

Planning an extension, refurbishment or a new build village hall

Attracting funding for an extension, refurbishment, new build or similar project is challenging. This information sheet provides guidance based on the experience of the ACRE Network.



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Appendix A Terms of reference for a building project sub-committee



Introduction

This information sheet is intended to provide core guidance for any group of people who want to create a new community use building or refurbish or extend an existing one. This group is likely either to have already constituted itself as an organisation with charitable status or to be in the process of doing so.

It also aims to cover all the key elements of the process, from the beginning of the idea all the way through to getting the money and spending it. It deliberately doesn't try to give lists of funders or outlines of government policy or any other information that is date sensitive. Sources of funding, what given funders will provide money for, change so frequently that to provide funders lists could lead to the information sheet becoming partially inaccurate very soon after publication. Instead, the aim is to provide the best possible links to sites or organisations which we know will provide up to date information.



1. The fundraisers

1.1 What you can get funding for and what you can't

- Funders, whoever they are, want to pay for new work, projects that add to facilities. They will need hard evidence that the people at whom the project or facilities is aimed want what is being offered them.
- They will very rarely be prepared to give replacement funding i.e. the running costs of a service which has lost its original funding.
- It is fair to assume that funders will never pay retrospectively for work that has already been started or completed.
- They will very rarely pay for anything that could be defined as routine or predictable repairs and maintenance. They expect committees to save money from annual surpluses to pay for these things. If a repair can be achieved as part of a building programme that leads to improved facilities, then it may be fundable.

1.2 Who is going to do it?

The idea of raising money will have come from a committee or from the results of consulting a community about what it wants in terms of facilities. But the actual business of defining and designing the building work whether a new build or refurbishment and then raising the funds, cannot be done by a large group of people. The bulk of the work will have to be done by a small group of 4 or 5 with one off tasks being given out to specialist volunteers.

1.3 What skills will they need?

This group should either include people with the following skills or be able to draft in people who have them as needed:

- An ability to work with statistics – facts about the people who live in the area the project will benefit
- An ability to work with budgets to produce accurate costings and expenditure charts, to spot where quotes don't add up
- An ability to write clear, accurate, persuasive prose
- Negotiating skills - face to face, on the phone, with a wide variety of people from a range of professions

- Attention to accuracy. With fundraising the devil is in the detail. Getting facts wrong, leaving questions unanswered are the most common reasons for applications ending in the bin.
- Public speaking ability when reporting back on progress, motivating the wider community. Someone who can get the message across convincingly.

14 Getting wider involvement

There is a place, however, for wider involvement. It is always helpful to be able to demonstrate to potential funders that people across the community are prepared to give time and effort to raise funds for the project rather than just leaving the whole effort to a selected few. Offers to organise fundraising events should be welcomed. Not because they will raise huge sums but for the demonstration of commitment. Evidence can then be produced for funders of how much local people want and are prepared to do to support your project. If people are stuck for fundraising ideas consider asking someone in the community to access the internet and produce a comprehensive list from the ideas they find.

15 Time and effort

Generally the more money you need, the longer it will take to raise it. A small improvement to a building costing £10,000 might take 6 months from idea to completion. A large scale refurbishment or new build worth hundreds of thousands could take 3-4 years start to finish. The bigger the project the more stamina the fundraising group will need. The more the group accepts that there will be a requirement for many meetings, that there may be disappointments and unforeseen complications, the better the chances that they will stay the course to eventual success.

16 Sub committees

The fundraisers group will need to be created as an official sub committee of the main management committee. A clear written mandate i.e. terms of reference that will cover each stage of their job. It's very important to get the balance right in terms of the responsibilities given in the terms of reference. A sufficiently wide mandate so that the sub committee doesn't need to refer back to the main committee on every single point and thus risk crucial delays. But not so wide that there are dangers of the sub committee acting alone resulting in the main committee being out of touch with the process

Getting facts wrong and leaving questions unanswered are the most common reasons for applications ending in the bin.

and feeling that the project no longer belongs to them. See Appendix A for model terms of reference.

There are key points in the process where the main committee should always be involved in the decision:

- finalising the specification and design
- deciding which funders to approach
- approving the outcomes, the results that the bid says the project will achieve i.e. when targets will be met, the numbers of people who will benefit. The committee must be fully satisfied that the targets are realistic because they will be responsible for ensuring they are met.
- accepting conditions on grant offers,
- placing contracts with architects and builders.

2. The legal necessities

To be applying for capital funds of any size your organisation needs to have a formalised and recognised existence. You may be a traditional village hall charity or one with company status. If you are a Parochial Church Council you are an exempt charity. You may be a community interest company, a cooperative or a parish council raising capital funds for your hall. Whatever your situation you need to answer five questions before you embark on fundraising:

2.1 Does your area of benefit as defined in your governing document cover all the people your funding applications will state that your project serves?

If it just says the people of x parish and your potential beneficiaries will come from a significantly wider area then you should take steps alter your governing documentation. Contact the Charity Commission or your local ACRE Network member Member. See also **ACRE's Village Hall Information Sheet 40, Village halls and governing documents**. This will pre-empt potential funders rejecting your bids on the grounds that your charity is acting beyond its defined geographical borders

2.2 Will your chosen funders let your type of organisation apply to them?

Funders vary in what types of will allow to apply. Don't

assume you are eligible. If in any doubt, telephone or email them to check before you start any work on a bid.

23 Who owns your building?

If your organisation is a charity then you will not hold the legal title to (i.e. own) the building because charities are not legal entities. The actual ownership will be vested in custodian or holding trustees. These might be named individuals, the local parish council or the Charity Commission. Check your governing document. The committee are the managing trustees with the day to day responsibility for the management and finances of the building. So there should be no problem about you applying to do capital work to enable your committee to provide such services.

If your organisation occupies the building, or part of it, on a lease everything will depend on how many years of your lease remain. The more money you want to spend on the building the longer the lease will need to be. If, for example you want to carry out minor improvements or refurbishment then 10 years would provide sufficient security of the funders investment. For a major project costing £100,000 and up, the funders will be looking for 15-20 years on your lease.

If your organisation only occupies the space you wish to improve on the basis of a hire agreement or licence then it will have to be the site owners who apply for capital works funding.

24 Is there an issue about Planning Permission?

You need to know if planning permission and the involvement of building control will be needed for the work you intend to do. If you have an architect working with you they can manage this. If not, you will need to contact the Planning and Building Control Departments to find out whether permission is needed and, if so, what the fees will be and whether they would anticipate you having difficulty with being granted the permission. See **ACRE's Village hall Information Sheet 1, Planning fees for village halls.**

25 Will the work be subject to VAT?

You will not be exempt from VAT just because you are a charity. The general rule is that refurbishment is subject to VAT at the full rate and new build is not. We strongly

To apply for funds of any size your organisation needs to have a formalised and recognised existence.

recommend that you receive written advice from HMRC before beginning any work or agreeing any contracts. See **ACRE's Village Hall Information Sheet 18, Village halls and VAT on building work and other purchases.**

26 Signing building contracts and meeting CDM regulations

If you are managing a large building project you will need to look at the insurances you require and compliance with Construction Design and Management regulations (CDM). Your architect should be able to advise you about CDM compliance and the necessary insurances you need to have in place.

3. Gathering evidence of need for your project

The better your evidence for why the project is needed the more likely your funding application is to be successful. The more money you want the better your evidence will have to be, the more facts and figures you must have. These are the key points to remember:

3.1 Statistics

You need all the relevant statistics about the population your project is intended to serve: the numbers, the proportion of people in different age groups and with different kinds of need. Focus particularly on those groups relevant to your project:

- For a project for a senior citizens centre you need all the facts about the over 50s; for an educational resource you need to know how many are not in education, employment and training and so on.
- If your project aims to offer space for decentralised services, you will want to look at how good public transport links are and the level of car ownership.
- For projects where under 5s provision is to be included, you will want birth-rate trends and the proportion of single parent families.

The main source for this information is likely to be your local authority's website which will carry the ward statistics. You may also want to look at projections of forward population trends which will be based on the last national census figures.

Remember to carefully log where you have got each piece of data from so that you can include these in your application forms.

3.2 Consultation

You may need to provide evidence of the need for your project by circulating a consultation questionnaire throughout the community you are serving. For bigger projects you will need compelling evidence that a clear majority of your catchment community want the services you propose to offer.

Clear minutes from a public meeting with a count of attendees and some indication of where people live will provide some indication of support but the relatively small numbers attending will limit its usefulness as evidence. You will need other kinds of evidence as well.

A carefully composed questionnaire put through every letterbox is the only way to get significant numbers of responses. Although this method is heavy on volunteer time, getting volunteers to go back a week after delivery to pick up completed questionnaires is the only sure way of getting a good rate of return. Avoid ending up with a situation where you can only tell funders that, say, 60% of a 10% return wanted the project. A return rate of 25-30% is more impressive.

Remember also that you may need to know what young people want and a single form put through a front door will probably not come back with their views represented. Going into assembly at the local school or circulating at a young people's event with a clipboard asking questions may help to fill this gap in your responses.

Preparing a good questionnaire is not a five minute job. A bad one will cause you serious problems in terms of the quality of what you get back and how strong the evidence it provides you with will be. So look at examples of other people's questionnaires or contact your local Rural Community Action member for assistance.

You may be in the situation of having done a questionnaire about your project some years previously. If this consultation exercise happened more than 3-4 years ago funders will start querying whether it is still relevant especially if there have been changes in your catchment population in the meantime. You may need to repeat the process.

Preparing a good questionnaire is not a five minute job.

33 Proving that your answer to the need is the right one

By the time you get to the detailed planning stage it may be blindingly obvious to you that the way you intend to meet the identified need is the right one, the only sensible solution. However, to get the money you need you will have to demonstrate to the funders that what you are presenting is indeed the right answer in terms of the facilities it offers and of value for money. To the outside observer, to the accountant seeking to ensure that public or charitable money isn't wasted there might appear to be other cheaper solutions to the needs identified. They might ask why evening and holiday time capacity in the local school wasn't being used instead. Why pews could not be taken out of the local church and toilets and a kitchen put in? Couldn't user groups share space better? Couldn't existing buildings be refurbished instead of providing a new building?

To make sure you have a cast iron case you need to sit down as a group and get one half of your number to play devil's advocate while you list and work round all the spaces/buildings in your community which might just be the answer.

4. Capital work - planning and design

For detailed guidance on planning and designing your adaptations or new build projects consult Plan Design and Build, but the basic points to remember whatever the scale of your project are these:

- Make sure your architect knows as much as possible about how the building will be used, by whom, what for, and in what combinations. The more they know the better your design is likely to be.
- Consider the environment. Add the highest possible standards of insulation. Extra costs will be paid back with huge dividends in running cost savings over the life of the building. Make sure you have a heating system that will work economically for the pattern of use you envisage.

- You need lots of different people's experience and insights for the design stage.
- If you have any doubts or there is significant disagreement about elements of your plans, take more time to sort it out; don't rush things through. No one will fund you to rectify mistakes later.
- Always start the design process by thinking and talking to all the people who will or might use the facility. Young, small, tall, fit, wheelchair using, hard of hearing etc. to make absolutely sure that they will all be able to use it easily and comfortably.
- Assume heavy handed use. Don't go for domestic versions of anything, door handles, and kitchen units, whatever. The public, even your caring local public, will give everything in public buildings heavy use. You will have to replace cheap fittings sooner rather than later and so the saving is imaginary.
- Think about people using the spaces. How people use and move around in them, what they can see and not see when doing it, possible collision and 'traffic jam' points, doors opening out into corridors, people bending over cupboards in the way of entrances and how much of the available space you can see from a central control point.
- Always assume you haven't got enough storage space or power points and add more. Extra storage is very difficult to fundraise for as an afterthought.

Hold a public meeting with your architect in attendance to answer questions

5. Consulting on your plans

The more your potential users of the new space you are creating feel that their views on its design were listened to, the better. There will be more chance they will enjoy using it from day one and the less chance you will be buried in an initial barrage of niggles. The key points to remember are:

- Have a public meeting with your architect in attendance to answer queries. Make sure you have a display for people to look at, laid out a couple of weeks before the meeting and for a couple of weeks after, with comment forms available and a box to put forms into next to the display.
- Usually, the lay public is not good at imagining what a building will look like or be like from looking at a ground plan. Get your architect to include as many perspective drawings and pictures of what the inside of the spaces will

look like with figures in them to give scale

- Ask people filling in comment forms to identify themselves so that you can get back to people over their suggestions, both if their idea has been accepted as part of the plans and if it isn't. Explaining why ideas can't be incorporated is important. If contributors feel they have been ignored they can make their complaint very public and create a bad local press for you.

6. Costing the work

If your project is a small one with no architect involvement, your building group will be costing the work by issuing a specification to builders and asking them to quote against that specification. In this situation:

- Make sure that your specification is as detailed and precise as possible. You need to be absolutely sure that all the builders quoting for a job are quoting for the same job using the same or equivalent materials. It is common for builders to want to quote for a different way of doing the job and/ or for the use of different materials and finishes.
- If your group accepts that one of the builders quoting has come up with a better way of getting the job done, then change your specification to take this into account and go back for a re-quote from builders who have already quoted against the original specification.
- If potential funders can see that the quotes you have submitted to them are not actually for the same job then they are likely to reject your application.

If your project has been designed by an architect, they will be responsible, in collaboration with a Quantity Surveyor, for pricing up the work needed and then for getting the best price for the job. The key points for the building group to remember are:

- Work with the architect to get the costing elements broken down in as much detail as possible. This is very important for 2 reasons. First because you may reach a point in funding your project where you will have to put off an element of your programme until further funds have been found. In this case you will need to know precisely what each element will save you by being postponed. Second because you may find funders who will pay for particular aspects of your building such as all

work associated with insulation and heating or work associated with provision for the elderly. You will then need to try and identify the separate elements for your funding application.

Architects will find this difficult particularly on larger projects so the costs they will give you will have an element of approximation. With building work programmes of any size the 'swings and roundabouts' factor will be at work. Some bits of the work turn out cheaper; some cost more. It's the net running total that needs to be watched.

- Architects will always add an amount for contingency. Refurbishment of old buildings often overrun as problems tend to be hidden behind walls or under the ground and are not detected in advance. New build projects on green field sites are typically safer to cost provided the ground has been accurately surveyed in advance.

It is usual for architects to be under serious pressure to get costs down to fit the money known to be available from funders. The group should be careful not to put so much pressure on their architect that the percentage allowed for contingency is cut to an unsafe level. Funders do not give extra grants to cover cost overruns.

Taking out external works from the budget can create a problem for the future since such work is difficult to fund.

7. Planning your fundraising campaign

With smaller building projects you may find one funder who will pay the whole or most of the cost. For many larger projects it may be necessary to find as many as 7 or 8 funders, in which case you will need to plan a fundraising campaign. Funding organisations can be found using funding guides often available on the internet or at public libraries. Your local ACRE Network member will also be able to provide guidance.

7.1 Identifying funders

Start by making a list of every funder it may be worth considering and then whittle this list down by checking

Make sure your spec is as detailed and precise as possible

each one carefully to ensure that they will give funds:

- to your kind of organisation
- in your area or where the building is located and where your customers will come from
- for capital projects
- to provide the kinds of services you want to run.

7.2 Choosing your funders

Double check with each funder to make sure that they are still giving funds on the same basis. It is not unusual for funders, particularly private trusts, to shift the focus of their grant giving, leaving inaccurate information on websites and paper based funding directories. If in any doubt contact information lines or trust correspondents just to be sure. Carefully note who you spoke to and when in case you need the information at a later date.

Then, so that you can make decisions about when to apply to different funders, check on the following:

- Whether the funding programme has a fixed life and, if it has, when is it due to end
- How long they take to reach decisions from the point of application and when you have to apply by? Some funders allow bids to be submitted at any time; others need bids to come in to fit with their awards panel meeting dates
- Are they happy to have their donations matched with others or do they insist on being the sole funder of a distinct part or of the whole project?
- What limits they put on the size of their donation?
- How long they will keep grants offers open while you seek the match funding required?
- Whether they pay out on completion of the work so that you have the funds in your account to pay the invoice or, whether you have to pay the bill yourselves to be paid back by the funders on production of the paid invoice. In this case you may need a bridging loan. Talk to your local ACRE Network member about ACRE's Rural Community Buildings Loan Fund and any other local sources of low cost loans for social benefit organisations.

Create a campaign funding time chart which you should share with your committee

7.3 Recording your progress

Armed with all this information, create a fundraising campaign time chart which you should share with your main committee so they have a clear idea of what you are doing. This will be a document which you will need to modify as you go along in the light of successes and failures in bidding and changes in what funds are available from whom. When you do update it, don't forget to tell your committee.

8. Writing Funding applications

Writing funding applications is absolutely not just a matter of being able to write clear English and using common sense although both these things are important! Anyone, apart from professional fundraisers giving volunteer time to their local community, should get expert help from their local ACRE Network member or from one of the "How to" guides that exist.

Your chances of success will be substantially reduced if you don't do this.

8.1 Common information

Much of what you put in one application will be useable in other applications on a copy and paste and modify as necessary basis. Although every application process will have differently worded questions in different orders with different limits on how much you can write, the basic information they require will be common to all:

- The history of your organisation with dates, numbers and previous successes
- Who uses your services now, the different groups, who is part of them, how many and how often they meet
- Who lives in your area of benefit, the facts and figures and

especially the groups who funders will prioritize in giving grants

- How do you know people want what you plan to offer and will use it i.e. consultation surveys and letters of support from other organisations and existing and potential user groups
- What in building terms you plan to do, precisely and concisely
- How you know that what you plan to do is the most cost efficient way of meeting the needs you have identified
- Who will use your facility once this work is done, how many more than now, how quickly will they start using it, how many more than use it now, how much happier they will be as a result?
- Evidence of support i.e. letters from your local authority, parish council, parochial church council, local schools and user groups.

You may need to produce a business plan - don't rely on your own experience get advice from others.

8.2 Key points to remember

- You may need to produce a business plan. As with the main application form don't rely on your own experience, get advice from others. See **ACRE's Village Hall Information Sheet 28, Creating a business plan**
- Divide the work between your sub committee as far as sensible and possible, get paragraphs written for all these questions. Work on longer versions of each section knowing you can always cut length to suit different funders form requirements. It's worth working hard at this stage to get each section as good as you can get it; asking for advice from funding experts, producing as many versions as it takes to get it right.
- Make sure that you adapt your core sections thoroughly to suit the funding stream you are bidding for.
- With each and every bid you put in, make sure that you check and treble check every line of your application. Get someone who hasn't seen your bid before to check that all your figures add up, that you have filled in every single answer and that there are not stray words or phrases.
- It is perfectly permissible and advisable to apply to more than one funder for the same things. If more than one funder offers you money for the same thing, you can always turn down whichever funder has more burdensome

conditions of funding offer. You may even, if you are lucky, persuade the funder who you are turning down to allow you to spend their offered cash on some other aspect of the same project.

- If you get turned down, always try to ensure that you know exactly why and whether you can re-apply.
- If your fundraising campaign takes a long time put reminder notes in your diaries for dates ahead to check whether the prices you have been quoted by builders are still valid. If not you will need to ask them to re quote.

8.3 Volunteer time

A lot of funders accept 'in kind' contributions, which they will treat as match for cash sums promised. This means volunteer time put in towards the project. Sometimes they give you a table of rates per hour for volunteer work of different kinds. Labouring rates could apply to volunteers working to strip out parts of your building ready for the paid builders to start; professional rates for people such as quantity surveyors giving free time to price work.

Provide timesheets which your volunteers can use every time they contribute hours to the project.

The basic rule about what can count as volunteer time and what can't is to ask. Where funders don't give you rates of pay to use you can always get the particular job professionally quoted for and use that sum to put a value on the work when your volunteers do it.

9. Combating fundraising fatigue

For bigger projects, stamina can become an issue for the sub committee and for their main committee and, in a different way, for the users of your service. To combat this:

- Give your main committee regular updates on progress; tell them when you are due to hear about bids
- Have a dedicated notice board you can use to keep the users of your service up to date with progress; create a

'funding thermometer'

- Be kind to yourselves and celebrate your successes as you go along
- If one or more of your fundraising group has to give up, try to ensure that you warn your main committee ahead of time that group members will need replacing so that they can find a replacement before people resign and thus preserve continuity of effort. And don't forget to thank them for their time and effort.

10. 'Plan B'

Projects involving big sums of money can get stuck. Sometimes, despite the best efforts of all concerned, it seems impossible in the near future to get to the total needed for a complete refurbishment or to finish off all the features of a new build. It's always a good idea to think ahead and be prepared for this eventuality:

- Discuss with your architect which elements of the design could be left out for the time being whilst still leaving you with a facility where you can deliver all the outputs you have already promised your funders.
- Share this list with your funding advisers so that if there is a choice in terms of what to leave out they can tell you which items would be most fundable as later stand alone bids.
- If you are trying to see how to save money without sacrificing quality, think about all the costed elements which you could source for less or nothing. For instance, using volunteer labour for site clearance or final repainting, getting local firms to donate materials, getting individuals in your local community to sponsor a brick or a chair. Look again at your funders list for ones that specialise in being final contributors, the people whose donation made it all possible.

You may need to produce a business plan - don't rely on your own experience get advice from others.

Appendix A

Terms of reference for a building project sub committee

The management committee of _____ hereby establishes a building project sub

committee comprised in the first instance of the following members:

The sub committee will:

1. Co-opt members onto the sub committee to contribute additional areas of expertise as required; such members to take full part in all discussions but not to have voting rights.
2. To fill vacancies on the sub committee as and when required, such appointments to be subject to ratification at the following full management committee meeting.
3. To deliver progress reports to the management committee every 3 months.
4. To report to the Chair of the management committee should any need arise for urgent action or decisions.
5. To seek and obtain free advice from whatever sources of expertise the sub committee deem appropriate without full management committee permission.
6. To seek and obtain paid advice from whatever sources of expertise the sub committee deem appropriate provided they have, in advance, obtained permission and a specified budget from the management committee.
7. To generate specifications for aspects of work associated with the building project, to seek tenders against such specifications and to

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put forward recommendations for tender selection to the management committee for ratification.

8. To generate community consultation questionnaires, to issue them to the community in the relevant area of benefit and, subject to management committee approval of the text, recruit and support volunteers to help with this process.
9. To organise the fundraising programme for the building project with reference to the management committee.

Note: It is important to ensure that all decisions and subsequent actions are ratified at a full meeting of the main committee. These terms of references do not delegate any decision making functions or powers from the management committee to the sub committee.

Sources of further information and advice

The ACRE Network provides an information and advice service for village hall management committees. A link to the village hall advisers is available on the ACRE website www.acre.org.uk

ACRE produces a range of village hall publications and information sheets to support this service which are available from your local ACRE member.

ACRE publications that may be of interest to readers of this information sheet are listed below:

- **Information Sheet 17:**
Trustees – roles and responsibilities considers the responsibilities of managing charity trustees and gives advice on good practice
- **Information Sheet 6:**
Village halls and registration for VAT
- **Information Sheet 35:**
Trustee liability and trustee indemnity insurance
- **Information Sheet 18:**
Village halls and VAT on building work and other purchases

Useful contacts

Charity Commission Offices

www.charitycommission.gov.uk

Charity Commission Leaflets

- CC3 The Essential Trustee: What you need to know
- CC15b Charity Reporting and Accounting: the essentials

The National Lottery Community Fund

<https://www.tnlcommunityfund.org.uk/>