



The Village Hall Loan Fund

The Village Hall Loan Fund is managed by ACRE (Action with Communities in Rural England) and funded by the Countryside Agency. It originated in the 1930s as one of the principal sources of funding for building new halls contributing significantly to the growth in village halls at that time. Today it still provides a crucial role enabling building, renovation and refurbishment work that may otherwise fall by the wayside.

Any village hall that needs to carry out capital works to its building which is due to a temporary gap in funding, a specific project or emergency work, is eligible to apply for a loan. The loan fund aims to be as flexible as possible and tries to accommodate all reasonable requests within its criteria.

The Loan Fund Information Pack provides all the information you will need to complete an application. Support can be provided by staff at Rural Community Councils with considerable knowledge of the management and financing of village hall projects. ACRE relies on this local knowledge in assessing the application and recognises the benefit that this brings to the groups applying for funding.

This information sheet looks at some of the key points that need to be considered and provides four case studies of halls that have successfully applied for loans, to help you frame your application.

Key Points:

- Loans are generally between £1,000 and £20,000. Higher loans can be considered by ACRE and the Countryside Agency
- The property obtaining the loan must be freehold or leasehold, with a minimum of 21 years left on the agreement. A shorter term can be considered
- Local funds for the project should be available to contribute at least 10% of the overall project costs, or the equivalent to £1 for each resident in the community
- Loans do not have to be secured or guaranteed
- The loan repayment, together with interest, can be repaid within either 5 or 8 years
- There are no penalties for early repayment of grant; additional payments are welcomed by ACRE.

Plaxtol Memorial Hall, Kent *£12,000 over five years*

This was one of the more unique village hall projects and the second phase of a renovation project that was largely funded by Heritage Lottery, County, Borough and Parish Councils. The loan covered the rewiring and internal renovation of the residential accommodation that was in a bad state of repair and, as an integral part of the hall, deemed a 'wasting' asset by the village hall management committee. The project clearly benefited the community in the long run by improving the sustainability of the village hall charity. The extra income from the refurbished accommodation produced an income to support future maintenance of the hall.



Thorley Community Centre, Hertfordshire

£8,000 over eight years

This is a good example of the use of a small loan; it was only 2% of the total project cost. Other funding was provided by NLCB (the Lottery) and the District and Parish Councils. The project was for the construction of a new hall to replace an old portacabin, which had been in use for 20 years and long overrun the temporary permission on its site! The loan meant that the external works, which were part of the planning requirements of the new build project and consequently zero-rated, could be completed. With increased space and modern facilities the community centre was able to accommodate all the organisations queuing up to use it.

Headon cum Upton Village Hall, Nottinghamshire

£5,000 over eight years

The remote village of Headon cum Upton depends on its hall to provide necessary facilities and in particular activities for young and older people. The purpose of the project was to conserve energy and it was intended to monitor its success by comparison of heating costs. The loan enabled replacement of old windows with double glazed upvc units and installation of a sliding, folding partition to divide a large room, so that only a small area need be heated if necessary. Purchase of curtains also helped the insulation of the building. The management committee hoped to attract additional users because of the increased comfort, and direct the financial savings elsewhere.

Compton Dundon & Littleton, Somerset

£15,000 over five years

The loan awarded to Compton Dundon and Littleton was used to complete a funding package. An old converted chapel used as the village hall was beyond economical upgrading and was sold to help provide funds for a purpose built venue suitable for all the community. The new village hall provided a main hall with stage, meeting room, changing rooms, IT/office, kitchen cloakroom and storage. The community managed to raise £30,000 which together with the sale proceeds from the chapel, grants from NLCB (the Lottery), the County and District Councils and Wyvern Environmental Trust and the loan made up the funding package. The Village Hall Loan Fund initially approved a £20,000 application but Compton and Dundon only drew down £15,000 having raised another £5,000 themselves.

Summary

The aim of the loan fund is to provide an alternative funding source other than grant aid. A loan can, as our case studies show, be used for a wide variety of purposes. It can help with cash flow until a promised grant is awarded; enable a project to start immediately rather than waiting for all the funds to come in (only to find a subsequent increase in project costs); help build or purchase a hall; or protect village hall charity assets and develop an income stream.

If you are considering a Village Hall Loan please contact your local Rural Community Council. ACRE can provide contact details if necessary.

Information on alternative funding sources for village halls can be found in ACRE's publication 'Funding from Charitable Trusts for Village Hall and Community Centres'.

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