

Teynham Community Hall

Decision Required:

To determine the future of Teynham Community Hall and resolve either:

A) To approve a £38,000 capital investment in a new heating system (funded via Grant or Loan via Public Works Loans Board) subject to the 24-month viability trial; **OR**

B) To cease further capital investment and instruct the Clerk to bring forward a detailed Exit Strategy, to include the feasibility of a Third-Party Lease (Option D) or, failing that, the decommissioning and disposal of the asset (Option E).

1. Heritage & Context

Owned by the parish council for nearly 20 years, Teynham Community Hall has served as a local hub through the dedication of volunteers and councillors. From wedding receptions and milestone birthdays to seasonal fayres and toddler groups, the hall has been the backdrop to the collective memories of generations. This briefing acknowledges that legacy while assessing the facility's viability in the current financial and competitive landscape.

The purpose of this paper is to provide an informed decision and background information.

2. Current Position

The Community Hall faces several critical challenges that threaten its long-term viability:

- **Heating Failure:** The main heating has failed. Portable units struggle to reach 18°C, creating operational risk, increasing volunteer burden, and reducing user experience
- **Declining Use:** Two key groups (Yoga, Tai Chi) have left, leaving c12 regular hirers. Village group participation is down, reducing demand. Minimal casual booking.
- **Financial Position:** The hall generates approximately £12k per annum income against running costs of approximately £20k per annum, resulting in an annual subsidy of ~£8k. Six groups/regular hirers generate the majority of the income.
- **Structural Risk:** A RICS survey identified significant roof issues requiring an estimated £50k–£100k investment within 5–10 years.
- **Market Competitiveness:** The ~60-year-old facility struggles to meet modern expectations. A purpose-built village hall with dedicated parking is located nearby.

3. Financial Reality & Liabilities

Item	Cost	Note
Heating Replacement	£38,000	Immediate requirement before Winter 2026/27 usage.
Future Roof Works	£50k–£100k	RICS survey identifies high risk within 5–10 years.
Annual Subsidy	~£10,000	Ongoing cost to cover the income/expenditure gap.
Clawback Policy	30%	Repayable to previous owners on sale profit until 2032.

4. Strategic Options

- **Option A: Do Nothing (£0).** The hall becomes increasingly unusable due to lack of heating, with a high likelihood of closure within 12–18 months.
- **Option B: Invest & Test (£38k).** Replace heating and commit to a 24-month viability trial with strict performance targets. This option carries a material risk that the investment will not recover costs and may be followed by closure within 5–10 years due to wider building constraints.
- **Option C: Full Refurbishment (£200k+).** High-capital investment. No evidence suggests this would close the deficit or outcompete the nearby modern venues.
- **Option D: Third-Party Lease (Low Cost).** Transfer all risks/costs to a credible organisation via a Full Repairing lease.
- **Option E: Disposal / Sale (£0 + Capital Receipt).** Removes ongoing annual subsidy and long-term capital risk. May generate a capital receipt (subject to 30% clawback until 2032), which could be reinvested in community priorities.
 - **Strategic Opportunity:** Explore potential community-focused uses (e.g. healthcare), subject to viability.

5. Defining Viability (The "Success Test")

If the Council chooses to invest (Option B), the investment should be contingent on meeting these targets within 24 months:

1. **Usage:** Increase the number of regular **paying** hirers from 6 to a minimum of 10.
2. **Finance:** Reduce the annual taxpayer subsidy by 50%.
3. **Efficiency:** A formal ‘stop-loss’ decision point will be scheduled at 24 months. If targets are not met, closure or disposal will be brought forward for decision.

6. Opportunities

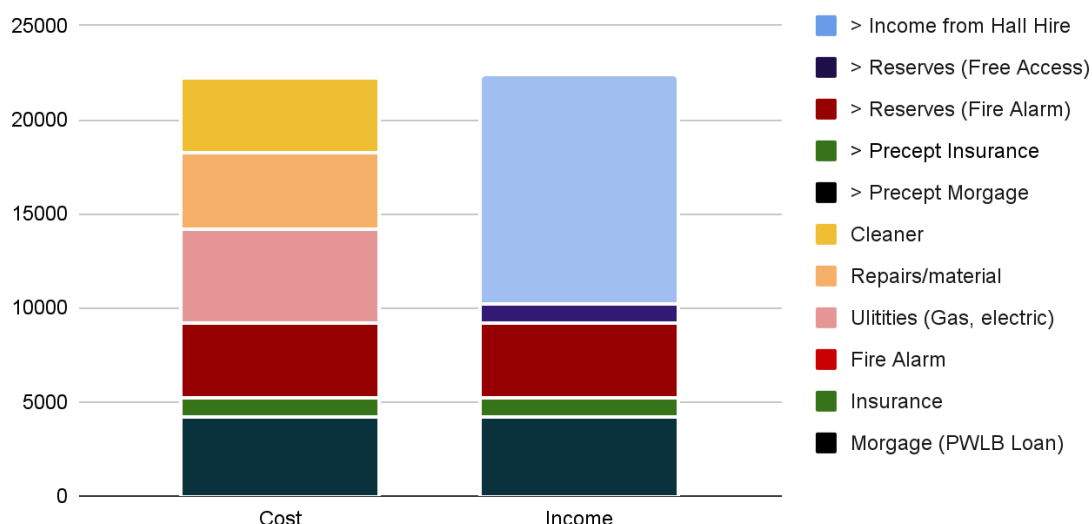
- **Repositioning for New Uses:** The hall's central location could support activities not currently offered locally, such as youth sessions, wellbeing groups, adult learning or NHS outreach — but only if the building is warm, reliable and promoted effectively.
- **Partnership Working:** A charity, CIC or local organisation could take on day-to-day operations, reducing reliance on councillors and improving resilience. This could sit alongside Option B or lead toward Option D.
- **Improved Marketing and Pricing:** Weekend and casual use is low. A clearer marketing plan, online bookings and a pricing review could increase income, provided the hall is functional and comfortable.
- **Future Grant Potential:** Some funders support phased improvement plans (e.g. insulation, accessibility, energy efficiency). Heating replacement could form part of a wider upgrade strategy, but only with a defined long-term plan.
- **Population Growth:** New housing may increase demand for community space. A reliable, modernised hall could attract new users and groups.
- **Alternative Operating Models:** A charitable trust or CIO model could unlock grants unavailable to parish councils and reduce precept exposure. This is a medium-term option rather than an immediate fix.
- **User Feedback & Community Engagement:** A short engagement exercise can refine demand and pricing, but it must not delay decisions. If the hall is to remain viable for winter 2026/27, a heating solution needs to be agreed and delivered now.

7. Considerations

- **Community Asset:** The Community Hall has provided an accessible space that prioritises community enrichment over commercial gain by offering affordable rates for local groups and grassroots activities; Some users also benefit from free long-term storage.
- **Funding:** The Council does not have sufficient reserves to fund £38k to replace the heating. Option B would require either (i) a number of grants or (ii) borrowing via the Public Works Loan Board. While grant opportunities are being explored, none are currently secured. If the option of PWLB loan is required it creates a fixed liability of approximately £3,302 per annum for 20 years (~£66,000 total repayment).
- **The Sunk Cost Risk:** Fixing the heating does not address the roof or parking constraints. There is a high risk that the £38,000 investment—and the potential 20-year debt—will be "lost" if the building becomes unusable within 5 years due to the roof.
- **Alternative Provision:** The existence of a modern, purpose-built hall within 750m raises a strategic question of duplication of provision, rather than simply condition of the asset.
- **Volunteer Sustainability:** The hall relies on a very small, dedicated group of volunteers to manage daily operations. However, the risk of volunteer burnout is high, and the lack of a broader succession plan poses a significant threat to the long-term viability of the facility.
- **30% Clawback:** If the building is sold, the site is subject to a 30% profit clawback until 2032.
- **Governance:** The hall requires ongoing governance, officer time, and councillor oversight. Operation may divert resources from wider parish priorities.

8. Data

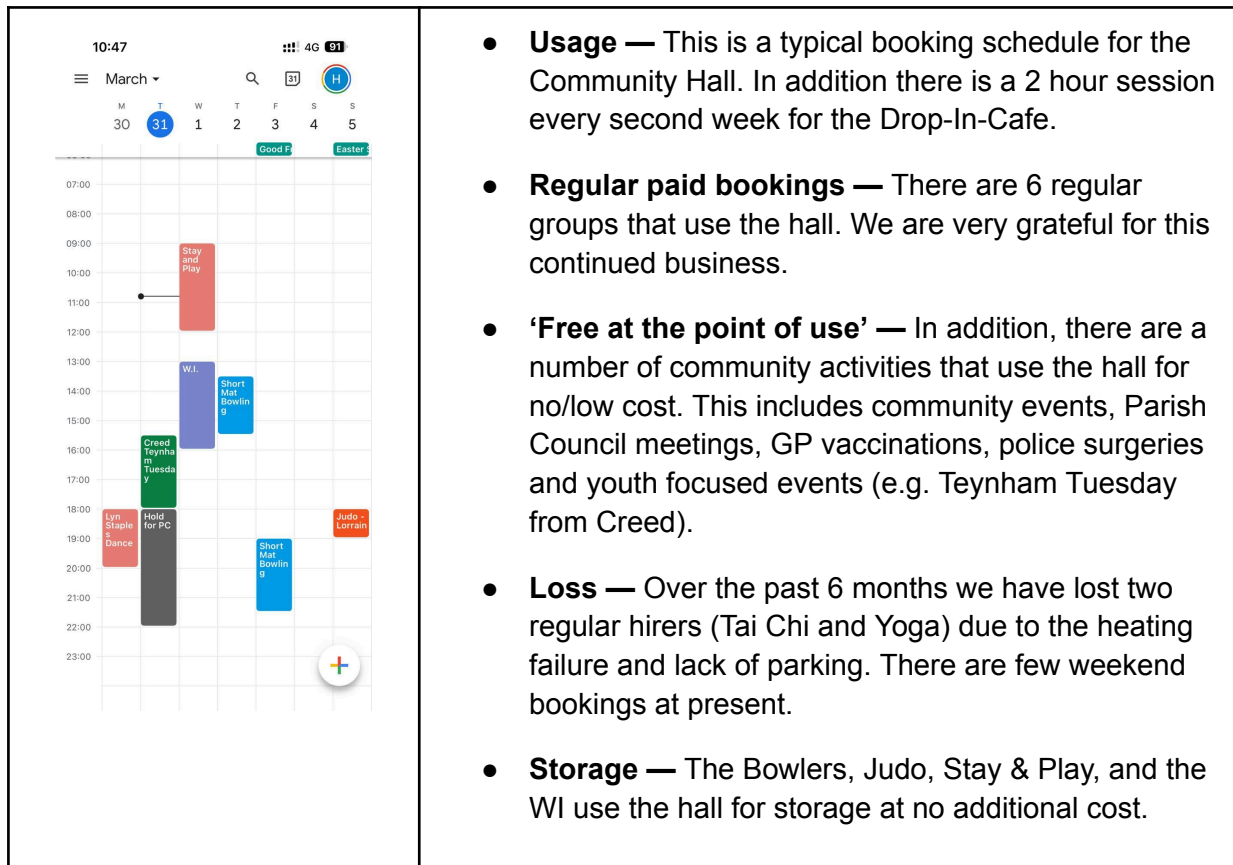
Costs and Income (2025/6)



Teynham Parish Council

Notes: The hall is not self-sustaining. It requires income from the precept and council reserves to cover the mortgage, insurance and a contribution towards 'free access' costs. The fire alarm was a one off cost. As of March 2026, the remaining mortgage is £21,927.

Utilisation



9. Summary

The hall requires subsidy from the precept and council reserves. There is an immediate need to replace the heating system.

The Council must decide if it is a prudent use of public funds to support an asset that is currently operating at a financial deficit and facing significant future capital requirements or if it is time to transition community support to the alternative provision.

Both options are viable policy choices; the decision is ultimately one of financial risk, community provision, and long-term strategic priority

Strengths, Weakness, Opportunities and Treats

<p>Strengths</p> <p>SIZE LOCATION LOW COST SPACE</p> <ul style="list-style-type: none"> • Ideal for up to 110 people • Location: in the heart of Teynham • Layout: Hall, stage, kitchen, bar • Outside garden • Car Park (6 spaces) • Cost: affordable for users • Owned by Teynham PC • Community focused • Parish Councilors operate 	<p>Weakness</p> <p>AGING ASSET HEATING FAILED TOTAL COSTS UTILISATION</p> <ul style="list-style-type: none"> • Heating system needs replacing • Car park (limited) • Disproportionate amount of time spent on hall for PC • Aging property • Visual: needs refresh inside & out • Technical facilities limited/dated • Small number of regular hirers (low resilience if a group stops use) • Parish Councilors operate • Heavy draw on councillor's time
<p>Opportunities</p> <p>3 YEAR PLAN QUICK WINS: NO/LOW COST LEARN FROM OTHERS SURVEY/FEEDBACK</p> <ul style="list-style-type: none"> • Teynham population will increase • Create vision for hall • Short term: replace heating • Short term: redecorate • Strategic: 3 year plan to upgrade • External grant funding • Compare hire rates with others • What's On signage • Marketing • Repurpose: Lease to others • Repurpose: Sale • Online bookings • User survey/community feedback • Change operating model: charity • Caretaker • Solar panels and battery storage 	<p>Threats</p> <p>WINTER 2026/27 RESOURCES (PEOPLE) SIGNIFICANT FUTURE COSTS ENERGY COSTS COMPETITION EXPECTATIONS</p> <ul style="list-style-type: none"> • Public perception (precept) • Competition from local venues <ul style="list-style-type: none"> ◦ Village Hall - large, carpark ◦ School Hall - modern, bright ◦ Sports Pavilion - future • Can the village support 2 halls? • Claw back clause (30% if the hall is sold before 2032)