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|  | Cabinet 11 September 2023 |
| | Report from the Corporate Director of Finance and Resources and the Corporate Director of Communities and Regeneration |
| | Lead Cabinet Member – Regeneration, Planning & Growth (Councillor Tatler) |
| Picture Palace Refurbishment: Approval to use Strategic Community Infrastructure Levy (SCIL) | |

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| Wards Affected: | Harlesden and Kensal Green |
| Key or Non-Key Decision: | Key |
| Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open |
| List of Appendices: | None |
| Background Papers: | None |
| Contact Officer(s): <small>(Name, Title, Contact Details)</small> | Neil Martin, Head of Capital Programmes 020 8937 4203 neil.martin@brent.gov.uk Tanveer Ghani, Director, Property and Assets 020 8937 1722 tanveer.ghani@brent.gov.uk |

1.0 Executive Summary

- 1.1 This report concerns the Council’s refurbishment of Picture Palace, 26 Manor Park Road, NW10 4JJ to become a community facility in order to increase the facilities available to Brent’s growing population.
- 1.2 This report seeks to update Cabinet on the latest progress with the refurbishment of Picture Palace and seeks Cabinet approval for £3.3m of Strategic Community Infrastructure Levy (SCIL) funding to complete this project.

2.0 Recommendation(s)

That Cabinet

- 2.1 Notes the update on the Picture Palace refurbishment project.
- 2.2 Approves the use of £3.3m of Strategic Community Infrastructure Levy to complete the Picture Palace refurbishment project.

3.0 Detail

3.1 Cabinet Member Foreword

- 3.1.1 This report is part of the Council's ongoing commitment to create long lasting positive change to Harlesden for the benefit of the communities that live there. The Picture Palace building is expected to become a significant cultural and community use anchor for the community and the Council has been working with a consortium of local organisations to deliver this exciting project. By approving the use of SCIL for the building refurbishment, it will allow the project's ambitions to be realised and for the Harlesden communities to be able to operate and utilise the building in the future.
- 3.1.2 The refurbishment project helps to meet outcomes within the Borough Plan, namely Strategic Priority 3 Thriving Communities to allow the local community to be involved in and lead on activities for their communities. The project also delivers on an objective within the Black Community Action Plan by developing a community space to be run and managed by local communities. It also helps to achieve objectives within the Local Plan and Infrastructure Delivery Plan by providing community facilities for Brent's growing population.

3.2 Background

- 3.2.1 In November 2019, Cabinet approved the recommendations within the 'Inclusive Growth in Harlesden Town Centre' report that set out the aspirations for Harlesden as a whole. The paper set out a proposed programme for creating long-lasting positive change to the town centre for the benefit of the communities that live there and included proposals for the acquisition and fit out of Picture Palace, a privately-owned, disused and empty former pub/cinema.
- 3.2.2 In 2020, Brent Council acquired the Picture Palace premises and after the acquisition, the Council had to undertake immediate repair works to the building to prevent deterioration. Post-acquisition, officers have been working with the Assets for Brent Consortium (ABC) to develop an outline design/facility mix for the Picture Palace building. This outline design/facility fix was then used to procure and appoint a contractor under a two-stage design and build contract to complete the design, working with the consortium and then refurbish and remodel.
- 3.2.3 In August 2022, the Council entered a two-stage design and build contract with Ark Build Plc ("the contractor"). Since then, the contractor has been working with ABC and the Council to develop the designs for the building under the first stage of the contract, the Pre-Construction Services Agreement (PCSA).

- 3.2.4 The objective of the PCSA is to complete the design to RIBA Stage 4 (Technical Design) and for the contractor to issue a fixed price cost for the main works for the Council to consider triggering the second stage of the contract, namely construction.
- 3.2.5 In order to progress with the design and main works, it is recommended that Strategic Community Infrastructure Levy (SCIL) is used to fund the design and build contract along with technical consultant fees and fixtures and furniture for £3.3m.
- 3.2.6 The Infrastructure Officers Working Group (IOWG) has reviewed the request to utilise SCIL for the design and build contract. They have endorsed the use of SCIL for this project. The new homes proposed in the Council's Local Plan and specifically in surrounding growth areas (Church End, OPDC) will require new community facilities to which Picture Palace will be one of these. It is also located within a district centre as identified in the London Plan with medium potential for growth. Given that the facility has a specific demographic focus, its reach will be beyond the immediate area into the rest of the borough, with its growing population.
- 3.2.7 The Infrastructure Delivery Plan (IDP), written in support of the growth ambitions in the local plan, identifies the need for more community facilities across the borough with a range of affordable and flexible community spaces which can be hired for a range of uses. This would be one of those facilities. The IDP also states that these are needed across the borough in a range of venues. The IDP sets out why, namely that community meeting spaces constitute an essential element in creating a sustainable, liveable community, and that because of the pressure on land/land values the Council should make use, where appropriate, of its own assets for community uses.
- 3.2.8 In addition, both the Local Plan (Policy BP5 South) and IDP are clear about meeting community facilities and culture requirements within and around new Growth Areas, with the Local Plan also emphasising the importance of promoting Harlesden as a place for creative businesses/community uses to relocate from OPDC due to redevelopment.
- 3.2.9 By endorsing the use of SCIL for the refurbishment works at Picture Palace, it will allow for the acceptance of the works costs and ability to enter into the design and build contract with the contractor. It is expected the PCSA will complete by the end of Autumn 2023, with main works on site in early 2024 and complete by the end of 2024.
- 3.2.10 Should this SCIL use request not be approved, the Council would need to borrow the money to fund the project and there is no spend to save or available service area budget to cover the borrowing costs. This option is discounted as it would cost the Council significant repayment costs and the project is seen as a legally permissible use of SCIL.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 The Leader, Deputy Leader and Ward Councillors have been kept up to date with progress on the delivery.
- 4.2 The Lead Member has been appraised of the project and this proposal to use SCIL to fund the refurbishment works.
- 4.3 The ABC Consortium are representative of the local community and are a key stakeholder in working on designs, building layouts and proposed usage of the building.

5.0 Financial Considerations

- 5.1 The requested use of £3.3m SCIL has been endorsed by IOWG in order to fund the refurbishment works at Picture Palace.
- 5.2 At the time of drafting this report there is sufficient SCIL available to fund this project. As described above, the project is seen as an appropriate use of SCIL to meet the requirements of the Local Plan and IDP.
- 5.3 In 2019, the original project costs were agreed to be funded by borrowing. Since then, interest levels have increased significantly. Should the use of SCIL not be approved, the borrowing costs over a 20-year period would be £287,709 per annum. As described above, there is no identified revenue budget to cover any borrowing costs.

6.0 Legal Considerations

- 6.1 SCIL is a charge which can be levied by local authorities on new development in their area. It helps them deliver the infrastructure needed to support development. It can be used to fund a broad range of facilities including transport facilities, play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare, schools, district heating schemes and other community facilities. This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant plan, supported by the IDP. Brent's IDP identifies the need for more community facilities across the borough with a range of affordable and flexible community spaces which can be hired for a range of uses.
- 6.2 The Council entered into a two-stage design and build contract with Ark Build Plc in August 2022. The first stage of the contract is the PCSA. Upon completion of this stage, the contractor will provide the Council a fully designed scheme and fixed cost to deliver the works. The Council is not obliged to trigger the works stage but should these be acceptable to the Council, it will trigger the works stage.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 The Council, as a public authority exercising public functions, is subject to a general public sector equality duty (PSED) under section 149 Equality Act 2010 (EqA). The PSED requires public authorities to have “due regard” to:

- The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EqA.
- The need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. This involves having due regard to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- The need to foster good relations between persons who share a relevant protected characteristic and those who do not share it. This includes having due regard to the need to tackle prejudice and to promote understanding.

7.2 Officers do not consider there is any change in the equalities implications from those previously reported to Cabinet as part of the Harlesden Investment report on 11 November 2019.

8.0 Climate Change and Environmental Considerations

8.1 The proposed refurbishment project will incorporate insulation improvements to the building’s fabric to reduce heat loss and consequently reduce energy consumption and carbon emissions. The project seeks to replace the current gas heating system with air source heat pumps which will further reduce carbon emissions during building operation.

9.0 Human Resources/Property Considerations

9.1 The works contract with the contractor and the provision of community services will be provided by external bodies and there is no implication for Council staff arising from the proposed arrangements.

9.2 The Council will enter into appropriate leasing arrangements with ABC Consortium in respect of Picture Palace in due course.

10.0 Communication Considerations

10.1 The Council will continue to work with ABC to update the local community and Ward Councillors on project progress. ABC will also create a communications strategy to update the local community on the opening of the community building and what activities will be available.

Report sign off:

Minesh Patel

Corporate Director of Finance and Resources

Report sign off:

Zahur Khan

Corporate Director of Communities and
Regeneration