

**RIBBLE VALLEY BOROUGH COUNCIL**  
**REPORT TO POLICY AND FINANCE COMMITTEE**

DECISION

Agenda Item No 9

meeting date: 29 JANUARY 2013  
title: GISBURN FESTIVAL HALL FUNDING REQUEST  
submitted by: DIRECTOR OF RESOURCES  
principal author: TRUDY HOLDERNESS

**1 PURPOSE**

- 1.1 To consider a request for a short term loan from Gisburn Festival Hall for £36,000 pending receipt of a grant from the Rural Development Programme for England (RDPE).

**2 BACKGROUND**

- 2.1 Gisburn Festival Hall has applied for an RDPE grant towards the cost of improvements to the insulation and heating of the main hall.
- 2.2 The total cost of the work is £48,950. A village amenities grant of £10,000 has been approved from this Council and a £2,950 contribution from the hall has already been raised.
- 2.3 The funding from RDPE is subject to the festival hall being able to cash flow the project before any monies would be paid.
- 2.4 We have in the past received and approved similar requests but funds have been processed via the relevant Parish Council.
- 2002 - Advance of £25,000 to Chipping Parish Council to alleviate cash flow difficulties pending receipt of SRB grant for Village Hall (no interest paid, advance repaid within 2 months)
  - 2003 - Loan to Waddington Parish Council for £5,000 over 5 years for car park (charged interest at 5%)
  - 2005 - Advance to Gisburn Parish Council for £6,000 to alleviate cash flow difficulties pending receipt of SRB grant to purchase land for increased car parking for Gisburn Festival Hall. (no interest charged initially, base rate charged for period October 2006 to December 2007)
  - 2009 – Chatburn Parish Council – grant for Chatburn Playing Fields Pavilion for £8,500 (no interest, repaid in annual instalments)
  - 2012 - Most recently at the last meeting of this committee it was agreed to advance to West Bradford Parish Council £55,000 to alleviate cash flow difficulties pending receipt of RDPE grant (interest-free cash advance for a period of no longer than 4 months)
- 2.5 In 2001 Planning and Development Committee supported the development of an advance / loan fund for £30k to support community projects grant aided via Single Regeneration Budget (SRB) grants whereby grants were only paid on defrayed expenditure hence cash flow difficulties encountered.

**3 REQUEST FROM GISBURN FESTIVAL HALL**

- 3.1 The letter received from the Chairperson of the Gisburn Festival Hall Committee is attached at Annex 1.

- 3.2 The request is for a short term loan of £36,000 split into 2 payments of £14,700 in May and £21,300 in June 2013. To be repaid at the end of June and July once RDPE grant has been received.
- 3.3 If committee were to support this request consideration would need to be given to whether support should be either:
- A cash advance repayable as soon as practicable but no later than 4 months after the advance.
  - Or a short term loan with interest charged over the period of the term.
- 3.4 As shown above similar requests in the past have been from Parish Councils. This request however, is to the Festival Hall direct.

#### 4 RISK ASSESSMENT

- Financial – As set out in the report. The risk to the borough council is greater as the advance is to be made to the Gisburn Festival Hall rather than to the Parish Council, should there be a default on repayment. If approved the payment of the loan/ advance would be monitored via the Council's financial management system.
- Technical, Legal and Environmental – Dependant on if and what type of support was to be agreed there would be legal risks. Terms would be agreed before any advance would be made, these would have to take account possible security for a loan and the implications of any restrictions, if imposed, on the grant
- Reputation – The council has been keen to support requests of this nature to support community based projects in the past.
- Political - None

#### 5 RECOMMENDED THAT COMMITTEE

- 5.1 Consider the request from Gisburn Festival Hall and either;
- a) Agree an interest free cash advance of £36,000 payable to the Gisburn Festival Hall in two instalments for a period of no longer than 4 months after the initial advance.
  - b) Agree a short term loan of £36,000 for a period agreed with the Gisburn Festival Hall and subject to interest at the prevailing rate.
  - c) Decline the request to support the project in this manner

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF3-13/TH/AC  
16 January 2013

#### BACKGROUND PAPERS

Minute No. 111 - Planning and Development Committee 2001 - Advance Funding for Community Groups involved in SRB V

Minute No. 236 - Policy and Finance Committee 2005 - Funding for Gisburn Festival Hall – advance approved of £6,000

Minute No. 758 - Policy and Finance Committee 2002 - Advance approved to Chipping & District Memorial Hall pending grant aid

Sept 2003 - Loan towards Car Park - Waddington Parish Council £5,000

Minute No 272 - Policy and Finance Committee 28/07/09 - Approved a grant to Chatburn Playing Fields Committee payable to Chatburn Parish Council for £8,500 to be repayable

Minute No 449 – Policy and Finance Committee 20/11/12 – Approved interest free cash advance of £55,000 to West Bradford Parish Council for a period of no longer than 4 months.

Giles Bridge  
 Gisburn Festival Hall  
 C/O Hawthorn Barn  
 Skipton Road  
 Gisburn  
 BB7 4HP

11th December 2012

Jane Pearson  
 Director of Resources  
 Ribble Valley Borough Council  
 Church Walk  
 Clitheroe

DX 15157 Clitheroe

DIRECTOR OF  
 RESOURCES

14 DEC 2012

FAO

Dear Jane

In response to your email I am writing to ask if the Finance and Policy Committee of Ribble Valley Borough Council would consider providing a short term loan to Gisburn Festival Hall during works to be completed by the hall to improve the insulation and heating of the hall. Gisburn Festival Hall is a registered charity no 1060898, which is made up of representatives of the hall users and the village and has responsibility for the management of the village hall.

The hall is currently applying for funding to dramatically improve the insulation and heating of the main hall. The works to be carried out are the phasing out of inefficient and expensive LPG boilers, which currently heat the hall and the hot water. The first stage of these plans is to improve the insulation of the main hall, install an air source heat pump and underfloor heating in the main hall. The total cost of this project is £48,950. In the medium term we aim to improve the insulation of the whole hall and run all of the central heating and hot water from the air source heat pump, with the majority electricity to power the air source heat pump being generated by PV panels. We are currently preparing funding applications to carry out this 2nd stage of improvements to the hall. When the heating and insulation of the hall have been sorted out we then aim to establish a monthly Farmers' Market from the hall.

#### The immediate need

The boiler and central heating system in the hall has become increasingly costly and unreliable. Heating costs now account for 40% of total hall expenditure and are expected to be over £3,000 in this financial year. The problems with the reliability of the heating system have caused the hall to lose a number of regular bookings, mainly for fitness related activities. The long term viability of the hall is therefore at risk unless we improve the reliability of the heating system and reduce our heating costs.

#### The funding application

As stated above the total cost of the project is £48,950. We have received approval from the Village Amenities Grant of Ribble Valley Borough Council for £10,000 to contribute to improving the insulation of the hall. We are currently applying for RDPE funding through Pennine Lancashire for £36,000 to complete the insulation, install the air source heat pump and underfloor heating. That application has gone to appraisal this week. We plan to contribute £2,950 which has been raised over the last year towards the costs of the project.

The funding from ROPE is contingent upon us paying for the works and then recouping the money from ROPE about 6 to 8 weeks later. The hall's reserves are £9,800 and will therefore not be sufficient to pay for the works and then claim the money from ROPE. Those reserves have been earmarked to pay for the works approved in the Village Amenities Grant.

The schedule of works and payments is as follows:

Phase 1	Insulation	
April 2013	Village Amenities Grant works	£10,000
	ROPE Grant works	£14,700
May 2013	Pay contractors	£24,700
	Submit claims	
Phase 2	Instal pump and underfloor heating	
May 2013	RDPE Grantworks	£21,300
	Hall's contribution	£2,950
June 2013	Receive Village Amenities Grant	£10,000
Mid June 2013	Pay contractors	£24,250

Submit claims

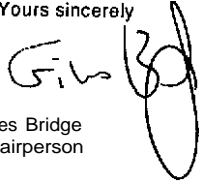
End June 2013	Receive 1st RDPE payment	£14,700
End July 2013	Receive 2nd ROPE payment	£21,300

The short term loan sought therefore amounts to £36,000 to pay the contractors prior to receiving the RDPE funding. The first tranche of money sought would be £14,700 in May 2013. The second tranche of money sought would be in mid June 2013 and would be £21,300. It is hoped that the £14,700 would be paid back by the end of June and the final payment of £21,300 would be paid back by the end of July.

The hall itself is not subject to any charges or mortgage. I enclose a copy of our last year's accounts which sets out the current financial position of the charity and sets out the assets of the charity, which are in excess of the £36,000 sought. If necessary the hall would agree to a charge being placed upon the hall. I also enclose a copy of the trust deed setting up the charity.

Please contact me if you require any further information.

Yours sincerely



Giles Bridge  
Chairperson