

**Note of informal meeting between Regeneration Committee Chairman and Deputy Chair
with Millwall FC**

Thursday 2 October 2014

Introduction

Gareth Bacon AM, Chairman of the Regeneration Committee, and Navin Shah AM, Deputy Chair, met with Andy Ambler, Chief Executive of Millwall Football Club, Andrew Barrow, Senior Adviser to Millwall Football Club, and Matthew Black, Senior Director CBRE UK to hold an informal meeting to discuss Millwall FC's proposals for regeneration activity around the club's stadium, The Den.

Discussion summary

Millwall FC

Millwall FC (MFC)'s majority shareholder and principal funder is Chestnut Hill Ventures, based in the US. Since 2005, the club has been looking to develop the area around the stadium.

The club has received investment in excess of £30 million over the past 7-8 years, through a combination of equity and debt funding. This model is unsustainable; therefore the club needs to be future-proofed.

Millwall FC's ambitions for regeneration around the stadium

MFC told the Chairman and Deputy Chair that it needs to look at the future beyond its current owners. Football is volatile, and the club could move between League One and the Premiership. Millwall FC needs to create some non-football income-generating assets in order to be a sustainable business.

MFC told Members that it welcomed the regeneration plans for the Surrey Canal Triangle which would be good for both the club and the community. The stadium is under-utilised outside match days; part of the reason the club makes annual losses. If the club achieved promotion into the Premiership, the plan is to increase The Den to a 26,000-seater stadium.

MFC was named as being at the centre of LB Lewisham's plans for the Surrey Canal Triangle. The club has ambitions to redevelop the land around the stadium, including that leased by Millwall Community Trust (which was set up as a separate charity 28 years ago, and leases its premises from LB Lewisham). The club told Members that the Millwall Community Trust's close links to the football club (the Millwall brand) give it access to football-related funding.

Millwall FC has a long leasehold interest of the stadium and some land around its borders. Millwall FC appointed an architect to draw up plans in accordance with requirements for planning permission. MFC told the Committee that it is not concerned who develops the land, but the club needs to benefit economically from the development; for example, through a hotel and other leisure related elements which could operate in partnership with catering and conference facilities at the stadium.. MFC said that plans for an underground car park were unnecessary: the above ground car park is adequate.

Current proposals for the regeneration scheme

The club told the Committee it would like to develop the area it currently manages (it does not have ambitions to develop the whole Surrey Canal Triangle), but it cannot do so, as the council has agreed to sell the freehold of the land occupied by MFC's car park to developer Renewal and intends to use its compulsory purchase powers to acquire MFC's leasehold interests in that land with a view to on-selling them to Renewal. MFC told Members that Renewal already owns significant land but still requires additional land to facilitate delivery. Members heard that Renewal has outstanding options on other plots, and requires some land currently occupied by the club. Renewal would need to relocate existing tenants to progress its plans. The club supported Renewal's application for outline planning permission, and its subsequent section 106 agreement, for development of the Surrey Canal Triangle area.

Millwall FC told Members that it has two main concerns about Renewal's plans. The first concerns the potential loss of value accruing to the club. MFC is concerned about the council's plans to acquire its own land from MFC through a CPO under the Renewal scheme. MFC told Members the CPO price would be too low compared to MFC developing the land (a lease was granted to MFC to allow the club to move from the Old Den to the New Den 21 years ago). Millwall FC's valuations are higher than those of Renewal. Secondly, the club has concerns about match day safety. The MFC scheme would allow the stadium to continue to operate without problems, but the club believes that there is not enough detail in the Renewal scheme to show what impact the development would have on matches (the development is in close proximity to the stadium). MFC would like to see viability figures for the Renewal scheme, and it would like input into the design and to secure some economic benefit from the developments.

Impact on MFC's future plans

The club told the Committee that there is little difference between the club's plans and those of Renewal; the main difference being that under MFC's plans, the club would host the Community Trust in its proposed new development adjoining the stadium. Under its proposals, MFC is offering free offices and a sports centre to the Community Trust, whereas the Trust would have to pay rent under the Renewal scheme. It is also concerned that the Renewal scheme will mean the Community Trust loses some of its profile.

MFC is concerned about proposals for the Community Sports Centre put forward by LB Lewisham and Renewal, suggesting that there are questions around the scheme's viability and funding which will impact on whether it will happen. If it does not happen, MFC is concerned that the Millwall Community Trust could be left without a base, along with other local businesses, and it is concerned about what legacy there would be for buildings vacated as part of the proposed scheme.

Delays to the regeneration scheme

MFC believes intervention is required to progress the regeneration planned for the area. The club would like the Mayor to appoint a broker to instruct the parties to find a solution. MFC told the Committee its plans could move quickly, but if the club was to develop the area around its stadium, it would need to be sure that the rest of the proposed development of the Surrey Canal Triangle was proceeding, otherwise MFC could be left with an isolated new development of little value (phasing is important).