

Report Title: **Report of the Director of Property & Regeneration, Alexandra Park and Palace**

Report of: Kerri Farnsworth, Director of Property & Regeneration, Alexandra Park and Palace

## 1. Purpose

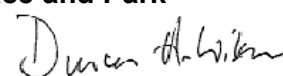
1.1 To update the Board on matters relating to the regeneration of Alexandra Palace & Park; the fabric conservation of the Palace; the Facilities Management of the Palace; and the management of the Park.

## 2. Recommendations

That the Board:-

- 2.1.1 notes the updates on regeneration of Alexandra Palace, including HLF project and commercial development opportunities, plus the forward work programme for 2014.
- 2.1.2 notes progress on fabric maintenance
- 2.1.3 notes the position with the current outsourced facilities management service provider and endorses the decision to continue to outsource security services
- 2.1.4 notes the current situation with the Palace's fire detection system and delegates authority to the Chief Executive for the final decision on replacement
- 2.1.5 endorses the development of a new Park vision that aligns with the masterplan prepared in 2012 by Farrells, the proposals that will emerge from the HLF project and the wider business plan for the Palace & Park.
- 2.1.6 notes the positive feedback regarding the overnight gate closures and agrees to continue the policy indefinitely.
- 2.1.7 endorses the recommendations re: the Council and Dog Control Orders.
- 2.1.8 notes the updates regarding the Garden Centre; Campsbourne Play Centre; and the s106 scheme in the south east corner of the Park
- 2.1.9 notes the current position in the Garden Centre lease and underlease
- 2.1.10 notes the advice from and resolution of the Advisory and Consultative Committees
- 2.1.11 agrees *in principle* to the 345 Pre-school's proposals and delegate agreement of the final details to Officers. Any agreement is to be within the confines of the existing lease and will be made in writing.
- 2.1.12 notes/endorses the proposed WWI commemoration poppy scheme

Report Authorised by: **Duncan Wilson, Chief Executive Alexandra Palace and Park**



Contact Officer: Duncan Wilson, Chief Executive Alexandra Palace and Park

**3. Executive Summary**

- 3.1 Updates within the regeneration and property programme include HLF East Wing project progress; progress on Fabric Conservation; progress on Commercial Development; and the forward programme for 2014.
- 3.2 The update on Facilities Management includes consideration of future arrangements for provision of facilities management and security services, and of the fire detection system within the Palace.
- 3.3 The update on Park management includes Dog Control Orders; the Grounds Maintenance Contract; and decision on granting Landlord's consent to proposals that require planning permission from by Park Tenants.

**4. Reasons for any change in policy or for new policy development (if applicable)**

4.1 N/A

**5. Local Government (Access to Information) Act 1985**

5.1 N/A

## 6. Regeneration Programme

### HLF Project - Strategic Relationship Building

- 6.1 A strategic alliance has now been agreed with the BBC, with the BBC in principle agreeing the Palace free access to their extensive archive and creative input into the HLF project. The full details of how this is to be delivered are under discussion at present. Similar discussions are ongoing with the BFI and Science Museum and National Media Museum (NMM).
- 6.2 A senior executive team from the HLF - including the Chair and the Chief Executive - visited the site in November. Feedback from this meeting was positive, with confidence in the Trust's ability to deliver on what was acknowledged to be a challenging project.

### HLF Procurement

- 6.3 The procurement of the core of the external professional team for the HLF project has now been completed, as set out in the table below:-

Design-led multi-disciplinary team	Feilden Clegg Bradley (FCB) with a sub-consultant team comprised of :- <i>Alan Baxter &amp; Associates (Structural Engineering and Strategic Transportation)</i> <i>Max Fordham (Building Services and Acoustic Engineering)</i> <i>Charcoal Blue (Performing Arts &amp; Theatre Design)</i> <i>Land (Exhibition Content and Programme Design)</i> <i>Anthony Brookes (Building Surveying)</i> <i>Gillespies (Landscape Architecture)</i> <i>Montague Evans (Conservation Planning)</i> <i>The Fire Surgery (Fire Engineering)</i> <i>Barker Langham (Regeneration &amp; Business Economics)</i>
Quantity Surveyor/Cost Consultant	Mott McDonald
Project Manager	Mott McDonald
CDM Coordinator	Sweett and Partners
Interpretation Planner	<i>included within Feilden Clegg Bradley scope of work so no further requirement for separate appointment</i>

The only remaining procurement requirement over the next 3-4 months will be for small discrete commissions in specialist areas such as Activity Planning and Collections Management. The scope of these commissions and the procurement route will be reviewed once the main design-led team have had chance to undertake in-depth work on the commission.

### HLF Project Progress

- 6.4 The inception meeting for the full professional team took place in mid-January. The team are now focused on absorbing and analysing the raft of detailed background information and work done-to-date. A draft programme has been circulated for comments within the professional team: at present the key tasks & timescales are

as per the table below, although this is subject to confirmation with the newly-appointed design team:-

Jan-Mar 2014	due diligence, confirm design brief, test & develop concept design and cost plans
March 2014 (date TBC):	Regeneration Strategy Group workshop
Apr-Jul 2014	design development, incl stakeholder consultation and RIBA Stage C design review
Jul-Aug 2014	public consultation and design development
Sept 2014	completion of RIBA Stage D design; submission of Planning/LB/CA applications
Dec 2014	submission of Stage 2 HLF funding request
spring 2015	Stage 2 HLF decision
spring & summer 2015	technical design & tender package production RIBA Stages E to H (5 mths)
autumn & winter 2015	contractor OJEU procurement (6-8 mths)
spring 2016	construction commences onsite
spring 2018	construction complete

- 6.5 There has been a slight delay in the design team commencing work from the timescale anticipated due to longer than expected contract negotiations and discussions over optional elements of the team's scope of work and hence final tender price negotiations. A verbal update on these will be given at the meeting.
- 6.6 It is proposed to hold a profile-raising event in the Theatre in the evening of 2 April, with a small audience of specially-invited guests with a potential interest in engaging actively in the Theatre, either in terms of the HLF project, subsequent programming/operations or as a supporter/patron. Invitees will include representatives from key stakeholders such as HLF, Theatres Trust, Friends of the Theatre, BBC, NMM and BFI, as well as members of the Board.

#### HLF reporting

- 6.7 The second regular progress report was submitted to HLF in December, and a first formal review held in January. The HLF were in general pleased with progress to date, and were assured by the team's forward work programme and understanding of the likely challenges ahead.

#### HLF Match-funding and Fundraising

- 6.8 A draft capital budget for 2014-2017 has been put together by LB Haringey's Cabinet which includes the full amount of capital match-funding required for the HLF project in the financial years 2015/16 and 2016/17. Approval for the funding is to be sought from full Council at its meeting on 26 February 2014.
- 6.9 The match-funding required for 2017/2018 will need to be considered at a future Council Cabinet meeting (probably in Feb 2015) as 2017/18 is outside the Council's current capital budget planning period.
- 6.10 A separate report on Fundraising has been prepared by APPCT's Chief Executive.

## Commercial Development

- 6.11 Following the report to the last meeting, specialist commercial real estate lawyers to advise on the scope and structure of the formal approach to the market for hotel-based opportunity at the western end of the Palace have now been appointed. A competitive procurement process, including APPCT Board advisor Bob Kidby and representatives from LB Haringey's legal team and APPCT, was concluded in December and the recommendation of the appointment of Pinsent Masons was approved by the urgency panel of the APPCT Main Board.
- 6.12 Pinsent Masons are a major firm of lawyers, with a particular track record in the development of delivery structures for complex regeneration scenarios. Their response to the procurement process was of a very high standard, and demonstrated added-value by thinking very specifically and creatively about the specific context and opportunity at Alexandra Palace.
- 6.13 A start-up meeting with Pinsent Masons was held in late-January. Once they have had opportunity to absorb all background information, and meet the Trust's main lawyers (BWB) and retained commercial advisors (Knight Frank), we will then agree a detailed forward work programme from them, leading up to and including a formal procurement of a developer-partner.

## Forward Programme for Regeneration & Property for 2014

- 6.14 A summary of the forward key delivery items and milestones for 2014 for the Regeneration and Property programme is as follows:-

### **Jan-Mar 2014**

- HLF design programme commences; design complete to RIBA Stage C/new RIBA Work Stage 3
- formal announcement of strategic HLF relationships & appointments
- Regeneration Strategy Group workshop, incl HLF PM & design team (date TBC but either w/c 24 March or w/c 31 March)
- commission HLF Collections Management Planner and Activity Planner
- finalise 2014/15 APPCT capital budget & work programme
- profile-raising event in Theatre (2 April)
- 10-yr Fabric Maintenance Plan completed by Surveyor to the Fabric, Purcell
- preparations for formal commercial opportunity market testing begin
- completion of all major 2013/14 capital investments
- commence improvements to The Beach area (incl consents if req'd)

### **Apr-June 2014**

- progress HLF design; HLF Stakeholder Design workshop and prepare for public consultation
- formal HLF review
- detailed design & procurement of 1<sup>st</sup> package of Fabric Maintenance Plan works
- consult SAC and Board on commercial market testing parameters and HLF project design development
- progress delivery of 2014/15 APPCT capital budget & work programme

### **July-Sept 2014 2014**

- HLF statutory public consultation; complete RIBA Stage D design and submit for Planning & Listed Building consents
- formal HLF review
- commence formal market testing of commercial development opportunity; receive and assess formal Stage 1 PQQs/Eols
- progress delivery of 2014/15 APPCT capital budget & work programme

#### **Oct-Dec 2014**

- submit HLF Round 2 application. and respond to any clarifications requests
- prepare for HLF contractor OJEU procurement
- progress market testing of commercial development opportunity (probably via Competitive Dialogue process); date of conclusion dependent upon level & nature of interest received
- formal HLF review
- progress delivery of 2014/15 APPCT capital budget & work programme

### **7. Fabric Conservation**

#### Surveyor to the Fabric

- 7.1 The Surveyor to the Fabric, Purcell, is progressing work on the 10-yr Fabric Maintenance Plan. The programme has been delayed slightly by difficulties programming high-level inspections, due to a combination of access and weather conditions, but Purcell are due to present the first draft of their final report by the end of January.

#### Interim repairs - Theatre and North Wall

- 7.2 The interim repairs reported to the last Board meeting to the Theatre auditorium ceiling and North Wall have now both been completed. The auditorium has been inspected and signed off as safe for public access by both an independent structural engineer and LB Haringey's Building Control. A temporary agreement has been put in place between the Trust and APTL to allow use of the theatre for events, subject to a statutory licence being obtained in each case until such time as the Theatre is handed over to the main HLF project contractor in early 2016.
- 7.3 Further works will be required to the North Wall during the 2014/15 financial year. These works were identified and confirmed during the recent interim works. Further structural works have also been identified for the Theatre stage, for which contractor cost estimates are being obtained.
- 7.4 The recent high winds and heavy rain caused additional problems with the fabric of the Palace. A number of areas of water penetration occurred in various parts of the Palace, including both of the Courts, the basement and the Theatre, which Trust staff are in the process of investigating and organising repairs, which it is thought will be in the order of £40k-60k, most of which should be covered by insurance. However given the severity of the weather and its impact seen elsewhere in the south-east of the UK, the damage sustained at the Palace was relatively light and possibly less than might have been expected.

#### The Beach

- 7.5 In order to provide better a quality setting and environment for the Bar & Kitchen to trade in, notably in the summer months, it is proposed to resurface the area – at present in black-top tarmac - to match the Terrace; to remove the cement urn, which is already broken and needs to be stored somewhere where it is safe from further decay and vandalism; and to add mobile planters and possibly a mobile barbecue to test what works in terms of layout and customer service. APPCT staff are still determining whether this work will require Planning consent and/or Conservation Area consent.

### Victorian Theatre Stage Machinery

- 7.6 As mentioned in the previous report, the eminent Victorian theatre historian, Dr David Wilmore, was onsite for a week in January assessing the Victorian theatre stage machinery. He is now preparing a report with his findings.

## **8. Facilities Maintenance**

### Third-party provision of Facilities Management and Security Services

- 8.1 The current contract for provision of facilities management services comes to an end in November 2014. There is provision within the contract to extend it for a further 12 months. The current provider is Europa Services Ltd, although they have just been bought out by a very large German multinational company, Bilfinger. The contract also currently includes security services as well as facilities management. The current contractual terms do not allow for the two services to be split out into two separate contracts.
- 8.2 Although performance has improved recently with a replacement of the Europa/Bilfinger site manager, service under the current contract has been patchy. The security services are on the whole good and there is a desire to retain the current onsite team; however facilities management services have at times been poor and caused major issues for the Palace, and there is a general feeling that it may not provide best value-for-money nor the required quality and efficiency of response for APPCT.
- 8.3 A number of options are therefore being considered. These are detailed in a separate report by the Finances & Resources Director, but in summary include procurement of new external service provider(s) for facilities management and security (either as one package or two separate packages); and/or taking the facilities management services back in-house and letting the security services as a stand-alone package to an external provider.
- 8.4 As the report will set out, there are considerable timing and resources implications for all options. The procurement route will inevitably need to be an OJEU process, due to the value of the services required (regardless of whether they are let separately or together), which will be lengthy and resource/time intensive. As an example the letting of the current Europa/Bilfinger contract took over 12 months and considerable time & resources input from AP staff and retained consultants.

### Fire Detection System

- 8.5 The current fire detection system within the Palace is at the end of its lifespan and has begun to cause recurrent low-level issues with false triggers, etc. The system has no scalable capacity to extend to new areas of the Palace as they come onstream – for example the areas that will be opened up to the public following the HLF project. There are also concerns that it may start to cause insurability issues for the Palace. Board members may recall that there was a proposal to update the system in 2012, which the Chief Executive decided to not proceed with due to concerns over the scope and specification of the system at that time.
- 8.6 Having taken the advice of a number of external experts, the Trust has been advised that the entire fire detection system needs replacing. The estimated cost of this is £250k. This presents a considerable challenge for the Trust given the annual

capital budget allocation is only £500k per annum, and pressure on capital resources is already very high, due to need to clear a considerable backlog of maintenance and (positive) demands created by the regeneration programme.

- 8.7 The Trust has been advised that one of the options is to replace the current system on a modular basis. This would enable the system to be replaced on a sequential basis in discrete zones throughout the Palace, which would not all have to be completed at the same time. Advice currently is that the system could be replaced over a period of 3 years and in such a way as to accommodate the likely new spaces being brought back into use over that time period throughout the Palace.
- 8.8 The next steps will be to work up detailed design specifications and obtain tender cost estimates for the options for the replacement of the fire detection system. The Board are asked to endorse this approach, and to delegate final decision-making authority on the option to be taken forward to the Trust's Chief Executive.

## **9. Park Update**

### Updated Park Vision

- 9.1 The current Park strategy has its origins in the HLF Park scheme which was started in 2002 and completed in 2007. Considerable change and progress has happened since that time and the strategy is therefore in need of refreshing and re-casting, in particular to ensure that it is aligned with the 2012 Farrells masterplan and the emerging new 3-year Trust/APTL business plan, and that it maximises the benefits from HLF project in the Palace's eastern wing.
- 9.2 It is therefore proposed to develop a brief for the appointment of external specialists to assist the Trust to develop and test options for a new Vision for the Park. The procurement of external specialists could also include a mini 'design competition' Due to resource constraints it is likely that this procurement will not commence until the new 2014/15 financial year.

### Gate Closure review

- 9.3 Board Members will recall that overnight closure of the entrance to Redston Road and the Grove pedestrian entrance began in January 2013. This was initiated on a trial basis as an attempt to reduce crime, vandalism and antisocial behaviour. Since this time the gates have been closed and locked from approximately 11.00pm until 5.00am.
- 9.4 Feedback from the Warner Estate Resident's Association (nearest to the Redston Field gate) has been positive, the respondents all feel that the closure has reduced noise and disruption. There has been a small hole cut in the fencing by unknown parties, and this has been repaired on a number of occasions.
- 9.5 The operator of the Grove Café has commented that in general terms that the number of incidents seems to have reduced since the closure began. He is keen for the policy to continue, and has requested that the gate is closed earlier if possible.
- 9.6 The Park manager recommends that the gate closures should be continued for a further twelve months. The costs of replacing the fencing along the boundary of



Redston Field with something more robust should be considered in the next financial year.

#### Dog Control Orders update

- 9.7 Board members will recall previous discussions about Dog Control Orders made by the Council. The Board requested a letter be sent to express disappointment that the specific proposal for Alexandra Park had not been considered and to request that the Council reviews the situation within the next twelve months.
- 9.8 A letter was sent by APPCT's CEX to the Neighbourhood Action Team Manager on October 2013. As there was no reply to further follow up calls, a follow-up email was sent in early January 2014 by the Park Manager. To date there has been no response.
- 9.9 It is recommended that a letter is sent by the Chair of the Board, expressing disappointment in the strongest terms at the failure to respond to communications from APPCT staff and to ask for a firm commitment that the review requested will be actioned within the next 3 months.

#### Planning Applications

- 9.10 *The Garden Centre:* Following discussions at the last Board, the Garden Centre Operator is aiming to obtain planning permission by the end of February 2014 and, if granted, to commence building works in July. Updates on the project will be reported to the Board at future meetings.
- 9.11 *345 Pre-School:* The operator of the 345 Pre-School wishes to make improvements to their grounds, notably on the sloped grassed area which is becoming almost permanently muddied (see detailed proposal and plan at Appendix 12.1. The improvements would address appearance, usability, health & safety risks and cleaning issues, and also extend the period in which this space can be used into the winter months. The 345 are in pre-planning discussions with the Council about these proposals.
- 9.12 The Pre-School would also like to extend their opening hours to broaden their offer to the local community and to help improve revenue streams for the business (see detailed proposal at Appendix 12.1. This would see the building open at weekends and for an extra 2 hours per day (up to approx. 6:30pm) up to twice a week to run 'After School' clubs.
- 9.13 The Joint Committee made a formal resolution on the scheme at the meeting on 28 January 2014 to approve the proposals. The Board are asked to give *in principle* agreement to the proposals and delegate final details to Officers. Any agreement is to be within the confines of the existing lease and will be made in writing.

#### Tenant Leases

- 9.14 The Garden Centre café is a separate underlease with a third party which is currently being renewed within the provisions of the headlease. The fees for this renewal will be met by the tenant. The sub-tenant will remain unchanged.
- 9.15 A rent review is due for the Garden Centre and this will be completed concurrently with the work on the underlease. The lease sets out clear provisions for the rent review based on annual turnover and this is a fairly simple task.

### Campsbourne Play Centre

- 9.16 Further to the update at the Board meeting on 7 February 2013, a discussion has taken place with Officers of the Council.
- 9.17 The building currently has a maintenance backlog valued by the Council's surveyors at around £30,000 over five years. The Trust's has undertaken its own survey and inspection, estimates the cost of dilapidations to be closer to £65,000.
- 9.18 The Council has stated that it is currently unable to address all of these dilapidations. On that basis the Council has been informed that the Trust will not take on ownership and responsibility for the building unless the full cost of these dilapidations can be found, either from within existing Council resources or from any potential external sources. At this present time sources for this funding are not forthcoming.

### S106 project

- 9.19 The Park improvement project for the south east corner of the Park is making progress. A design scheme was circulated to the member of the Advisory and Consultative Committee for comments and the feedback was positive. This consultation was carried out by email due to the timescales of the project and the relative simplicity of the proposals.
- 9.20 The Joint Committee made a formal resolution on the scheme at the meeting on 28 January 2014 to approve the proposals.

### WWI Park Poppy commemoration

- 9.21 The Trust is reviewing options for planting poppies in beds along the main road corridor through the Park. This will be a highly-visible tribute which will be seen by Park users, passing motorists & bus passengers and possibly even on a clear day by aircraft which frequently cross above the Park on their approach to landing, and it is likely to generate good positive publicity for the Trust. The Alexandra Palace Garden Centre have generously offered to donate the seed for the planting (in return for public acknowledgement of this).
- 9.22 Discussions will also be progressed with the Royal British Legion to see if there would be interest in the Park hosting a veterans' event.

## **10. Legal Implications**

- 10.1 The Council's Assistant Director, Corporate Governance, has been consulted in the preparation of this report, and has no comments.

## **11. Financial Implications**

- 11.1 The replacement fire detection system for the Palace referenced in paras 8.5 to 8.8 above will be funded from the Trust's annual capital budget allocation over at least 3 years from the financial year 2014/15.
- 11.2 The Park Vision work referred to in para 9.1 above will be funded from the 2014/15 Trust's regeneration budget allocations.

- 11.3 Any new fencing for the Redston Field boundary referred to in para 9.6 above will be funded from the existing Park budget.
- 11.4 Early indications are that the Garden Centre rent referred to in para 9.15 above will remain fairly static on review.
- 11.5 The Council's Chief Finance Officer notes the contents of this report and has no additional comments to make.

**12. Use of Appendices**

- 12.1 345 Pre-School Nursery outdoor improvement proposal and planning submission documents.