

Report Title: **Regeneration Working Group Update**

Report of: Mark Hopson, Head of Regeneration & Development, Alexandra Park & Palace


1. Purpose

- To report back the results of the Regeneration Gateway Review to the Board
- To update the Board on the final draft of the Conservation Management Plan (a presentation on the evening will be given).
- To update the Board on the final draft of the Regeneration Business Plan
- To update the Board on the strategic spatial masterplan and proposed changes as a result of the recommendations from the consultation feedback.
- To outline forthcoming key regeneration activity and the next stage of work in the programme.

2. Recommendations

- That the Board reviews and notes the recommendations of the Regeneration Gateway review report
- That the Board notes the key changes to Conservation Management Plan and formally adopts this document as the Palace's conservation manual.
- That the Board notes the updates made to the Regeneration Business Plan and adopts this as an iterative document that underpins the evolving regeneration programme
- That the Board approves the proposed changes to the strategic spatial masterplan document as a result of the consultation feedback and recommendations.
- That, subject to the above recommendations being approved, the Board endorses the regeneration programme progressing to the next stage of work (please see section 10 below - next steps) which will include the submission of a formal HLF bid following the November Board meeting and preparation of a prospectus for engagement with the market, also for approval at the November Board meeting.

Report Authorised by: **Duncan Wilson, APP Chief Executive**



Contact Officer: **Mark Hopson, Head of Regeneration & Development, Alexandra Park & Palace**

3. Executive Summary

3.1 This report sets out the overall progress and key outcomes of the regeneration programme since the last update to the Board in June 2012. In summary:

- Regeneration Gateway Review – a review of the regeneration programme was carried out in early July to assess the delivery of the programme to date and provide independent assurance to the Trust for progressing to the next stage of work. Overall, the review conclusions found the regeneration programme to be well managed with a strong professional team supporting the work. The recommendations are listed at paragraph 6.4 below along with the Trust’s response. A full draft of the report (restricted) is at Appendix 1.
- The final draft of the Conservation Management Plan has now been updated to reflect feedback from stakeholders and statutory authorities such as English Heritage. A presentation on this update will be given at the Board.
- The business plan for the regeneration programme has been updated to reflect how the operating model for Trust may look as a result of the regeneration programme. On this basis, the current business plan sets out ten potential business units with associated projections for cash flow based on some calculated assumptions for each of the business units over a 10 year period. A summary update report is provided at Appendix 2 (restricted).
- The strategic spatial masterplan has now been widely consulted upon and a set of draft recommendations have been put forward as a result of the independent consultation report (presented as a separate report on the agenda). A presentation will be given to the Board highlighting the key aspects of the consultation results and how this informs the final draft of the masterplan.
- Should the Board approve the recommendations outlined in this report, the next steps in the regeneration programme will focus on finalising the HLF submission, reviewing the Regeneration Working Group (RWG), commissioning a specialist advisory team to develop options that would enable the Trust to approach the market for partners and developing a draft prospectus all for consideration at the next Board meeting in November.
- The key timescales for the next stage of work involve commissioning specialist property advisors in September, developing outline options for approaching partners in October and submitting a full bud to the HLF bid by November.

4. Reasons for any change in policy or for new policy development (if applicable)
N/A

5. Local Government (Access to Information) Act 1985

Appendix 1 – Gateway Regeneration Review Report and Appendix 2 – Regeneration Business Plan are restricted, as they contain exempt information as defined in Section 100a of the Local Government Act 1972; Para 3 - information relating to the business or financial affairs of any particular person (including the authority holding that information).

6. Regeneration Gateway Review

- 6.1 Gateway Reviews deliver a ‘peer review’, in which independent practitioners use their experience and expertise to examine the progress and likelihood of successful delivery of a programme. Such reviews are considered best practice for significant capital investment, regeneration or change management programmes and aim to provide assurance for progression through key stages of a regeneration programme.
- 6.2 Given the scale, complexity and risks of the Palace’s regeneration programme, a Gateway Regeneration Review was commissioned by Local Partnerships to be carried out between 3

and 5 July 2012. The regeneration review is a hybrid gateway review which addresses all of the key principles of a traditional Gateway Review (governance, programme management, risks, finance etc.) with a regeneration focus and perspective – thus looking at the options for delivering public assets with a range of partners and mixed funding solutions.

6.3 Overall, the review conclusions found the regeneration programme to be well managed with a strong professional team supporting the work. The recommendations set out in the report aim to provide independent advice on key changes that can help to strengthen the programme and bolster its success.

6.4 A draft copy of the report is attached as a restricted item at Appendix 1. The key recommendation should be read in context of the full report, but in summary, are as follows (responses are given in italics):

- **Develop a unified and credible client**
We are setting up a closer method of working with LBH which addresses key issues for early agreement at the appropriate level.
- **Put in place clear future funding arrangements**
As cost estimates and possible contract structures are clarified in the coming months these issues will become clearer.
- **Deliver quick wins and consider access and public realm improvements to build confidence**
In hand: a programme of such enhancements and spend-to-save measures within current funding constraints is under urgent consideration for the coming year.
- **Put formal project management processes in place for the HLF application**
We have set up a project group chaired by DW to take us through to submission of the Stage 1 bid. All the necessary consultants have now been recruited and reports commissioned.
- **Carry out a scenario planning exercise and a workshop to scope procurement needs**
We have begun this process with lawyers BWB advising on possible contract models.
- **Develop a communications plan to ensure the wider benefits of the programme to Haringey are understood**
Follow up to stakeholder and community group consultations being developed.

7 Conservation Management Plan (CMP)

7.1 Along with the strategic spatial masterplan, the CMP has also been a key document underpinning the regeneration programme. The main aim of the CMP is to inform and provide the Trust with a detailed assessment of the heritage value of the building and guide/advise on proposals for future use. The CMP itself provides:

- an analysis of the history and construction of the building
- an assessment of the significance of the building and of its various component elements
- a conservation briefing for the future usage of the building

7.2 The public consultation also sought feedback on this document and to date comments have been received from a number of individuals and statutory organisations such as English Heritage who have, on the whole, supported the document. To date, the CMP has been

updated to include clarifications on information, maintenance schedules as well as implementation policies for conserving our heritage assets.

- 7.3 A full presentation of the proposed changes to the CMP will be made to the Board summarising feedback and proposed changes.

8 Regeneration Business Plan

- 8.1 The regeneration business plan (produced by Colliers International and dated July 2012) is an iterative document that has been developed in parallel with the evolution of the regeneration programme over the last 12 months. A number of versions of this document have been presented to the Board (the last of which was in April 2012) with the aim of updating Trustees on the most recent thinking.
- 8.2 In essence, the business plan for the regeneration programme has been updated to reflect what the operational model for the Trust may look like as a result of the regeneration programme. On this basis, the current business plan sets out ten potential business units with associated projections for cash flow based on some calculated assumptions for each of the business units over a ten year period. As such, it does not consider detailed capital costs which are the subject of a separate exercise. It does, however, consider the different scenarios for raising capital funds that could be supported by the operational business plan. It also summarises the expected economic impact of the project in terms of job creation.
- 8.3 A summary of this business plan is attached as a restricted document at Appendix 2 due to the commercially sensitive nature of the content.

9 Strategic Spatial Masterplan

- 9.1 The strategic spatial masterplan has now been widely consulted on, the results of which are the subject of a separate report on the agenda – see item 7 - Review of Regeneration Consultation Results and Next Steps.
- 9.2 In developing the masterplan, a number of issues such transport, access and community benefit were assessed. To this end, a full report explaining the masterplan and related matters is attached at Appendix 3. Additionally, a short presentation will be given at the Board highlighting the key aspects of the consultation results and how this informs the final draft of the masterplan.

10 Forthcoming Regeneration Activity and Next Steps

- 10.1 Should the Board approve the recommendations in this report and authorise the Regeneration Working Group (RWG) to proceed to the next stage of regeneration, there are number of immediate tasks and milestones that will require attention.
- 10.2 Key forthcoming regeneration milestones are summarised as follows:

HLF Bid

- 10.3 As reported at the previous Trust Board in June, a number of professional consultants have been engaged to assess the Theatre with a view to submitting a significant HLF bid in November 2012. The consultants are currently assessing the viability of potential commercial and community uses in the Theatre, with the aim of building a credible business

plan that will form the foundation of our bid to HLF. The Friends of the Theatre are being fully involved as are other community and cultural groups.

- 10.4 In addition to the Theatre itself, the HLF bid will also seek grant funding to support the repair and upgrade of certain public areas such as the Theatre Foyer and associated outside spaces, East Court Entrance and BBC Studios. The BBC studios element will be centred primarily around a learning and education function that will initially provide suitably appropriate space for primary school children to use a classroom and learning facility. This will also include providing access to Studio A that is DDA compliant.
- 10.5 Much of the work for the HLF bid is currently in progress, but a full draft of the bid will be submitted for the Board for consideration at the next Trust meeting scheduled in November 2012.

Regeneration Working Group

- 10.6 In line with the changing requirements to deliver the next stage in the regeneration programme, a review of the current membership of the Regeneration Working Group it is proposed so that the appropriate experience and skillsets are engaged to oversee next steps.
- 10.7 In particular, it is envisaged that procurement, finance and legal expert will be required. An update on any changes proposed will be given at the next Board meeting in November 2012.

Professional Advisory Team

- 10.8 As has been reported in previous papers to the Board, it has always been envisaged that a professional advisory team would need to be commissioned to help the Trust develop and fine tune a set of options for approaching the market either for proposals on how options could be executed (with a view to drafting an invitation to tender) or to obtain partners at this stage (if only a limited procurement process is required). The team will be based around expertise in property/estates, procurement and contract management.
- 10.9 At the time of writing, it is envisaged that the first phase of market engagement might include a package for a hotel and/or the events spaces (i.e. the Great and West Halls). The exact detail of how this might be presented as an opportunity to the market and the procurement approach is what the professional advisory team will be commissioned to develop. A full report outlining these options will be presented to the Board at the November meeting.
- 10.10 In the meantime, Trust staff have already engaged with the Trusts' solicitors, Bates Wells & Braithwaite, to begin discussing the legal framework that would enable the Trust to engage with potential proposing parties or partners.

Options for approaching the market and prospectus

- 10.11 As mentioned in paragraph 10.8 above, the Trust will seek to commission a specialist advisory team to develop a package that would enable the Trust to approach the market for partners. One of the key steps in this process will be to prepare a prospectus that could be used to invite expressions of interest from the market along the lines set out in paragraph 10.8.
- 10.12 A draft prospectus will be presented to the Board for consideration and approval at the next meeting in November.

11 Programme Timescales

- 11.1 Should the Board approve the recommendations in this report and endorse the regeneration team to proceed to the next phase of, there are a number of key activities and milestones that will need to be worked through. The key programme milestones and timescales are summarised as follows:

August/September 2012	- Completion of all Theatre related studies: feasibility, cost plan, business plan and initial designs. BBC education space – initial design and access proposals drafted.
September 2012	- Commission professional advisory team
Sept/Oct 2012	- Develop outline options for Hotel and events spaces with associated design framework and access arrangements.
November 2012	- Submission of HLF bid after approval by Board - Proposed options for market engagement and draft prospectus to for Board consideration.

- 11.2 A key milestone chart will be circulated to the Board outlining the main key regeneration milestones over the coming 12 months.

12 Consultation

- 12.1 There has been no specific consultation in relation to this report.

13 Recommendations

- 13.1 That the Board reviews and notes the recommendations of the Regeneration Gateway review report
- 13.2 That the Board notes the key changes to Conservation Management Plan and formally adopts this document as the Palace's conservation manual.
- 13.3 That the Board notes the updates made to the regeneration business plan and adopts this as an iterative document that underpins the evolving regeneration programme
- 13.4 That the Board approves the proposed changes to the strategic spatial masterplan document as a result of the consultation feedback and recommendations.
- 13.5 That, subject to the above recommendations being approved, the Board endorses the regeneration programme progressing to the next stage of work (please see section 10 below - next steps) which will include the submission of a formal HLF bid following the November Board meeting and preparation of a prospectus for engagement with the market, also for approval at the November Board meeting.

14 Financial Implications

- 14.1 The Trust's Director of Finance notes the contents of this report.

15 Legal Comments

- 15.1 The Council's Head of Legal Services has no comments on this report.
- 15.2 The Trust's solicitor notes the content of this report.

16 Financial Comments

- 16.1 The London Borough of Haringey CFO has been consulted on the contents of this report.
- 16.1 The Trust's Director of Finance notes the contents of this report.

17 Use of Appendices/Tables/Photographs

Appendix 1 – Gateway Regeneration Review Report (restricted)

Appendix 2 – Regeneration Business Plan (restricted)

Appendix 3 – Masterplan report