

Worplesdon Parish Council

Extra-ordinary meeting 24 September 2018
The Old Forge

Presentation by Cllr Nigel Mitchell

Key questions:

- Is the potential purchase of The Old Forge the right decision for the Council and the tax payers of the parish in both the short and long term?
- Does the potential purchase of The Old Forge offer value for money and provide the Council with adequate office/meeting facilities for the foreseeable future?
- Would the purchase of this building have a negative impact on the Council's ability to deliver services to the local community moving forward?

- Would the cost of purchasing this property prevent the Council from employing additional staff in the future?
- What impact would this decision have on the Band D rating?
- Is there a better option in terms of meeting/office facilities available to the Council within the Parish?

Prior to any potential PWLB loan application being made, a full public consultation would need to be carried out.

Why do we need a parish office?

- The work of the parish council has increased exponentially over the past 5 years. The Council's staff now comprises a full time Clerk, part-time Assistant Clerk and w.e.f. 1st October a part-time Grounds and Maintenance Operative.
- Due to austerity measures imposed on the principal authorities, the Council now carries out devolved services, which previously it was not required to do.

- Ditch clearance
- Sightline clearance work
- Litter picking
- Vegetation clearance – siding out pavements
- Minor tree surgery (on council owned land)
- Speed Data Recording (SDR) & VAS deployment – Monitoring of speeding traffic
- Community Speed Watch (CSW)

Tools used to carry vegetation clearance, SDR and CSW are spread around the parish at various locations.

- The Clerk currently works from her box room. These facilities are no longer fit for purpose.
- The Council has a duty of care towards its staff and must comply with H&S and employment law.



- The work of the Parish Council generates a significant amount of paperwork, some of which has to be retained for 21 years.
- Paperwork is currently stored in three locations around the parish, which leads to inefficiencies in retrieving information.
- The Clerk has been unable to secure indemnity insurance for the use of her house as a parish office.
- In the event of a member of staff being ill, a shared office will facilitate business continuity.
- In the event the Clerk were unable to work due to ill-health, a locum clerk would be able to step in.

What options are available for a parish office?

- Rental of ground floor or disabled access office (there are very few appropriate small offices available in the parish)
- Purchase of a building to facilitate conversion to B1 office use
- Community building gifted to the Parish Council as part of a new development (S106 Agreement – community planning gain monies)

- Purchase of land to facilitate a self-build
- Assistance of a local land owner (bespoke building large enough to facilitate council meetings and offices on a 125-year lease)
- Assistance of a local land owner (purpose built office) for rent on a 25-year lease

It should be noted that the Parish is currently 100% washed over by the Green Belt. Very special circumstances are therefore required to justify new buildings in the Green Belt.

How much will rental cost?

- Rental – Queen Elizabeth Park offices short term lease w.e.f. October 2018 – Maximum length of lease 3 years

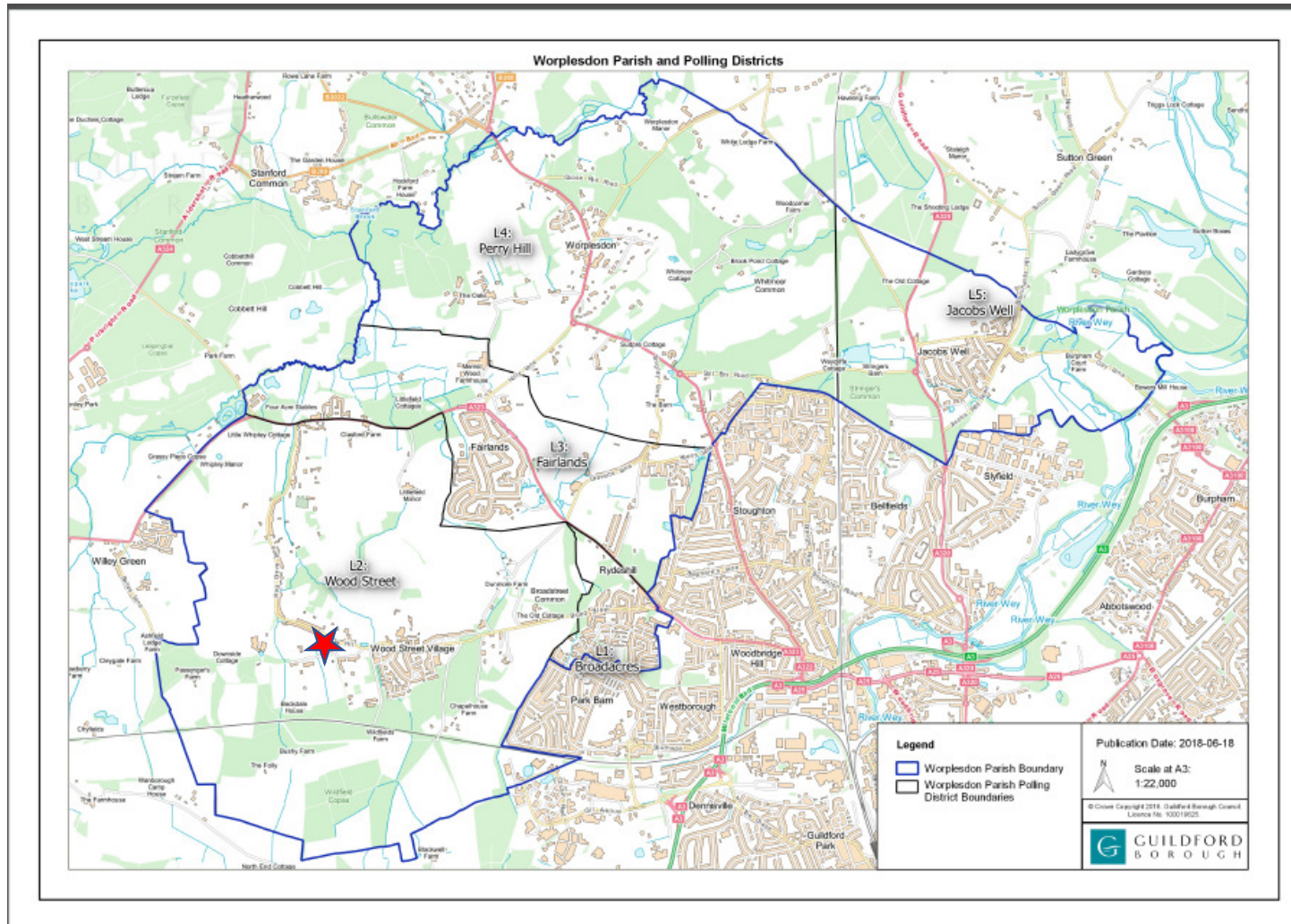
Rent:	£16k pa – years 1 and 2 rising to £17.5K in year 3 excl VAT
(VAT is reclaimed)	
Rates:	Anticipated at £5,500
Utilities:	
Insurance	Costs shared with landlord – Anticipated to be £2k - £3k pa
Service charge	
Building repairs	Variable anticipated to be £1k – £2k pa

- Overall cost = £24,500 - £26,500pa – The Parish Council currently has sufficient earmarked reserves to cover two years' rent.
- Annual break clause available.

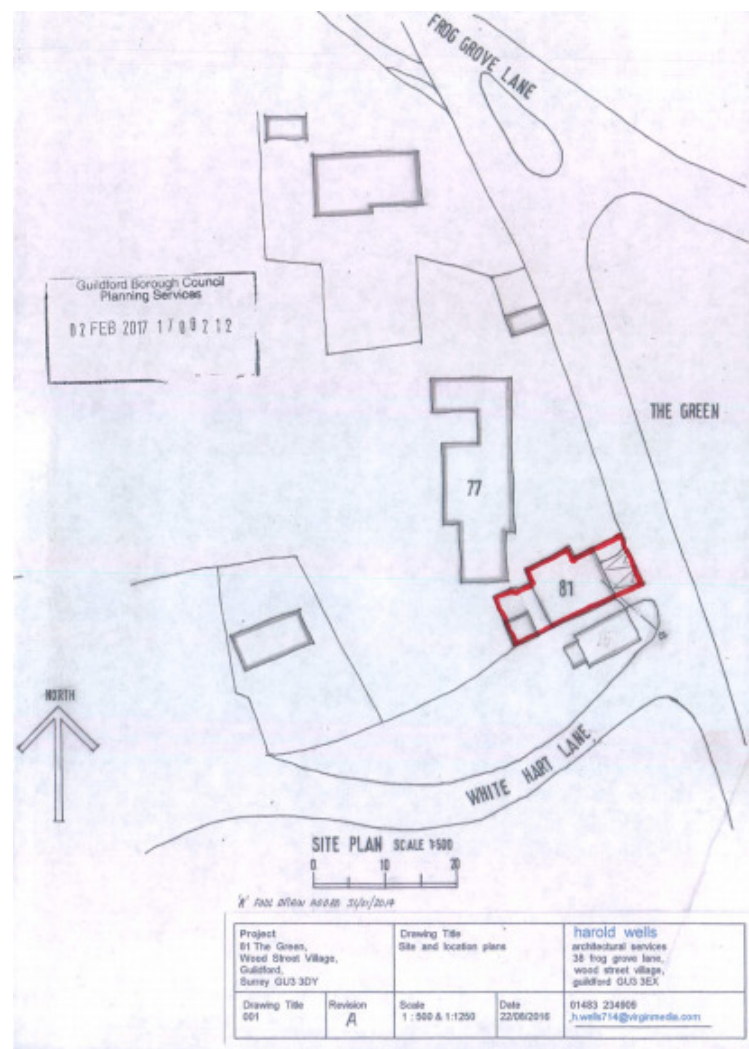
Comparison rental price – Regus Cathedral Hill

- For an office space equivalent to the Queen Elizabeth Park Office the cost would be £30,108 pa excl VAT.
- Parking is on a first come first served basis – so no guarantee of availability following site meetings.
- Additional charges for tea/coffee @ £1 per person per day.
- Outgoing phone calls have to be paid separately.

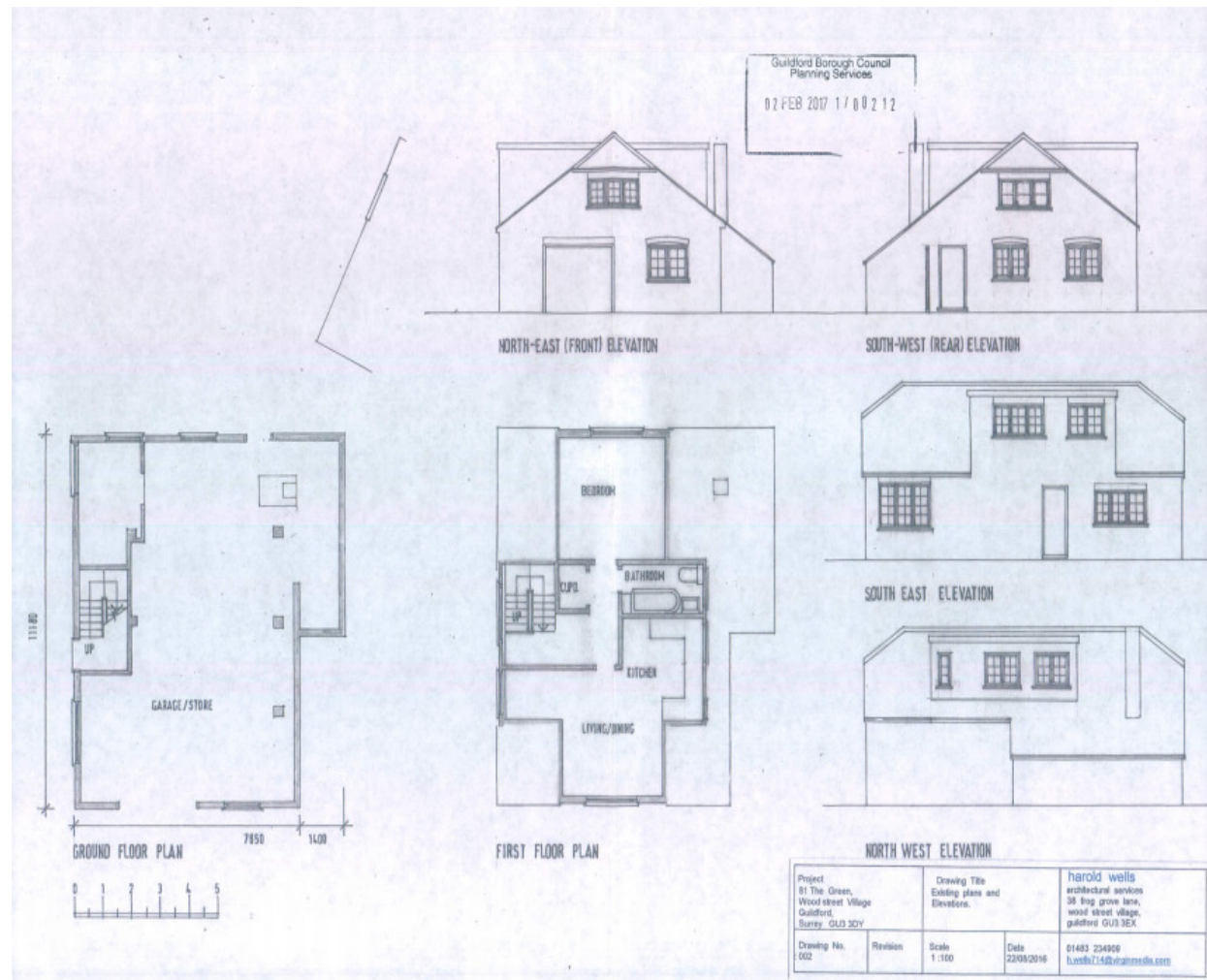
Where is The Old Forge located?

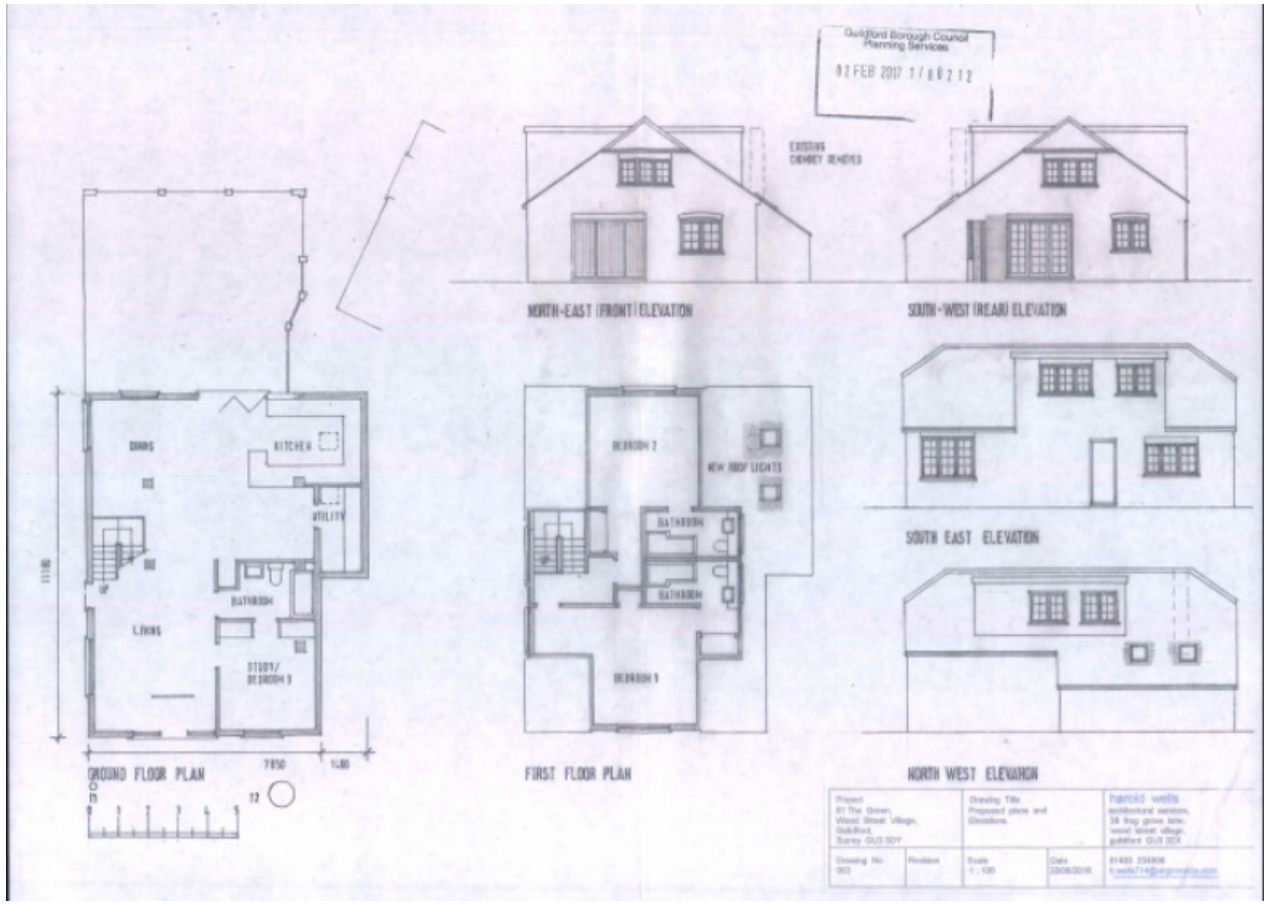


Site Plan – 81 Wood Street Green – “The Old Forge”



In 2017 planning consent was granted for The Old Forge to be converted into a 3 bed-room dwelling





Planning permission

In 2017 a structural survey was carried out. This has been circulated to all councillors. This is viewable via Guildford Borough Council's website.

Pre-app planning advice has been sought. Any changes to the external appearance of the building would have to be in keeping with the Conservation Area. The Parish Council would need to demonstrate that parking for the proposed office would not create any highways issues. If these issues are addressed, it is possible permission could be granted for conversion of the garage to B1 office use. The advice received was provided without prejudice and is not binding upon the Borough Council its planning officers or Planning Committee.

There is only one parking space at The Old Forge.



Potential purchase of The Old Forge

To fund the purchase of this building a Public Works Loan Board loan would be required:

Cost of building	£450,000
Anticipated cost of converting the garage into office accommodation (costed by a retired surveyor)	£ 45,000
Stamp Duty	£ 12,500
Legal fees	£ 5,000
Professional fees	£ 18,000
Tree inspection/tree surgery	£ 3,000
Roof repairs	£ 5,000
Planning fees	£ 3,000
Contingency fund	£ 10,000
 Total cost	 £551,500
 Current Earmarked reserves	 (£51,500)
Public Works Loan Board Loan	(£500,000)
 Total funding	 (£551,500)

Pros

- All staff can be located within one building
- Within the Parish
- Parking near by
- Purchased property
- One bed flat over providing an income of £12 - £14K pa
- Potential engagement with the community during set office hours
- Long term asset
- Long term solution to office accommodation
- No limit on office hours
- Small meetings could be held within the office. Such as staffing, planning, GPs and H&S
- Solves H&S issues in long term
- Possible succession planning
- Space to increase staff
- Provides a long term future for the Parish Council
- Located close to land for which we are responsible
- External space to store parish tools/equipment for work parties
- Retention of heritage asset (old forge and bellows)
- Wood Street Horticultural society could use the office for registration of participants at the local show
- Ground floor office
- Improved business status for visitors
- Locum could work in the office
- Possible councillor clinics for residents
- Audio visual installation

Cons

- Cost of purchase, including stamp duty
- Loan interest/long term financial commitment
- Maintenance costs of a 300-year old building
- Unable to accommodate full council meetings
- Refurbishment costs
- Planning approval for conversion to B1 office use
- Horse chestnut tree potentially undermining foundation
- Leylandii tree needs to be removed to prevent damage to property
- Bus service to Wood Street Village recently reduced
- Previous structural survey

Loan repayments

Fixed interest at 2.75%, however, interest rates are set on daily basis

£500,000 loan borrowed over 25 Years

= 2 x half yearly payments of £13,894.28 (Comparison £16,000pa current QEP rent & £12,000 income from flat)

= repayment costs of £694,714.00

Ongoing Utility Costs

There is currently no rateable value for use as an office. However, it is anticipated to be in the region of £5k - £6k pa (comparison with similarly sized office space)

Assumed utility costs:

• Rates	£500pm
• Gas & electricity	£150pm
• Water	£ 20pm
• Phone as existing phone and broadband	<u>£150pm</u>
	£820pm

Council tax and utility bills for flat to be paid for by tenant

Issues and options considered over the past ten+ years

Options

- To date the Council has considered 26 options

Issues

- Flood plain in certain areas within the Parish
- Suitable premises in the Parish are extremely limited
- The Parish is 100% washed over by the Green Belt

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