

REPORT ON VILLAGE HALL TENDER PROCESS

1. Background

Most readers of this report will already know the background to the Pilton Village Trust and the building it holds in trust for the benefit of the inhabitants of the Parish of Pilton. However, for those who may not be aware of that background, the following paragraphs contain very brief summary intended to put the tender process the Trust has run during the last year into context.

The Trust's charitable Object is:

“The provision and maintenance of a village hall for use by the inhabitants of the area of benefit without distinction of political, religious or other opinions, including use for: (a) meetings, lectures and classes, and (b) other forms of recreation, sport and leisure-time occupation, with the object of improving the conditions of life for the inhabitants.”

The Trust is bound by the Charities Act 2011 and as such is not permitted to operate a business for the purpose of selling alcohol or for making a profit.

The building held by the Trust includes two parts. The first being the original Village Hall and the second being the “Club” which was, historically, owned by the Pilton Working Men's Club. The Pilton Working Men's Club generously gifted its land and assets to the Trust.

A significant building project completing in 2014 saw the “Club” side demolished and rebuilt and the “Village Hall” side refurbished. Both sides of the refurbished buildings are connected, sharing an entrance and facilities.

2. The bar operator for the Club side

Until now, a limited company called “Pilton Working Men's Club Limited” (**the Limited Company**) has occupied the “Club” side of the building, operating the Pilton Club as it is now known as a licenced premises, as the old Working Men's Club did before it. The intention of this arrangement has always been to maintain the vibrant village hub that it always was.

Over the years the directors and employees of the Limited Company have changed, as have the events it puts on. Nonetheless it continues to offer a bar and hosts many well attended events.

3. The motivation for change

The Limited Company's trading record has been poor since 2020. In the COVID-19 affected years it made a loss (for obvious reasons) and has recently made very small profits.

In 2023 the Trustees reviewed the contract between the Trust and the Limited Company and decided that it required updating. The aim of the review was to ensure the arrangements for the “Club” side met the Trust’s objectives and contributed to the Trust so as to ensure that sufficient funds are available for the ongoing maintenance and upkeep of the whole building, thereby securing the Village asset for the future.

At the same time as the review, the Limited Company had (and still has) only a single director who wishes to stand down from that role. It also has a single employee. The sole director of the Limited Company indicated that he had no successors in mind to take on his role and no one else stepped forward.

4. Tender Process

The existing arrangements could not therefore continue and the Trust had to consider how best to meet its Trust Objects. Key considerations for the Trust were:

- the Charities Act (as confirmed by the Charity Commission) says that the Trust itself cannot run a licenced business which sells alcohol for profit;
- the building is such that the income from operating it as a traditional village hall being rented out for ad hoc events would not be sufficient to cover its running, ongoing maintenance and future maintenance needs;
- by running the building as a traditional village hall large parts would be likely be unoccupied for long periods meaning the building may deteriorate and a significant village asset would not be used to its full potential; and
- the indications are that a substantial proportion of the village wants to maintain the possibility of staffed events in the “Club” side.

On the basis of these considerations, the Trust decided that it was in the Trust’s interests to allow its premises to be used by a business which:

- 1) at least covers the running costs and contributes to the ongoing maintenance costs of the Trust’s building;
- 2) on agreeable terms, manages the “Village Hall” side of the building¹; and
- 3) operates a business which furthers the Trust’s Objects to provide a venue for meetings, lectures and classes and other forms of recreation, sport and leisure time activities.

The Trust therefore decided to hold a process seeking expressions of interest in running the what was currently the Pilton Club and with the potential of also managing the village hall itself.

The Trust placed an advert in the Morning Advertiser (national press) which was copied to the village facebook page and club website.

property.morningadvertiser.co.uk/properties/pub/pilton-club-77201.html

¹ Excluding the area occupied by the Co-Op

The Trust developed a “Tender Assessment Scorecard” in order to assess any proposals submitted to it. The Tender Assessment Scorecard was discussed and agreed by all Trustees. The scorecard includes ten matters to be assessed and allocated a weighting to each matter.

The advert went live on 22 June 2024 and was open until 20 July 2024. The advert asked for expressions of interest and all interested parties who signed a non-disclosure agreement² were given an information pack which contained:

- the draft contract (which would be subject to amendment and negotiation depending on the proposals received); and
- all management accounts for the Limited Company from 2022 onwards.

Any additional information requested by any interested parties was shared with all interested parties.

Seven parties expressed an interest and signed non-disclosure agreements. Q&A sessions were offered to all of those people.

The interested parties were then invited to send in their proposals for consideration by the Trust by 13 August 2024. Each party who sent in a proposal was invited to present those proposals to the Trust.

Two parties submitted proposals and presented those to the Trust. The presentations took place on 19 August and 2 September 2024. The Trust then asked some supplemental questions in respect of each proposal and considered all responses and comments made by the parties who has submitted proposals.

Each Trustee then assessed the proposals, presentations and any additional responses and comments against the agreed scorecard. The completed scorecards are attached at the Appendix³.

² The information being shared belonged and is confidential to the private limited company “Pilton Working Men’s Club Limited” and not to the Trust. As such the Trust was required to maintain that confidentiality by ensuring that those who received the Limited Company’s confidential information were under obligations not to disclose the information. The non-disclosure agreements were required for this purpose.

³ Nine of the ten trustees completed scorecards. Three of those scorecards are not included in the Appendix and were not counted in the scores which underpinned the Trustees’ vote on this subject. The reasons are:

1. The resignations of two of the ten Trustees had become effective by the time the vote on this matter was taken on 7 October 2024. Therefore, whilst the helpful comments and scores given by the resigning Trustees up to the point their resignation took effect were acknowledged by the other Trustees, their scorecards were not included in the total scores calculated immediately prior to the vote, nor did those former Trustees vote.
2. One Trustee had been involved in the Q&A sessions with the interested parties and, in particular, had discussed a potential submission from an employee of the Limited Company. To ensure the impartiality of the vote the decision was taken by the Trust to exclude that Trustee’s scorecard. For the same reasons, that Trustee did not participate in the vote on this matter.

At the Trust meeting dated 7 October 2024 a majority of Trustees entitled to vote voted to proceed with team which gained the highest score. No Trustee voted against the proposal. The winning proposal was by a team led by Neil Templar.

The Trust then entered negotiations to develop the draft contract with Neil Templar and his team.

5. The Current Position

Following negotiations on the commercial terms, the Trust took legal advice in relation to the draft contract. All comments from the Trust's advisers were incorporated and it was decided that the contract should take the form of a lease.

In addition, the Trust sought advice from a surveyor competent in valuing properties of the nature of ours that the terms of the lease are the best that can be reasonably obtained for the charity. That report was received on 26 November 2024 and concluded that the terms of the lease are the best letting terms that the Trust can expect to achieve.

The Trust consider that the terms included in the lease enable it to provide the facility the villagers want, ensure that the Trust complies with its Objects and maximises the prospect of ensuring that the Trust has sufficient funds to maintain the building for future generations. The Trust also considers that it has tested the market and has secured the best arrangement it can in order to satisfy its Objects.

On that basis the lease was signed on 27 November 2024 with the limited company incorporated by Neil Templar and his team, The Pilton Stage Limited.

Footnote 2 continued: The Trustees noted that removing the scores of the three Trustees described in this footnote did not result in a change to which proposal secured the highest score.

Appendix

Completed Tender Assessment Scorecards (anonymised)

**Pilton Village Trust
Proposal Assessment**

Presentation 1

Criteria	Description	Trustee Scores (1-10)						Weight	Weighted Score	For info only: Max Available Score
Local connection	Connection to the Parish of Pilton - family connection, resident of the area or working	8	8	7	9	5	9	0.05	2.3	3
Commitment to Trust's objectives	Incorporation of the Trust's objectives into business plan, operational plan and plans for community engagement.	8	9	6	6	5	5	0.125	4.875	7.5
Business Operational and Financial Plan	1. Quality and feasibility of the business plan, including objectives, strategies and financial projections (including P&L and cash flow forecast, both for next two years). 2. Detailed operational plan, including staffing, opening hours, and maintenance. 3. Financial health and stability of the tendering entity, including access to funding and financial resources, history of bankruptcy or insolvency, with financial references.	6	8	6	7	10	7	0.225	9.9	13.5
Experience and Track Record	Relevant experience and past performance in managing similar community facilities, with references.	7	8	6	4	5	4	0.15	5.1	9
Community Engagement	Plans for community involvement and engagement, including support for local events and activities.	8	9	4	4	8	8	0.1	4.1	6
Innovation and Added Value	Innovative ideas and added value propositions for the club and the community.	7	9	6	6	8	7	0.05	2.15	3
Risk Management	Identification and mitigation of potential risks associated with the operation of the club.	7	8	7	7	3	6	0.025	0.95	1.5
Sustainability and Environmental Impact	Commitment to sustainable practices and minimising environmental impact.	6	9	4	4	3	7	0.025	0.825	1.5
Pricing and Value for Money	Cost-effectiveness and value for money offered by the tenderer.	5	8	5	6	4	7	0.1	3.5	6
Cotribution to the Trust	How the business will contribute financially to the Trust.	8	9	7	8	5	5	0.15	6.3	9
Total Score	Totals	70	85	58	61	56	65	1	40	60

**Pilton Village Trust
Proposal Assessment**

Presentaton 2

Criteria	Description	Trustee Scores (1-10)						Weighted		For info only: Max Available Score
		Weight	Score							
Local connection	Connection to the Parish of Pilton - family connection, resident of the area or working	9	10	9	9	10	10	0.05	2.85	3
Commitment to Trust's objectives	Incorporation of the Trust's objectives into business plan, operational plan and plans for community engagement.	6	8	4	6	2	10	0.125	4.5	7.5
Business Operational and Financial Plan	1. Quality and feasibility of the business plan, including objectives, strategies and financial projections (including P&L and cash flow forecast, both for next two years). 2. Detailed operational plan, including staffing, opening hours, and maintenance. 3. Financial health and stability of the tendering entity, including access to funding and financial resources, history of bankruptcy or insolvency, with financial references.	3	5	2	4	1	10	0.225	5.625	13.5
Experience and Track Record	Relevant experience and past performance in managing similar community facilities, with references.	5	7	2	2	2	10	0.15	4.2	9
Community Engagement	Plans for community involvement and engagement, including support for local events and activities.	5	8	5	4	4	10	0.1	3.6	6
Innovation and Added Value	Innovative ideas and added value propositions for the club and the community.	3	6	4	4	3	10	0.05	1.5	3
Risk Management	Identification and mitigation of potential risks associated with the operation of the club.	3	6	4	4	3	10	0.025	0.75	1.5
Sustainability and Environmental Impact	Commitment to sustainable practices and minimising environmental impact.	4	6	2	4	2	10	0.025	0.7	1.5
Pricing and Value for Money	Cost-effectiveness and value for money offered by the tenderer.	5	6	2	4	3	10	0.1	3	6
Contribution to the Trust	How the business will contribute financially to the Trust.	2	9	2	2	0	10	0.15	3.75	9
Total Score		45	71	36	43	30	100	1	30.5	60