

Draft Business Plan for the proposed new Parish Hall for Wingerworth



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Contents

Introduction to the Proposal to build a new Parish Hall	2
Introduction to the Draft Business Plan	3
Projected Operating Position of new Parish Hall	5
Revenue Projections for Main Facilities at new Parish Hall	6
Revenue Projections for Library and Resources Centre at new Parish Hall	7
Expenditure Projections for Operation of new Parish Hall	8
Staffing Projections for new Parish Hall	9
Capital Funding of new Parish Hall	10

2 Introduction to the proposal

The Parish Council is faced with the dilemma of having to choose between a major renovation of its current premises and a new build Parish Hall as it has resolved to continue providing safe and secure facilities for the wide range of learning, sporting and social activities that are so important for the general wellbeing of the Parish.

Estimates for a major renovation range from £350,000 up to £700,000 depending on the scale and scope of the work but even at the upper end of the range the new build would be constrained by the current footprint with restricted potential for any significant reconfiguration. Furthermore the extent of the work necessary, even at the lower end of the range, would cause considerable disruption and periods of closure which would not only cause problems for existing users but could well be the death knell for some of the clubs and societies based at the Parish Hall judging on the recent round of consultations.

As an alternative the Parish Council is proposing a new build Parish Hall to secure premises that are far more fit for purpose with an improved configuration and a much improved carbon footprint that would provide for a wider and more flexible usage, more efficient operation and a more effective employment of staff..

Additional advantages accruing from a new build on the proposed site are that it becomes more affordable by virtue of being on Council land and that it is more likely to attract funding. Furthermore a new Parish Hall on the proposed location would create a more distinct hub for Wingerworth linking with the existing shops and planned new doctors' surgery which could provide mutual benefits for each of the three elements as well as residents who would have shopping, health care and community facilities including a café close together adjacent to a bus stop with the prospect of some interchangeability of parking.

A new Parish Hall at the proposed location would also link the Council's base with the wide and very popular facilities in the Deer Park allowing for improved care and maintenance, better letting arrangements for outside activities and a better opportunity of addressing the occasional outbreak of antisocial behaviour and vandalism in the immediate vicinity.

In weighing up the many factors the Council has decided that the preferred way forward is to examine the prospects of building a new Parish Hall alongside Allendale Road and to secure bridging finance to provide a seamless transition by delaying the closing of the current building (and the monies contingent on the sale of that site) until the new Parish Hall is in use.

The Council is committed to a wide ranging consultation on its proposals with the regular users of the current Parish Hall, with the community served by the Council and with statutory consultees. Responses will be carefully collated and considered before coming to a decision on a way forward to ensure that Wingerworth is not faced with the closure of a condemned Parish Hall over the next few years and nothing in its place.

Introduction to the Draft Business Plan

This draft business plan has been produced to provide a degree of confidence that the proposed new Parish Hall is capable of being a feasible and affordable operation should the Council be able to clear a number of hurdles and then decide to proceed with the proposal.

At this early stage there are a number of elements that would have to be tightened such as the extent of groundworks necessary at the proposed site. However the Council is not willing to commit funding to any detailed work, such as ground surveys which would include the extraction of core samples, when the Council is still consulting on the broad proposals.

Initial indications are that the proposed site is capable of supporting the type of building proposed and that a new building at this location would not impinge in any significant way on the immediately local environment or local wildlife.

It is also believed that any queries that have been raised by the more than forty statutory consultees could be partially if not fully addressed without incurring significant cost implications, although once again this is an area that will have to be tightened if the proposals are to move on to a new stage.

Many of the projections for income and expenditure are predicated on current experience with the operation of the old and dilapidated Parish Hall on New Road. The actual levels of expenditure are arguably overstated to a degree since no allowance had been made for a building that would have lower running costs, incur less in the way of repairs and be more efficient to manage. Similarly worst case scenarios have been included as with the assumption that the relief currently enjoyed with Business Rate would no longer apply causing the current annual charge of £98 to rise to an estimated £2,000.

The income projections are also generated in a prudent manner. The two key elements are the usage rates, which are based on current levels and comparable levels elsewhere, and the fee rates, which are held at current levels.

There are two areas of greater uncertainty as regards income projections. One concerns the library in the light of the reductions in the level of this service across the county at a time when the County Council is faced with having to make such large savings. In effect the library service is already subsidised by the Parish Council (at least on a nominal basis through opportunity cost) and the exposure to the Parish Council of an ending of fee income for the library would only worsen this position at most by less than £2,000.

The second area with greater uncertainty is the proposed café operation. The assumption for the purposes of this draft business plan is that the operation would be contracted out with a contribution accruing to the Parish Council of some £200 a week. This is a fairly speculative figure as although in line with flourishing operations elsewhere the critical issue would be the level of business generated. There is some confidence that the level of business would be sustainable based on a similar operation that ran until recently in Wingerworth and based also on the level of interest shown in a new café at the proposed site both from potential users and operators.

The Parish Council considers both of these operations, the library (and resource centre) and the café as being important to the wellbeing of our community so they have been included in the proposed new building and are incorporated in the business plan notwithstanding some uncertainties over the nature of the future operations, as with the level of financial support needed to sustain the library and whether or not the café is contracted out or run in house.

In overall terms the projected operating loss on recurrent income and expenditure is at a sustainable level which is in keeping both with the current operation and many similar operations around the country where a Parish Hall is run by paid staff for the community use. This is an entirely legitimate use of public funds especially when the benefits of affordable and safe facilities are enjoyed by the local community.

Switching to the capital side, the projected costs are based on the advice provided by knowledgeable and qualified advisors. There are obvious caveats concerning aspects such as the previously mentioned ground conditions which resulted in an increase in work with footings for the new bowling green pavilion a few years ago, although this was arguably on a poorer section of the Deer Park as regards ground conditions.

Such changes as may be required by the conditions attached to any planning approval are likely to be marginal covering such matters as facial materials and other aesthetic matters given that the shape, configuration and general orientation seem to comply with planning expectations and requirements.

Two fitting elements that are likely to be expensive and that have not been allowed for in the business plan are the fixtures, equipment and furniture for the library and the café. This is because the costs associated with establishing a new library and resource centre would be largely if not entirely met by some Section 106 funding that will be held by NEDDC and earmarked for this purpose.

As regards the café, the costs are considerable but there is scope for all of the specialist food storage, production and display equipment as well as a coffee machine (costing in the region of £10,000) to be provided by the contracted-out operator, which is the working assumption for this draft business plan.

More specific explanatory notes are provided for the various section in the pages ahead.

On a general note there is no allowance for depreciation of assets and no sinking fund to cover wear, tear and general deterioration as this had not been the practice of the Parish Council. This has necessitated the inclusion of a loan from the Public Works Loan Board in this draft business plan in a similar way to a loan taken previously from that body for a new roof at the Parish Hall and which is about to be paid off.

As and when the proposals take on a firmer and more advanced form this draft business plan will be amended and flexed but it is believed to be sufficiently robust and sustainable at this stage to provide comfort that a new Parish Hall as proposed would be feasible from a financial perspective given the range and attractiveness of facilities, the mode of operation and the resources available to the Parish Council.

Projected Operating Position of new Parish Hall

Projected Revenues	Annual
Main Hall	£36,270
Community Hall	£29,566
Meeting Room	£14,869
Café Contribution	£10,000
Library Contribution	-£3,971
Total	£86,734

Projected Costs	
Staffing	£39,100
Recurrent non-staffing	£39,900
Servicing of loan	£28,984
Total	£107,984

Projected Operating Surplus	
Projected Revenues	£86,734
Projected Costs	£107,984
Projected Surplus	-£21,250

Revenue Projections for Main Facilities at new Parish Hall

Main Hall	Available Hours	Standard Hourly Rate	Projected Occupancy	Projected Revenue
Weekday daytime	9.00	£5.60	65%	£8,190.00
Weekday evenings	4.00	£7.90	80%	£6,320.00
Weekend daytime	8.00	£11.55	60%	£13,860.00
Weekend evenings	5.00	£15.80	40%	£7,900.00

Community Hall	Available Hours	Standard Hourly Rate	Projected Occupancy	Projected Revenue
Weekday daytime	9.00	£4.35	70%	£6,851.25
Weekday evenings	4.00	£5.25	80%	£4,200.00
Weekend daytime	8.00	£9.10	70%	£12,740.00
Weekend evenings	5.00	£11.55	40%	£5,775.00

Meeting Room	Available Hours	Standard Hourly Rate	Projected Occupancy	Projected Revenue
Weekday daytime	9.00	£5.25	50%	£5,906.25
Weekday evenings	4.00	£5.25	50%	£2,625.00
Weekend daytime	8.00	£6.50	30%	£3,900.00
Weekend evenings	5.00	£6.50	30%	£2,437.50

General Notes:

Projections based on current available hours at existing Parish Hall

Hourly rates are as established for 2015/16 at existing Parish Hall

Projected occupancy rates are based on existing operation and adjusted in line with experience of similar operations at similar new community facilities

Projected revenues based of full payment with no allowance for bad debts which are negligible with current operation

Revenue Projections for Library and Resources Centre at new Parish Hall

	Day	Evening	Day	Evening	Day	Evening
Opening Hours	Hours	Hours	Rates	Rates	Fees	Fees
Monday 10-1pm	4.00		£4.25	£5.25	£17.00	
Monday 2-7pm	4.50	1.50	£4.25	£5.25	£19.13	£7.88
Thursday 2-7pm	4.50	1.50	£4.25	£5.25	£19.13	£7.88
Saturday 9.30-1pm	4.50		£9.10		£40.95	
	Totals				£96.20	£15.75

Opportunity Cost of Library and Resources Centre

Weekly cost	£111.95
Annual cost	£5,821.40

Projected Net Revenues of Library and Resources Centre

Annual payment from DCC	£1,850.00
Associated opportunity cost	£5,821.40
Resulting revenue	-£3,971.40

Notes:

Projected opening hours are as at present with extra allowances for setting up and closing down
 Hourly rates are as established for 2015/16 at existing Parish Hall
 Opportunity costs relate to the loss of earnings associated with the Community Hall
 being out of commission for the scheduled periods
 based on the assumption of an otherwise 100% take up of hours

Expenditure Projections for Operation of new Parish Hall

Areas of Expenditure	Annual	
Staffing	£39,100	Note 1
Business Rates	£2,000	Note 2
Electricity Supply	£4,000	Note 3
Gas Supply	£5,000	Note 3
Gas Servicing	£500	Note 4
Water Supply	£1,600	Note 5
Watersafe Contract	£800	Note 6
Cleaning Contract	£10,000	Note 7
Hygiene Contract	£1,200	Note 8
Window Cleaning	£600	Note 9
Trade Refuse	£1,000	Note 9
Grounds Maintenance	£2,000	Note 9
Repairs and Renewals	£5,000	Note 10
Internet Costs	£1,200	Note 11
Insurance	£5,000	Note 9
Servicing of PWLB Loan	£28,984	Note 12
Total Expenditure	£107,984	

Note 1 - Based on proposed staffing arrangements

Note 2 - Currently £99 but assuming end of small business relief and higher rateable value of new building

Note 3 - Based on current usage with assumption that increased hours of operation compensated for by more energy efficient building

Note 4 - Based on current contract

Note 5 - Based on much increased usage with café and grounds maintenance although latter portion allocated to another head of expenditure

Note 6 - Modest increase on current charges to allow for extra activity although partly compensated for by more efficient layout

Note 7 - Based on contract costs for similar levels of service at similar sized premises

Note 8 - Substantial increase to allow for more extensive central services

Note 9 - Based on current levels of expenditure

Note 10 - Possibly far too high initially but a steady state figure going forward

Note 11 - New area of expenditure assuming dual system alongside Library

Note 12 - Based on current repayment schedules from PWLB

Staffing Projections for new Parish Hall

Staffing Costs

Reception/Booking Secretary	£15,000	Note 1
Full time Caretaker	£9,000	Note 2
Relief Caretakers	£10,000	Note 3
Cleaning Staff	£0	Note 4
Total	£39,100	Note 5

Notes:

- 1 - Full time 37 hour post based at Parish Hall
- 2 - Full time 37 hour post split between Parish Hall and external duties
- 3 - Series of relief caretakers on zero hours contracts to cover evenings and weekends and holiday/sickness absences
- 4 - Cleaning function contracted out
- 5 - includes allowance for employment costs and LGPS contributions where applicable

Capital Funding of new Parish Hall

Costs

Land	£0	Note 1
Professional fees and planning costs	£25,000	Note 2
Construction	£700,000	Note 2
Internal fitting, fixtures and furniture	£250,000	Note 2
Total	£975,000	

Funds

Proceeds from sale of current site	£350,000	Note 2
Loan	£500,000	Note 3
Council reserves	£100,000	Note 4
Local fund raising and donations	£25,000	Note 5
	£975,000	

Notes

Note 1 - Reliant on use of land owned by the Council

Note 2 - Based on advice from consultants

Note 3 - Based on a fixed rate loan over 25 years

from the Public Works Loan Board

with half yearly repayments of £14,491,84

subject to the loan running for the full length of the period

Note 4 - Currently £125,000 of reserves earmarked

Note 5 - Currently £2,481 raised from community events