

The Beehive

This is the name of the aspirational venue for the designated civic and culture quarter of Burgess Hill. The site determined for the build is the site of the old RBL building on Cyprus Road with links in to Cyprus Hall, to create a larger venue. The Cyprus Hall and the RBL site both belong to the Town Council, the Cyprus Hall is on lease to the Cyprus Hall Association. The lease is due to end in 2026 and discussions are underway as to the letting of a new lease. The build of a theatre/ performance venue to replace the demolished Martlets Hall is part of Core objective (CO) 7 in the current neighbourhood plan which was adopted in 2015 following a referendum.

1. Beehive: How we got here

1. 2015 - Burgess Hill Town Council (BHTC) opened discussions to purchase the former RBL building in Cyprus Road
2. 2016 - MSDC decided to close the Martlets Hall following a report from Max associates
3. 2016 - A 7,000 strong petition to retain the hall was submitted. Following this BHTC began to think about the RBL site being a potential for a new facility to replace Martlets Hall.
4. 2016 -BHTC commissioned a report from DCA consultants regarding the demand for a facility, they concluded a facility could be viable.
5. 2017 – RBL building purchase completed at a favourable rate with the intention of providing a community / cultural facility. An overage clause is in the contract of sale should the building be sold.
6. 2017- Colliers International prepared a Business Case for the venue
7. 2018 – a public consultation for a venue costing £6.9m was held. The result was support for a venue but not support for the Council to take a loan of £5m to build it (as this would affect the precept).
8. 2018 – The Martlets Hall was closed
9. 2018 – BHTC prepared smaller plans at a less expensive scheme £5.5m with a £3m loan.
10. 2019 – Greenwoods prepared estimates for a RIBA stage 2 scheme
11. 2019 - a public poll gave the name “The Beehive” to the future venue
12. 2020 – planning permission was granted
13. 2020 - the Beehive CIO was set up (three trustees)
14. 2020 - an updated business plan was drawn up by Festival and Events International

15. 2021 - townwide consultation on proposals. £4.8m loan would be needed, was approved but turnout was only 8%.
16. 2021 Public works Loan Board approved the loan as three separate loans
17. 2022 RBL building was demolished
18. 2022 - a revised cost plan showed significant increases in costs – project was paused
19. 2023 – March - Unknown Works appointed as the new architects and Greenwoods reaffirmed as project managers, but no progress until the investigations in to alternate sites was concluded.
20. 2023 - September – no alternative sites were deemed suitable and work would continue
21. 2024- Unknown Works were instructed to prepare a new concept design
22. 2024 – October – design was presented to Councillors in October, Beehive was reaffirmed as an aim for the Council
23. 2024 – Greenwoods provide a build cost for the new concept design 5.2m
24. 2025 – February – consideration of the principle discussed at working group and Strategic Development Key Area Group with recommendation to go to Council whether to persevere with project.

2. S106 monies available as at February 2025 for use with the Beehive:

£105,580.11 for beehive is available and can be applied for, as at March 2024

3. Overage of RBL building

If the Council determine not to go ahead and look for alternate uses of the site, should it not be used for community purposes or should be sold then an overage 50% of the difference between the sale price and the then market value will need to be paid to the RBL trust. The overage clause is complicated and there are various triggers, but in essence this is what the Council, who have sought KC opinion believes that it means. As there is some ambiguity with this overage clause the Council are seeking a meeting with the trustees of the RBL (Burgess Hill) to agree a way forward to ensure that it is clear to all parties, this may involve redrafting the agreement and therefore some costs. If we cannot agree we would be potentially faced with a judicial decision in a court.

Cyprus Hall lease

The lease is due to expire on 1st February 2026, the lease is governed by the landlord and tenant Act 1954. The Council are currently in talks with the Cyprus Hall Association as to a variation to the lease to potentially allow the Beehive to be built should Council agree that the project is to continue and consultation is in favour and funding can be established.

It is unlikely that the build for the Beehive would start within the next two years, however that is time to secure funding, planning and contractors.

4. PWLB Loans

The UK Debt Management Office (DMO) on behalf of HM Treasury, has a public works loan board (PWLB), available to local government to borrow with fixed rates for short or long periods. The loans are for capital projects. This Council has secured loans from them in the past. Most recently the loan for the burial ground extension. The fixed interest rate (fixed on the date of the draw down) is published daily and is currently ranging between 5 and 6 % return, depending on the term. Terms can last from less than 6 months to 50 years and can be repaid early at a premium calculation.

The current loan that the Council have with PWLB is for up to £300,000 over 25 years. The repayment rate is expected to be around £23,000 per annum (it will be fixed when we draw down later in 2025).

A £3m loan therefore over 25 years would be in the region of £ 113,500 per annum, over 50 years this would reduce to £94,675 of course over 50 years the repayment would total 7.5m while over 25 years it would be £5.2m. This is indicative only as there is no plan to assume that a loan to build the Beehive would be £3m. A higher loan would of course result in higher payments.

In order to borrow from PWLB the process is that we need to apply and be supported by our local county association of local councils which is West Sussex Association of Local Councils (WSALC). They effectively are assuring the treasury that our proposal is sound. They will require evidence that where the precept is to be affected (precept increased in order to meet the repayments) by the borrowing that there is tax payer support for the loan. In the past the Council has undertaken the referendum on the Beehive to provide this evidence. While a “referendum” is not necessary, public consultation and a way to demonstrate public views is necessary which could be in the form of consultation and submitted comments or a vote. But the process is not prescribed.

Public Works Loan Board indicative rates

Rate	25 years (£000)			35 years (£000)			50 years (£000)		
	£2m	£3m	£4m	£2m	£3m	£4m	£2m	£3m	£4m
3.5%	121	181	241	100	150	200	85	127	170
4.5%	134	201	268	114	171	228	101	151	201
5.5%	148	222	296	129	194	258	117	176	235

This is based on an annuity repayment profile so even payments over the term of the loan.

As at the point of issuing this report, interest rates are as follow:

Years	25	35	50
Rates	5.87%	6.06%	6.06%

5. Conclusion

The current costed design from Unknown Works and Greenwoods is included in these papers. That along with the background and information given above are now set before the Strategic Development KAG

The Community Buildings Development Working Group met on 3rd February to discuss the project as a whole. They felt that there was still potential in the project to reach a scheme which can be supported by future users and the wider town resident. They did not discuss the operating model nor where financial grants would be sought. They were mindful of the significant cost of borrowing. They wanted to test the water to demonstrate the level of support and if still evident to take this to the Council as part of the overall discussion as to this project continuing. Their **RECOMMENDATION** is thus:

- 1- To carry out consultation with known stakeholders for the proposed Beehive to determine appetite for the scheme and if still supportive to
- 2- Recommend to Council that the project proceed with the previously appointed architects and project managers to RIBA stage 2