

Appendix to 15 October 2024 – Full Council – Minutes - Item 5 (Community Youth Centre)

QUESTION	ANSWER
What if we don't get all the fundraising we're going for?	We're diversifying funding activities to reduce the risk if any one fundraising target area (e.g. trusts and foundations, corporates/ individual donors, gov grants inc Lottery, crowdfunding) under-performs. This should mitigate risk
What if we don't raise the full amount by the Section 106 May 2026 deadline ?	It may be a re-negotiation of the deadline with SODC or raising more from other sources. Ultimately though, failure to raise funds in either/ both scenarios would result in having to borrow more from Public Works Loan. Hopefully it wouldn't come to that, but I do think we should have a response.
What if the cost of the build rises further before we break ground and how would we manage increased costs?	Again, this is a combination of value engineering on materials or the building design, increased fundraising and/ or increased borrowing.
Which management option would maximise revenue for TTC? Is it the 1a option?	<p>The purpose of this building is to provide a service to the community and to cover the costs of running the centre with any surplus going back into the building or the services provided from the building – That said if it were to generate significant income it would be 1a or 1b that would enable funds to be returned to TTC. The reply to this question from the Business Case Author was In Scenario 1 a or b any surplus would come back to TTC and so to answer his question Scenario 1 would maximise revenue back to TCC (probably with TTC managing in house being more cost effective and thus more surplus). However like you say it is likely that at least in the first few years any surplus might need to be put into reserves for the ongoing maintenance or invest in providing services for the community. However under Scenario 1 there wouldn't be anything to stop TCC absorbing any remaining surpluses once reserves and other investment is accounted for. This could also help repay some of the Public Works loan repayments without having to raise the precept as much. If Scenario 2 is chosen any surplus generated by the management organisation/charity through their operations would be theirs. Although TCC could choose to charge a small rent. Again this is all dependent on the VAT issue.</p> <p>Fundraiser comment: Funders, especially trusts and foundations (which we will approach in Scenario 2) and the National Lottery (both scenarios) expect a proportion of free-to-access community activity, and expectation that any income is used to support the operating costs and community that needs the Centre.</p>
What about funding from Community Infrastructure Levy (CIL) ? Other councils seem to have used this, but I don't see it in our options.	We have very little CIL left, we have spent some on the Business Case, it may be that the SODC funds mentioned come from their CIL – The S106 listed are funds prior to CIL.

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	There is mention of CIL on the funding options table in the appendices of the business case.
How long will the precept increase be to cover the finance from PWLB? Will it be 50 years?	Yes, it will be a one-year increase That remains – eg £30 increase in the first year and that remains for 50 year, not an extra £30 each year. We would request a fixed rate.
Would like to see a long term projection of how the cost of the centre is re-paid over time. When does TTC break even on its investment? What is the long term impact on the precept?	<p>As above, it is not the intent for the building’s capital costs to be repaid in cash to TTC. The return is in the facility being an available asset for the community for the long term.</p> <p>Business case author added: As we discussed we did not include the capital costs in the P&L and cashflow as the financing of this has be excluded from the operational financials of the centre after its built and handed over. Under Scenario 2 there is essentially no “break even” as TCC are part funding and cover all loan repayments and then handing over to the management organisation and so will not get further revenue (unless rent is charged).</p> <p>Under Scenario 1 where TTC manage it, in the best case option where TCC invest the extra £800K and the loan amount is only £2,219,000 the loan repayments are £131,400 per year. If the centre makes a surplus of around £63,000 per year then without accounting for putting money into reserves, the centre would cover about 47% of the loan repayments in the first year but this would rise over the following years as projected income increases with inflation but the loan repayment amount will stay the same.</p>
The desire not to compete with other venues is likely to be problematic when the centre will need to pay for itself.	We believe there is sufficient / diverse demand and others are restricted by capacity.
Kiosk, music room and changing room lack of demand is a concern – would have thought the music room and changing rooms would be in demand for this type of facility	<p>The Kiosk figures are conservative and there would be options for greater income. The music room is most likely to be used by the Youth but the key is to keep the areas as flexible as possible.</p> <p>Investigations show there is little or no demand for changing rooms, However, they are currently a planning requirement. We are still in discussions with Sport England to find a compromise around the provision of changing rooms.</p>
Adding windows/skylights to the music/games room would seem sensible to make more viable.	At this time, it is a planning requirement NOT to have them, because of light pollution to the Cuttle Brook. We are looking at options to challenge that.

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<p>Staffing - will it not be necessary to have staff covering the operating hours of the centre throughout the week? Is it operating 7 days per week?</p>	<p>Yes, this will depend on the model, but we could cover with the part time roles initially. We also anticipate the Youth Worker, funded separately to have some responsibility within the building. Risk assessing use and use of key safes subject to insurers sign off will reduce staff costs.</p>
<p>Why has depreciation and loan interest etc. not been factored into the Profit & Loss table on p.24?</p>	<p>The capital building costs are separate to the operational costs of the building for this project – this is similar to how the Museum and Cricket Club were purchased, built.</p>
<p>Risk Register - VAT liability needs to be clarified / confirmed as makes a significant difference</p>	<p>We have a quotation to get expert advice on this but did not want to invest any more until we agree whether to continue. It is possible not to pay VAT if we then charge VAT on all our hires.</p>
<p>Risk Register - Not clear on rational for omitted items?</p>	<p>These will be funded / donated from other sources.</p>
<p>What is happening to the current changing rooms on the Southern Rec - assume they are being pulled down and replaced by this centre?</p>	<p>Yes</p>
<p>How can it cost £400k for the changing rooms to be converted/fitted out?</p>	<p>They are part of the new building, the drainage, infrastructure and requirement to build to sport England specifications etc. We have benchmarked costs to similar (recent) builds and our Cost per m2 is cheaper</p>
<p>This Centre will be a huge investment by TTC. To be honest I am surprised at how much it is proposed to cost at £4.4m. Is this the largest scheme TTC has ever done? I think we need to be sure the community definitely wants this and is prepared to pay the required additional amount on the precept in order to fund it over the long term. Whilst I understand that this is a flexible use centre, I am a little unclear on the main purpose and strategy for this centre – it seems to be trying to do a number of different things, maybe too many? Think we need to be clear on the need it is seeking to meet, which will</p>	<p>Yes, it is the largest scheme TTC has ever considered and is currently included in TNP2 as a requirement for the town's future. As a requirement of the PWL we must seek and gain approval prior to any public works loan being applied for.</p> <p>This is, unfortunately, what it costs to create a one-stop community hub building. The vision is that it's used by everyone, so it has to have a wide range of flexible use amenities. We are investing in a Thame that is growing in population, adding to the amenities and investing in the community for 50 years into the future.</p>

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<p>then drive strong and committed usage of the centre to make it valuable to the community and sustainable.</p>	
<p>Is the rate of interest on a PWLB Loan fixed for the period (50 years) or is it a variable rate?</p>	<p>It will be fixed once agreed, until then the rate regularly changes.</p>
<p>Has it been considered whether the Council owns any land that could potentially be sold for development? (eg. the swimming pool was financed by the sale of land which is now Pickenfield). Do we have a complete inventory of land? It is unlikely that we would consider Rycote Meadow, Cuttlebrook, Stones Close, Southern Road Rec, etc but there may be smaller ‘forgotten’ plots of land, suitable for one or two dwellings, that could be monetised to raise capital?</p>	<p>The short answer is no, we’ve not considered it because we have very little available land. But this is something we should, and could double check – although may not have the answer for tomorrow night.</p>
<p>What outstanding Public Works Loans do we have and how long left etc?</p>	<p><i>See table below at end of document.</i></p>
<p>What are the rules around the results of the Public Works Loan referendum.</p>	<p>I have email OALC to check my understanding, but below are the key sections from the attached form and it appears that proving support is the need. So, I would read this that if 51 % of people respond to the consultation positively to both the project and to the increase in council tax, then you can demonstrate a majority support.</p> <p>If applicable, please provide evidence of public support to increase the precept to cover the loan repayment (e.g. the result of any consultation).</p> <p>You still need to provide details how local residents were consulted on the project and associated borrowing even if you are not increasing precept to fund the loan (e.g. newsletter/website/in the agenda of public meeting).</p> <p>The council should have consulted local residents on the project and associated borrowing. The format of consultation with residents is a matter for the council to decide, however councils should note the following:</p> <ul style="list-style-type: none"> • details of the project and plans for borrowing and loan repayment must be accessible to residents from an early stage,

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	<ul style="list-style-type: none"> • decisions on borrowing must be taken in an open and transparent way, following discussion in open meetings, • inclusion of the matter on an agenda for a public meeting of the council will not, in itself, be considered sufficient evidence of consultation, • the council should ensure that information about the progress of the project continues to be available to residents following the approval to borrow, • in particular, any proposal to increase the precept to meet borrowing costs must be backed by evidence of public support. <p>Picking up on the above criteria, all the consultation we have done to date would also be evidence to the Public Works Loan Board, as well as consultation around the PWL itself.</p>
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Loan No.	Date	Loan Term	Original Loan Amount	Interest Rate	Six Monthly Payment (inc. interest)	Loan Amount Outstanding	Expiry Date	Purpose
PW502801	29.05.2014	25 years	£190,250	4.10%	£6,118.18	£136,088	28.05.2039	For Town Hall Refurbishment
PW057256	04.05.1965	60 years	£35,596	6%	£1,099.51	£1,068	17.12.2024	Unknown Possibly Parks

These are shown in our detailed Balance Sheet Each Month

<u>Long Term Liabilities</u>		
389	DEFERRED GRANTS UNAPPLIED	3,627
390	DEFERRED GRANTS APPLIED	5,098,828
391	DEFERRED GRANTS W/BACK	(1,808,215)
402	PWLB-PARKS 1	1,068
405	PWLB-TOWN HALL LOAN	136,088
	Total Long Term Liabilities	<u>3,431,395</u>
	Total Assets less Total Liabilities	<u>4,143,062</u>