLVED AS PART OF THE COUNCILS CLIENT ROLE DURING THE CONSTRUCTION PERIOD;**
- (E) THAT CRGT MEET THE FEES AND CHARGES ASSOCIATED WITH THE PREPARATION OF THEIR DESIGN AND PLANNING APPLICATION AND ANY ASSOCIATED DOCUMENTS, STUDIES, SURVEYS AND INFORMATION AS REQUIRED;**
- (F) ALL FUTURE DECISIONS ON THE PROJECT, WITHIN THE ABOVE PARAMETERS, BE DELEGATED TO THE STRATEGIC DIRECTOR AND DEPUTY CHIEF EXECUTIVE, IN CONSULTATION WITH THE LEADER AND RELEVANT PORTFOLIO HOLDERS.**

## **REPORT:**

### **1. BACKGROUND AND CONTEXT**

- 1.1 CRGT have a full repairing and insuring lease from Elmbridge Borough Council for the use of the recreation ground and pavilion for a period of 25 years. Elmbridge Borough Council grant aids the Trust to undertake the upkeep and maintenance of the recreation ground at a figure of £33,230.
- 1.2 Following years or extensive local fund raising, in 2012 the CRGT opened a brand-new pavilion replacing an outdated pavilion that had stood on the site for many years. Sadly, in November 2016 an electrical fire caused by a misaligned light fitting caused a devastating fire throughout the whole building. There is extensive fire and smoke damage throughout the building including the partial collapse of the roof. Water damage is also evident throughout due to the amount of water used by the fire brigade to extinguish the flames.
- 1.3 In such circumstances, it would be normal practice for the Council, as owner of the facility, to secure an insurance settlement that would provide for like for like replacement as soon as possible to minimise the impact on users of the recreation ground. This would normally use the services of an approved contractor, working to the previous plans and within the parameters of the previous consents.

- 1.4 Since the fire, EBC officers and the CRGT have been working together to ensure that any replacement building is fit for purpose and has the backing of community. The Trust and the Community have informed EBC that they would like to see an enhanced facility on the recreation ground which will enable the pavilion to be the “hub of community involvement” going forward. Huge efforts from the Trust have resulted in a successful fund-raising campaign whereby the Trust have achieved in excess of £190,000 towards the cost of the enhanced pavilion. The Trust envisages adding their funds to the insurance settlement in order to fund an enhanced facility.
- 1.5 Attempting to secure a substantially enhanced pavilion facility is an ambitious task that will, not only require additional funds beyond the insurance settlement, but will also require planning permission as well as having a longer construction period. This has implications for the pre-construction work that must be completed, for mobilisation, temporary and site accommodation as well as details of who is responsible for what, impact on users of the recreation ground and the longer-term viability of the facility. Members have liaised closely with the Trust and have expressed their desire to support the CRGT’s plans for an enhanced facility.
- 1.6 To enable EBC to work as quickly and as efficiently as possible to achieve the correct outcome for the Trust, EBC have contracted works through the SCAPE Minor works framework. This enables EBC to access multi-disciplined professional contractors within the area to ensure that any new facility is built to appropriate standards with warranties and guarantees in place through a NEC Design and Build Contract. As owners of the land and premises, the Council must ensure that any replacement building is procured and built to appropriate standards.

## **2. REINSTATEMENT INSURANCE**

- 2.1 Following the fire in November, insurers were notified immediately of the position and visited the site within days of the incident and commenced liaison with the fire brigade. The first phase that the insurers insisted on was in line with EBC void properties protocol which was to ensure that the building was secured, made safe and tenants fixtures and fittings were salvaged, where possible.
- 2.2 The second phase that the insurers required us to work on was an estimated cost of like for like reinstatement which was obtained from our main contractor Kier’s quantity surveyors. In order to secure the best possible financial settlement, it was decided to promote a fully competitively priced tender package to justify the figure. Difficulties arose in this area because there were inconsistencies and omissions within the operating and maintenance manuals along with discrepancies in the “as built drawings”. These delays have now been overcome.
- 2.3 The reinstatement for the pavilion as built has now been tendered and submitted to the insurers. The figure that has come through is £688,250. The original construction of the property was £ 350,000 and the declared value at

the time of the loss was £ 559,795 this figure having been arrived at by applying annual uplifts over the period between the date of construction and the date of the fire. An inflation provision of 15% to provide for increased building costs within the reconstruction period will also apply. The insurance settlement will be subject to the application of the “average” which means that Insurers will reduce the payment by a proportion arrived at by dividing the insured declared value for the property by the cost of reinstatement. Based on the current figures available, this reduction will be in the region of 7% resulting in an estimated claim settlement in the region of £598,000. However, this figure is still subject to final agreement with the loss adjuster.

	<b>£'000</b>
Estimated Reinstatement Cost (a)	688
Declared Value in November 2016	560
15% Inflation Provision as applied by the Insurers	84
Including Inflation	644
Reduction applied using Average Calculation = 7%	(46)
Estimated claim settlement (b)	598
Shortfall for reinstatement (a) – (b)	90

2.4 As outlined in the Recommendations, we recommend that the Council meet the shortfall of under-insurance of up to £90,000.

2.5 In addition to this figure, there were also some uncertainties with regard to the landlord’s and tenant’s fixtures and fittings and in this regard, it is recommended that EBC agree to contribute a sum of £10,000 towards these elements to reduce the Trust’s liability.

### 3. **ENHANCEMENT OF PAVILION**

3.1 At the outset CRGT presented EBC and their consultants with an outline design for an enhanced scheme which included a new first floor, a change in roof structure, installation of a new platform lift, a new external and internal staircase, a viewing gallery and a new associated bar and storeroom. This design was passed to our quantity surveyors to estimate costs but subject to formal tender. The construction cost at this stage were estimated at £881,000, subject to formal tender and statutory consultation.

3.2 The key issue with regard to the enhanced provision was if the current foundations and footings would be able to take the structural load of an additional storey which is what the Trust would like to achieve. A structural engineer was employed by EBC and part funded by CRGT to undertake this work which concluded that they were capable of additional loads. Once the outcome of this was conveyed to the Trust they agreed that would like to work

with the community and try to raise sufficient monies to enable an enhanced scheme to be delivered at a later date subject to the various statutory consents.

3.3 The Trust have worked with the community to achieve the estimated additional sum and the breakdown of their funding is shown below:-

<b>Category</b>	<b>Description</b>	<b>Source</b>	<b>£</b>
Secured funds	Cash Funds	CRGT	44,718
Secured funds	Sporting Clubs/Organisations- Pledges	Claygate Royals FC	5,000
Secured funds	Insurance	CRGT	9,950
Secured funds	Local Government CIL Applications	Claygate Parish Council	30,000
Secured funds	Local Government CIL Applications	EBC CIL Strategic Fund	50,000
Secured funds	Charitable Trusts & Foundations	Nias Wheatley Trust	5,000
Secured funds	Charitable Trusts & Foundations	The Werth Trust	25,000
Secured funds	Events	Happy's Circus	3,832
Secured funds	Charitable Trusts & Foundations	Surrey Cricket Foundation	10,000
Secured funds	Events	Claygate Flower Show/Claygate Country 5	1,600
Secured funds	Events	Gig on the rec	5,000
<b>Confirmed Funds-Sub Total</b>			<b>190,100</b>

#### 4. WAY FORWARD

- 4.1 Now that there is firm confirmation of the funding, the following timetable is recommended to enable, subject to planning and other statutory consents the new enhanced pavilion to be built.
- 4.2 Prior to any design work being commissioned, the Trust have decided to take their own pre-planning application advice in order to assist them with the process and what if any further reports, studies documents need to be activated to secure full planning.

## **PROPOSED TIMETABLE (SUBJECT TO CHANGE)**

### Pre-construction (Duration 25 weeks)

October 2017 - March 2018 Kier commissioned to commence scoping and design procuring, evaluation, value engineering and applying for statutory consents e.g. planning, building control, etc.

Anticipated Planning application submission November 2017 (?) Decision February 2018 (?)

### Construction (Duration 34 weeks)

April – November 2018

Once planning permission is granted works will be able to commence and it is proposed that EBC will project manage this process. The NEC contract will be between the Council and SCAPE with Kier Construction as the main contractor. CRGT representatives will be involved throughout the process and will be consulted and involved in meetings during the construction phase.

## **5. INTERIM CLUB ARRANGEMENTS**

The additional works to enhance the clubhouse will mean that the pavilion will not be completed until November 2018. This will mean that the users of the recreation ground, including Claygate Royals FC and Claygate Cricket Club, will continue to use temporary changing facilities through the 2018 cricket season, the 2017/18 football season and the beginning of the 2018/19 football season subject to completion.

### **Financial Implications:**

Subject to the agreement of the final insurance settlement, the Council will contribute a sum up to a maximum of £ 100,000. This will address any shortfall up to the reinstatement figure and a contribution of £ 10,000 towards furniture and fittings, funded as follows:

£ 90,000 from Capital Receipts

£ 10,000 from the Revenue contingency budget

Any additional costs in respect of the enhanced build will have to be met by CRGT together with the ongoing operational costs of running the Pavilion.

### **Legal implications:**

A new lease and terms of occupation for CRGT will be required and this will be part of separate discussions with officers, in consultation with relevant portfolio holders, in line with normal practice.

A legally binding building contract will be signed by the Council which will clearly detail payment structure and costs. Appropriate warranties and guarantees will be given by the supply chain to ensure an exceptional quality building for CRGT and the community.

**Equality Implications:**

As outlined in the report, along with compliance with the Equality Act for the proposed new pavilion building, will be required in the design.

**Risk Implications:**

There remains a risk that the enhanced design could cost more than the £881,000. This being the case a further report will be brought back to Cabinet outlining the facts. With any construction work there remains risk of inclement weather or other key issues which could affect programme.

**Community Safety Implications:**

As part of the planning process we will ensure that all stakeholders including the police are consulted to ensure that the community safety implications can be designed in as appropriate.

**Principal Consultees:**

CMB  
Portfolio Holder Resources  
Portfolio Holder Leisure  
Head of Leisure  
Ward Councillors

**Background papers:**

None for the purposes of this report.

**Enclosures/Appendices:**

None for the purposes of this report.

**Contact details:**

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