

CLAIR HALL: INTERIM REPORT OF WORK TO DEVELOP INVESTMENT OPTIONS FOR THE SITE

REPORT OF: CHIEF OFFICERS
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Wards Affected: All
Key Decision: Yes
Report to: Cabinet
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Purpose of Report

1. The Cabinet commissioned a project to investigate options for investment in the Clair Hall site in December 2021. This is an interim report that summarises and shares the key information and learning gathered so far and proposes the next phase of work. The final report, drawing on further intelligence gathering and evidence from culture and creative economy experts and leaders, is expected to be completed after the Summer.

Summary

2. The Clair Hall site is a well-known destination next to Clair Park, where residents, friends, and families can enjoy their time together. There is a strong local ambition to make the Clair Hall site a place which, with a variety of uses, may enrich the lives of those in Haywards Heath and surrounding communities.
3. The Council is advised that current high inflation costs and the volatility of market conditions create significant risks to projects of this nature, affecting investors' ability to secure the necessary funding, often making future, or even existing, schemes unviable.
4. Two major pieces of work have been completed: the collection and evaluation of information about the buildings and the site itself; and the interim findings of the Lead Advisor, BOP Consulting, on our local cultural landscape. The two reports offer considerable detail and insight into the current picture and future opportunities for the site.
5. We know that the site has some strengths: it is a good size, in an attractive position, and has good transport connections. However, we learned that the buildings on the site are dated and unappealing, not in keeping with the surroundings. They are inefficient to run and have significant repair and maintenance liabilities.
6. The pandemic's impact on residents' habits and needs are still emerging, affecting the modelling of any future demand. On the positive side, the data suggests there is a local audience with an appetite for cultural provision, though their wide-ranging interests will need to be met with a diverse offer.
7. Local provision is fairly typical for a town the size of Haywards Heath, with theatres, cinemas and community centres/halls for hire within easy reach. The Lead Advisor highlights the importance of developing future provision which is different or complementary to the existing and planned provision locally. There are local assets which may support this, including the strong digital infrastructure, local clusters of creative industries and the vibrant local high street. Further investigation of these areas is advised.

8. There are cultural ecosystems surrounding Haywards Heath which have received healthy levels of external funding in recent years. However, in the current funding climate, Haywards Heath may not be seen as a priority area by many key funders and there is increasingly less money available for and appetite to fund capital projects.
9. To support further work, the Members Steering Group has proposed:
 - Strategic success criteria and parameters for evaluating options for the site; and
 - Three broad models to be explored through further research and soft market testing in the next phase.

Recommendations

10. The Cabinet is recommended to:

- (i) **Note the interim report and the findings contained in the property report and the report of the Lead Advisor;**
 - (ii) **Agree the strategic success criteria and the financial context statements in paragraphs 37-42 as the guidelines for consideration of options in the next phase of work;**
 - (iii) **Approve the next steps in this work set out in paragraphs 43-48.**
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Background

11. The Clair Hall site is located in Haywards Heath and includes Clair Hall, the Redwood Centre and a car park. The hall is a multi-purpose venue comprising a large main hall, a function suite, studio, and bar area. The Redwood Centre is a smaller single-storey building. Both venues are well-known destinations next to Clair Hall Park and continue to play an important part in the lives of residents.
12. Currently, Clair Hall is being used by the NHS, including as an important vaccination centre. The need for the vaccination programme is expected to intensify after the summer and into the winter. The Redwood Centre is currently leased to the Scouts and sub-let to a nursery.
13. In December 2021, Cabinet agreed work to help understand investment options for the site. The Cabinet agreed that more information and work were required to develop options that ensure the sustainable future of the community facilities on the site. Both refurbishment and redevelopment scenarios should be investigated.
14. In February 2022, the Cabinet noted the progress of the work to develop evidence-based sustainable options for the site. The Cabinet noted the planned timetable for the project and agreed that a Members' Steering Group (MSG) be established to oversee and steer the work. It was agreed that an interim report would be prepared for the Cabinet at the completion of the second phase of the work – strategic definition and information gathering.
15. BOP Consulting (BOP), an international consultancy specialising in culture and the creative economy, have since been appointed as the Lead Advisor to explore the feasibility of development options for Clair Hall.
16. This report summarises the work undertaken to date and proposes further steps, including a soft market investigation in the next phase.

Summary of the key learning to date

17. In this phase of the work, two main pieces of work have been undertaken:

a) Collection and evaluation of buildings and site information – the Council have commissioned and undertaken a range of surveys and studies in relation to the legal, planning, and physical building aspects of the Clair Hall site. A report is included at **Appendix A**.

b) The Lead Advisor's Report – BOP have prepared a report which considers the local context, the local audience for culture, as well as mapping current cultural provision to assess the need which cultural provision at Clair Hall may meet. Their report is included at **Appendix B**. The primary focus for BOP is to explore the culture-led options for the Clair Hall site. The report defines culture as a broad range of art forms that are not limited to theatre, dance, music, and literature. Also, this work acknowledges that culture can be a part of leisure.

The key learning points from each of the reports are summarised below.

The location and character of the Clair Hall site are its main strength

18. The reports highlight a number of key strengths of the Clair Hall site. It is a good size in an attractive position and is enhanced by the proximity of Clair Park. It is well known locally and is on a scenic route connecting the town centre with the train station. It is well served by public transport.

19. The legal and planning status of the site are relatively unencumbered. The Clair Hall building has been designated an asset of community value since November 2020.

20. Independent planning advice notes that there are no significant restrictions. There is broad planning policy support for sustainable development on the site, either through refurbishment or redevelopment options. A redevelopment option would need to follow and satisfy the planning policies, including those that protect the existing community use. In addition, any development would need to be sympathetic to the adjoining conservation area and character of Clair Park.

The current buildings are end-of-life and costly to operate

21. The buildings on the site are dated and unattractive, not in keeping with the surroundings. They are inefficient to run and have significant repair and maintenance liabilities. An independent condition survey has concluded that there would be a substantial cost to bring the buildings up to a modern operational standard and then to maintain them. Their assessment is that this would cost £2.9 million in the first five years.

22. Clair Hall is currently occupied by an NHS supplier who is responsible for the operational costs. When run as a community facility by the former leisure contractor, the operational costs of running the building, excluding staffing costs and business rates, were £193,000 in 2019/20. It is likely that due to recent increases in the cost of energy, utilities and building repair/maintenance work, this figure would now be over £250,000. The Redwood Centre is currently leased to the Mid Sussex District Scouts and sub-let to a nursery provider; the operational costs are met by them.

Haywards Heath's audience is highly engaged but with differing needs

23. The report examines the current and future audience profile for any cultural offer on the Clair Hall site and concludes that Haywards Heath has a highly culturally engaged population with diverse segmentation of cultural interests. BOP see this as a positive opportunity, though any offer at the Clair Hall site would need to offer a diverse programme of activity to meet different audience needs.
24. In addition, the ageing population locally may skew these needs over time, and the local population may look outside the town for their provision in any case.
25. The work to date has given the Council a richer picture of the impact of the pandemic and the current position of the arts, and leisure sector; the impact on residents' habits and needs are still emerging and will be considered further in the next stages, including considering census data to be released in summer 2022.

The town's cultural landscape is typical for a town of its size with a good range of cultural facilities within easy reach

26. BOP have mapped community and cultural provision locally, identifying a broad range of cultural activities/venues within 15-, 20- and 30-minutes' drive. This helps provide a baseline to understand how any proposition at Clair Hall would fit in the local cultural landscape, complementing what is already in place.
27. BOP note the broad benefits of investing in culture for communities and the local support for this in key policies and strategies, including the Haywards Heath Town Centre Master Plan and the Haywards Heath Neighbourhood Plan. In addition, there is demonstrable community support for this approach.
28. The mapping indicates that the cultural provision in Haywards Heath is fairly typical of a town of its size and, for a small number of the indicators, it is well provided for.
29. With regard to the main uses proposed for Clair Hall in the public engagement carried out in 2021, the report notes that many of these e.g. theatres, cinemas, community centres/venues for hire are within easy reach.

Existing gaps provide opportunities, especially for something unique

30. There are gaps in local provision, which may present opportunities for the Clair Hall site. BOP highlight the importance of developing provision which is different or complementary to the existing and planned provision locally.
31. There are also some other opportunities highlighted by BOP. Post-pandemic, local high streets are increasingly important as more people work from home or have a hybrid approach to work.
32. With the local full-fibre provision and the planned local science & technology park the site might present opportunities to creative digital uses. This will contribute to the 'liveability' factors and further attract businesses to the area.
33. The report also notes that there is a cluster of cultural and creative industries in Haywards Heath which may be a potential opportunity to be investigated, particularly given the high-quality technological infrastructure which the Council has successfully enabled in the area.

Attracting funding support may be difficult

34. There are cultural ecosystems surrounding Haywards Heath, which have received healthy levels of external funding in recent years. However, in the current funding climate, Haywards Heath may not be seen as a priority area by many key funders and there is increasingly less money available for and appetite to fund capital projects.
35. BOP see that some areas surrounding Haywards Heath have vibrant cultural ecosystems, e.g. Brighton. This presents both a challenge and an opportunity. Whilst this creates options for Haywards Heath residents, it also creates strong competition to attract visitors and new investment.
36. The opportunity for Haywards Heath could be that some cultural providers in those established places may seek more affordable locations as their bases. Whether they have any funding to support such moves is a question the Council would need to explore further.

Strategic Success Criteria

37. As a part of this work, BOP have examined existing strategies and worked with the MSG to establish a set of success criteria which will focus the Council's aspirations for the future of the Clair Hall site.
38. The criteria draw on local ambitions for the site and respond to the local context and the financial environment within which any investment ideas would need to be delivered. They are a key element of the project as they will be used in the next phase as the framework for the evaluation of the potential models for the site.
39. In the first instance, the MSG agreed a set of non-negotiable positions within which any options will be considered:
 - The Council will not sell the site;
 - Any organisation or operation based on the site must be self-funding to avoid being a drain on council tax payers;
 - The Council recognises that combining a variety of uses on the site may offer the best opportunity to make any culture/leisure offer viable and impactful for residents. This would have to take place within the parameters of the Council's planning and economic development policies and strategies.
40. Strategic success criteria have been proposed covering the following areas:
 - **Profile and Ambition** – the level of ambition for the site and what sort of profile MSDC expect to see for it.
 - **Financial** – the financial parameters within which options for the site will be developed.
 - **Strategic Impact** – the social, economic and/or cultural impact that options for this site will deliver and how the use of the site will align with existing strategies.
41. The criteria proposed are shown below; they are not weighted or prioritised other than by being categorised as Essential (shown in bold) or Desirable:

Profile and Ambition	
Essential	<p>The use of the site must fill identified gap(s) in local cultural / leisure provision.</p> <p>The site must be flexible, multi-functional and future-proof.</p> <p>The site must offer a memorable and positive first impression.</p> <p>The site and any buildings on it will celebrate the local beauty of the surrounding area by opening up and promoting connectivity with Clair Park.</p> <p>The site will provide a cultural / leisure offer for the whole of the Haywards Heath community (existing and future).</p>
Desirable	<p>The site will offer a destination with a reach across the district.</p> <p>The site will raise the profile of culture and act as a catalyst for culture/creativity in the town.</p>
Financial	
Essential	The site will be leased on a long-term basis.
Desirable	<p>A financial return to the Council will be realised from the site.</p> <p>No capital investment will be required for the site.</p>
Strategic Impact	
Essential	<p>The use of the site must enhance town centre living, providing activities and delivering impact during daytime and evening.</p> <p>The site must take measures to reduce carbon emissions, including improvements in energy efficiency and in the design and construction of buildings. This includes new buildings and the conversions of existing buildings.</p>
Desirable	<p>The use of the site will act as an exemplar for striking successful partnerships across the public, private and third sectors.</p> <p>The use of the site will contribute to the economic development of Haywards Heath through the creation of employment opportunities.</p> <p>The use of this site will capitalise on the local world-class digital infrastructure.</p>

42. The Cabinet is asked to agree the strategic success criteria as the guidelines for consideration of options in the next phase of work. In doing so, it should be noted that while the criteria provide a solid platform for the next phase, the Cabinet may choose to update these as work develops and more information is gathered about the opportunities and challenges to deliver a successful, future-proof community facility on the site.

Next Steps: Models to explore opportunities for the site

43. The work so far has allowed the Council to gather information to understand key opportunities and challenges of the Clair Hall site.
44. BOP caution that at this point in the project, it is difficult to predict how much interest there may be in developing a sustainable community facility on the Clair Hall site. With the current financial climate and the limited, competitive field of cultural funding, it is challenging to fund and deliver projects of this nature. As the next step, BOP propose seeking further information from sector specialists and market leaders to further the Council's understanding of what is possible.
45. Having evaluated the evidence presented with regard to the success criteria and agreed financial parameters, BOP has proposed three models which should be explored for the site:

- **Model 1: Refurbishment**

Refurbishment of the existing buildings on the site by a party who can raise the operational expenditure to maintain and run Clair Hall's existing buildings on a leasehold basis.

- **Model 2: Development – cultural facilities only**

Development of the site by a party who can raise the capital to level and build a cultural/community facility on a leasehold basis.

- **Model 3: Development – cultural facilities plus other uses**

Development of the site by a party who can develop the site with a cultural/community facility and other uses on a leasehold basis.

46. These models have been successfully deployed in other towns and cities across the UK but need to be carefully considered within the context of Haywards Heath. Such projects are complex and often fail because of the challenges of inflation/cost pressures or limited funding. BOP note that though the site is attractive, the lack of subsidy/capital funding available and the current funding climate make this challenging.
47. It is therefore proposed that as the next step, the Lead Advisor will explore the models further through soft market testing, which will establish:
 - How the various models might meet local needs/demand;
 - The likelihood of each of the models to deliver MSDC's success criteria;
 - Levels of interest and what the drivers for investment might be.

The research will combine a series of consultations with experts in the field and market leaders and case studies to illustrate/ support the models where appropriate proxies can be found.

48. This work will be undertaken between July and September 2022, overseen by the MSG. A Cabinet report will be prepared with a view on the models examined and a proposed way forward; this is expected to be presented at the Cabinet meeting on 17th October 2022.

Policy Context

49. Planning applications are determined against the policies and guidance within the Development Plan. The following are of direct relevance to the Clair Hall site:
- (a) District Plan 2014-2031, adopted in 2018
 - (b) Haywards Heath Neighbourhood Plan, adopted in 2016
 - (c) Haywards Heath Town Centre Masterplan (Supplementary Planning Document), adopted in 2021
50. The District Plan sets the vision and strategy for the district and includes policies against which planning applications are determined. In relation to the Clair Hall site, policy DP24: Leisure and Cultural Facilities and Activities provides support for new and/or enhanced leisure and cultural activities and facilities. Proposals that involve a loss of cultural facilities will not be supported unless an assessment has been undertaken which shows the facility is surplus to requirements; or the loss would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location; or the development is for alternative provision where the needs clearly outweigh the loss.
51. In relation to the Clair Hall site, The Haywards Heath Neighbourhood Plan's Policy L1 states: *Development resulting in the loss of Clair Hall whilst the facility remains needed and valued by the local community will be resisted unless there is re-provision of an equivalent or better facility within the Town prior to the loss of the existing facilities.*
52. The Masterplan identifies Clair Hall as an 'Opportunity Site' for redevelopment. For Clair Hall, the Masterplan requires any redevelopment of the site to be subject to the results of an assessment to establish the need for such a facility and whether these could be re-provided elsewhere (in accordance with DP24 above).
53. The work to date has examined the policy context in detail, and the proposed next steps will have regard to this.

Financial Implications

54. In December 2021, Cabinet created a reserve of £100,000 to fund the specialist work and advice in this project.
55. The Council is under financial pressure and the current funding position for Clair Hall is not sustainable. As noted in the report, there is also no obvious funding source for the development or ongoing provision of the facility. This will be a significant factor in the decision-making about investment options on the site.
56. All costs explained in the attached reports are calculated at today's or past values. As explained at para 54 these costs are likely to continue to increase which should be noted in the context of risks associated with this project and will require more frequent monitoring.

Risk Management Implications

57. Due to high inflation and the volatility of market conditions, planning and delivering property investment projects remain extremely difficult as these factors impact the availability of funding or investors' return on investments, often making many schemes unviable. Many existing projects of this nature report significant cost increases, some to the point they become unviable. This will be monitored and will be a significant factor in the decision-making on the future of the Clair Hall site.
58. The work to date has enabled us to get a richer picture of the impact of the pandemic and the current economic position of the arts, and leisure sector in particular; the impact on residents' habits and needs are still emerging and will be considered further in the next stages, including census data to be released in summer 2022.
59. There remain risks and uncertainties around planning for future provision, which will continue to be addressed through an evidence-driven approach as the work examines specific models

Equality and Customer Service Implications

60. Options developed as part of the feasibility work and presented to the Cabinet will include an equality impact assessment.

Sustainability Implications

61. Government policy requires social as well as economic and environmental objectives to be an integral part of sustainability. Strong, vibrant, and healthy communities need sufficient provision for community facilities including cultural facilities which are easily accessible. Further work will include these considerations and develop option(s) for the most suitable facility on the site.

Background Papers

None.