

COMMUNITY HALL AND FAMILY HISTORY CENTRE - BUSINESS PLAN AS AT JULY 2019

Background

The Town Council spent a great deal of time trying to save the Working Men's Club which was used by various groups in the town. A feasibility study was undertaken and a structural survey and report was undertaken. This report indicated a great deal of work was needed and once costs of refurbishment were known, it was decided not to proceed. This building was sold and the Town Council agreed to investigate the possibility of providing a new hall, together with, possibly, the inclusion of a Family History Centre which had originally been going to be sited at the lodge.

The Town Council consulted residents as to whether or not a hall was needed and also, if it was felt one was, whether it should be at the Town Hall or a new build on the cemetery field. As a report on the consultation showed, not only was it felt there was a need for a new community hall but it was also felt it should be on the field. Additionally, the need was established in the adopted Town Plan with "lack of community space" being seen as a weakness and the consideration of such a building being one of the recommendations coming out from the consultation. The business case demonstrating the affordability of such a building in the format of a Business Plan continues below.

OWNERSHIP

The land is already in the ownership of the Town Council and it is proposed that the new hall would also be owned by them.

SERVICES

It is anticipated that the hall will be used by various community groups in the area, particularly those who currently struggle to find a hall large enough to accommodate them (as evidenced at the public meeting). Some of these groups have now been forced to meet outside of town and others are actively looking for larger meeting space.

Whilst the main hall would accommodate 180 people (larger than other halls in the town) it is also proposed that two smaller rooms be available for hire and also for use as a Family History Centre manned, when necessary, by volunteers. The IT laptops and installation has already been paid for through the Heritage Lottery Fund grant and a further £12,000 is available for fixtures and fittings. Each room would provide sufficient space for approximately 15 people and a dividing door would make the space useable by 30; large enough for visiting school groups as necessary.

A feature of the main room is its vaulted, wooden ceiling, making it attractive to be used for weddings as well as funeral wakes following burials at the cemetery. Wedding "barns" are currently being constructed in various places in the country and are very well used. Additionally, the location being on the edge of a 4 acre field also provides the opportunity to use the outside landscaped amenity space. The views from the field across to Bredon Hill are outstanding. Research has identified a gap in Pershore town in that it is no longer possible to have a civil marriage ceremony in Pershore as the Civic Centre is no longer licenced for weddings. Additionally residents are already making enquiries to book the hall as they have found great difficulty in finding suitable accommodation for hire in the town, particularly holding a large number of people and with storage.

MARKETING

As outlined above there is currently a shortage of large, quality rooms for hire in the town at a reasonable cost. Halls in the town and adjacent villages are currently running at a capacity of around 60%. The Library space added in 2013 to help to fill some of the demand at that time is now very heavily used. Rooms at the Library are booked every day

and most evenings with the whole library booked out on a Sunday. Users appreciate the facilities but the main room can only accommodate up to 40 comfortably so does not fill the gap for a much larger hall.

Obviously any new building would need to be marketed to publicise the building to the whole community. It has free parking for hirers on site as a major advantage, as well as storage for regular hirers and being on a bus route.

If the hall is considered suitable for weddings it may be possible to allow local residents booking the hall for a wedding to have a lower rate than non residents so giving local couples the opportunity to have a “barn” style wedding at an affordable price.

MANAGEMENT AND STAFF

Management of the building would be the responsibility of the Town Council as the property owners and this would include cleaning and security measures as well as utilities and rates. Experience has shown with the Library and Town Hall that out of hours hirings can be managed easily by the use of the existing security company.

If the hall becomes very popular as a wedding venue, it may be necessary to take on additional staff to manage this aspect of the bookings in due course.

PROPOSAL

1. Building of property

Planning permission has now been obtained and tenders for the build received. Whilst no contract has yet been awarded, the total cost of the project is estimated at £850,000, to include the fees already spent.

2. Rental income

Income would come from hire of the main hall, smaller meeting rooms and the Family History Centre.

Hire fees for other halls in the area would indicate that an hourly charge for a room of this size of £25 per hour would be reasonable. Additionally, it is anticipated the demand for use for weddings could be high as outlined under Marketing above. It is suggested fees for weddings (to include the reception) could be “day” rates of a minimum of £750 (possibly more for non residents). Fees for a wedding, and not the following reception, would be £250 (in line with Worcester and Malvern). The Clerk has been advised by the Registration Service that these charges are extremely competitive and it would be expected to have wedding bookings most weekends. For the purpose of this case, only one wedding a month in “season” has been assumed. However, a recent approved planning application in Wychavon for a wedding venue (70 people) estimated they would hold 50 weddings a year at a considerably higher price. The hall may also be popular for those wishing to hold a reception following a church wedding.

The Registration service advised that most registrars undertake 3 weddings on a Saturday (all year) and 1 or 2 on a Sunday. The Town Council will be exploring these opportunities once it agreed to proceed with the construction.

Funeral wakes could also be a useful source of income although this has not been included in the cashflow.

3. Town Council staff costs implications

It is suggested the management of the building be initially undertaken by Town Council staff within their current working hours. If, however, the use of the building as a wedding venue is high, an additional member of staff may be required to manage the building with the salary costs being covered by income from the hall.

FINANCING OF THE PROPOSAL

It has already been agreed by Council that the remaining funds from the sale of the lodge (£150,000 approx) be used towards the cost of the building, plus, £190,000 of New Homes Bonus with an additional £290,000 from investments. Currently it is proposed that the shortfall be borrowed from the Public Works Loan Board subject to consultation with residents. This form of borrowing is regularly used by local councils as low cost, fixed rate funding for capital projects.

Please see attached spreadsheets.

SUMMARY AND RECOMMENDATIONS

The Clerk has been conservative in all income budgets and has over stated costs based on running costs of the Town Hall and Library. Currently the library rooms are now used every day of the working week, 4 evenings and most Sundays, far greater than predicted 5 years ago. Additionally, if the community building is used for weddings, the potential income is substantial and following conversations with the registrar it is apparent that if the hall were registered for weddings there could be considerably higher demand than in the budget.

Currently the figures assume only 2 or 3 hirers a week in months one and two, gradually increasing to 8 (there are a possible 21 sessions available for hire in the week) by the end of the year. It has been assumed that the Sunday hirer at the Library will not move to the Community Hall but remain in the Library.

Year 1	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Income												
Income from hirers (ave. 6 a week for 2 hours)		600	800	800	1200	1200	1400	1400	1600	1600	1800	1800
Weddings (1 a month in season)						750	750	750	750	750	750	
Family History Centre		40	40	40	40	40	40	40	40	40	40	40
New Homes Bonus	190000											
Sale of lodge	150000											
Loan	204000											
Investments	294000											
Family History Centre reserve	12000											
	850000	640	840	840	1240	1990	2190	2190	2390	2390	2590	1840
Expenditure												
Build cost	850000											
Heat/ light and water				600			600			600		
Rates - depends how set up												
Cleaning		250	250	250	250	250	250	250	250	250	250	250
Locking up/security		10	10	10	10	10	10	10	10	10		
Insurance												
Reduction in income from investments (294k)		735	735	735	735	735	735	735	735	735	735	735
Window cleaning		50	50	50	50	50	50	50	50	50	50	50
Service contracts					1250							
Totals	850000	1045	1045	1645	2295	1045	1645	1045	1045	1645	1035	1035
opening bank	0	0	-405	-610	-1415	-2470	-1525	-980	165	1510	2255	3810
income	850000	640	840	840	1240	1990	2190	2190	2390	2390	2590	1840
total	850000	640	435	230	-175	-480	665	1210	2555	3900	4845	5650
expenditure	850000	1045	1045	1645	2295	1045	1645	1045	1045	1645	1035	1035
closing bank	0	-405	-610	-1415	-2470	-1525	-980	165	1510	2255	3810	4615

Should the Town Council decide to borrow the shortfall, the projected income and expenditure as below, shows that repayments would be found from income by 2021

Income	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Income from hirers (ave. 6 a week for 2 hours)		14200	21600	22000	23000	24000	25000	26000	27000	28000
Weddings		4500	6000	7500	7500	7500	7500	7500	7500	7500
Family History Centre		400	400	400	400	400	400	400	400	400
New Homes Bonus	190000									
Sale of lodge	150000									
Loan over 20 years	204000									
Per reserves for Loan repayment		12700								
Investments	294000									
From FHC reserve	12000									
	850000	31800	28000	29900	30900	31900	32900	33900	34900	35900
Expenditure										
Total cost	850000									
Loan repayment		12700	12700	12700	12700	12700	12700	12700	12700	12700
Running costs		14525	15000	16000	17000	18000	19000	20000	21000	22000
Totals	850000	27225	27700	28700	29700	30700	31700	32700	33700	34700
opening bank	0	0	4575	4875	6075	7275	8475	9675	10875	12075
income	850000	31800	28000	29900	30900	31900	32900	33900	34900	35900
total	850000	31800	32575	34775	36975	39175	41375	43575	45775	47975
expenditure	850000	27225	27700	28700	29700	30700	31700	32700	33700	34700
closing bank	0	4575	4875	6075	7275	8475	9675	10875	12075	13275