

Report Title: **Regeneration Programme Update and Heritage Lottery Fund Bid**

Report of: **Duncan Wilson, Chief Executive, Alexandra Palace**

1. Purpose

- 1.1 To update and consult with the Committees on progress with the regeneration programme since the summer, and
- 1.2 To seek the Committees' advice on and endorsement of the Trust's draft bid to the Heritage Lottery Fund (HLF) in respect of the Theatre, the East Court and the BBC Studios, which will be put to the Trust Board for approval on 6 November.

2. Recommendations

- 2.1 That the Committees note the content of the report and endorse the Trust's bid to the HLF;
- 2.2 That the Committees agree that the chairmen should write to HLF in support of the bid.

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



Contact Officer: **Duncan Wilson, Chief Executive, Alexandra Palace, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 4321**

3. Executive Summary

This report summarises progress since the summer, when at its July meeting the Trust Board authorised that we proceed to the next stages of the regen. project on the basis of the levels of support and engagement which we received from the public consultation

This report also details the content of the Trust's proposed bid to the HLF for a major capital grant of £16.5 million towards the estimated project cost of £22.5m (construction) and £0.7m (activity plan). The bid needs to be submitted by the end of November 2012

Written endorsement by the SAC and CC would be very helpful to accompany the HLF bid.

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. Public Consultation results

Further to the draft findings tabled at the last meeting, the final results from the consultation were released on 25 July with a total of 2,194 responses received during the six week consultation period. The survey, which was available online and in hard copy format, invited respondents to give feedback on plans and design concepts for regenerating Alexandra Palace, based on the strategic masterplan developed by Farrells. The question of 'Overall, I am supportive of the Alexandra Palace proposal' resulted in over 87% responding either as 'strongly agree' or 'agree'.

Respondents ranked the following aspects of the masterplan as priorities in the following order:

- Upgrading the main event Halls
- Opening up the Victorian Theatre
- Opening up the old BBC Studios
- Opening up the basement
- Building a hotel in the Palace.

To maximise the reach and response of the consultation:

- 21,000 consultation booklets were printed and distributed
- Details of the Regeneration plans and consultation survey were emailed to over 8,000 business and consumer contacts
- Feedback was requested via FaceBook, Twitter and the AP website
- A public exhibition was set up and available for viewing during the consultation period
- Presentations and meetings were held with local resident groups, local businesses, schools and community groups to outline and discuss our plans
- Three specialist workshops were scheduled to engage with minority groups within the Borough

A summary of the consultation results have been added to the Alexandra Palace website - <http://www.alexandrapalace.com/about-us/regeneration/consultation-results/>

Independent communications consultants PPS reviewed the responses and prepared a detailed report on the consultation results, which is available for download from the Alexandra Palace website - <http://www.alexandrapalace.com/about-us/regeneration/downloads/>

Of the people who responded to the survey, a total of 82% had visited Alexandra Palace in the last year, with 32% having visited more than eight times in the last year. Importantly, when people were asked if they were more likely to visit the Palace if the proposals are realised, 79% of respondents agreed they would visit more frequently.

7. Gateway review findings

The Trust commissioned a "Gateway Review" of the regeneration project earlier in the year, to comply with best practice and reassure the Board and other stakeholders. Gateway reviews comprise 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.

Given the scale, complexity and risks of the Palace's regeneration programme, a Regeneration Review was commissioned from 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.

Overall, the review conclusions found the regeneration programme to be well managed with a strong professional team supporting the work. The recommendations aim to provide independent advice on key changes that can help to strengthen the programme and bolster its success. In summary, they are as follows (responses are given in italics):

Develop a unified and credible "client" working with the Borough

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 2012 and 2103.

Put formal project management processes in place for the HLF application

We have set up a project group chaired by the Chief Executive to take us through to submission of the Stage 1 HLF bid. All the necessary consultants have now been recruited and reports/advice commissioned.

Carry out a scenario planning exercise and a workshop to scope procurement needs

We have begun this process with lawyers Bates Wells Braithwaite advising on possible contract models. We are now recruiting specialist property advisers.

Develop a communications plan to ensure the wider benefits of the programme to Haringey are understood

A strategy to follow up to stakeholder and community group consultations is being developed.

Overall the Gateway review team were content that the right steps were being taken to manage the project effectively, noting that a number of important initiatives were in progress, including the re-forming of the Regeneration Working Group which ensures that the Trust and the Borough remain in step.

8. Approaching the market

We are hoping to appoint professional advisers to help us gain further market intelligence and frame our approach to the market in the next month or so, depending on LBH procurement requirements and timetables.

9. Masterplan progress and update

Farrells are proceeding with RIBA B design (essentially outline design, costed so that decisions can be made about lead design assumptions). They have been concentrating on the HLF scheme areas (10 below), but have also done further work on the hotel plans for the Panorama Room site. The presence of a hotel would undoubtedly enhance our events offer in areas such as conferencing and exhibitions, and would impact significantly and positively on the local economy in terms of jobs and tourism.

Farrells' design assumption is that the ground floor of the hotel would be mainly occupied with publicly accessible rooms – e.g. cafes and dining rooms, to allow permeability onto the Terrace. On this basis and assuming that no significant intrusion is made onto the skyline they estimate that about 130 rooms with dimensions of a “Four Star” quality could be provided. If a further storey were added set back from the frontage this would increase to 180 rooms. Plans and elevations are attached and will be shown at the meeting. It remains to be seen if either of these proposals is attractive to the market, and of course whatever was done would need planning and listed building consent. Further work on this scheme and the refurbishment of the events arenas such as the Great Hall will be brought to future meetings of the SAC.

Plans illustrating work to date will be presented at the meeting.

10. HLF bid

The attached plans will be explained in detail at the meeting to illustrate the HLF proposals in detail. The Pre-Application Enquiry already submitted to HLF is also attached to give a flavour of the more detailed bid, which will be put to the main Board for approval on 6 November

In summary, we are proposing to bid to the HLF in respect of the following:

- (i) **Refurbishment of the East Court** (Ice Rink foyer) as the main public approach to the East end of the building, where visitors will gain access to the Theatre, the BBC Studios on the first floor of the SE Wing, and of course to the ice rink. The cost is proportionate to the size of the space (£2.3m plus fees and contingencies), balancing the need for economy with the need to transform the appearance of this critical area. The present state of the E. court is disappointing; on entry you are faced by a monolithic ticket office on a scale inappropriate to the grandeur of the room, and then by little-used attractions such as soft play and mini-golf. The ice rink beyond is not very noticeable. The historic fabric is in a poor state in places, with cornices missing, broken roof panes and leaking gutters. The floor is very uneven and there is a very energy inefficient and ineffective heating system and it is difficult to ventilate the space. The design proposals would deal with these issues, demolishing the ticket office. Levelling the floor and

creating a more appropriate welcome and sense of scale would make the place work better as creating a good first impression of Alexandra Palace. We are proposing a large scale model of the Palace as a centrepiece, to contribute to our interpretation strategy, with a cafe area to one side defined by plants and a water feature and space for temporary exhibitions.

- (ii) **Refurbishment of the Theatre** is the most expensive part of the project at c £5.3m plus fees and contingencies. This is because the Theatre is in a very poor state, with the ceiling and wall plaster unstable and at least one of the roof trusses and the balcony in need of reinforcement. New services consistent with “flexible use” will need to be provided. That will give us the best chance of accommodating as many different uses as possible, which is the key to covering our costs. So for example we want to accommodate not just theatrical performance and classical/pop concerts but also film shows including silent film shows, awards ceremonies, dinners and conferences. To achieve this flexibility, moveable sets and a flat floor are essential. Theatre in the round would then be possible, brought forward into the stalls with a thrust stage and closer to the balcony. This would help to get round the acoustical issues and the distance from the stage for which theatre was well known in its heyday. Our views on this have been influenced by the experience of our theatre designers Bonnar Keenlyside, and independent views expressed by potential partners such as English National Opera and Complicite.
- (iii) **Back of House facilities and the Theatre Foyer** must also be refurbished if we are to create a sustainable business. We also need to create new public lavatories for the audience, and a bar. Areas such as the NE tower and the pavilions leading off the Theatre foyer are in a very poor state. The cost is estimated at £5m plus fees and contingencies
- (iv) **The BBC studios and the South East Wing** are an extremely important part of the bid. The strategy is to develop them as a visitor attraction for guided tours and as the focus of our learning programme. We cannot feasibly refurbish the whole SE wing, so we have looked at two options.
 - (a) refurbish Studio A and the Transmitter Hall underneath, connecting to the East Court via the derelict former BBC canteen and adding a new lift shaft to give access to the first floor at this point. An exhibition would be installed in Studio A telling the story of television at AP, with a small projection room in which to show TV film archive and a studio in the space beyond where interactive learning programmes could be delivered
 - (b) refurbish both Studios A and B but not the Transmitter Hall. The exhibition would be spread out in Studio A, with Studio B as a projection room for TV film archive and flexibly re-arrangeable as studio space or for other functions. Studio B would be much more flexible if the inner and outer window openings were both unblocked and the room were re-glazed, but with blackout blinds so that it could

be turned back into a studio easily. However that would interfere with its historic authenticity. English Heritage's views would be significant.

At the time of writing Option (b) is being costed.

Under both (a) and (b) we would begin to unblock the outer colonnade openings, to reinstate symmetry with the western colonnade. Under (a) we would unblock ground and first floors at the eastern end only, and under (b) we would unblock the first floor but not the ground.

- (v) Externally there would be some re-landscaping of the approach to the Palace from the east, particularly in front of the Theatre foyer.
- (vi) In addition the HLF expects a costed "activity plan" to demonstrate that we are reaching out to communities and groups beyond our "normal" visitor and resident profile. To implement this we have applied for £700k over five years to fund an additional Learning Officer, and Volunteer Co-ordinator. Other activities which this budget would support include fundraising and project management. There will also be an archives and a digitisation programme to draw on the TV and Theatre archives held by bodies such as the APTV Society and make them available digitally.
- (vii) The overall cost plan provides for professional fees (15%) to implement the scheme, contingencies (10%) and inflation (7%). It assumes that all VAT is recoverable. There are provisions against major but unquantified risks such as asbestos removal.

Plans and visuals are attached.

11. Programme Timescales

The HLF bid timescale is tightly circumscribed by HLF. We have to submit by end-November for a decision on our Stage 1 bid in April 2013 – essentially a decision "in principle". Then we would need a further year for the preparation of a Stage 2 bid, with RIBA Stage E design. If successful we would then need to tender the construction project, which would mean a start on site at the beginning of 2015 and completion in late 2016. We would need to have raised the £6.7m in matched funding by the end of 2013.

The timetable and process for the offer to market is much less certain. However we should be prepared to wait for the right developer/operating partner, and the right economic climate for such a significant investment, which may take time.

12. Recommendations

- 12.1 That the Committees note the content of this report and agrees that the Chairmen should write a joint letter of support in respect of the HLF bid

13. Legal Implications

13.1 The Council's Head of Legal Services notes the contents of this report, and confirms that the recommendations all fall within both of the Committees Constitutional terms of reference.

14. Financial Implications

14.1 The Trust's Chief Financial Officer notes the content of this report

14.2 Comments of Haringey Council Chief Finance Officer :

- (i) Any project of this scale needs to have strong project management and the approach to this will require careful consideration and appropriate resourcing. The recommendations from the Gateway review need to be implemented fully.
- (ii) The project cost of £23.155m will need to include adequate contingency sums. It is noted that the HLF bid is for £16.5m leaving £6.655m (if 100% of the bid is awarded) to be found from match-funding.

15. Use of Appendices/Tables/Photographs

Appendix 1 – HLF pre-application enquiry

Appendix 2 - RIBA B Plans and sections of hotel and HLF schemes