

COUNCIL

10 NOVEMBER 2022

REVENUE BUDGET ADDITIONS REPORT- THE BROOK THEATRE

Portfolio Holder: Councillor Adrian Gulvin, Portfolio Holder for Resources

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Summary

The Brook Theatre has been awarded grant funding from the Future High Street Fund (FHSF) (£300,000) and the Levelling Up Fund (LUF)(£6.5m) to undertake refurbishment works. The Re:Fit works programme is also being undertaken, which focuses on upgrading elements relating to the operations of the Brook Theatre. Initial building surveys (Phase 1) have been undertaken to facilitate these upgrades and have recommended further surveys (Phase 2) are carried out throughout the building. This report seeks to add £250,000 to the Revenue Budget to undertake the Phase 2 surveys.

1. Budget and policy framework

- 1.1. The Council received grant funding from the Future High Street Fund (£300,000) to improve the functionality of the spaces to support the development of Chatham's creative sector. As a condition of the grant funding from the Department of Levelling Up, Housing and Communities (DLUHC), the funding must be spent by March 2024.
- 1.2. The Council received further funding from the Levelling Up Fund (£6.5m) to improve the building's facilities and undergo refurbishment works to digitally upgrade and future proof The Brook Theatre, to support Chatham's creative sector by upgrading spaces and providing affordable office and co-working facilities, alongside digitally enhanced rehearsal and performance spaces to develop their practice and enhance their business. The grant funding deadline has been extended to March 2025.
- 1.3. The Brook will also see improvements made through the Re:Fit programme which are LED Lighting upgrades, installation of a heat pump and energy

efficient boilers, upgraded controls and new theatrical lighting. These works will be completed prior to any refurbishment works.

- 1.4. It is necessary to undertake the Phase 2 surveys as soon as possible to enable the procurement of a Principal Contractor within programme and with cost certainty.

2. Background

- 2.1. The initial investigations and specialist surveys (Phase one) have commenced. The cost for phase one is estimated at £60,000 and is funded through the Building Repair and Maintenance Fund (BRMF).
- 2.2. It is recommended that Phase 2 intrusive surveys are undertaken throughout the building, to gain a detailed understanding of any works required, enabling these works to be accurately accounted for during the procurement of a Contractor. One Principal Contractor will be appointed to undertake all works throughout the building.
- 2.3. The Brook Theatre is a Grade II listed building, as such careful consideration for any works to the building is required, knowing the results of the surveys as soon as possible will facilitate early engagement and consultation with the relevant statutory bodies, including Conservation and Planning.
- 2.4. The Phase 2 surveys will cost £250,000 and consist of opening up works, which is envisaged to take approximately 2-3 months, due to the need to carefully remove and record all areas included within the survey. The majority of the Phase 2 surveys can be undertaken while the theatre remains open, Portfolio Holders will be updated on logistics to achieve this, an options paper will be presented regarding the inaccessible areas while the building remains open.
- 2.5. Once findings from the surveys are known, a separate Capital Additions paper will be submitted identifying the required investment to undertake remediation and repair works. The LUF and FHSF funding streams have specific outputs, as outlined in Section 1 and cannot be utilised to fund these repair works.
- 2.6. Officers will progress conversations with insurance providers, to determine whether this is an appropriate avenue to meet the cost of the works.

3. Options

- 3.1. The options available to the Cabinet were as follows:
- 3.2. Option 1- Cabinet recommend to Full Council the addition of £250,000 to the Capital Budget [see section 6 of the report below], to undertake the Phase 2 intrusive surveys at the Brook Theatre.
- 3.3. Option 2- Cabinet decline to recommend to Full Council the addition .

4. Advice and analysis

- 4.1. Option 1 will enable the Phase 2 surveys to be undertaken, this will enable cost certainty when requesting the capital addition and procuring a contractor to undertake the remediation works required. Without addressing the remediation works, the LUF and FHSF programmes would be unable to proceed.
- 4.2. Option 2 would have significantly put at risk the grant funding awarded to the Brook Theatre to undertake refurbishment works. The grant funding has strict deadlines and milestones for delivery and spend, which must be adhered to, to ensure the funding is defrayed.

5. Cabinet

- 5.1. The Cabinet considered this report on 18 October 2022 and agreed the following:
- 5.2. The Cabinet agreed to recommend to Full Council the addition of £250,000 to the Council's capital programme, funded from reserves, to enable the Phase 2 Intrusive Surveys to be carried out at the Brook.

6. Chief Operating Officer's Comments

- 6.1. The Chief Operating Officer advises that the report considered by the Cabinet incorrectly stated that an addition was requested to the Council's capital programme. The report should have requested that the Cabinet recommend to Full Council an addition to the Council's revenue budget. This error has been corrected in the report to Council.

7. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
FHSF and LUF project objectives not being met within the allocated timescales	FHSF needs to be spent by March 24 on specific refurbishment outputs, with LUF needing to be spent by March 25 or these grants would need to be repaid to the funder.	The approval of the request for additions to the Revenue Budget would support the project to be delivered within programme.	B1
Additions to the Revenue Budget is not secured	If additional funding is not added to the Revenue Budget, the works programme for the grant funding cannot be undertaken, which would be	The additional funding is added to the Revenue Budget.	B1

Risk	Description	Action to avoid or mitigate risk	Risk rating
	a critical risk to the grant funding.		
Need for significant building works to be undertaken	Phase 2 Surveys could identify need for significant works to be undertaken, which cannot be funded from existing funding streams and would therefore require a further addition to the capital programme.	Options to fund any further works required, including insurance where relevant, will be considered in due course.	B2

Likelihood	Impact:
A Very high B High C Significant D Low E Very low F Almost impossible	1 Catastrophic (Showstopper) 2 Critical 3 Marginal 4 Negligible

8. Consultation

- 8.1. The Conservation Officer has been consulted on the Stage 1 opening up works and has agreed for these works to take place. The Conservation Officer will be kept informed as the surveys progress.

9. Financial implications

- 9.1. The budget for the Phase 1 surveys is within the Council's Building Repair and Maintenance Fund (BRMF) within the existing budget and the FHSF and LUF improvement works are both within the existing capital programme. The cost of phase 2 intrusive surveys cannot be met from any of these existing funding streams, there is no other funding and no suitable virement available from the revenue budget or capital programme so the cost of these surveys will need to be funded from reserves and represent an addition to the Revenue Budget.
- 9.2. Following Cabinet on 18 October 22, it has been confirmed that the request is for an addition to the Revenue Budget, which is reflected in this report.

10. Legal implications

- 10.1. Additions to the Revenue Budget are a matter reserved for Council and this report asks the Council to agree that an addition is made to fund the

refurbishment of the Theatre.

- 10.2. The refurbishment has utilised grant funding secured through both the Future High Streets programme and the Leveling Up Fund and therefore a failure to deliver on this could result in a breach of the conditions contained within the Grant Determination Agreements for those grants, which could potentially mean that funding needs to be repaid.
- 10.3. Although the potential for repayment of the grants is a significant factor, this would not have prevented the Cabinet from exercising option 2 and declining to make the recommendation to Full Council if they had not been satisfied with the information contained within the report.
- 10.4. As the Theatre is a Grade II listed building carrying out works without the required consents would constitute a criminal offence therefore it is vital that the Conservation officer is kept apprised as detailed above and that the necessary approvals are sought for any works which are undertaken in due course.

11. Recommendation

- 11.1. The Council is recommended to agree the addition of £250,000 to the Council's Revenue Budget, funded from reserves, to enable the Phase 2 Intrusive Surveys to be carried out at the Brook.

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Appendices

None

Background papers

None