

## **Joint Meeting of the Alexandra Park & Palace Statutory Advisory and Consultative Committee on 8 April 2014**

Report Title: **Regeneration and commercial development**

Report of: Colin Marr, Chairman APP Consultative Committee and Joint SAC-CC

### **Purpose**

- 1** To facilitate a discussion by the Joint SAC-CC of important matters to do with regeneration and commercial development at AP
- 2** To clarify uncertainties and possible misunderstandings about aspects of regeneration and development, including:
  - The scope for a further HLF bid.
  - The areas of AP (if any) that might be subjects for a further bid.
  - The extent to which the HLF funding might inhibit commercial development opportunities.
  - The areas of the Palace seen as having potential for commercial development.
  - The scope for development partnership opportunities.

### **Recommendations**

That the Joint SAC-CC express its views on these matters and advises the main Board as appropriate.

### **Regeneration and commercial development**

The SAC and the CC separately gave their enthusiastic support for the HLF bid in 2012, which marked APP's first crucially important step towards regeneration. The decisions that helped shape that bid came after wide consultation and the development of ideas through Joint SAC-CC meetings, the Board and elsewhere. Since the finalisation of the bid (the success of which we are still celebrating) there have been further developments in thinking about regeneration and what we might want to see in place to run alongside, or after the current HLF funded project.

It has always been understood that commercial development at APP would be both essential and welcome. Such development being needed to generate funds to assist regeneration, to support our charitable activities and to supplement them with activities consistent with our overall objectives.

It is timely now to take stock of a number of aspects of regeneration and commercial development, both to clarify our understanding of what the options might be, and to give input to the Board to help decision making. The

following issues illustrate some aspects that could benefit from discussion and clarification:

Issue 1      The scope for a further HLF bid

At the final stages of shaping the HLF bid in late 2012 there was a thought that regeneration of some areas (possibly Studio B and/ or the Transmitter Hall) may have to wait a subsequent bid, recognising that this may take few years to come about.

**The question here is - how realistic is it to think in terms of a further HLF bid?**

Issue 2      The areas of AP (if any) that might be subjects for a further bid

The whole of the Palace building is listed as Grade II and all parts of it, to varying extents, have historic significance. The Willis organ is a possible candidate for a further bid, but it is understood that this may need to be in the context of a broader based bid.

**The questions here are – what areas might be eligible for a further bid, and over what timescale might such a bid (if any) extend?**

Issue 3      The extent to which the HLF funding might inhibit commercial development opportunities

It has been suggested that once an area has been the subject of HLF funding then there are limits as to the type and scale of commercial activities that can be considered there.

**The questions here are – how might this affect the Theatre and Studios (which already have HLF support) and might this limit the scope for seeking HLF funding for other areas?**

Issue 4      The areas of the Palace seen as having potential for commercial development

The 1985 Act of Parliament defines much of what is permissible by way of development at AP, and takes into account the charitable remit that limits what is and is not permissible, most of which was defined in earlier Acts and Orders. The attached plan, which is part of the 1985 Act shows a distinction that is made between four areas:

1. The areas bounded in blue - the Theatre and the TV Studios, which are the subject of caveats with regard to their use
2. The area bounded in red – the south east corner, which is permitted for Hotel use
3. The area bounded in green – the yard outside the north east corner, which could be used for car parking

4. The remaining 'white' area for which no special provision is made and is therefore subject to the other limitations of the 1985 Act.

With regard to area 4, which is uncoloured on the map – this includes the Great Hall, the Palm Court and the remaining part of the north east area of the Palace. This huge area is still subject to the limitations on use that are implicit in the 1985 Act. The only significant change since the 1985 Act has been an amendment to allow for the possibility of leasing part or the entire Palace for periods of up to 125 years.

There are also planning laws that may limit the uses to which parts of the Palace may be permitted. In addition, the Palace's status as Grade II listed also has a bearing on this.

The Farrell study in 2012 helped indicate which areas of the Palace had the potential for regeneration by opening up into different forms. The Farrell report confirmed the potential for heritage led development of the East Court, the Theatre and the TV Studios. It showed the benefits from opening up routes of communication through the building and confirmed the idea of a hotel in the south west corner. It was these visions that were supported by public consultation and became the basis of the "Masterplan".

In recent months the Farrell's view has been stated simply as: *"The Masterplan makes a basic distinction between the central and western parts of the Palace, which are dedicated to commercial and income-generating activity; and the eastern end of the Palace, which is dedicated primarily to community and cultural use - the embodiment of the 'People's Palace'."*

This simplified view seems to ignore the constraints that the 1985 Act places on the uses that might be made of the central and western parts of the Palace.

**The question here is – to what extent are the areas of the Palace west of the Theatre and the Studios freely open to commercial and income-generating activity?**

#### Issue 5      The scope for development partnership opportunities

It has long been recognised that the creation of a hotel in the south west corner would require a partnership agreement with a hotel operator/ developer willing to make a large investment, and that this would require a long lease, possibly of up to 125 years. It has also been recognised that the events business might require commercial partnerships of some sort. More recently, test marketing of the idea of hotel development has revealed the possible conflict of interests between a hotel development and some forms of commercial activities elsewhere in the Palace. This has led to the idea of a large partnership model that might embrace a hotel and other commercial aspects.

Reference has been made to what might be thought of an extreme model, which could be “a possible commercial partnership that could include development of the hotel together with adjacent events spaces and possibly including the APTL events business itself as a going concern.”

**The questions here include:**

- **What form of commercial development partnership might be appropriate and acceptable?**
- **How would an extreme model (such as above) fit with the charitable objects of the Trust?**
- **In the extreme model, what would be the implications for the Board, its associated committees and governance?**

(Colin Marr 23 March 2014)

