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December 2022

To: **MEMBERS OF THE STRATEGIC DEVELOPMENT KEY AREA GROUP, BURGESS HILL TOWN COUNCIL**

A **MEETING** of the **STRATEGIC DEVELOPMENT KEY AREA GROUP** will be held in the Council Chamber on **11 January 2023** at **19.30 hours**, when your attendance is required.

Steve Cridland
Chief Executive Officer

Filming, recording of Council meetings and use of social media:

During this meeting members of the public may film or record the Committee and officers from the public area only providing it does not disrupt the meeting. The Confidential section of the meeting may not be filmed or recorded.

If a member of the public objects to being recorded, the person(s) filming must stop doing so until that member of the public has finished speaking.

The use of social media is permitted but members of the public are requested to switch their mobile devices to silent for the duration of the meeting.

****PLEASE NOTE THE START TIME OF THE MEETING****

A G E N D A

1. OPEN FORUM

Members of the public are invited to put questions or to draw relevant matters to the Council's attention. Each member of the public is allowed to speak once only in respect of a business item on the agenda (whether in the Open Forum or during the meeting) and shall

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not speak for more than three minutes at the discretion of the Chairman.

If it appears that the number of speakers is likely to unreasonably delay the disposal of business items on the agenda the Chairman may direct that a member of the public submits a question or comment in writing which shall be answered in due course.

2. APOLOGIES FOR ABSENCE

3. SUBSTITUTES

4. DECLARATIONS OF INTEREST

In respect of any matter on the agenda.

5. NOTES OF THE STRATEGIC DEVELOPMENT MEETING

Notes of the meeting held on 17 June 2022 (previously distributed).

Note to councillors: The following items all raise questions of financing. The Community Facilities Fund will have £472,000 in it from April 2023. There is a possibility that section 106 funds may become available to assist certain projects. The balance of projects would need to be financed by way of Public Works Loan Board funds (to which there is no guarantee the funds will be awarded) or fundraising. In addition to the projects below, the Customer Services KAG is considering projects which might cost around £60,000.

6. PARK CENTRE UPDATE

Council has previously resolved as follows:

- A. Subject to confirmation that WSCC has agreed to transfer St John's Institute (the Park Centre charity) to Sussex Clubs for Young People (members to note that on the conversion of the Charity to a CIO the Town Council will become a trustee), proceed with the design and development of a plan for the extension, modernisation and refurbishment of the Park Centre ("Development").
- B. To commission an architect's design for the proposed Development (noting the need that the frontage of building should complement the existing historic frontage) , in full consultation with SCYP.
- C. To commission a cost estimate for the proposed Development.
- D. To report back to Strategic KAG at the earliest opportunity for it to consider the next steps for this project.

A structural engineer has assessed the condition of the Park Centre following a building survey. His report is attached as appendix 1 as well as the surveyors report attached as appendix 2. It would appear

from the structural engineer's report that the maintenance work required is not as extensive as first thought and should cost less than the estimate provided by the surveyor.

The next step will be to negotiate a grant for at least some of this work with the current trustee (WSCC) and to take over the trust. It is suggested that a new CIO be created (Appendix 3) with a constitution along the lines of Appendix 4. A further report will be submitted for consideration once a meeting has been held with the current trustee to discuss the takeover.

The following has been suggested by SCYP:

TRANSFERRING TRUSTEE

WSCC has shared with me a proposed New Trustee resolution (Appendix 5)) and the following: ***Changes to St Joseph's Institute Charity Governance Documents***

In order to progress the matter with the Charity Commission, WSCC, as the current sole Trustee of the St Joseph's Institute, is proposing a new resolution to send to the Charity Commission. Subject to the approval of the Charity Commission, this brings the current Governing documents up to date with terms recommended by the Charity Commission as standard. It will also allow the Trustees to appoint other Trustees and this can be another sole Trustee in the case of a company trustee or another Local Authority. I attach a copy of the draft resolution. While we put in place the internal Governance to approve these new documents and formally submit to the Charity Commission, we would appreciate your views. Please can you come back to me if you have any concerns or queries about what is proposed

Aside from a quibble over the ability to carry out taxable trading this seems reasonable on the face of it but still leaves the charity as an unincorporated organisation. We would prefer to incorporate and I have attached the standard CIO template from the Charity Commission (with proposed options recommended through track changes) and a final version of this.

I will ask Clarion Futures if they would like to appoint a trustee – and we would need to agree the first three trustees.

Keeping to the Charity Commission's standard template and model objects will ensure the least challenge to this process.

The advantage of asking WSCC to wind up the existing charity and transfer directly to the CIO is that we would have had to have done this anyway but would also ensure that the new trustees are protected from liabilities around the building.

I have asked WSCC if we could have a meeting in January (ideally with their trustee) to discuss this process but also whether there would be any additional funds to support the process given the condition of the building.

BUSINESS AND FUNDING PLAN

The advantage of starting the CIO as soon as possible is that we can open a bank account and begin fundraising in earnest. We will apply all of SCYP's policies to the new charity to commence with.

We need to think about:

- (a) Re-opening 'as-is';
- (b) Repairing
- (c) Refurbishing and reconfiguring
- (d) Extending

Some of this could be funded by BHTC and will come with some conditions of use. We need to be clear what these are and to ensure we pay attention to the original proposal, the objects of St Johns Institute, SCYP and Escape Youth Club.

At this stage the priority is to take over the trust, repair the building and reopen it whereafter consideration can be given to extending the building which would require the appointment of architects and other professionals by St Johns Institute.

It is estimated that around £1.2 million will be needed to complete the project including the extension. It is suggested that the Town Council offer to fund 50% up to a maximum of £600,000.

RECOMMENDED

1. That the Council note the reports of the structural engineer and surveyor and estimated costs of repairs of around £500,000.
2. That the Council and Sussex Clubs for young people enter into discussions with WSCC to take over the St Johns Institute and establish a new CIO.
3. That a further report be considered regarding funding of repairs and a possible extension once a business plan has been drawn up and an estimate of costs for the extension has been established and agreement has been reached as to how the costs will be divided between SCYP and the Council.
4. That a further report be considered regarding the governance of the CIO eg number of trustees and the representation of the Town Council on the new CIO.
5. That the Council consider its financial position with regard to applying for a PWLB loan of up to a £600,000 in light of the other projects which the Council wishes to be involved in and also subject to consultation with residents.

RISK IMPLICATION: Careful thought will need to be given to commitments being given by the town council in regard to the funding of this project in relation to other projects which the Council has identified as there is no guarantee the town council will be successful in applying for a PWLB loan. It is important that the Council retain an equal or majority stake in the partnership. Additional costs may be discovered as work commences.

7. ST JOHNS PAVILION

The Council has previously considered becoming involved with the improvement of the St Johns Pavilion in St Johns Park and resolved as follows:

1. To review with the Burgess Hill Cricket Club its plans for the redevelopment of St John's Pavilion and see how community facilities at this building may be further developed. Council emphasises that any involvement from it must be in support of wider community needs.
2. To receive from Burgess Hill Cricket Club its outline proposals for the development of community use at St John's Pavilion in order to better inform members as to the extent of such community use.
3. Welcomes the lead taken by Burgess Hill Cricket Club in bringing forward proposals for the redevelopment of St John's Pavilion for community uses and is supportive of its initiative.
4. Consider, at the appropriate time, whether to make a financial grant toward the redevelopment but, as a condition of any financial grant, (i) require the transfer of the trusteeship of St John's Park (charity) from MSDC to the Town Council together with (ii) being satisfied with the community use plan and (iii) management plan for the use of the Pavilion.

The Cricket Club has submitted a business plan (appendices 6 to8)

Income Projector

The spreadsheet is a useful tool to help project the income we would expect to generate from the modernised building.

Some extra info with regards to the spreadsheet.

1. The sheet assumes that 100% maximum capacity is the total number of sessions x maximum hours x the hourly rate, and the percentage usage is derived from this maximum.
2. The sheet allows the output/calculation to be updated using the sliders. You can change the number of hours per day per area, and the hourly rate and it will update vs the 4 usage percentages in rows 4-7. Therefore it gives a wide range of projections vs the various inputs.

3. We have set both BHCC and Coffee Shop rent at £5000 each.
4. We have added additional bar income on a sliding scale of £3k-£12k. This additional profit is likely to be between £6k and £24k depending on building use : therefore we have included this extra income, with 50% going to BHCC (as we will be running the bar) and half into the charity itself to help pay all bills.

Income examples PDF

We felt it important to include the calculator spreadsheet to provide transparency in our figures and enable anyone to play around with the numbers vs usage/rates/rental areas.

However, I have included some examples in the PDF attached which are derived using the calculator and these highlight how the building could easily generate annual income of £50,000 plus, all the way up to and well over £100,000. 6 very realistic and attainable examples of how the building can generate significant income. Our plans are for a community building that is well loved and well used, that is our number one aim. However, it is important to show this building can more than pay for itself. The location as we mentioned in our meeting is everything to the success of this building, there is no better location for a community building in Mid Sussex.

The upper income bands are completely feasible if the building is updated to a modern, multi-purpose community building that covers all of the bases we are proposing.

Discussions continue between the three parties. Before the Town Council makes any contribution, the governance issues need to be addressed. In terms of governance a logical step would be to follow the proposed route that is recommended for St Johns Institute and move the charity into a modern CIO structure.

The initial estimate for the improvements to the building is £1million. It is suggested that the Town Council consider contributing £400,000 with the MSDC contributing an equal amount and the cricket club contributing £200,000.

The redevelopment would be project managed by the Cricket Club.

RECOMMENDED:

1. That the business plan submitted by the Cricket Club be approved
2. That further discussions be held with MSDC and the Cricket Club to consider the following
 - 2.1 proposed improvements to the Cricket Club;
 - 2.2 becoming a trustee of the charity and representation thereon

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2.3 funding of the extension

3. That, subject to the satisfactory conclusion of discussions with and clear commitments from MSDC and the Cricket Club, the Council agrees 'in principle' to provide 40% of the cost of redevelopment up to a maximum of £400,000 providing this is matched by MSDC and there are shared governance arrangements of the charity between MSDC and the Town Council. and also subject to consultation with residents.

RISK IMPLICATION: Careful thought will need to be given to commitments being given by the town council in regard to the funding of this project in relation to other projects which the Council has identified as there is no guarantee the town council will be successful in applying for a PWLB loan. It is important that the Council retain an equal or majority stake in the partnership

8. NEW BURIAL GROUND

The burial ground has capacity for an estimated 4 years and it is therefore necessary to start planning for the new burial ground which is the site next to the current burial ground. It is estimated that the cost to design, survey and service this site will be in the region of £250,000. In view of the gradual increase in burials over the years and the expansion of the town it is appropriate to start this project in the 2023/24 financial year.

While it is estimated that the extended site will have capacity for 10 to 15 years, it is essential that a new site be identified and acquired whenever possible.

As part of the commissioning of a new burial ground, Members should be mindful of the needs of the Muslim community and consideration should be given as to how their needs can be accommodated at the new burial ground.

RECOMMENDED

1. The Council agree the commencement of the planning and construction of the new burial site and provide funding of approximately £250,000 for this project. It should be noted, it took 2 years to plan, develop and construct the current burial ground.
2. That a loan from the Public Works Loan Board be applied for once the Finance KAG has considered all the bids to the Community Facilities Fund and agreed an amount to apply for and also subject to consultation with residents.
3. That an additional site be identified and acquired whenever possible.
4. That officers meet with members of the Muslim community to understand their requirements and identify arrangements the

Council need to take into account when developing the new burial ground.

RISK IMPLICATION: If the construction of the new site is not carried out timeously there is a possibility that the current site will be filled and no further burials will be able to be accommodated. Additional sites are difficult to identify and expensive to acquire.

9 BEEHIVE PROJECT [This item may be changed after the closing date for tenders depending on the number of tenders to be adjudicated]

Tenders have been received for a new design for a smaller facility. The cost of the architect to be appointed is estimated to be an initial £70,000 to design the facility increasing to approximately £250,000 as the project progresses and more professionals including a Quantity Surveyor are added.

The tender has called for architects to deliver a project to not exceed £5million, however this is difficult to estimate as the cost of building continues to rise. The cost when the council is able to proceed may be more at that stage. At this stage the architect will be appointed to carry out the initial design, costing and planning application.

RECOMMENDED:

That council notes the expected cost of the professionals for stage 1 of the reduced project.

RISK IMPLICATION: Careful thought will need to be given to commitments being given by the town council in regard to the funding of this project in relation to other projects which the Council has identified as there is no guarantee the town council will be successful in applying for a PWLB loan. There is the potential, as with all the projects identified, to see costs continue to increase with time.

Responsible Finance Officer comment

Most, if not all, of the projects noted in this report will require some form of external funding, potentially, up to £7mil, with no guarantee the Communities Department (Public Works Loan Board - PWLB) will approve such a level of funding. The town council must, therefore, be mindful of making commitments to third parties prior to confirmation that funding will be available.

It should be noted, also, as at 31 March 2022, there is an outstanding loan of £246k for the original purchase of the RBL building, with current repayments in the region of £16k per year.

It is the case that previously the Communities Department have awarded a grant of £4.8mil to the town council which will give some comfort the smaller projects totalling some £1.3mil i.e. excluding the Beehive, could be funded with a PWLB loan, although, as mentioned, this cannot be guaranteed. There is, also, the potential to seek S106 and LCI funding, again, however, this cannot be guaranteed.

The RFO has contacted the Communities Department to get their view on the potential size of loans vis a vis the size of the town council. Their comment is awaited.

Consideration must also be given to the affordability of any loans to fund these projects and, potentially, associated running cost subsidies for the Pavilion, Park Centre and/or the Beehive. Interest rates are now at the highest they've been for some years (currently 4.66%) with little prospect of material downward movement in the short to medium term, with repayments for every £1million borrowed being £52k per year. Any borrowing from via the PWLB will be, therefore, at an exceptionally expensive rate and will be fixed for 50 years.

For information, the original PWLB loan approval for £4.8mil (Jan 2021) was at 1.9% with repayments in the region of £150k per year i.e. £32k per £million borrowed.

Members will be aware, also, the 2023/24 budgeted level of funding agreed to go towards the Community Buildings & Capital Projects Fund was reduced from £104k to £60k to ensure the overall budget could be balanced. These operational pressures still remain.

Although there is prospect of greater housing growth (Northern Arc) in the medium to long term, this appears to have stalled under the current economic climate, making it problematic to forecast with any degree of accuracy the level of funds being generated for the town council through the tax base.

10. **STANDING ORDERS**

The internal auditor recommended that Council's Standing Orders be reviewed from time to time to ensure that they are kept up to date with current procedures.

Attached is a copy of both the Burgess Hill Town Council Standing Orders (Appendix 9), the Model Standing Orders (Appendix 10) and the sections from the Model Standing Orders which could be considered for inclusion in Council's Standing Orders (Appendix 11). A working paper highlighting work done to identify aspects that should be

included is also included but this has been adjusted without adjusting the highlights. (Appendix 12)

What is important is that the items in bold in the model SOs are included in our SOs.

Council is asked to consider the sections recommended for inclusion and if satisfied to accept the reviewed Standing Orders with the new sections incorporated (Section 13).

It should be noted that the review does not include the financial standing orders and the RFO will review these in due course.

RECOMMENDATION:

1. That Council consider its Standing Orders and that sections from the Model Standing Orders as set out in Appendix 11 be included in Burgess Hill Standing Orders.
2. That the reviewed Standing Orders be adopted

Risk Implications: Failure to review the Standing Orders will place the town council in default of its governance requirements.