

REQUEST FOR DIRECTOR DECISION – DD2762

Title: Termination of the Surbiton Adult Learning Centre and Community Hub project

Executive Summary:

The award of £2.8m of Skills for Londoners Capital Funding to Richmond and Hillcroft Adult and Community College (RHACC) in 2017 to deliver the Surbiton Adult Learning Centre and Community project, was approved under cover of Mayoral Decision ([MD\)2142](#) and Director Decision ([DD\)2354](#).

The project is no longer viable due to difficulties in obtaining planning permission for the residential element of the site which was critical to funding the project through sale proceeds; combined with reduced cash reserves due to pandemic-related fee income losses. This led RHACC's Board to resolve not to proceed, and formal withdrawal was confirmed in writing in December 2024.

This decision seeks approval to terminate the project and to recover £44,760.33 GLA funding claimed to date.

Decision:

That the Executive Director of Communities and Skills approves:

1. the termination of the agreement between the Greater London Authority (GLA) and Richmond and Hillcroft Adult & Community College (RHACC) for the provision of £4.993 million Skills for Londoners Capital Fund as contribution to the costs of the Surbiton Adult Learning Centre and Community Hub project
2. the exercise of the GLA's contractual right to recover £44,760.33 of funding claimed to date.

AUTHORISING DIRECTOR

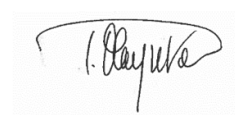
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Tunde Olayinka

Position: Executive Director,
Communities and Skills

Signature:



Date:

24/09/2025

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. [Mayoral Decision \(MD\)2142](#) approved in August 2017 the establishment of the Skills for Londoners Capital Fund (SfLCF), with a delegation of authority to the Executive Director of Development, Enterprise and Environment to approve detailed allocations of the funding proposed above, in consultation with the London Economic Action Partnership (LEAP) Board.
- 1.2. [Director Decision \(DD\)2354](#) approved in April 2019 the approach to SfLCF Round Two, including the award of £2,827,865 to Richmond and Hillcroft Adult and Community College (RHACC) for the design and construction of a new 1,670m² community hub aimed at providing learning opportunities for disadvantaged and unemployed individuals, with a focus on health and social care provision.
- 1.3. The project included plans for state-of-the-art facility featuring a café, nursery, shared workspace and a local community police base, intended to benefit the wider community. The funding agreement for this project was signed in October 2020.
- 1.4. The project encountered significant delays due to extenuating circumstances of the Covid-19 pandemic and inflationary pressures, which increased project costs and delayed planning and construction, resulting in a subsequent funding shortfall.
- 1.5. In September 2020, [DD2490](#) approved an increase of total GLA funding for this project from £2,827,865 to £3,227,865, following the LEAP Investment Committee endorsement of £400k in Covid-19 Contingency Funding and a change of scope for the project with the development of a revised two block scheme instead of the initial five block scheme.
- 1.6. RHACC secured additional contingency funding of £1.765 million in March 2023 (MD3092), and a Deed of Variation (DoV) was signed in July 2023, amending the GLA Grant total to £4,992,865.
- 1.7. In total £297,115.85 of costs were incurred against the first completed milestone (related to Planning fees) of which £200,865 was drawn down from the GLA representing a 67.60 per cent GLA intervention rate against this milestone. Subsequently a further milestone was achieved, and further eligible costs incurred, however no further GLA funding was claimed against these costs.
- 1.8. In 2024, difficulties in obtaining planning permission for the residential portion of the site which was critical to funding the project through sale proceeds; combined with reduced cash reserves due to pandemic-related fee income losses, led RHACC to conclude that the project was no longer financially viable. RHACC's Board resolved not to proceed, and formal withdrawal was confirmed in writing in December 2024.
- 1.9. In June 2025, Skills for Londoners Programmes Board approved-in principle the following:
 - termination of the agreement between the GLA and RHACC for the provision of £4.993 million SfLCF
 - the recovery £44,760.33 of the £200,865 funding paid to RHACC for reasons outlined in Part Two of this decision.
- 1.10. Clause 7.1 of the Agreement provides that the GLA can terminate the Agreement and require all or part of the funding provided to be repaid if RHACC has failed, in the GLA's opinion, to deliver the Project Objectives, Milestones and/or Project Outputs in accordance with the Agreement; and, due to circumstances significantly affecting the RHACC's ability to deliver the Project and meet the Project Objectives, Milestones and Project Outputs.

- 1.11. Under Clause 7.5 (a) of the Agreement funding recovery remains at the GLA's discretion. The college has acknowledged that the GLA may, as part of the grant funding agreement, require repayment of the grant expenditure to date.

2. Objectives and expected outcomes

Termination of the agreement between GLA and RHACC

- 2.1. Termination of the funding agreement between the GLA and RHACC for £4.993 million is required following RHACC's notification of withdrawal.
- 2.2. As noted at paragraph 1.9 above the funding agreement can be terminated in the circumstances and the GLA may require the repayment of sums claimed and paid which correspond with Project Objectives and/or Milestones not achieved.

Repayment of funding to the GLA

- 2.3. It is proposed that £44,760.33 of the £200,865 GLA funding already paid be recovered which represents 22.28 per cent of GLA funding.
- 2.4. The total GLA contribution will therefore be reduced to £156,104.67 which represents 52.54 per cent of the £297,115.85 total costs (GLA and match) and in line with the contractual intervention rate as per the signed DoV (July 2023).
- 2.5. Officers have discussed the recovery of the reduced amount (£44,760.33) with RHACC and the provider has confirmed their acceptance of this proposal.

Reallocation of funds

- 2.6. The unspent grant amount of £4,792,000 and recovered funds will be reallocated in accordance with [MD2919](#), which provides approval to reallocate funding to deliver skills capital schemes aligned to current Mayoral priorities.

3. Equality comments

- 3.1. The project will no longer deliver its planned outcomes, which included 1,050 new learners assisted in key sectors such as information services, care and childcare, counselling, technology, accountancy and wellbeing. It also aimed to facilitate 50 additional apprenticeship starts and deliver 1670 m² of new learning floorspace. The funding will be returned to the GLA and reallocated to new programmes aligned with current Mayoral priorities, thereby enabling delivery of alternative outcomes for Londoners.
- 3.2. This project aimed to benefit a broad range of Londoners, including women and disadvantaged groups that often face barriers to accessing adult learning and skills development. These groups would have included individuals experiencing socio-economic disadvantage, older learners, people with disabilities, and from minority ethnic backgrounds.
- 3.3. Repurposing the capital funding to other projects aligned with current Mayoral priorities will help mitigate equality impacts. The GLA's approach should focus on reallocating funds to schemes that explicitly address inequalities, support underrepresented groups, and promote inclusive skills development across London.

4. Other considerations

- 4.1. The project outputs and outcomes mentioned in paragraph 3.1 will not be delivered, which could impact the total programme targets.
- 4.2. Repurposing the funding from the terminated contract to other projects/programmes will enable better alignment with current Mayoral strategies and priorities. In particular supporting the ambitions of the London Growth Plan and Inclusive Talent Strategy.
- 4.3. The termination may still impact the availability of new learning facilities and community services originally planned. The GLA will need to manage expectations regarding the loss of these outcomes and ensure that alternative use of the monies delivers comparable benefits.
- 4.4. There are no conflicts of interest from those involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is sought for the following.
 - the termination of the agreement between the Greater London Authority (GLA) and Richmond and Hillcroft Adult & Community College (RHACC) for the provision of £4.993 million Skills for Londoners Capital Fund as contribution to the costs of the Surbiton Adult Learning Centre and Community Hub project; and
 - exercising the GLA's contractual right to recover £44,760.33 of £200,865 funding claimed to date.
- 5.2. In total £297,115.85 of costs were incurred against the first completed milestone of which £200,865 was drawn down from the GLA representing a 67.60 per cent GLA intervention rate against this milestone. Subsequently a further milestone was achieved, and further eligible costs incurred, however no further GLA funding was claimed against these costs.
- 5.3. In 2024, difficulties in obtaining planning permission for the residential portion of the site which was critical to funding the project through sale proceeds; combined with reduced cash reserves due to pandemic-related fee income losses, led RHACC to conclude that the project was no longer financially viable. RHACC's Board resolved not to proceed, and formal withdrawal was confirmed in writing in December 2024
- 5.4. It is proposed that £44,760.33 of the £200,865 GLA funding already paid be recovered which represents 22.28 per cent of GLA funding. The total GLA contribution will therefore be reduced to £156,104.67 which represents 52.54 per cent of the £297,115.85 total costs (GLA and match) and in line with the contractual intervention rate as per the signed DoV (July 2023).

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
 - the decisions requested of the Director concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to further, and or be facilitative of or conducive or incidental to the furthering of, the promotion of wealth creation and economic development in Greater London
 - in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
 - pay due regard to the principle that there should be equality of opportunity for all people

- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - consult with appropriate bodies.
- 6.2 In taking the decisions requested, the Director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Director should have particular regard to section 3 (above) of this report.
- 6.3 As officers have indicated at paragraphs 1.9 and 1.10 above the GLA can terminate the agreement with RHACC and require all or part of the funding provided to be repaid if RHACC has failed, in the GLA's opinion, to deliver the Project Objectives, Milestones and/or Project Outputs in accordance with the Agreement; and, due to circumstances significantly affecting the RHACC's ability to deliver the Project and meet the Project Objectives, Milestones and Project Outputs.
- 6.4 Officers should ensure that notice is served on RHACC accordingly and should not place any reliance upon or make commitments which rely upon the remainder of the unpaid funding or sums it is proposed are recovered until the termination and recovery process is complete.

7. Planned delivery approach and next steps

Activity	Timeline
Sign off of termination letter/Decision as required	September 2025
Termination letter sent to RHACC	September 2025
Recovery process commences	September 2025

Appendices and supporting papers:

- Appendix A - Sfl Capital Fund Round Two agreement RHACC
- Appendix B - RHACC Contingency Variation July 2023

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Sajni Durve has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Ayo Akande has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

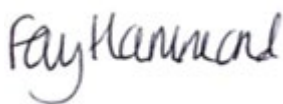
Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 15 September 2025.

✓

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.



Signature:

Date: 27 October 2025