

**ALEXANDRA PALACE & PARK BOARD**

**On 18<sup>th</sup> October 2011**

Report Title: **Capital Works Update and the Capital Bid 2012-13**

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

**1. Purpose**

- 1.1 To update the Board on the progress of 2011-12 Capital Projects.
- 1.2 To advise the Board on the proposed further 2012-13 Capital Bid to the Council.

**2. Recommendations**

- 2.1 The Board is asked to note the progress on capital works during 2011-12.
- 2.2 The Board is asked to endorse the proposed further bid to the Council for Capital funding for 2012-13

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



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**3. Executive Summary**

- 3.1 The following report summarises the progress on the capital works that are taking place during 2011-12 addressing the condition of the building fabric and services.
- 3.2 It is proposed that a further bid of £500k be made to the Council for capital funding during 2012-13 to further address the compliance, health & safety issues and poor condition of the building fabric and services at the Palace. Also to support the regeneration strategy which will be the subject of a separate report
- 3.3 These monies would be allocated to further works on the external fabric, replacement of the fire detection systems, replacement of the faulty street and emergency lighting plus refurbishment to the public lifts.

**4. Reasons for any change in policy or for new policy development.**

Not applicable

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

- 5.1 Previous capital bids for 2009-10 and 2010-11.
- 5.2 Potter Raper Independent Review of the Building and Services

## **6 Capital Expenditure 2011-12**

### **6.1 Progress Report on 2011-12 Capital Expenditure**

The Council allocated a Capital grant of £500,000 to the Trust for 2011-12.

In addition £50,000 from the CAPEX grant in 2010-11 has been carried over into 2011-12 to mitigate any outstanding claims that could result for extra works on the ice rink which is still being finalised with the project team and the main contractor.

The following is a progress report on the works that are currently taking place:-

#### **6.1.1 Ice Rink Finalisation of Project Account**

Further meetings have been held with the Councils Project Management team in order to place pressures on the Principal contractor to finalise the accounts. This is still an ongoing item.

#### **6.1.2 Upgrade of the Data/Comms Infrastructure.**

The BT data/comms system has now been upgraded to 10 MB/sec with the ability to upgrade to 100 MB/sec should it be required (i.e. at extra cost). A WiFi connection has also been installed in "The Bar & Kitchen"; with access managed through the Bar staff issuing security access codes to customers.

A contract has been placed for the replacement of the site telephone system. Installation has been completed and the system is now live. This project will have addressed the business critical issues of the poor state of the old obsolete telephone system plus providing modern voice communication systems and reduced the operating costs.

#### **6.1.2 Building Dilapidations**

The second phase of the dilapidation works programme produced through the Councils frameworks consultants NPS in 2010-11 has now been tendered. Initially the costs of the tenders exceeded the allocated capital budget. However by re-engineering the solutions (e.g. netting the South Terrace, fencing off unstable areas and strengthening the fire escape) the costs have been driven down to within the available budget.

Discussions have been held with the Councils Conservation team and some of the works require Listed Building approvals before they can commence. The lead Council officer has given his support to the proposals and we hope to have formal approval no later than the 17<sup>th</sup> November 2011.

The works subject to listed building consent are:-

- Netting of the South Terrace where further falls of masonry have taken place.
- Repair to two collapsed roof areas near the Ice Rink foyer.
- Fencing of the parapet wall areas at the Rear of Theatre Foyer.

Orders have been placed for the remaining works and the works are being mobilised. The works which are NOT subject to listed building consent are:-

- Strengthening of the BBC 4<sup>th</sup> & 5th floor Fire Escape.
- Roof leaks above Dance Studios.
- Replacement of the concrete and wooden slabs along the front of the South Terrace owing to their poor condition.

### **6.1.3 Fire Alarm & Evacuation System Upgrade/Replacement**

Following Board approval in July 2011, the contract for the replacement of the Fire Alarm and Evacuation has been awarded to ADT Fire & Security. A letter of intent has been issued and contract mobilisation has been taking place.

During 2011-12 the voice evacuation system will now be replaced and subject to further capital monies being approved the remainder of the fire alarm detection system will be replaced during 2012-13.

### **6.1.4 Other Works**

The public lifts are all over 25 years old and are causing major operational problems to the trading company. One of the one main goods lift (lift 2.1) and the passenger lift (lift 2.2) have totally failed. Repairs have been tendered and £40k of capital monies has been allocated from this year's capex budget. Contracts have now been placed and works should be completed during December, when the component parts which are on long lead delivery arrive on site.

## **7. Capital Bid for 2012-13**

7.1 A "minimal option" capital programme was submitted to the Council in 2009 identifying works that were needed over the next 5 to 10 years to ensure the safety and operability of Alexandra Palace plus supporting the Regeneration strategy. A capital grant of £500k was given for both 2009-10 and 2010-11. The updated business case is therefore being submitted to the Council for the release of a further £500k for the 2011/12 financial year

7.2 Table 2 shows a list of identified capital investment requirements at Alexandra Place to ensure the safety, compliance and operability of the site over the next 5 years which amounts to some £3.48 million. This does not however address the long term investment requirement for the regeneration of Alexandra Palace. It only addresses the "steady state" investment needed to keep the site operational while the regeneration strategy for the site is developed.

In general further investment is required in the following areas:-

### **External Fabric:**

Addressing the risk of falling masonry and keeping the structure water tight.

### **Internal Fabric**

Addressing the internal dilapidation and condition of the internal fabric

### **Underground Services**

The poor condition of the underground drainage systems, hydrant main and failure of the external street lighting

### **Building Services**

The poor condition and compliance of the Fire and Evacuation system, Street and Emergency Lighting, security systems and the unreliability of the lifts.

### **Carbon Reduction**

The poor carbon footprint of the site due to it still operating with a large centralised boiler system which operates 24 hours a day, 7 days a week and 365 days a year.

An independent survey by the Carbon Trust in 2010 identified major benefits in cost saving and carbon footprint through a decentralisation strategy.

### **7.3 Proposed Capital Expenditure in 2012/13**

It is recognised that an investment at the level of £3.48 million during this period of austerity is implausible. Therefore works have been prioritised and during 2012-13 a sum of £500k has been identified as the minimum investment that is required to keep the site operational and compliant.

The proposed works that these monies would be directed to are:-

#### **External Building Dilapidations (Budget Spend 2012-13: £128k)**

The detailed survey of the external fabric of the Palace completed in 2010 identified that the sum of £756k was needed to address the poor state of the fabric over the next 5 to 10 years. This would provide the minimum investment on the structure to address the risks of falling masonry and ensuring the weather proofing of the building. The monies would not however address the severe fabric dilapidations which are required as part of a full regeneration programme for the site.

Some urgent works (£150k) have already been completed during 2011-12 mainly to the South face of the building from the previous capital allocation, but a sustained programme of work is required and these further monies would be mainly targeted at the East face and roof areas of the site.

#### **Fire Alarm Upgrade/Replacement (Budget Spend 2012-13: £252k)**

Following formal complaints from the London Fire Brigade on the poor reliability of the system a detailed report was commissioned in 2010-11 to look at the condition of the fire and evacuation system. This confirmed that the system was obsolete and had reached the end of its working life. It also identified replacement of the voice evacuation system as the highest priority. The project was tendered in 2010-11 and the total cost of replacement was £507k which is above the allocated monies available. During 2011-12 the voice evacuation system is being replaced and it is proposed that the replacement of the fire monitoring and detection systems takes place during 2012-13 at a cost of £252k. (i.e. subject to this capital approval)

#### **External Street Lighting (Budget Spend 2012-13: £25k)**

The external lighting along Alexandra Palace Way has failed due to the poor condition of the underground cabling. Concerns have been received from the local police after complaints from the public. It is estimated that the total refurbishment cost would be £50k. Due to the likely limit on funding it is proposed that these works be phased over a two year period.

#### **Emergency Lighting (Budget Spend 2012-13: £70k)**

Following compliance testing of the emergency lighting systems across the Palace, many of the Centralised Batteries Systems have shown to be in a poor condition with two systems totally failed. This has resulted in some £24k already being spent during 2011-12 to keep the Great Hall operational. It is estimated that a sum £130k is required to carry out full refurbishment which is proposed to be phased over a two year period

## **Refurbishment of Lifts (Budget Spend 2012-13: £25k)**

All the five lifts in the public areas at the Palace are at least 25 years old and very unreliable. This is causing major operational problems to the Trading Company, with complaints from clients and increased costs. A detailed survey of the lifts has identified that a sum of £125k is required to carry out a refurbishment programme across all 5 systems. A sum of £40k has already been released from this year's capital programme to address the two lifts which have totally failed. It is proposed that a further sum of £25k be allocated in 2012-13 to continue with the refurbishment programme

## **8. Consultation**

- 8.1 Progress on capital and revenue works are reviewed on a monthly basis at the Facilities Meetings between senior management of the Trust and APTL at which the priorities for capital spending are also discussed and agreed.
- 8.2 Further reports on Capital Works will be reported to the Board.

## **9. Recommendations**

- 9.1 The Board is asked to note the progress on capital works that have been completed during 2011-12.
- 9.2 The Board is asked to endorse the proposed bid to the Council for further Capital funding for 2012-13

## **10. Legal and Financial Comments**

- 10.1 "The Council's Acting Head of Legal Services has no comments on this report".
- 10.2 The Council's Head of Finance was invited to comment on the report.
- 10.3 The Trust's Solicitor advises the Board that they must act exclusively and single-mindedly in the best interests of the charity and not the general interests of the Council; The capital being sought of £500K is the minimum sum the officers believe is required to ensure the maintenance of the Park and Palace to a sufficient extent to permit the legislative purposes to be fulfilled..
- 10.4 The London Borough of Haringey CFO notes the contents of this report. Any capital bid submitted by the Trust will be considered by the Council as part of its overall capital planning process for 2012/13.

## **11. Equalities Implications**

- 11.1 There are no perceived equalities implications in this report.

## **12 Use of Appendices / Tables / Photographs**

## 12.1 Priority 1 CAPEX Plan Proposed for 2012-13

Area	Priority	Item	2012/13	Investment Needs
External Fabric	P1	Elevations - South	£128,085	Continuing programme of works specified through NPS to address the delapidation of the external building fabric.
	P1	Elevations - West		
	P1	Elevations - North		
	P1	Elevations - East		
	P1	Elevations - Roof Level		
	P1	Roof Works		
	P1	Fees		
External Services	P1	Repair/replacement of the underground power supplies to the external lighting systems	£25,000	There is no external street lighting on the middle section of Alexandra Palace Way and has been raised as a concern by both the Police and members of the public
Fire and Evacuation System	P1	Replacement of the obsolete and faulty fire alarm systems. Replacement of non-compliant public alarm evacuation system	£246,529	To keep AP safe & fit for purpose to operate (Phase 1 during 2011/12 in progress; Phase 2 during 2012/13 proposed)
	P1	Fees	£5,386	
Emergency Lighting	P1	Replacement of the Central Battery units or decentralisation	£70,000	Existing systems are in a poor state of repair, two systems have failed and urgent investment is required
Lift Replacements	P1	4 Goods and 1 Passenger in Hall.	£25,000	To support the Trading Company by ensuring reliable lifts to the Public Areas
<b>Grand Total:-</b>			£500,000	

## 12.2 Minimal Option CAPEX Plan for the next 5 Years

Cost Planning									
Area	Priority	Item	WORKS TO BE FUNDED	2012/13	2013/14	2014/15	Regeneration Takes Place	Total	Investment Needs
External Fabric	P1	Elevations - South	£94,856	£33,757	£33,757	£5,850	£21,493	£94,856	Essential to keep AP safe and fit for purpose to keep trading independent of any regeneration programme
External Fabric	P1	Elevations - West	£21,000	£6,143	£6,143	£8,714	£0	£21,000	
External Fabric	P1	Elevations - North	£57,420	£18,200	£18,200	£20,270	£750	£57,420	
External Fabric	P1	Elevations - East	£14,971	£6,457	£6,457	£2,057	£0	£14,971	
External Fabric	P1	Elevations - Roof Level	£21,000	£9,775	£9,775	£1,450	£0	£21,000	
External Fabric	P1	Roof Works	£323,415	£46,858	£46,858	£106,800	£122,900	£323,415	
External Fabric	P1	Fees at 8.8%	£46,874	£10,665	£10,665	£12,772	£12,773	£46,874	
Sub Total Wall Elevations:-			£579,536	£131,854	£131,854	£157,913	£157,916	£579,536	
Internal Dilapidations	P2	Capital investment into minor works on the internal building infrastructure	£300,000	£0	£80,000	£100,000	£120,000	£300,000	To support APTL to keep trading
Internal Dilapidations	P1	Cleaning, repair and re-certification of Great Hall roof fabric	£250,000	£0	£0	£125,000	£125,000	£250,000	To support APTL to keep trading
Internal Dilapidations	P2	Roof glazing repairs and replacements	£130,000	£0	£0	£0	£130,000	£130,000	To support APTL to keep trading
Internal Dilapidations	P1	Floor repairs to Great Hall	£50,000	£0	£50,000	£0	£0	£50,000	H&S Hazard causing insurance claims
Internal Dilapidations	P3	Theatre protection, repairs and/or refurbishments	HELD	£0	£0	£0	£0	£0	Held as part of the regeneration strategy
Security Systems	P1	Replacement and upgrade of the CCTV camera systems	£120,000	£0	£40,000	£40,000	£40,000	£120,000	To provide security of AP to meet recognise standards & Codes of Practice
Security Systems	P2	Installation of security barriers/bollards to restrict close vehicular access to buildings	£50,000	£0	£0	£0	£50,000	£50,000	
Security Systems	P2	Replacement and upgrade of the Janus door access/security system	£150,000	£0	£0	£0	£150,000	£150,000	
External Services	P1	Repair/lining of faulty underground foul water drainage systems in Grove	£28,000	£0	£28,000	£0	£0	£28,000	Essential to keep AP safe and fit for purpose to keep trading independent of any regeneration programme
External Services	P1	Repair/replacement of the underground power supplies to the external lighting systems	£50,000	£25,000	£25,000	£0	£0	£50,000	
External Services	P1	Replacement of electrical supplies and lighting in the Grove	£17,000	£0	£17,000	£0	£0	£17,000	
External Services	P2	Repairs to footpaths and private road systems within the Alexandra Park & Palace estate.	£100,000	£0	£0	£0	£100,000	£100,000	
Hydrant Main	P1	Replacement/lining of 10" Underground Hydrant main due to continuing problems of pipe fractures	£100,000	£0	£0	£0	£100,000	£100,000	To keep AP safe & fit for purpose to operate
Fire and Evacuation System	P1	Replacement of the obsolete and faulty fire alarm systems. Replacement of non-compliant public alarm evacuation system	£246,529	£246,529	£0	£0	£0	£246,529	To keep AP safe & fit for purpose to operate (Phase 1 during 2011/12 in progress; Phase 2 during 2012/13 proposed)
Fire and Evacuation System	P1	Fees	£5,386	£5,386	£0	£0	£0	£5,386	
Data/Comms Communication Systems (Tendered costs)	P2	Upgrade and replacement of IT equipment (New PC)	£60,000	£0	£15,000	£15,000	£30,000	£60,000	
Emergency Lighting	P1	Replacement of the Central Battery units or decentralisation	£130,000	£70,000	£60,000	£0	£0	£130,000	To keep AP safe & fit for purpose to operate
Lift Replacements	P1	4 Goods and 1 Passenger in Hall.	£125,000	£25,000	£25,000	£25,000	£50,000	£125,000	To support APTL to keep trading
Lift Replacements	P2	1 Passenger in BBC Tower	£150,000	£0	£0	£0	£150,000	£150,000	
Carbon Reduction	P3	Replacement/Decentralisation of Central Boiler systems at Alexandra Place; Feasibility study & provisional sum	£500,000	£0	£0	£5,000	£495,000	£500,000	Reduction of carbon footprint and potential payback. Funding could be through other sources or part of the regeneration strategy
Carbon Reduction	P3	BMS System replacement	£200,000	£0	£0	£0	£200,000	£200,000	
Carbon Reduction	P3	Lighting replacements: West Hall	£30,000	£0	£0	£0	£30,000	£30,000	
Carbon Reduction	P2	Lighting replacements: Great Hall	£60,000	£0	£30,000	£30,000	£0	£60,000	
Carbon Reduction	P3	Power Factor Correction/voltage optimisation to improve energy efficiency	£50,000	£0	£0	£0	£50,000	£50,000	
Grand Total:-			£3,481,451.26	£503,769	£501,854	£497,913	£1,977,916	£3,481,451	
CAPEX Potential Budget:-				£500,000	£500,000	£500,000	£2,000,000	£3,500,000	
English Heritage:-				£100,000				£100,000	