

Report Title: **Report of the Chief Executive, Alexandra Palace and Park**

Report of: Duncan Wilson, Chief Executive APP

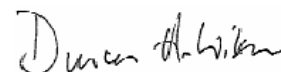
1. Purpose

1.1 To report on trading performance and forthcoming events diary

2. Recommendations

2.1 That the Board notes the attached report

Report Authorised by: **Duncan Wilson, Chief Executive Alexandra Palace and Park**



Contact Officer: Duncan Wilson, Chief Executive Alexandra Palace and Park

3. Executive Summary

3.1 The attached report sets out a demanding events programme and a more ambitious target for the coming months, as compared with the original budget. The Board is asked to note the report and the sales and marketing strategy on which it is based.

4. Reasons for any change in policy or for new policy development (if applicable)

N/A

5. Local Government (Access to Information) Act 1985

N/A

6. BACKGROUND

- 6.1 This paper is based on an update by the Commercial Director Emma Dagnes on major activity undertaken or ongoing since the last Board Meeting.
- 6.2 This report updates the Board on the first three months trading of the new financial year, focus for the next quarter and beyond.

7. RECOMMENDATIONS

- 7.1 That the Board notes key activity undertaken in the first three months of the trading year including event activity, recruitment, sales strategy and support of the Regeneration Project
- 7.2 The Board is asked to approve the ongoing strategy of the Events Sales Team to focus on expanding the Exhibition, Corporate Away Days, Conference/Banquets and Filming markets
- 7.3 The Board is asked to note that at the date of this report £610,074 gross profit has already been delivered, £1,518,186 is contracted, £300,175 is in pipeline at 100% resulting in a gap of £622,564 gross profit to be achieved by EOY 2012/2013 to realize the internal stretch target.
- 7.4 The Board is asked to note that the Marketing Department has realigned it's focus to support the internal business units (Ice Rink, Ice Rink Café, Event Sales, Bar & Kitchen) to ensure a robust marketing plan is in place for each business sector, driving footfall and maximizing revenue opportunity.

8. HR AND RESOURCE

- 8.1 Emma Dagnes returned to APTL full-time 1st June 2012 as the Commercial Director, Martin Brown is retained until September and now takes up the role of Regeneration Strategy Director. APTL would like to take this opportunity to thank Martin for his leadership as Interim Commercial Director.
- 8.2 Anna Clover is on a fixed term contract until December 2012 as Catering, Events & Leisure Director and will hopefully form a key part of the executive management team of APTL moving forward.
- 8.3 Andrew James has joined APTL as Head of Catering, induction completed by Anna Clover.
- 8.4 Corinna Woolmer has been confirmed in the role of Event Manager and will join the working groups focusing on the key areas highlighted earlier in this report.
- 8.5 Executive Assistant / Project Coordinator is being recruited to fill the position left by Anne Kaiser who moves across to the Regeneration programme as Project Manager start date to be confirmed.
- 8.6 The recruitment for the new Event Sales Business Manager is underway, with the expectation of the new person starting on the 1st September 2012.

- 8.7 Pay review and casual workers to permanent contract have been combined into one employee engagement project with completion due 16th July and communication to staff about the changes scheduled prior to the opening of Holland Heineken House.

ACTIONS REQUIRED:

- a) Complete recruitment process for EA/Project Coordinator and New Business Manager.
- b) Implement communication plan to inform relevant staff of pay alterations and casual to permanent change over's prior to staff leaving site due to temporary closure of the Ice Rink and Bar & Kitchen.

9. EVENTS

- 9.1 The first quarter saw a strong start to the Live Strategy with Bombay Bicycle Club in April, Red Bull Empire of Dirt, Slayer and ATP festival in May, and David Guetta and The Maccabees in June.
- 9.2 Exhibitions included Big Stamp and Cyprus Wine, with exams represented by ACCA. Exceptional events were represented by the London Mayoral Elections.
- 9.3 The Moon Rider cycling event in June was attended by Princess Beatrice; the AP PR team were on hand at 1am to capture the moment the event received national coverage.

Lessons learnt:

- Use of the Park for large scale events (Red Bull Empire of Dirt) supplied challenges that were managed effectively by the Events Team. Concerns regarding noise from the PA system will be managed in the future by re-positioning of the speakers and improved control over the announcer.
- London Mayoral Elections experienced a brief power cut, caused by accidental tripping of the system by an external contractor. This is now subject to an investigation by a working group, meeting at City Hall on 12th July 2012. Duncan Wilson will report back at the meeting on this.

10. BAR & KITCHEN

- 10.1 B&K, still building on last financial year's success, has started the first quarter with a strong performance. With the appointment of Andrew James as Head of Catering, a review will be under taken to assess where further improvements could be undertaken to sustain and develop growth.

11. ICE RINK

- 11.1 The Ice Rink is tracking ahead of last year during the first two months of trading, however it is down against stretch budget. A further focus on ensuring that courses, birthday parties and Ice Nation discos are at capacity, is being lead by the Ice Rink Team supported by Marketing. The teams are also focused on implementing the "On Ice" campaign for the closure of the Ice Rink during HHH and the "Breaking the Ice" campaign for it's re-open.

12. ICE RINK CAFÉ

- 12.1 The Ice Rink Café is tracking ahead of actuals compared to last year, and although it's down against the internal target, significant improvements to menu, staff and upkeep of the area are showing a positive impact on sales.

13. STRETCH BUDGET

- 13.1 Internally, APTL has targeted the teams with an ambitious new target budget focusing on maximizing all opportunities across the business. Critical to delivery of the stretch target are key personnel including the New Business Manager and Andrew James, Head of Catering who will be focused on improving the catering offer across the board.

14. X4 STRATEGIC AIMS 2012/13 UPDATE First Quarter

- 14.1 Aim 1: We are committed to deliver a profitable, attractive and diverse programme of activity.

- *Recruitment of New Business Manager*
- *Signed contracts for Darts and World Snooker Masters Championships*
- *Successful delivery of the Red Bull Empire of Dirt large scale outdoor event*
- *Event Sales team working groups in place to deliver targeted approach to attract new business (Exhibition, Corporate Away Days, Conference/Banquets and Filming markets)*

- 14.2 Aim 2: We will do our utmost to protect and enhance the environment in which we operate.

- *Introduction of recycling bins across the site*
- *Attendance to the AEV Sustainability Working Group for best practice and benchmarking*

- 14.3 Aim 3: We will constantly challenge ourselves to provide the best possible customer service.

- *Customer service workshops continue to be delivered to all staff managed by marketing*
- *Workshops to include onsite contractors to ensure consistency of approach*

- 14.4 Aim 4: We will continue to act as ambassadors for the future regeneration of Alexandra Palace.

- *Staff meetings continue to be used as the main channel for updating staff on the progress of the regeneration programme*

15. Sales:

- 15.1 Following the structure of Live Strategy a new Exhibition Working Group has been formed to structure a sales plan for attracting key exhibitions. The group is focused on improvements to pricing package, IT / WiFi offer and identifying key clients to invite to Holland Heineken House. This group is targeted with attracting x4 new exhibitions to Alexandra Palace for roll out in 2013/2014.

- 15.2 Due to Holland Heineken House occupying the event space during the core summer months there has been no requirement to target the wedding market relevant to Alexandra Palace. However due to the summer months historically being quiet it has been agreed that the sales team can book large scale 1000+ attendance weddings

in the months of July and August 2013 with written consent from the Commercial Director. The marketing team will be supporting in a targeted approach via Asian Wedding Magazines, Asian Media Networks and Wedding Shows to attract and secure business.

- 15.3 An attractive commission package at 12% has been sent to key venue finding agencies to bolster Alexandra Palace's position, with the sales team proactively calling agencies to ensure they have received the package material and discuss any potential new business.

16 Event Operations (House):

- 16.1 The newly combined event operations and house teams are focused on delivery elements for HHH, working closely with the client to ensure the venue is "event ready" when doors open on the 26th July.
- 16.2 Corinna Woolmer has been successful in the Event Manager recruitment process and she will move from HHH/Olympic Torch Relay to her new role after the Olympics.

17. Catering:

- 17.1 Andrew James has joined Alexandra Palace as Head of Catering, he comes with a wealth of experience with his last role being at Everton Football Club where he had a number of high profile success with improving the catering offer across the board.
- 17.2 In his new role Andrew will be working closely with the senior team to identify improvement opportunity as well as up-selling opportunity across the portfolio.
- 17.3 Heineken has been successful in the Beer Tender and implementation will be initiated following the roll out of HHH. This project will be lead by Anna Clover, Catering, Events & Leisure Director.
- 17.4 A tender for the provision of Ice Cream across the site is underway, with the focus being on quality and flexibility. The catering team are finalizing the review of the tenders with a view to announcing the successful company within the next few weeks.

18. Bar & Kitchen:

- 18.1 Summer Sessions proved popular, however it has been recognized that further work needs to be undertaken to drive footfall to the Bar & Kitchen for "in-house" events. Marketing will be supporting the Bar & Kitchen with a targeted approach through social media and local coverage.
- 18.2 The B&K will be closed during HHH; communication regarding this is being lead by Marketing.

19. Ice Rink:

19.1 Though tracking ahead of last year's results, the Ice Rink is down against stretch budget. To ensure this trend does not continue the Marketing team have adjusted their resource and budget to further support the Ice Rink team in driving footfall to the facility once it re-opens after the HHH closure.

19.2 During HHH, works will be carried out by Lengard on the Ice Rink, taking advantage of the closure.

20. Ice Rink Café:

20.1 Andrew James, Head of Catering, who joined at the start of July will be undertaking a review of the Ice Rink Café outlining initiatives and requirements for the Executive to review.

21. Marketing:

21.1 The Marketing department is now under the remit of the Commercial Director, who has undertaken a review of the priorities, processes and budget of the team. Following a number of workshops and one away day, the Marketing team are now clear on the requirement for the service to support all the business units in achieving their stretch targets and are working closely with the business unit managers to achieve this requirement.

22. APTL PROCESS and POLICY

Update from previous board:

POLICY	UPDATE	NEXT STEPS
Pricing	Benchmarking complete Pricing packages supporting key market sectors completed	- Package to be present within marketing template and pushed out to market - Owners Event Sales, Commercial Director
Contract	First draft completed	- Sense check required from BWB prior to second draft – Owners Event Sales, Commercial Director
Investment	A forum comprised of key individuals from the SMT has been created to provide an internal “procurement board” assessing business cases covering all forms of capital expenditure	- Internal training for key staff to prepare, present and deliver business cases for investment - Roll out across all business areas including Ice Rink - Owners, key members of SMT
Database	Ongoing project linked to IT investment	- Owners Executive and SMT

Client Feedback	Following successful regeneration consultation the marketing team are gathering lessons learnt from the exercise to better understand how to capture client / public feedback	<ul style="list-style-type: none"> - Review of on-going communication methods for feedback both from B2B clients and our public clients / consumers - Owner - Marketing
Stock Management	On-going project	<ul style="list-style-type: none"> - Owner - Andrew James Head of Catering
Event Management	Completion of Security review highlighted some important lessons for the Executive to action	<ul style="list-style-type: none"> - Implementation of recommendations from the security review - Owner the Executive

23. BUSINESS RISKS

23.1 Slow consumer return to the Bar & Kitchen and Ice Rink following closures due to Holland Heineken House.

23.2 Major works required due to building or plant failure (including rapid depreciation of the Zamboni on the ice rink).

23.3 ACCA Exams who contribute £240,000 gross profit are in their final year of contract (last event will take place December 2012) they have discussed the need for downsizing and moving their exam delivery to an IT focused solution.

23.4 One live event confirmed for November 2012 with 3 key live music events still in pipeline, Head of Sales has been targeted to convert a minimum of 2 from 3 to be contracted by August 2012.

24. Legal Comments

24.1 The Trust solicitor has no comments on this report.

24.2 The Council's Head of Legal Services has no comments on this report.

25. Financial Comments

25.1 The London Borough of Haringey CFO has been sent a copy of this report.