**Appendix 9**

**CULTURAL QUARTER STEERING GROUP**

Notes of the Meeting held on

13 February 2020

COMMERCIAL IN CONFIDENCE

1. **Attendance:**

 Robert Eggleston (Chairman), Peter Chapman, Jacky Hilary, Chris Elkins, Richard Light, Janice Henwood, Andrew Barrett-Miles, Sarah Greg, Robert Duggan

Steve Cridland

1. **Apologies**

 Joe Foster, Mike Stewart, Anne Eves, Matt Roberts, David Andrews.

1. **Notes of Meeting 4 November 2019**

The Notes of the meeting were accepted. Jacky mentioned that her Lord Lieutenant contact had retired.

1. **Fund Raising Update**

It was noted that an application for the Clore Duffield Trust was being compiled. Paddy had until the end of March to show that he had made progress with this and fund raising in general. This was as a result of a meeting at which he was told that the progress made to date was unacceptable. It was felt that there was sufficient in house skill to take over fundraising if needed. Paddy had been appointed on the grounds of his knowledge of the local community but this had failed to materialise. There has been no indication that the Arts Council would be launching a new fund which was one aspect Paddy had been relying on to raise a significant sum of money. The Charity Commission had advised that they are processing our application. It is hoped this would be finalised soon. This may have a positive effect on fundraising.

There is a presentation to the BH Business Partners Association on 3 March. Jacky has put some words together as requested by Andrew Clark for the Clore Duffield application.

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

Planning approval had been obtained for both the demolition of the RBL and the construction of the Beehive. There were several planning conditions which would need to be met and the architect and project manager were working through them. In response to a question about the future of the Foodbank, Robert E said that he had identified a unit on the business park which could be used. This was apparently not ideal as it did not have toilets. It would cost £6k per annum. Larger units went up exponentially with a unit in the town centre costing around £30k pa. 3 months’ notice needs to be given to them. It is really the responsibility of the Foodbank to find premises and not the Council but the Council would assist wherever possible.

The CEO was tasked with finding out what it would cost to make the RBL site acceptable if the building was demolished ahead of constructing the new centre. It was felt that a hoarding around the site would not be acceptable as it could cause anti-social behaviour and look unpleasant. Business Rates cost around £9k per annum. The possible saving on business rates needed to be weighed up against the cost of beautifying and maintaining the site. Another factor was the inflation cost to be added to demolition each year the project is delayed.

The possibility of using the building in the future was dismissed as it would be expensive to restore. Just the electricity would cost circa £100k. Demolition would improve the value of the site. While the cost of demolition is estimated at around £100k, this could not be definite until the ground had been tested for contamination and possible cleansing done to it. Demolition would mean more time for the construction phase. The CEO was asked to get clarity on the various options available:

* Cost of demolition and making the site good ahead of construction. Set up costs possibly twice.
* Cost of demolition and construction together

As the bat survey expired after 12 months it was agreed to delay this until clarity was obtained on when construction might begin.

1. **Report on CIO or Charity**

The report was noted. If a sponsor for each room is not found then naming the rooms after prominent people in Burgess Hill could be considered.

1. **Programme i.e. Room usage and viability**

The report from Nick Dodds was considered. It was disappointing to see that he estimated a year on year loss of £80k after year three. A sinking fund has been included in the figures and it was felt that this would not be needed for the first three years. It was hoped that the project would wash its face but it had always been accepted that almost all similar centres relied on a subsidy of some sort and this had also been highlighted in the Clarke report. It was generally thought that the report was prudent and useful and that it was better to be cautious. This approach made good business sense.

It was felt that some of the forecasts could be underpinned by finding regular users such as a dance school. This was a very real possibility and there are other organisations in town that have indicated that they would use the facility regularly. This would provide a good income foundation and provide confidence to possible funders.

Income from food and beverage seemed high returning 40% of income. It was wondered whether this was realistic. It was noted that Nick Dodds who compiled the report had considerable experience and his report should be regarded as credible. The figures provided gave a fair reflection of costings and income.

The report showed that the auditorium would only be used 182 days pa. It was felt that this was low and that the auditorium could even be used more than once on some days. A full time manager would be expected to maximise usage.

Discussion was held as to whether the project was viable and should go ahead. It will require a subsidy and that was something the Town Council would have to consider. This would be in addition to paying back the PWLB loan.

It was felt that a town of 50,000 should have a facility like this. It was recognised that the public had previously voted against an increase in their precept to pay for the venue, however it was felt that more information should be given out.

1. **Expenditure to Date**

Noted

1. **Next Steps**

Consideration was given to whether the Beehive and Cyprus hall should be integrated in the future. This would require the plans to be redrawn to some degree. Those present felt this was not an option and would cost too much apart from the negativity from the Cyprus Hall association. The lease with Cyprus hall expires in 2026 and could be reviewed at that stage. Structurally the Cyprus hall has a lower floor level and that would have to be raised. It was felt that that structural costs would increase the costs by approximately £4million – in line with the original Colliers model. The other extreme was to downscale the facility. This effectively meant it would just be a hall rather than an arts centre. Another option would be to expand towards the Con club in the future rather than retrofit Cyprus Hall.

Those present felt that integrating with Cyprus Hall was not an option and that the plans as they are should be continued with.

Regarding the report from the RFO, Robert E explained the proposed budget (as set out later in the report) and how a loan might be repaid. There were three options. The first was to draw down the loan before we had sufficient funds to commence. This meant taking a chance with fundraising.

The second option was to draw down the loan and if fundraising was unsuccessful, a second loan could be applied for. This application could be unsuccessful and might raise eyebrows as it could be seen as bad financial planning. It was felt that it would not be good idea to approach the PWLB twice. We cannot half build the facility.

The third option was to let the loan lapse and apply for a larger loan at some stage. The PWLB had had no problem with our original idea of applying for a £5million loan. This would need another public referendum. A better communication would be needed to get the approval from the public. In addition some funding might be available from MSDC through section 106 funds and the NRR fund provided to assist with the relocation of users of the Martlets.

A proposal to build the building in phases had been previously looked at and considered impractical.

It was generally felt that a larger loan should be applied for if not the whole amount. However this was a decision for the Town Council to take as it is the funder. The tax base is steadily increasing by around 200 houses per annum.

A weakness identified was that while we have a business plan we do not have an artistic plan. Richard and Jacky agreed to put together a framework for a vision statement. This would show the public what was intended which would hopefully convince them of the necessity for the facility in town.

1. **Review of Financing Model.**

The report identified the issues and provided a funding plan for an amount of £6,3 million. More borrowing would be needed which would depend on a positive public vote. The Council rather than the committee would need to look at its position.

Those present were committed to the current plan which would promote art in the town. Indeed the Beehive would be better than the Martletsz was.

1. **AOB**

Nil

Meeting ended at 21.05