


| <b>Alexandra Palace &amp; Park Board</b>   | <b>on 18<sup>th</sup> October 2011</b> |
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| Report Title: <b>Regeneration Working Group Update</b>   |  |
| Report of: Mark Hopson, Head of Regeneration & Development, Alexandra Park & Palace  |  |
| <b>1. Purpose</b><br>1.1 To report back on progress made by the Alexandra Park & Palace Regeneration Working Group (APPRWG) since the last Board meeting on the 21 July 2011 and the main activities in relation to Stage 2 - Concept Planning.<br><br>1.2 To update the Board on the funding bid to English Heritage (EH).  |  |
| <b>2. Recommendations</b><br><br>2.1 That the Board notes the on-going regeneration work for Stage 2<br><br>2.2 That the Board notes the submitted funding application to English Heritage<br><br>2.3 That the Board notes the on-going budget position for Stage 2 regeneration work and confirms the use of identified Trust savings for the existing budget shortfall for 2011/12.  |  |
| Report Authorised by: <b>Andrew Gill, Interim General Manager</b>   |  |
| Contact Officer: <b>Mark Hopson, Head of Regeneration &amp; Development, Alexandra Park &amp; Palace</b>   |  |
| <b>3. Executive Summary</b><br>3.1 This report summarises the work of the APPRWG since the last Regeneration Update to the Board and the most recent meeting of the APPRWG on 4 October 2011.<br><br>3.2 This report provides the Board with: <ul style="list-style-type: none"><li>• A progress update on the regeneration work in Stage 2 so far</li><li>• An update on the Communications Strategy for the whole programme of planned regeneration work</li><li>• An update on the funding bid to English Heritage.</li></ul> |  |
| <b>4. Reasons for any change in policy or for new policy development (if applicable)</b><br>N/A  |  |
| <b>5. Local Government (Access to Information) Act 1985</b><br>APPB 21 July 2011: Regeneration Update Report   |  |

## **6. Progress update**

- 6.1 At the last Trust Board meeting on the 21 July 2011, a regeneration update report was submitted but not considered by Trustees due to time limitations. This report therefore updates and builds upon the information detailed in the last report.
- 6.2 At the beginning of July, Colliers International were formally appointed by the Regeneration Working Group to act as lead consultants on the regeneration programme for Stage 2. The main focus of Colliers' work is centred on the following areas:
- Preparing and developing a business plan
  - Developing a funding strategy
  - Defining a procurement strategy
  - Additional programme support
- 6.3 The Head of Regeneration and Development has also established a dedicated project team to assist with taking forward the regeneration programme for Stage 2. The team includes key officers from Finance, Legal, Procurement, Facilities Management and Programme management from Alexandra Palace and Haringey Council as well as external consultants working on the programme.

## **7 Business Plan and Funding Strategy**

- 7.1 Work is currently underway to prepare an outline business plan for the whole life of the regeneration programme. As part of this work, Colliers have undertaken detailed reviews of existing information relating to the building infrastructure, business service systems and local distribution services.
- 7.2 Colliers are part way through modelling a whole-life cashflow which will make an initial, high level estimate of the costs and benefits arising from the regeneration programme. This includes:
- the value of public benefit that APP delivers
  - the on-going capital investment required to safeguard existing operations and events
  - the projected capital costs for refurbishing the shell and core (such as external elevations, internal areas, service infrastructure e.g. heating and water as well distribution services of these services)
  - indicative fit out costs for future uses
  - an assessment of potential capital and revenue income generation area by area
  - the associated professional fees and suitable contingency allowances for delivering the programme
  - internal project team costs for the entire life of the programme
- 7.3 Further updates on the modelling and business plan work will be provided to the Board at its future meetings.

## **8 Procurement Strategy**

- 8.1 A draft procurement strategy is currently being developed. The main aim of this strategy is to define and establish what the strategy will be for engaging an anchor music/entertainment operator and or other supporting uses in the Palace.
- 8.2 The procurement strategy will need to be informed by a number of variables that are concurrently being progressed. Namely:

- the charitable objectives of the Trust and legal position in relation to any regeneration/development options
- the defined “must haves” for the Trust – that is, the agreed position of what the Trust’s offer will be to the market as well as the public benefit – see also section 9 below.
- a draft business plan and funding strategy
- the outcomes of future soft market testing with operators

## **9 Stakeholder Forum and consultation sessions**

- 9.1 Underpinning much of the work outlined in the sections above will be an agreed Trust position on the parameters that will form the basis of any future agreement with potential partners and investors. To reach this position, the Trust will need to determine those conditions that are vital to achieving its’ vision and strategic objectives whilst allowing it to discharge its’ charitable obligations in perpetuity.
- 9.2 In order to establish and agree the “must haves” a special consultation session has been arranged for Trustees on Saturday 29<sup>th</sup> October. This will be informed by two pre-planning meetings attended by the Chair and two other Board Members to scope initial ideas.
- 9.3 A series of regular monthly stakeholder forums commenced on the 22<sup>nd</sup> September 2011 to engage and inform local stakeholders on, amongst other things, regeneration activity at the Palace. Upcoming forums will also be used to consult and feedback to stakeholders on the Trust “must haves”.

## **10 Communications Strategy**

- 10.1 Communications support has been engaged to finalise the existing draft communications strategy that was produced in August. Key objectives for finalising the strategy include:
- establishing a clear unique selling point (USP) for the Park and Palace
  - ensuring that the key aims and objectives within the regeneration programme are communicated effectively
  - defining the key messages of the regeneration programme and how they are articulated
  - ensuring there is interest, awareness and support
  - a strategy to attract and engage partners at the appropriate times
  - ensuring effective systems are in place to disseminate regeneration/development updates to appropriate media
- 10.2 Part of the work on the communications strategy will also involve regularly updating the stakeholder matrix and ensuring essential groups, partners or agencies are engaged at appropriate times.
- 10.3 The updated communications strategy will be circulated to Trustees in due course.

## **11 External funding update**

### **English Heritage**

- 11.1 Following initial discussions and meetings, officers submitted a formal bid to English Heritage on the 1<sup>st</sup> September 2011 which consisted of two main strands:

#### Project development funding

- Heritage statement and management plan
- Structural and building services surveys

Funding requirement: £65K (£52K match sought @ 80%)

#### Emergency Repairs funding

- Critical roof repairs to various sections of the building

Funding requirement: £111,553 (£55,776 sought @50%)

- 11.2 Officers have now received formal acknowledgement of the bid and are engaging in further discussions to resolve initial queries.

#### **Heritage Lottery Fund (HLF)**

- 11.3 As reported in the last update to Trust Board, a positive meeting was held with the Head of HLF London in relation to a future bid for Alexandra Palace.
- 11.4 The application process will require careful planning and consideration to ensure that the strategic objectives of the regeneration programme align with HLF's funding objectives. Additionally, the timing of any bid submission will need to be carefully considered so as to ensure a harmonious fit with the regeneration programme timescales.
- 11.5 AP Staff will continue to liaise and meet with HLF so as to work up an agreed approach for a future bid submission.

#### **12 Consultation**

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

#### **13 Recommendations**

- 13.1 That the Board notes the on-going regeneration work for Stage 2.
- 13.2.1 That the Board notes the submitted funding application to English Heritage.
- 13.3 That the Board notes the on-going financial position for Stage 2 regeneration work and confirms the use of identified Trust savings for the existing budget shortfall.

#### **14 Financial Implications**

- 14.1 Proposals to use in-year Trust savings against the budget shortfall were provisionally agreed at the last Trust Board meeting on the 21 July 2011 but were subject to further discussions with Haringey Council. This agreement has now been given for 2011/12.
- 14.2 As set out in the previous update report, there continues to be a funding short-fall for Stage 2 of the regeneration programme. This shortfall is approximately £90K for 2011-12.
- 14.3 Formal confirmation is sought from Trustees on the provisional motion to use the existing identified Trust savings, plus the identification of a further £90K to meet the budget shortfall for Stage 2 regeneration. The Chief Executive is now considering options for this shortfall with the Trust and Trading Company and will report back proposals to the Board at a future date.

## **15 Legal Comments**

- 15.1 The legal opinion of the Trust's solicitor has been taken into account in the preparation of this report.
- 15.2 The Council's Acting Head of Legal Services has no comments on this report.

## **16 Financial Comments**

- 16.1 The council's chief finance officer notes the report. The 2011/12 shortfall in funding of this project of £100k needs to be addressed, by either reducing the level of spend or identifying savings within the overall budget of the Trust or receiving additional grant funding.

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

N/A.