



Grundisburgh New Village Hall
Initial report and recommendations

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EXECUTIVE SUMMARY

This is an initial report reviewing the current status of the project and recommending the actions required to complete the project.

The existing village hall has come to the end of its economic life and could well require more than £100,000 expenditure in the next few years even to retain its basic facilities in a state to allow it to be hired out.

There is higher build cost inflation predicted in the next few years than site value inflation so any funding gap will only grow larger the longer we leave it to start the new building works.

In order for this project to be considered an overall “success” I believe broad based support needs to be gained from the community for the new village hall. We should aspire to achieve a result which not only gains support from the community, but also excites the community.

The project team needs to (a) ensure it is seen as running an open and transparent process and (b) engage with user groups and the wider community in order to gain their support.

The current design is not an excessive or expensive style and although costs can be saved from various elements such as the quality of car parking and internal fit out, there is no getting away from the fact that achieving substantial cost savings will simply require a smaller hall.

Three options have been considered in the last few weeks and they are merely examples of what could be pursued with public support. They are (i) tweaking the current proposals to save some costs, (ii) a much smaller hall capable of being built within the limitations of the current assets of the VHMC and (iii) a midway option

It is recommended that these 3 options are designed and costed more fully, discussed with the various user groups to get their comments and then (after any amendments) exhibited to the public in early 2019 to get their feedback and suggestions. Following any changes due to the public feedback a “final” single proposal will be worked up in full detail, including the financing options and implications.

We should ensure, as far as possible, that anyone in the village who is prepared to offer their services for free, or at cost, is given every opportunity to be involved in the project.

In the meantime we should (a) continue to work with the existing Architect and Quantity Surveyor, (b) engage a legal advisor to begin working to ensure we have a good and marketable title to the existing site and also (c) appoint an agent to advise on the existing site. We have already created a working party to look at all financing options and they need to be ready to report early in the new year.

1 INTRODUCTION

Introduction

I am a chartered surveyor who has lived in the village for almost 10 years. A brief professional resume is attached.

I have offered my services to the VHMC and have started undertaking a thorough review of the current proposals and I have set out below my initial thoughts and also recommendations as to how I believe we should proceed from here. To my mind nothing is set in stone and all aspects need to be reviewed, including how the community is consulted and engaged in the future.

This is an initial report only, pending further work on various issues.

Scope

The scope of this initial report is to (a) review where we are now in the project and (b) look at the appropriate process that should be undertaken in order to complete the construction of a new village hall. Its scope does not include the detailed design of the hall as it is recommended this is a decision taken by the VHMC after further consultation with the wider community. Any options considered in this report are used merely as illustrative examples of the type of project that might be delivered.

Methodology

The approach I have taken is to (a) review the costs of running the existing hall and consider whether it is economically viable in the short/medium term, (b) review the design and cost of the current proposals, (c) look at lower cost options and (d) consider and recommend the way forward.

Background

The latest proposals for the new village hall (NVH) have evolved over many years during which time numerous people have put an enormous amount of time and effort into the project. The current proposal is set out in the "Business Plan for a New Village Hall" dated July 2018. This anticipates a total cost of £813,000 and shows the plans and elevations of the current design.

I have started reviewing all elements of the project including cost, design, financing and process. I have not assumed that any part of the current project plan is sacrosanct. I have met with the incumbent Architects and Quantity Surveyors and reviewed the current business plan.

I am aware that there is disagreement in the community as to how to best proceed as well as there being a number of people who have voiced their distrust of the current process and proposals. I have taken this background into account in my review and it has been reflected in my initial recommendations as to how to proceed from here.

The development of any bespoke building is an iterative process whereby a user "wish list" is translated into specific designs and plans, which need to be costed and then checked for financial acceptability. This process often requires multiple iterations in order to find an acceptable balance between user demands and the inevitable financial constraints.

My review suggests that input has been obtained from a variety of current and potential users and the wider community, a scheme was then designed to fulfil these various requirements and the cost of these proposals has appeared excessive, to some people.

This point in time seems to be an appropriate moment to review the current proposals and consider lower cost options. Any new potential options which evolve then need to be discussed with the current and potential users and the wider community to gain a consensus for the ultimate design (and cost) of any new village hall.

Community Engagement

My impression is that parts of the community do not feel they have been fully engaged. Whether this is right or not is not my remit to comment on, but I do recommend we commit to engage with the community in as wide a sense as reasonably possible to ensure the project is fully understood and to gain feedback on the possible routes forward. This would include reviewing the original assumptions underlying the project. The process needs to be open and transparent and involve all those who wish to express a view. This may well include a further series of events where the project is open for public scrutiny, discussion and comments such as a few “open evenings” where the Steering Group, along with the Architect and Quantity Surveyor are available to receive feedback and answer questions on the project.

In order for this project to be considered an overall “success” I believe broad based support needs to be gained from the community for the new village hall. We should aspire to achieve a result which not only gains support from the community, but also excites the community.

2 EXISTING VILLAGE HALL

Existing Village Hall – maintenance costs

It is important to fully understand the current state of the existing village hall and its likely cost of being operated in the next few years. An independent professional building survey (by Castons) has been commissioned and the executive summary is attached as an appendix. It can be seen that there will be substantial costs to be expended in the coming years in order to keep the existing village hall in even the most basic condition to allow it to continue to be used.

The survey recommends that almost £60,000 is spent immediately, with a further large sum of £14,000 in 2-5 years’ time and another £17,000 in the longer term. In addition, in order to be compliant with various statutes in the short term, another £20,000 may be required.

These recommended costs are over £100,000 in the next 7 years or so and, in the main, keep it capable of functioning, but do not address the overall appearance of being dated. These costs are not a refurbishment, but merely ensuring it is capable of use at the minimum standards.

The report summary comments that “If all recommended upgrade works are undertaken, the building would remain well below current thermal performance standards. External cladding and re-roofing of the main roof would be required to achieve these objectives and could well double the short term costs”, subject to further detailed survey, reflecting the particular age and construction of the building.”

My conclusion therefore is that the indefinite operation of the existing village hall is simply not a commercially viable option and it is correct to plan for a replacement as soon as possible.

3 CURRENT & LOWER COST OPTIONS

Project Cost

I believe the biggest challenge is the current predicted cost of the project. The current plan anticipates a total cost of £813,000 which some believe does not give value for money and others believe is simply too expensive.

I have met with the Architect and the Quantity Surveyors (QS) on a number of occasions to discuss the design and cost. There is no right or wrong way to design a village hall, but they have an enormous amount of experience and have been very helpful.

My initial remit to them was threefold:

A To seek to “tweak” the current proposals to see if we can save any significant costs.

B To design and cost another option which gives the community most of what it is seeking, but at a substantially reduced cost. There was no specific cost target given but the QS, Architect and I undertook an iterative process looking and re-looking at design and cost together to reach a midway solution between A (above) and C (below). The total cost used (purely for illustrative purposes) for this midway option is in the order of £650,000.

C To design a new village hall assuming we have a total of £500,000 with which to build a replacement hall. This sum was chosen as it is very roughly equivalent to the current assets held by the VHMC, (including the existing hall site).

Option A = Current proposal

Option B = Midway option

Option C = £500,000 option

On the assumption that it would not be appropriate to design a bigger and more expensive hall and also that the current funds should all be used to build a new hall, Options A and C are likely to be the most expensive and lowest cost options sensibly worth considering. Option B is merely an arbitrary middle ground between Options A & C. It is not a proposal, but merely an indication of a midway alternative.

In such a short space of time since I started this review, the tweaking of the current proposal and the new designs and costs of the other two options are no more than indicative and need a lot more detailed work in order to be reliable. However, they give an idea of the possible outcome and an order of magnitude of the costs, but no more.

The external appearance and overall style of the new hall is not extravagant and gives a finished hall which is “middle of the road”. Savings might be made at the margins, but it would probably result in a less than attractive overall appearance.

Although costs can be saved from various elements such as the quality of car parking and internal fit out, there is no getting away from the fact that achieving substantial cost savings will simply require a smaller hall.

The current round of sketch drawings and estimated costs suggest that the midway option (B) will have a total floor area of circa 204 sq m and the £500k option (C) will have circa 163 sq m. These compare to the current proposal of 343 sq m and the existing hall of 212 sq m. Although options B

and C have smaller floor areas than the existing hall, the layout will be much improved and the quality of the building will be incomparable.

The table in the appendices shows in simple terms the comparison of the various options together with the existing hall.

4 RECOMMENDATIONS

Community participation

At the public meeting in May a number of people very kindly offered their services to undertake work on the project “at cost” ie without profit to them. This offer is greatly appreciated and will be taken forward and included in the tendering exercise to choose a contractor. It is hoped that a number of local people and businesses will be able to participate in this way.

The process of finding a suitable contractor will be run by our QS advisors, Castons. They are aware of the offers to contribute and have suggested a way in which this can be included.

It is their recommendation that we should appoint a single contractor to undertake the construction of the hall and have strongly advised against a series of contractors who would need to be dovetailed together to produce the finished hall. Their recommendation is that they prepare tender documents on the basis of seeking a single contractor but that they will also produce tender documents for any individual elements which a local person may wish to bid for. In this way Castons will know that the bids from various entities are all on the same basis and they can then properly compare and evaluate the different bids.

If Castons receive compliant bids for any of the individual packages, they will pass these on to the chosen single contractor with a proposal that they use the sub-contractor (ie the local business) if they are satisfied the work can be done by the local business (a) properly and to an acceptable standard and (b) at a cost which is cheaper than the main contractor was proposing.

The interest of local people will therefore be warmly welcomed, but they will be required to fit in with the professionally run process that Castons will undertake for us.

User Groups

The existing village hall is used by a number of different groups and others have expressed an interest in using a new village hall. It is recommended that these user groups are consulted again as part of the process to reach a decision on the final details of the project. If a different village hall is pursued on a lower budget than currently envisaged, there will undoubtedly be an impact on the users and potential users and it is recommended that their views are sought quickly as part of the iterative process to reach a final decision.

Professional Advisors

This is a critically important and financially substantial project for Grundisburgh and I believe we need excellent professional advisors to advise and guide us through this project. It is often difficult for a client to differentiate between competing firms but experience tells me that the key element is the actual person at the firm who is leading and taking responsibility for the advice. In my experience we need the following professionals to advise us:

Architects

I have interviewed KLH and believe they are an excellent firm of architects to continue to advise us. They won an initial competition to be the architects and I endorse that decision. Alan Wilkinson is the lead architect and he has many years of advising communities on new village halls. Alan has provided invaluable advice on what might work and what will not, in the most recent discussions I have had with him. I recommend we continue to work with KLH.

Quantity Surveyors

The Quantity Surveyors that have been advising so far are Castons. They are a highly regarded local firm and they were recommended by KLH. Peter Dring is the head of the Ipswich office and is personally dealing with this instruction. Peter and Alan have worked together on numerous occasions and have been an excellent team in assisting me with this review. I recommend we continue to work with Castons.

Lawyers

Although it may well be some time before we need a lawyer to execute the sale of the existing site for us, I recommend we appoint a lawyer at this juncture. I have reviewed the current legal title and although I am not a property lawyer, in my experience there would be a distinct advantage to us undertaking now any work required to ensure we have a "good and marketable title" to the existing site. The land is not registered and I would recommend we seek to get it registered with the Land Registry now as this will give us time to resolve any wrinkles which might otherwise have arisen in the conveyance process. The sale of the existing site is a critical part of this project and we need to ensure it occurs as smoothly as possible.

In addition to the usual conveyance of the existing site, we may well need legal advice on aspects specific to the VHMC including all the conditions it will need to have complied with in order to be able to undertake the sale. There will also be elements of the contract for the construction of the new village hall where legal advice is required.

I have commented above that the person taking responsibility for the instruction is at least as important, if not more so, than the firm itself. Paul Whittingham has been involved with the VHMC for 10 years and has offered the services of Ashtons Legal, where he is a partner, to undertake our legal work. I believe Ashtons are a capable and experienced firm but I think we would gain extra comfort from knowing that Paul will be the partner taking overall responsibility for their work for the VHMC.

Ashtons have provided a quote to undertake the work and this will be benchmarked against other local lawyers at various stages to ensure the VHMC gets value for money. On the assumption value for money can be evidenced, I would recommend we appoint Ashtons to be our legal advisors.

Agents

It is likely to be some time before we want to market the existing hall site. However, I believe it is an appropriate time to begin the search for our retained property advisors who will be able to advise on all aspects of the sale. I would seek from the appointed agent a written report on the value of the existing site, with its current consent. They should also advise on any ways we can increase the current value and give advice on the future timing and method of sale. In my experience it would be a mistake to appoint an agent at the last minute when we think we are ready to sell.

I recommend we seek written presentations from 3 or 4 agents in the next few months and based on those presentations and any interviews we may wish to hold, we appoint a property advisor as soon as reasonably practical.

Finance

Whilst it is ultimately for the community to decide, my working assumption is that the community will wish to have a new village hall which will cost more than the amount the VHMC currently holds as assets. This is not a pre-determined outcome, but merely a sensible working assumption which will then lead us to investigate outside finance for any potential shortfall. If the community's preference is however, for a cash neutral scenario, then any additional third party grants identified would allow us to improve on this cost neutral option and provide a more expensive (and one would intend, better) hall.

David Scrivener has recently accepted an invitation to join the Steering group. David is the Managing Partner at Ensors, the well-respected firm of accountants and he lives in Grundisburgh. David will head a small working party to focus on third party finance options. They should not be restricted on what they could consider and this should include debt, donations, grants and any other fundraising options. It may be that the community wishes to commit to raise some money collectively for (say) some of the fit-out of the hall, by holding various events. The finance working party would liaise with anyone who wanted to undertake community fund-raising.

Obtaining finance (assuming extra money is needed) is a critical part of the project, and I recommend we undertake further background research to augment the research undertaken by Peter Kendall already. We need to be careful in each instance that we have sufficient detail settled when we make each approach for funding. Some entities will require a full business plan, others will require "audited" accounts of the VHMC. Care needs to be taken to ensure we have whatever is required to stand the very best chances of success in obtaining the funds we are seeking.

There is a financial imperative to complete any new hall sooner rather than later. The construction industry is currently predicting above RPI cost inflation. The current assets of the VHMC consist of roughly £260,000 in cash (which will be earning virtually nothing in interest) and roughly £200,000 in the value of the existing hall site. Because of the relativity of the amounts (assuming a build cost of around £500,000), the site value would need to rise well above the new build cost inflation for the absolute amounts to cancel each other out and keep the financial gap between the current assets and the example build costs the same. There is no expectation within the property industry that there will be site value increases of this far ahead of inflation in the next few years.

Existing Village Hall - planning consent - 1

KLH has been asked to review the outline consent which was obtained on 13th April 2017 and consider whether in the current planning climate there is any possibility of obtaining a more valuable consent. The current permission will expire on 13th April 2020.

Existing Village Hall - planning consent - 2

One condition in the current planning consent does not allow the demolition of the existing hall until the new hall is completed (not just started, but completed). This is a worthy thought and clearly it would be the intention to have the new hall open before the existing one is demolished. However,

there may be an issue with the timing of the sale receipt for the existing hall site in this instance ie a timing gap.

The substantial sum of money (circa £200,000) tied up in the existing hall site is a crucial part of the overall financial plan and is required in order to be able to build and complete the new hall. It may be possible to persuade a buyer of the existing site to complete on the acquisition and pay the full amount of the sale price before they are able to start their new build of 2 houses. This, however, would be very unusual as most buyers would seek to merely exchange (with a 10% deposit) and only complete when they can move onto the site to start demolition. Under these circumstances, the site buyer would be running a remote, but nonetheless financially substantial risk that the VHMC never finishes the new hall.

Another alternative to help cover the timing difference between receipt of sale proceeds and requirements to pay the builder, would be to seek a contractor on the specific understanding that they allow payment of the last (say) £200,000 of the building contract to be made after Practical Completion (PC).

In either instance of the land buyer or the contractor effectively funding our timing gap, there may be a cost to us of so doing. They will definitely be taking risk and probably be incurring finance charges and they may seek to reflect that in their bid prices. It is also possible that we cannot find a counter-party who will take this risk.

One option is to seek to have this specific condition in the planning consent removed completely. KLH's discussions with SCDC confirm we will get a formal response to this request if we make a "pre-app" which is relatively inexpensive to do, rather than straight away seek a variation to the current consent.

The intention to avoid being without a village hall of any kind is clearly a priority. However, it is possible the specific planning requirement might either (a) cost us money in increased build costs or (b) reduce the sales price of the existing hall or even in extremis (c) cause the new hall not to be built through lack of funding.

If this condition did cause a problem with the plan for a new hall, and delay the construction of its replacement, the building survey commented on above suggests the existing hall is not capable of realistically being operated in the medium term.

It is therefore recommended that KLH make a pre-application to have this condition removed.

If SCDC refused to remove this condition a fall-back option would be to seek to have it amended so that the demolition of the existing hall can take place once the new hall has been started (as opposed to finished). Whilst it would be the intention not to close the existing hall until the new hall is open, this relaxation might be sufficient to convince a buyer of the site that it is not taking an undue risk.

Recommendations

Before the end of 2018

Continue the iterative process to identify the most appropriate option/options.

Undertake more work on the design and costs of various options.

Ensure user groups are consulted further on various options.

Appoint/continue with the relevant professional advisors for the new build, legal and site sale elements.

Seek to remove the planning condition requiring “new hall completion before existing hall demolition”.

Mandate the working party to focus on third party finance options.

Prepare for wider community engagement on various options.

Early 2019

Report back to the VHMC on more detailed recommendations and progress

Undertake a community wide consultation to ascertain public opinion (which may include more than one option)

5 APPENDICES

Bryan Laxton - a brief professional resume

Bryan is a Chartered Surveyor with over 35 years business experience mainly at Cushman & Wakefield - one of the world's largest real estate advisory firms. Bryan served on the UK Board for 11 years, including 5 years as CEO and the EMEA Board for 8 years. Whilst he was CEO, C&W in the UK had around 750 employees and turnover of circa £100m pa. Bryan joined the board of Notcutts in 2015 and became a Trustee of the Seckford Foundation in 2017. He advises Turn2Us (the UK poverty relief charity) on their strategic property matters, having previously been a Trustee for 5 years. Earlier on 2018 Bryan managed and completed a 50,000 sq ft development in Bagshot comprising a Waitrose and three other retail units on behalf of the original site owner and developer.

Castons' Building Survey

Executive Summary

Castons have been commissioned by the Grundisburgh Village Hall Management Committee (The Committee) to undertake a condition survey of Grundisburgh village hall and to report on the findings with regard to the current condition of the building fabric and the longer term maintenance liability, together with statutory compliance issues.

The report does not include a review of the current or anticipated future capacity of the facility, nor any particular function or activity, but should be considered alongside any future aspiration of the committee, for spatial and financial planning purposes.

The building is advised to have been constructed in 1926, with further alterations and extensions completed in the 1960s. Building standards have significantly improved since construction, but there are no obligations on the committee to comply with these standards while the building is retained in its' present form. However, any proposals for alteration to heating or thermal elements of the building fabric, will be required to meet minimum standards. For example, in the certain event the flat roofing will deteriorate and require replacing, there is an obligation on the building regulations to upgrade the thermal element as part of that work, to current standards. Similarly the boiler replacement will also be required to meet minimum standards of efficiency.

Generally the building is functional but 'tired' and is in need of updating to continue to provide standards of hygiene, thermal comfort and energy efficiency expected from those paying to hire the building. However, there are other statutory considerations to be observed by the committee where the premises are provided for private hire and public access. These include the Equality Act 2010, The Control of Asbestos Regulations 2012 and the Regulatory Reform Order (Fire Regulations) 2005, among other general provisions of health and safety and statutory inspection.

Further advice is provided within this report with recommendations for further surveys to be undertaken. Potential compliance costs have been included in the budget cost report as a set of 'below the line' additional costs that may be anticipated to be required, subject to the further survey recommendations.

Notably, the Equality Act and in particular the provision of inclusive facilities, could have a significant impact on the continued use of the hall, where facilities such as an accessible toilet are not provided. The report identifies short term (1-2 years), medium term (2-5 years) recommendations for maintenance and improvements recommended to leave the building in a reasonably maintainable state, from which regular planned preventative maintenance activities can be set in place over the longer term (5-10 years). The initial short term costs are assessed a (rounded up to nearest £1K) £58,000, medium term, £14,000 and longer term maintenance at c. £17,000, based on a programme of planned preventative maintenance.

Further 'below the line statutory compliance costs have been assessed at a further £20K (short term), £2k (medium term) and £3k (long term), subject to further survey reports.

Budgeted costs have been based on the Building Cost Information Service (BCIS) produced and updated by the Royal Institution of Chartered Surveyors (RICS), where applicable.

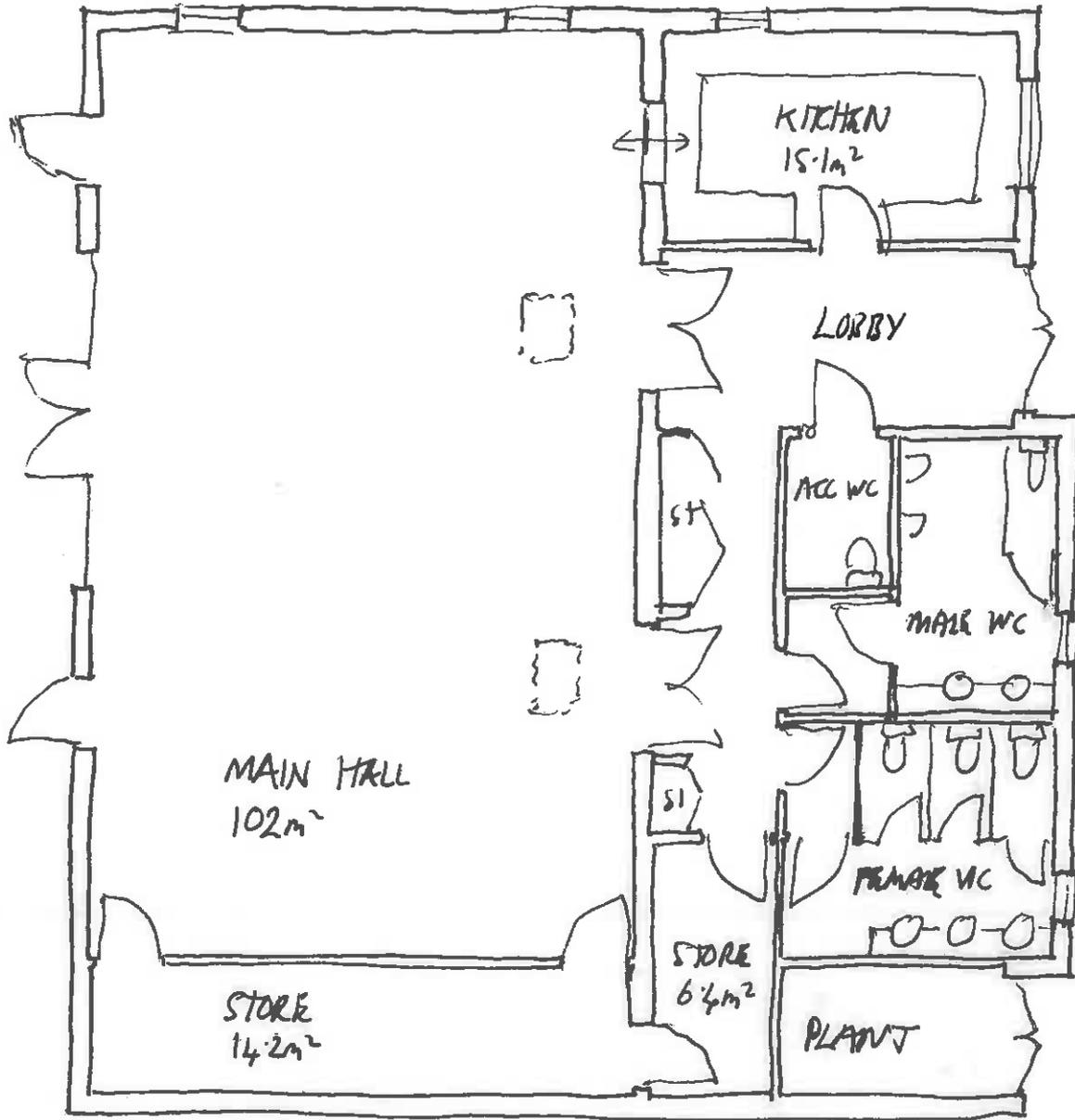
If all recommended upgrade works are undertaken, the building would remain well below current thermal performance standards. External cladding and re-roofing of the main roof would be required to achieve these objectives and could well double the short term costs, subject to further detailed survey, reflecting the particular age and construction of the building.

KLH's Sketch plans for Options B and C

See attached pdf "2018 10 18 KLH sketches of Options B & C"

KLH's comparison of the various options currently being considered

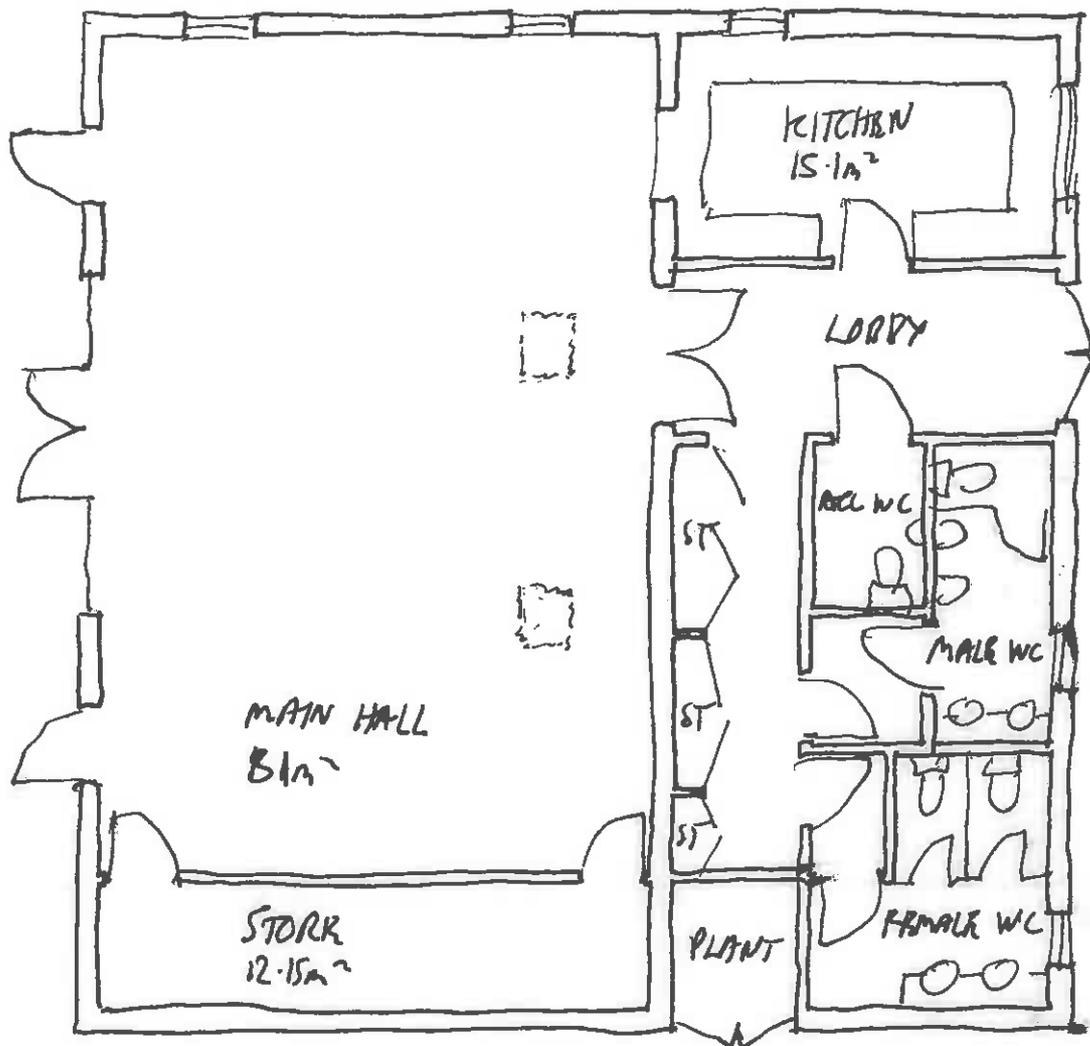
Grundisburgh Village Hall – Notes on effects of overall floorspace reductions					
	Existing Hall	Option A (current proposal)	Option B (midway option)	Option C (smallest option)	Notes
Overall floor area in sq metres	212	343	204	163	
Capacity (apprx, subject to licencing)	150 Seated in rows or 180 standing (note inadequate sanitary provision)	170 Seated in rows or 200 standing (all excluding stage)	120 seated in rows or 140 standing	80 to 100 (dependent upon building control view)	Some Building Control Officers will allow disabled wc to double as female priority)
Kitchen size in sq metres	12.9	28	15.1	15.1	Adequacy of kitchen can be assessed comparatively against the kitchen in the existing building.
Storage in sq metres	20.2	62.5	22.1	14.6	Storage in all new options assumes mobile staging
Carpet Bowls to club standards?	Y x 2 mats (assumes level floor)	Y x 2mats	Y x 2mats	No	Option A Scheme depends on stage being formed in mobile units
Sanitary provision	Fem 2 wc Male 1 wc & 2 urinals	Fem 4 wc Male 2 wc & 2 urinals 1 Disabled wc	Fem 3 wc Male 1 wc & 2 urinals 1 Disabled wc	Fem 2 wc Male 1 wc & 2 urinals 1 Disabled wc	No disabled wc in existing hall. Quality higher in new.
Main Hall size	127	124	102	81	
Committee /small meeting Room	N	Y	N	N	



OPTION B MEDIUM PRODUCTION
 (Assumes approx £600K overall project cost)
 Area 20 1/2 m²

GRANDIERBURGH VILLAGE HALL
 Scale 1/100

OPTION 2-1 17/10/18



OPTION C MASON PRODUCTION
 (Approx 45000 overall project cost)
 Area 163m²

GRUNDISBURGH VILLAGE HALL

OPTION 3.1

Scale 1:100

17/10/18