**Appendix 8**

**BURGESS HILL TOWN COUNCIL**

**CULTURAL QUARTER STEERING GROUP**

**Agenda**

**Commercial in Confidence**

You are invited to attend a meeting of the Steering Group to be held in the Council Chamber, Burgess Hill Town Council, 96 Church Walk, Burgess Hill at **7 pm** on **Thursday 13 February 2020** to consider the following:

1. **Opening, welcome and apologies**
2. **Notes of meeting 4 November 2019**
3. **Fund Raising Update:**

The notes of a meeting held with Paddy and Andrew Clark are attached (Appendix 1). Since this meeting the fundraisers have been updating the brochure, identifying businesses to send appeal letters and brochures to, meeting with Burgess Hill Business Partners Assn to determine a date to address their members (3 March at Burgess Hill Academy) and starting preliminary work to approach various funders. There is still no indication of when or indeed, if the Arts Council will be making grant funding available. The CEO and Andrew Clark visited the Ditchling museum which was a recipient of a Claw Duffield grant. There is still some work to be done before this application can be submitted.

MSDC has informed us that before it will release any section 106 funding the project will have to have progressed to show that it is funded.

1. **Feedback from Project Manager and Architect: Planning progress**

Members will be pleased to learn that planning permission has been granted. There are a number of issues which still need to be addressed as set out later in the agenda and there some awkward conditions attached as set out in appendix 2. It appears that any hope of going ahead with demolition this year is thwarted until the main construction is ready to proceed as well . Lara the architect, is querying the need for the project to go ahead as a whole as it makes sense to demolish at this stage

1. **Report on CIO or Charity**

The confirmation of registration is awaited and the Charity Commission apparently were processing applications submitted in October in January. Our application was submitted in November. Until it is received fundraising is hampered. A website has been developed but awaits the registration of the CIO before it can go live.

A further matter which needs consideration is the suggestion that there can be various levels of sponsorship eg Diamond (£250k), Platinum (100k), Gold (50k) and Silver (25K). Paddy is unfortunately on holiday and has not explained what the return would be for each category. Presumably each space within the Beehive could enjoy some corporate sponsorship.

1. **Programme ie room usage and viability.**

Nick Dodds has submitted his business plan and projections which are attached ( Appendices 3).

1. **Expenditure to date**

Appendix 4

1. **Next steps.**

The following email from Nigel Felton sets out the next steps which need to be considered. In addition the group is asked whether it wishes to proceed with demolition this year or not. This will have a bearing on the bat survey which is valid for a year.

As briefly discussed this morning, I have some queries over what you require in terms of project progression. There are some quite complex permutations, so I will try to keep them as brief as I can. The main question is what are the council’s intentions regarding delivery of the new building? By this I mean is the council intending to proceed to build with the current design (subject to any minor fine tuning) or is the intention to revisit the design possibly integrating Cyprus Hall?

The reason I ask this is because of the planning conditions, in particular the pre commencement planning conditions. Some of the pre commencement conditions require some detailed design work to be prepared by the consultants. This detailed design work would form part of the consultants normal duties if instructed to progress to the detailed design stage. So, project progression from now, would involve instructing the design team to progress to detailed design and tender. Whilst the detailed tender designs are being prepared and the relevant sections submitted to the Planning Department for discharge of condition, we would in tandem, be tendering a separate demolition contract in readiness for discharge of the planning conditions and we would expect demolition to continue whilst the new build was out to tender and being priced by contractors.

This route commits the council to design teams stage 4 fees, plus some other statutory fees which is likely to equate to circa £250,000 exclusive of VAT and demolition costs. At the end of this stage 4 process the council would have a cleared site and a detailed design and contractors firm costs for the build and be in a position to commence works on site, subject to finances being available.

If the council’s desire is to purely implement demolition, on the basis of lack of funding, or uncertainty around the developments final iteration or other reason, it is likely we will need to have all pre commencement planning conditions discharged before demolition can take place. We have asked Lara to seek some guidance from the planners in relation to this, however I am fairly sure (as the attached email) that demolition constitutes ‘development’. We need to be very careful here, to implement a permission without discharge of necessary conditions is unlawful and can lead to serious issues, even revoke of the permission.

Assuming we need the conditions to be discharged for demolition, this will require the consultants to prepare the relevant design detail. If the design team is instructed not to progress with the detailed tender designs, then the relevant information for discharge of pre commencement planning conditions will still need to be produced by the design team, but this would mean design of the required parts of the design to be undertaken out of sequence. It’s possible to do this, but it’s not ideal as the designs may well need to be revisited when the full building design is instructed to proceed. So it’s possible there would be a need to submit any slight modifications to designs approved under condition to be regularised by a further submission, which will incur both design fees and planning fees.

If we are to simply just proceed with the demolition, there would still be some design team and statutory fees to incur, but on a lesser level than a full stage 4 progression. Without seeking quotations from the consultants for this work we aren’t in a position to advise what this would be at this time. There may also need some consideration to be given to how the site is left following demolition if there is to be a long period of time before construction of the new building. The area may need to be simply landscaped – turf possibly rather than leave this as a hoarded off area that may attract undesirables, vermin etc.

There’s another consideration that may be an option (depending on what the planning officer’s response to the query’s we have asked him on the conditions), which may be a more economical solution if they advise the conditions need to be discharged prior to demolition.

Subject to agreeing this with the planners, there may be an option to submit a Section 73 (Variation of Condition) application that would allow us to push the detail for these conditions post demolition.

It’s just a thought and would need some further investigation which I can do when we have had the response from Andy Watt and you have had a chance to review whether you want the design team to progress to tender stage.

.**Responsible Finance Officers Comments:**

* The £3mil loan will expire at the beginning of September which will require a new loan application if not drawn down before then. There is no guarantee this new application will be successful particularly if a larger amount is requested.  Should any new application impact on the Precept, another residents “vote” will be required, again, with no guarantee of success.
* On the funding side, depending on what scenario is looked at, there is a shortfall of between £1.3mil and £2.5mil with no firm indications from the fundraiser of success.
* The planning permission is valid for 3 years.

I have to conclude, therefore, due to the funding position of this project (PWLB loan and fund raising), there is a real possibility this project may not progress and as such committing an additional and substantial amount of public funds towards the “pre-commencement conditions/design stage 4” without stronger evidence the project will have the required funding in-place is untenable and I cannot support it.

As the planning permission is valid for 3 years, these costs can be deferred to a future time should the funding position improve.

In regard to demolition, and I take the point from Nigel Fenton in that “demolition” may be seen as “development” and subsequently involve all the other “pre-commencement” costs. If planning permission can be negotiated to part the demoltion from the main construction then we could proceed with just the demolition at some point to “tidy-up” the site.

1. **Review of Financing Model**

See appendix 5

1. **Phase 2 of the project: linking with Cyprus Hall**

To be discussed

1. **Date for next meeting**