

Alexandra Palace & Park Board **on 21st June 2011**

Report Title: **Regeneration Working Group Update**

Report of: **Andrew Gill, Interim General Manager, Alexandra Palace & Park Charitable Trust**

1. Purpose

- 1.1 To report back on progress made by the Alexandra Park & Palace Regeneration Working Group (APPRWG) since the last report to the Board on this matter on 9 May 2011.
- 1.2 To provide the Board with key milestones for the Regeneration Project Plan including forecast costs.
- 1.3 To inform the Board of the main activities to implement Concept Planning (Stage 2 of the Project).
- 1.4 For the Board to instruct the APPRWG to action the next steps of the Project.

2. Recommendations

- 2.1 That the Board notes the proposed key milestones for the entire Project and the associated costs identified at this stage.
- 2.2 That the Board considers the suggested next steps outlined in paragraph 9.1 of the report and instructs the Alexandra Park & Palace Regeneration Working Group to progress accordingly with Stage 2: Concept Planning using the funds available and secures additional external funding to complete Stage 2.
- 2.3 That the Board notes that the Communications Strategy is currently being refined and it will be presented to its proposed meeting on 21 July 2011.
- 2.4 That the Board notes that it will receive further reports on Stage 2 and ramifications for the next Stage/s at future meetings of the Board.

Report Authorised by: **Andrew Gill, Interim General Manager**



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3. Executive Summary

- 3.1 This report updates the Board on the work of the APPRWG since the last meeting of the Board on 9 May 2011 and the meeting of the APPRWG on 7 June 2011.
- 3.2 The Board has resolved to approve the key recommendation in the Colliers International

(Locum) report entitled “Alexandra Palace & Park Options Appraisal” April 2011 (reported to the Board at its meeting on 9 May 2011), namely the selection of the ‘Leisure and Entertainment’ Strategic concept and pursue a ‘core use’ for the Palace and Park which focuses on ‘Live Music’.

3.3 The Board has instructed the APPRWG to progress to Stage 2: Concept Planning as outlined in Colliers’ report using funds currently available.

3.4 This report provides the Board with;

- An overview of the entire Regeneration and Development Project for AP&P, including a chart showing the key sequential stages in the Project
- Details of the work streams comprising Stage 2 of the Project (Concept Planning)
- The studies necessary to complete the Concept Plan
- Outputs from the Concept Plan
- Timescales for delivery and estimated costs for Stage 2 of the Project and an outline Project Plan
- Financial implications of the Project

3.5 The Board will receive a further report on the Regeneration Project Plan at its proposed meeting on 21 July 2011, including the Communications Strategy.

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

4.1 Resolutions made by the Board at previous meetings during 2010 and 2011.

5. Local Government (Access to Information) Act 1985

5.1 This report was prepared with reference to the report of Colliers International entitled “Alexandra Palace & Park Options Appraisal” April 2011.

6. Synopsis of Work to Date

6.1 At its meeting on 12 January 2010 the Board resolved to abandon its former strategy to award a long lease to a single developer, with a view to adopting a new Strategy for the regeneration of AP&P.

6.2 At its meeting on 6 September 2010 the Board resolved to approve the terms of reference and proposed membership of the Alexandra Park & Palace Regeneration Working Group (APPRWG) and to create that Working Group to oversee and give direction to the design, formulation and adoption of a sustainable regeneration strategy for Alexandra Park and Palace that will include the delivery of a strategic master Plan which will provide an integrated framework for future commercial and development delivery.

6.3 At its meeting on 21 December 2010 the Board was informed that that the APPRWG considered it vital that the Board clearly sets out its Vision for AP&P in order to set the parameters for the Master Planning process. This is important because the Vision is a very clear public statement of what the Board of Trustees wants to achieve for AP&P and for whom. The Mission Statement (essentially the Alexandra Park and Palace Act 1985) sets out what is in effect the object of the charity which is the purpose the Board must try to achieve.

6.4 The sub-group of the APPRWG was tasked with the next stage in the project plan which was to deliver an Options Analysis and Feasibility Study of Alexandra Palace and Park, which will identify a strategic use for the site, against a clear brief and in accordance with the Charity’s

Mission and Vision. The study would inform a subsequent master planning exercise which will in turn assist the Board in determining its future holistic strategy for Alexandra Park and Palace.

- 6.5 The Board was informed at its meeting on 15 February 2011 that the APPRWG had sought tenders for the Study and it had selected Colliers International (Locum Consulting) as the successful bidder and the contract was awarded by Haringey Council as approved by the former Director of Urban Environment.
- 6.6 At its meeting on 9 May 2011 the Board received Collier's report accompanied by a Regeneration Update report from the Interim General Manager. Following a presentation by the APPRWG and discussion of the recommendations the Board was asked to consider it resolved;
- i. That approval be given to the key recommendation in the Colliers International (Locum) report; namely that the selection of the 'Leisure and Entertainment' Strategic concept and pursue a 'core use' for the Palace and Park which focuses on 'Live Music';
 - ii. That the two important notes made by Locum alongside the recommendations referred to in (i) above be recognised and noted as follows;
 - the recommendation focuses only on the 'core use' which will relate to only part of the overall Palace and park. It is anticipated that many other complimentary uses will ultimately form part of the whole destination offer of Alexandra Palace and Park (many of which are already active) and all of which will embrace the core themes of community and the rich cultural heritage to underpin the regeneration strategy and its long term sustainability
 - of particular relevance to other uses is the 'Sport and Active' offer which is recognised to have clear synergy with the core use of Live Music and which to a certain extent already takes place through the existing Ice Skating Rink.
 - iii That in respect of the suggested next steps proposed in the Locum report (appendix 1) and outlined in the Interim General Manager's report, the Alexandra Palace and Park Regeneration Working Group be instructed to progress accordingly to the Concept Planning stage using funds currently available;
 - iv That it be noted that further reports would be submitted to future Board meetings on the matters covered in the report, in particular a detailed Regeneration Project Plan including key milestones and forecast costs;
- 6.7 Following the conclusion of Stage 1: **Options Appraisal**, Stage 2: **Concept Planning** is required. The focus of **Concept Planning** is to resolve the big masterplan issues required for any significant regeneration to proceed at APP and to define the physical and tactical parameters within which any future development must be contained. This stage is about getting clarity around the Trust's options and requirements before involving third parties.
- 6.9 The outcome of the Concept Planning work will provide the necessary briefing materials to initiate the process of tendering for the anchor Live Music operator. Given the complexity of the Palace and Park, its part derelict state and the fact that the leading Live Music operators each have very different business models, Colliers have recommended that the tender process is based on Competitive Dialogue. However, within Stage 2 the procurement process to be adopted will be thoroughly explored and resolved and therefore the Board is not asked at this stage to consider the procurement strategy.

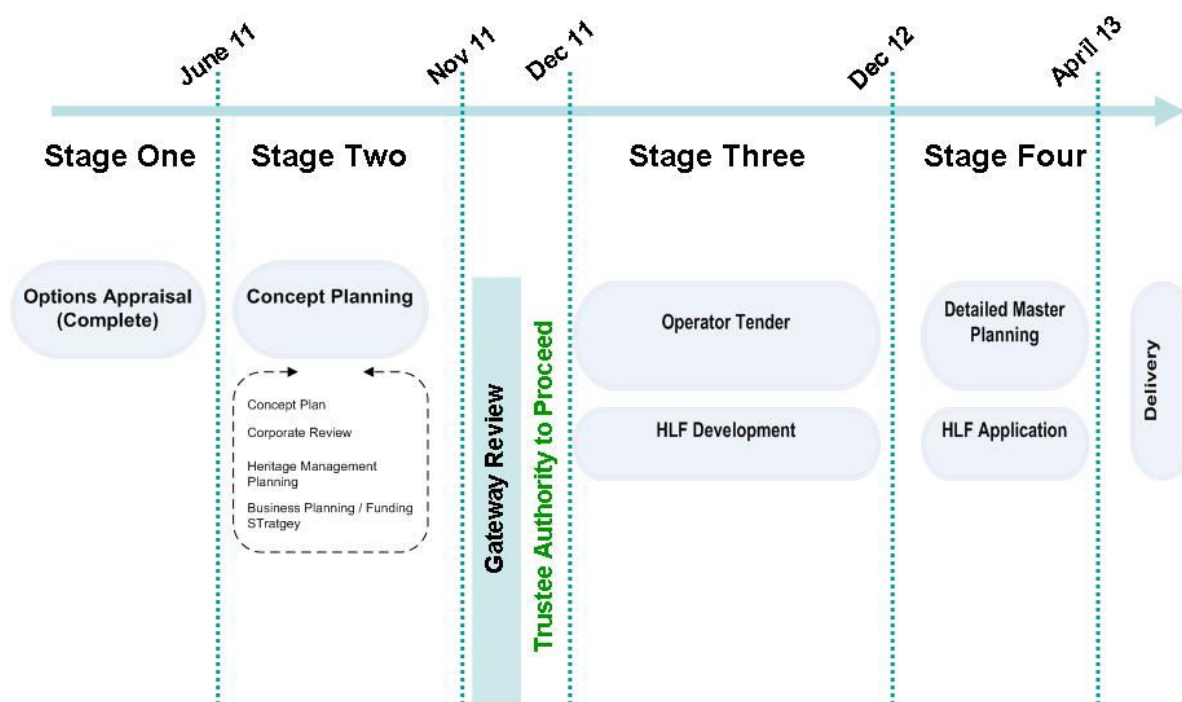
6.10 It is important to note that while there is a Project Plan for the entire master planning process, the Project is iterative in the sense that the Board will be asked to consider and approve each Stage of the Project before the APPRWG acts on the Board's instructions.

7 Project Overview

7.1 The overall regeneration and development project for Alexandra Palace and Park is envisaged to be a four stage process (illustration below). Stage 1 of the process – Options Appraisal is now complete with the outcomes and proposals of this study having been approved by Trustees. The next stage - Stage 2 – Concept Planning (detailed in section 8) will take forward the preparatory work required for formal tendering at Stage 3 before a detailed Masterplan is prepared and adopted at Stage 4.

7.2 Upon completion of Stage 2, it is suggested that an external 'gateway' review is undertaken by an independent third party. This would ensure that the project is meeting proposed milestones and outcomes, engaging appropriately with all stakeholders and following a robust project management process. A successful gateway review should also give Trustees the confidence to proceed to Stages 3 & 4 of project delivery.

7.3 Figure 1 - Indicative overview of APP Regeneration and Development Project



7.4 Timescales

At this stage, it is estimated that the project will be completed by April 2013 with the physical delivery and redevelopment to follow. However, it should be noted that the timelines detailed above are broad and subject to significant change depending on the outcomes of Stage 2 – e.g. the operator tender timescales might reduce significantly as a result of the procurement strategy developed in the concept plan work stream.

7.5 Costs

The overall project costs for undertaking the work as outlined in the indicative programme above is estimated to be in the region of £1million. It should be noted that much of the work in Stage 2 will define and frame, with more certainty, the subsequent phases of the project allowing for a more detailed and accurate cost/time plan to be drawn up. Trustees will be updated in the later phases of Stage 2.

8 Concept Planning – Stage 2

8.1 The main purpose of the concept planning stage is to resolve the high level masterplanning issues before proceeding with any major redevelopment/regeneration plans at Alexandra Palace.

8.2 Specifically, the Concept Planning stage will involve a number of work streams. The purpose of this work is to better understand the physical and strategic parameters within which any future changes/development will be considered and inform the appropriate route to achieve the desired outcomes. Four key streams define the Concept Planning stage:

- Concept Plan
- Corporate Review
- Heritage Management Plan
- Business Plan and Funding Strategy

8.3 Concept plan

This work ensures that critical information in relation to the Palace is collected and/or updated. Importantly, the information collected from the studies identified below (e.g. the precise level of dereliction costs and level of economic/commercial opportunity) will be used to inform and provide the necessary briefing materials to initiate the process of tendering for an anchor 'Live Music' operator at Stage 3.

Outputs and studies identified include:

- Confirmation of project boundary and space
- Detailed building condition surveys/dereliction costs
- Review of Transport and Access options
- Detailed Economic Impact Assessment
- Detailed Property Review including refreshed status of all leases/tenants
- Initial consultation
- Agreed development parameters including Local Planning Policies
- Defined Procurement Process

The most crucial work task in concept planning will be the development and finalisation of an appropriate procurement strategy that will define how the project is tendered at stage 3.

8.4 Corporate Review

As part of the Concept Planning stage, a corporate review has been identified. Provisionally, this stream aims to clarify and establish the following:

- Compliance with Charity Commission protocols
- Consultation with stakeholders and statutory authorities
- Review of legal issues in relation to emerging procurement strategy

- Defining the options for the Trust's governance, management role and responsibility
- Communications Strategy
- Equalities Strategy

8.5 Heritage Management Planning

In taking forward the overall regeneration and development project for Alexandra Palace a clear understanding of the heritage assets is required, both in terms of their value as well as their on-going conservation and management. The heritage management plan stream of work will refresh this understanding and establish the baseline in relation to taking the overall project forward. Key outputs for this work stream include:

- Produce a heritage statement to define the significance of the heritage asset
- Develop a conservation management plan for the Park & Palace

8.6 Business Plan & Funding Strategy

Underpinning much of the future work required for this project will be a robust business plan and funding strategy which, to some extent will need to be developed in line with the procurement strategy. The key purpose of this work will be to provide, as far as possible, an understanding of the complete financial picture of the regeneration project. This will include valuing the potential future business; projected capital and operational costs as well potential revenues over time. The key outputs identified include:

- High level business plan for the entire project
- High level research on options for commercial development
- Refined funding strategy (identifying all funding opportunities, timescales and actions)
- Consultation with key/potential funding partners

9 Stage 2: Timescales and delivery

It is projected that the work streams for Concept Planning detailed above for will be completed by November 2011 (please see the detailed project plan for stage 2 at Figure 2 in section 9.1).

9.1 Figure 2 - Stage 2: Project Plan

	July	August	September	October	November
Stage 2: Indicative Work Stream	Start				Complete
Concept Plan					
All external studies					
Developing a defined Procurement Strategy/ongoing soft market testing					
Corporate Review					
Liaison with Charity Commission/compliance with protocols					
Consultation with key stakeholders					
Legal review(s)					
Defining options for Trustee governance, responsibility and overall management					
Communications Strategy					
Equalities Strategy					
Heritage Management Planning					
Heritage Statement					
Conservation management plan					
Business Plan and Funding Strategy					
Develop high level business plan					
Funding Strategy					
Consultation with key/potential funding partners					

9.2 Stage 2: Costs

In order to complete Stage 2, it is estimated that approximately £300K will be required to deliver all the required work tasks listed in section 8 and the table above. This is made up of £275K direct project costs and a £25K contingency and is broken down as follows:

Concept Plan work stream	approx £125K
Corporate Review	approx £25K
Heritage Management Plan	approx £25K
Business Plan & Funding Strategy	approx £50K
Other (incl. gateway review, project resource, tenders for specialists etc)	approx £50K
Contingency	£25K

Estimated Total

£300K

- 9.3 The Project Manager will continually review the project costs and seek to add value where possible. Additionally, existing specialist officers within the Council will be called upon to be involved with the project thereby reducing the need for external support as far as possible.

10 Consultation

- 10.1 There has been no specific consultation on this report beyond the liaison with the Stakeholders, officers of Haringey Council, AP & P and Trustees described in previous reports to the Board and the 'Report Back to Stakeholders' meeting held on 3 May 2011.
- 10.2 Other aspects of consultation, including liaison with the media and key strategic stakeholders are covered by the Communications Strategy which is regularly reviewed and refreshed by the APPRWG.

11 Recommendations

- 11.1 That the Board notes the proposed key milestones of the Project and forecast costs.
- 11.2 That the Board considers the suggested next steps outlined in the report and instructs the APPRWG to progress accordingly with the Concept Planning stage. .
- 11.3 That the Board notes that the Communications Strategy is currently being refined and it will be presented to its proposed meeting on 21 July 2011.
- 11.4 That the Board notes that it will receive further reports on the matters covered in this report at future meetings of the Board.

12 Legal Implications

- 12.1 The Trust's Solicitor's advice has been taken into account in the preparation of this report.
- 12.2 The Council's Acting Head of Legal Services has no comments to make on this report.

13 Financial Implications

- 13.1 The cost of Stage 2 Concept Planning is estimated at £300K. The completion of this preparatory work is essential for enabling any regeneration activity to proceed at AP and therefore deliver the Trustee's vision.
- 13.2 A sum of c. £65K is currently available to the APPRWG for Stage 2 (Concept Planning) of the Project. Officers have identified a significant sum from APPCT and APTL budgets which could be redirected to cover c. £100K of the remaining costs. This is covered elsewhere on the agenda and the Haringey CFO has advised that this would require consideration by the council.
- 13.3 In order to cover all the costs involved in delivering Stage 2 it will be necessary for the APPRWG to raise match funding of approximately £150K. Approaches have been made to English Heritage and the Heritage Lottery Fund to date; the latter's funding process now excludes 'pump priming' but options are being explored with HLF..
- 13.4 Haringey's Chief Finance Officer has previously commented to the effect that it is important that the Trust maintains the momentum of this work and the investment already

made and ensures that the market research carried out to date is not nullified by progress delays. The Board should note that if the remaining £150K cannot be raised, the Regeneration project is at risk of stalling.

- 13.5 The Trust has identified some savings in the salary budget and depreciation to cover the costs of seconding the Project Manager to the Trust from Haringey Council.
- 13.6 The Board will receive a separate report to its proposed meeting on 21 July 2011 covering the Budget review in detail. It is envisaged that the Board will be asked to consider its options for redirecting revenue to the Regeneration Project.
- 13.7 The total cost of the Master Planning is estimated at £1M. The Board is not asked to approve this level of expenditure at this stage, as the iterative nature of the Project (split into 4 Stages) means that each Stage of the work is costed separately. Each Stage of the work will provide benefits in terms of information gained and decisions taken which will influence the ongoing process of regeneration of AP&P.
- 13.8 As it becomes necessary to raise funding for specific Stages of the Project the Board will be asked to approve the methods of fund raising and any redirection of revenue from the Trust's budgets.
- 13.9 The London Borough of Haringey Chief Finance Officer comments as follows; the LBH CFO notes the contents of the report. The estimated cost of next phase of this project is £300k which is based on the best estimates of the project team, having taken into account information that is currently available. The Trust will need to ensure the appropriate procurement rules are followed when contracting for the concept phase work in order to ensure proper value for money is achieved.
- 13.10 It needs to be noted that the estimated full cost of the project work is circa £1m
- 13.11 There is currently £65k specifically available to cover this work and it is being suggested that a further £100k of identified savings in 2011/12 is redirected; this will need to be with the council's endorsement.
- 13.12 The report is suggesting that bids will be made to try to secure the balance of funding. Even though bids are being put into external organisations to fund the balance the Trust needs to ensure it identifies the appropriate budgets to fund the full concept phase cost, if these external funding option do not prove successful.LBH Chief Finance Officer comments;

13.13 Use of Appendices/Tables/Photographs

None, except for the charts embodied in the report above.