

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Culture and Recreation
Date of Decision:	4 November 2010
Decision Title:	The former Bedhampton Arts Centre – Options for the Future
Decision Reference:	2208
Report From:	Director of Culture, Communities and Rural Affairs

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1. Executive Summary

- 1.1. The purpose of this paper is to explore the options for the future of Bedhampton Arts Centre now that Havant Arts Active, the parent company that runs Havant Arts Centre, have surrendered the lease of the former Bedhampton Arts Centre building.
- 1.2. The options that have been considered in depth by the County Council include declaring the building surplus to requirements and disposing of it on the open market, or, retaining it as a community facility, to be run by an independent organisation.
- 1.3. A newly formed group called the Bedhampton Activity and Heritage Centre (BAHC) Steering Committee have requested that the building be made available to them so that they can refurbish it in order to deliver a range of services to the community. Elected members from both the County Council and Havant Borough Council have taken an active interest in this proposal and County Councillors Liz Fairhurst and Ann Buckley are among the members of the BAHC Steering Committee, which is led by Havant Borough Councillor Jenny Wride.
- 1.4. The group have been working on a draft business plan since July 2009, and this was recently submitted to the County Council. The detail has been explored with the group, and whilst their aspirations are laudable, it is not considered that the plan is viable.
- 1.5. Therefore, in the absence of an accurately costed plan that demonstrates a significant chance of the BAHC committee raising all of the funds that would be required to establish such a facility within a reasonable timescale, together with securing a sustainable revenue budget, this paper recommends that the building be declared surplus by the Executive Member

for Culture and Recreation and that it be a recommendation to the Executive Member for Policy and Resources that the building be sold, and that 100% of any capital receipt be retained towards the support of the development of arts & cultural facilities in Havant, in partnership with Havant Borough Council.

- 1.6 Further explanation of why this conclusion has been reached is set out later in this report.

2. Contextual information

- 2.1. Bedhampton Arts Centre is a former Victorian School, situated on the corner of Bedhampton Road and Kingscroft Lane, Bedhampton, Havant. The plot on which the building sits occupies approximately 1 acre. The building was formerly used as a drama centre until it became an Arts Centre in the early nineteen-nineties. Being geographically so close to Havant Arts Centre, it soon became an annex of Havant Arts Centre, and over the years, it was mainly used to host participatory activities or meetings that were difficult to accommodate in Havant Arts Centre. It also provided a base for 2 small theatre companies in need of office space and somewhere to develop their work.
- 2.2. The building ceased to be used as an arts centre in August 2009, when 'The Spring Arts and Heritage Centre' opened at the old Town Hall in East Street, Havant. This new centre combines the space formally occupied by the Arts Centre and Havant Museum, and a new, innovative model for delivering these services was established. The former occupants of Bedhampton Arts Centre have either been accommodated at The Spring, or have, by agreement, moved elsewhere.
- 2.3 The County Council has a leasehold interest in the school building, holding the balance of a 500 year lease granted in 1872, with the remainder of the site owned freehold. The lease contains a restriction on use for education purposes, but, this would only be enforceable as a breach of contract by any successor in title to that freehold interest. To ensure that there is no risk of a future claim from successors in title (who cannot be located at this time) and to provide good leasehold title (as required by lenders) the County has sought details to take an appropriate indemnity insurance policy, which remains available.
- 2.4 In March 2009, English Heritage notified the County Council that they deemed the architect who designed the building of such merit to warrant Grade II listing. The listing applies to the school building and not to any outbuildings, extensions or the adjacent land within the plot. It requires that the building must be retained and that the interior will need to reflect its former use as a school, which will limit the conversion possibilities. It will undoubtedly restrict the development possibilities for the building and of the site as a whole.

3 The BAHC Business Case proposing a Community use for the building

- 3.1 In June 2009, when it became apparent that the County Council had no further use for the building and intended to consider its disposal, Borough Councillor Jenny Wride made an approach proposing that the building be made available to an independent group to provide a range of services to the community.
- 3.2 The outcome of discussions at that time was that the County Council's intention to declare the building surplus to requirements was put on hold, pending the submission of a detailed business plan which would show exactly what the building would be used for, how its renovation and refit for a new use would be funded, and how a sustainable revenue budget could be established for the long term future.
- 3.3 No organisation existed to develop such a plan at that time. A group called the Bedhampton Activity and Heritage Centre Steering Committee has now been formed and their committee submitted a draft business plan in May 2010. The introduction makes it clear that that it is a statement of intent and not a detailed business, financial and project plan. This is disappointing after a year, as the County Council would have welcomed a much more developed business case with more evidence of the need for the facility and a more considered and justified financial appraisal to assist with decisions about the future.
- 3.4 Nevertheless, the document submitted has been the subject of detailed consideration by officers. Our initial concerns about the viability of the Business Plan were as follows:
 - The Business Plan sets out a number 'views, opinions and aspirations' , but does not establish a 'need'.
 - The suggested timetable for getting this up and running is very short.
 - The plan indicated a positive initial response from the lottery, but our experience is that they do not often support newly set up groups without a track record. We appreciate that many of BAHC committee members have great experience in community matters, but in the lottery's eyes, that may not be the same as them supporting an established group.
 - We think that the £250k estimate for refurbishing the building to an acceptable standard, is low.
 - In order to progress future funding bids, the business plan proposes that the County Council fund detailed surveys of the building (by way of a grant application to the Executive Member for Policy and Resources) to verify the estimates of likely capital investment required. Our view is that the estimates included in the plan are likely to be on the low side so can be relied upon at this stage to indicate the minimum scale of external funding required, and unless the County Council agrees at this stage of the process that it is willing to make the building available to the BAHC

group, there is little point in the County Council funding more detailed surveys at the moment.

- It appears that the only funding the group has actually secured so far is from the devolved budgets of County Councillors Fairhurst and Buckley. No offer of funding has been made by Havant Borough Council and it has been made clear that this project is being promoted by Councillor Wride in her role as the local ward member, not as an Havant Borough Council promoted or funded project.
- Although the plan mentions expressions of support from local Hampshire County Council staff currently providing services in the area, e.g. local youth service manager, this support does not appear to be supported by commitments of cash to help with the ongoing running costs.
- Some of the activities proposed may complement County Council services, but they will also compete with services already offered at venues such as Libraries in the area, and paid for by the County Council, e.g. Young peoples and Adult's vocational courses.
- Our view is that the revenue funding projections set out in the plan and the annual income needed to underpin the sustainability of the project over many years to come are extremely optimistic.
- Our view is that the Risks and Issues identified in section 10 of the plan should nearly all be rated 'High Probability and High Impact' and this would result in a very high overall risk rating for the project, because if any one of the risks identified were to become an 'issue' that could not be resolved, it could cause the project to fail.
- We also identified a couple of additional risks, such as, 'Hampshire County Council does not agree to support Capital or Revenue costs' and 'Ongoing revenue income proves not to be achievable'. Again, the business plan appears to rely on the assumed contributions in the draft budgets and if either are not achieved, then the overall budgets would not be sustainable.
- We also asked for clarification of the role of the Bedhampton Social Hall which is situated quite close to the Arts Centre building and the relationship between the BAHC proposals to create a new facility and the services offered from there at present.

3.5 These concerns were communicated to the BAHC group and two meetings have since been held with Councillor Wride and colleagues to seek further explanations, clarity and detail of the financial projections. At a meeting held on 1 October attended by Councillor Snaith-Tempia, it was explained that the County Council would have great difficulty in making a financial contribution to the project as envisaged by the business plan, so the BAHC members present proposed withdrawing their request for County Council funding (both capital and revenue) and asked that the County Council now

only consider the issue of making the building available to them, so that they could pursue other funding options.

- 3.6 Whilst this may appear to make the project more attractive to the County Council, it is our view that without the significant County Council funding requested in the business plan, the project appears to be even more unachievable and unsustainable as the financial projections presented by BAHC were already considered to be very optimistic. Without County Council funding and with no offer of Borough Council funding either, it is very difficult to see where the required level of external funding would come from. No alternative budget has been submitted to show how the budget figures would be achieved without County Council funding.
- 3.7 As well as our concerns over the financial issues, we are concerned that the need for such a facility has not been adequately established. The aspirations expressed in the business plan are laudable, but the standard of evidence of 'need' which will be required by external funding organisations, particularly the Lottery, are very high and no such quantitative or qualitative evidence is included in the business plan. It is reasonable for the County Council to expect a similar level of evidence of need before considering that the building be made available, and this has not been forthcoming.
- 3.8 The business plan timetable envisages the facility being created and open by March 2012. This is not thought to be achievable as the lottery programme on which a large proportion of the capital funding relies is not due to be announced until later this year, so given our experience of how long it takes to go through the lottery grant application and approval process, it is unlikely that a decision will be confirmed until mid 2012. A process of tendering and commissioning the works would then start which could take at least 6 months and assuming a six month building contract, there is little chance that any new facility would be open until mid 2013 at the earliest.
- 3.9 A robust matched funding package would have to be secured in order to stand any chance of achieving a lottery grant. If the County Council were to commit the building to BAHC, that could be counted as matched funding, but without cash to support the development aswell it is unlikely that this would be sufficient. Other suggestions in the business plan of other external funding opportunities could result in BAHC achieving some level of funding but it does seem that all of these would have to be successful to have any chance of securing sufficient funds. If any one were to fail, then the whole funding package would be in jeopardy. Should such failure to find funding occur, then the ongoing liability to the County Council would continue for an unspecified period of time and could cost the County Council a significant sum in repairs, maintenance and utilities costs.

4 Other key issues

- 4.1 The County Council's Capital Strategy 2006 states that *'at the centre of the review (The County Council's Strategic Property Review 2006) is the need to achieve significant efficiencies in the operating costs of the Council in*

relation to its office accommodation and to identify land and buildings that can be promoted for disposal and development after 2009'.

- 4.2 Disposal of surplus buildings reduces the County Council's liability for costs such as building maintenance, general running costs and security, and also offers the potential of a substantial capital receipt.
- 4.3 Havant Borough Council's Core Strategy 2009 proposes a desire to improve cultural facilities in the town as part of a Public Services Village regeneration plan. This states (para 2.35) that, *'the preference is that new facilities would be part of the redevelopment of the Civic Offices Campus into a strategic site at a Public Services Village. This could include dance and drama studios, radio, film and photography workshops, rehearsal and recording spaces, a 300-500 seat theatre, conference rooms, a gallery, arts shop and a café bar. Space would be available for use by voluntary arts organisations, schools and community groups.*
- 4.4 Approval for the retention of 100% of any capital receipt from the disposal of Bedhampton Arts Centre to support the funding of future plans would help enable the long-term development of arts and cultural facilities in Havant Borough, possibly in partnership with Havant Borough Council. This would help mitigate against the loss of Bedhampton Arts Centre to the cultural landscape of Havant, and restore funding that has already been spent on creating 'The Spring'.
- 4.5 The County Council, via the Museums Service revenue budget, contributed £65,000 to the overall budget for converting Havant Museum and Havant Arts Centre into 'The Spring' in 2009 and this work directly contributed towards the Bedhampton Arts Centre building to be declared surplus. As the decision to dispose of Bedhampton Arts Centre was not made at that time, the Museums Service had to redirect funds that had been earmarked for other projects, including Basing House, The Willis Museum and match funding for a lottery bid for the Red House Museum.
- 4.6 Similarly, the County Council and the Borough Council have aspirations to create a Cultural Centre as part of the Havant Public Services Village and any capital receipt achieved from Bedhampton Arts Centre could usefully be set aside as pump priming funding for this project.

5. Future direction

- 5.1 The current options for Bedhampton Arts Centre are:
 - a) the building be declared surplus and offered for sale
 - b) the building be made available to the BAHC committee, or some other organisation with an appropriate constitution, able to demonstrate a robust business case for retaining the building as a community facility.
- 5.2 Option (a) has the advantage of meeting the aspirations of the Capital Strategy 2006 and if approval is gained for retaining the capital receipt for future developments in Havant, would ensure that Havant gains long term benefit from the disposal to mitigate against the loss of the building as part of Havant's cultural offer.

- 5.3 Option (b) provides an uncertain way forward. The business plan submitted by the BAHC steering committee, whilst setting out laudable intentions and aspirations, does not demonstrate robust evidence of need and a great deal of work would be required by the group to establish this with sufficient certainty to satisfy external funders such as the lottery. The BAHC group have explained that they intend to develop this detailed evidence as part of compiling funding application over the coming months, but the County Council should expect to be similarly convinced before agreeing to make the building available. In the absence of such evidence being available now, and with unclear timescales for the production of such evidence, decisions can only be made on the basis of the information already provided.
- 5.4 On balance therefore, it is considered that a very high level of uncertainty remains as to the viability of retaining the building for community use as proposed by the BAHC steering committee, and that the risk to the County Council in agreeing to their request is not justified.

6. Recommendations

- 6.1 That the Executive Member for Culture and Recreation declares the former Bedhampton Arts Centre building surplus to requirements.
- 6.2 That the Executive Member for Policy and Resources be advised that the proposal submitted by the BAHC should not be supported and that the building should therefore be sold.
- 6.3 That it be a recommendation to the Executive Member for Policy and Resources that 100% of any capital receipt from the disposal of Bedhampton Arts Centre be retained to part-fund plans for the development of arts and cultural facilities in Havant Borough.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes/no
Corporate Business plan link number (if appropriate):	
Maximising well-being:	yes/no
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	yes/no
Corporate Business plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None