

Pavilion Correspondence – August 2022

Email received

From: hookwatchers

Sent: 01 August 2022 19:25

To: Rob Cowell <rob.cowell@hook.gov.uk>; Verd Nabbs <verd.nabbs@hook.gov.uk>; John Orchard <john.orchard@hook.gov.uk>; Jane Worlock <jane.worlock@hook.gov.uk>; Jeff Burke <jeff.burke@hook.gov.uk>; Paul Kinge <paul.kinge@hook.gov.uk>; Fergus Kirkham <fergus.kirkham@hook.gov.uk>; Les Morrison <les.morrison@hook.gov.uk>; Barry Myall <barry.myall@hook.gov.uk>; Jacqui Nabbs <jacqui.nabbs@hook.gov.uk>; Chris Terrey <chris.terrey@hook.gov.uk>; Liz Tomlinson <liz.tomlinson@hook.gov.uk>

Cc: Sarah Dignan <clerk@hook.gov.uk>

Subject: North East Hook

Dear Parish Councillor,

Please find attached a letter sent on behalf of a number of concerned parties in relation to the project to construct a sports pavilion and shed on the North East Hook site.

Please understand, we are not naysayers, we are not against community sports and we all share a common belief that we want Hook to be a vibrant village with a range of activities for all ages. We are, however, deeply concerned about a project which began with small ambitions from the S106 funds but appears to have developed into a grand design. Most of us have attended at least one meeting of the North East Hook Community Project Committee. We have been shocked that a project of this magnitude has developed without a clear business case, without any apparent contingency planning or stress testing of the management abilities of the proposed lessees or capability to secure grant/donation funding. We have also found public comments from the Parish Council on this project to be misleading and are very concerned that the planned consultation with the village will not clearly explain the actual annual costs to residents nor the risks if the project overruns on costs and/or the proposed lessee does not deliver their plans. There appears to be significant reliance placed on the abilities of both HORFC and the Hook Shed committees to come up with grants and funding to contribute towards construction and fit-out of their respective facilities but there do not appear to be any firm commitments from funding bodies – hence, the buildings may be started but never finished and/or there may be further calls on funds from either reserves, external loans or the residents.

We believe the Council should set out a proper project plan with clear milestones and one that is affordable under stress-tested conditions.

We trust that you will find the comments above as well as the information in the letter constructive and we look forward to a discussion of its contents prior to public consultation.

NE HOOK SPORTS PAVILION (Project)

What we are

- A group of Hook residents concerned about:
 - The cost and funding of the Project as currently proposed
 - The lack of governance and scrutiny of the Project planning
 - The ongoing management of the Project
 - The lack of contingency planning and stress-testing

What we're not

- Against provision for sport facilities in Hook
- Against construction of an appropriate building to service the sports pitches
- Against supporting youth and wellbeing initiatives

COSTS

The total cost, pre-contributions, of the build and fit-out of the pavilion	£2,824,675	<i>App 1</i>
Cost of increasing inflation provision from 5% to 10%	£100,000	
Cost of increasing contingency from 5% to 7.5%	£ 50,000	
Additional risk related costs	£ 150,000	
Total prospective pavilion cost	£2,974,675	

Whilst the prospective lessee will likely contribute to the fit-out and there may be grant monies forthcoming, it is appropriate that HPC consider a reasonable worst case scenario and what impact this may have on finances. An appropriate level of sensitivity also needs to be applied to the cost estimates – hence the allowances for additional inflation & contingency.

IDENTIFIED FUNDING

Borrowing capacity from SANG reserves as assessed by RFO	£2,364,820
S106 funding held by Hart DC in respect of the Community Building	£ 250,000
Total Identified Funding	£2,614,820

SHORTFALL £ 359,855

Unless there is funding identified to cover the shortfall, there is a risk that the Project is not fundable and HPC would need to seek external support for solvency purposes.

The Project also seeks to borrow funds from the SANG reserve at zero interest and, consequently, tax payers will be losing out on the interest yield had those funds remained invested – a further financial detriment.

PRECEPT

Hook already has the highest precept of all parishes in Hart. For 2022/23, the precept is being levied at £125.15 per Band D property which is 16.6% more than the second highest, Fleet. The 2022/23

precept already includes £25,000 for the pavilion project but this needs to be taken into account when reporting the estimated increase in precept related to the Project to tax payers.

The maximum period to repay the loan from the SANG reserve was set at 30 years so the true impact on the average precept is as follows:

Total Borrowing from SANG funds	£2,364k	
Annual amount over 30 years	£78,800	
Tax Base	3915.31	
Annual average precept increase per household	£20.13	<i>Vs adjusted 2022/23 precept *</i>

** Excluding the £25,000 budgeted for the Project, the precept for 2022/23 is £465,000 so £78,800 represents a percentage increase of 16.9%.*

GOVERNANCE

Hook PC bid for and secured a developer contribution of £250,000 towards the construction of a Community Building – being a sports pavilion and changing rooms - at the NE Hook site. A Sports Working Group, latterly the NEHCP Committee, was set up to look at options for the pitches and the prospective building. Without reference back to the wider community, these bodies :

- Engaged with HORFC as the principal user and lessee of the site
- Established that the cost brief to the nominated architect should be increased to £750,000
- Engaged the architect to produce initial designs of a structure capable of servicing RFU-approved changing rooms and the need for the lessee to derive sufficient income from the site to pay for the running costs and ongoing pitch maintenance
- Presented an outline of the proposed building to the AVM in the knowledge that the construction costs would be at least £1.9m – without taking inflation into account but assuming that HORFC would pay for the fit-out.
- Presented a progress report in Hook Focus that contained a number of misleading assertions and inaccuracies

It is worth noting the concerns of residents local to the pitches who were informed by Croudace that the building was just planned to be changing rooms and not a function/bar/restaurant space with the consequent increase in traffic, parking and noise.

It is clear the committee did not have a business case written in advance of committing taxpayer's funds to a project which vastly exceeded the initial call for developer funds of £250,000. Money has already, and continues to be spent on this project and only latterly has pressure resulted in retrofitting the business case and consulting with residents. It is a matter for conjecture where liability would rest if this project were to fail and lack of proper project management established.

ONGOING MANAGEMENT

The committee has engaged with HORFC, and co-opted 2 of their members onto the committee, even though the club reportedly only has 36 playing members and 13 social members and rugby is not a sport played at any of the state schools in Hook. The ambition of HORFC to grow their playing and social membership, create a ladies and junior section and promote the pitches to other sporting bodies in Hook is commendable. However, HORFC is constituted as a simple club and does not appear to have the financial wherewithal to cover the running and maintenance costs in case their plans to not come to fruition – which means the ongoing costs of the building and pitches would fall back onto HPC and taxpayers.

We have not seen a business plan from HORFC and we are not aware of the level of due diligence that HPC has undertaken to prove and stress-test this plan but this work will be essential before breaking ground on the Project.

THE SHED

The costs above do not include the construction or fit-out of the Shed. It is completely unclear how this project would be funded no matter that HPC voted to cover up to £150,000. The Shed co-optees on the committee do not appear to have any clear idea on the level of funding they would be seeking or what they would be likely to receive. Whilst a worthy cause, HPC has not detailed how much of the cost of construction and fit-out would be needed to be met from either borrowings or from another increase in the precept.

CONCLUSION

As a concerned group of residents, we want to ensure that the full facts are put in front of all Hook residents as part of the consultation process as well as the consequences if things do not go to plan. We want to see a building alongside the pitches at NE Hook but one that is affordable, even if costs overrun and grants undershoot, does not have a nuisance impact on local residents and whose ongoing management is by a suitably qualified and financially sound body who treat all potential users of the pitches on an equal basis.

Major projects such as this one also need to have contingency plans in place in case things do not go to plan. We are concerned that there is currently a one-way bet being placed on HORFC, which is a fledgling club currently, and, if this bet does not come off, there is no plan B. The building and attendant costs and management of this and the pitches, will all revert to HPC and taxpayers.

The council may have answers to the concerns we highlight herein. However, we will communicate any unanswered concerns to Hook residents so they are fully informed before HPC commits to these building projects

On behalf of the concerned parties below:

Julia Abrahams
Barry Deller
Ernie Hobbs
Mike Jeans
David Lawrence
Christine Randall
Jane Tatnall
John and Pat Taylor