

ADDITIONAL DOCUMENTS

ALEXANDRA PALACE AND PARK BOARD

6 SEPTEMBER 2010

AGENDA ITEM 4

THE WAY AHEAD  
GOVERNANCE AND FUTURE VISION

- i COMMENTS OF THE TRUST SOLICITOR
- ii. STAKEHOLDER FORUM QUESTIONS AND ANSWERS – 24 AUGUST 2010

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**Agenda Item 4**  
**Alexandra Palace and Park Board**  
**6 September 2010**

**Observations of the Trust Solicitor on the Recommendations of PSG for Terms of Reference for the proposed APP Regeneration Working Group**

1. Draft terms of reference were appended to the draft report that was circulated by the Managing Director of APTL on behalf of the Interim General Manager. I was instructed to comment on those draft terms. My comments are at paragraphs 8.1.1 to 8.1.5 on pages 6 and 7 of the Board papers.

2. I considered that the draft terms of reference made it plain that the group was going to have an advisory role and was not going to be a decision making body. I draw attention to my advice, at paragraph 8.1.5 that

“the role of the group is an advisory one; it is not a decision making group and the Board must ensure that it retains the decision making role and does not seek to delegate it.”

3. On 1 September the Committee Clerk sent out substitute pages 9 – 12 which contain slightly different terms of reference. It is recommended in paragraphs 2.6 and 7.6 of the Report that these terms be approved by the Board or that guidance is given for their amendment.

4. In my assessment the key changes between the terms upon which I originally commented and the substituted terms are as follows. The original terms made clear that the status of the Working Group was a non decision making group that would bring forward recommendations to the Board. The Board was free to accept or reject such recommendations I highlight the wording:

“The role of the Working Group will be in a non-decision making capacity and will report its findings and recommendations to the APP Board for its consideration.”

5. The substitute terms as presently drawn appear to give decision making power to the group. Its stated role is

“delivery of a strategic master plan which will provide an integrated framework for future commercial and development delivery.”

6. My advice to the Board is that it should ensure amendments to the proposed terms are made so that it is an advisory group; with the Board to retain the ultimate decision making function.

7. The legal rationale behind this advice is that it is for the Board alone to make key decisions about the charity. It can delegate matters but not such a

key one as this. To seek to delegate such a matter would be contrary to charity law and also in breach of the recently adopted Code of Governance.

8. As Board members will recall the first principle of the NCVO Code adopted at the 2 March 2010 Board meeting was that

“Every organisation should be led and controlled by an effective Board of Trustees which collectively ensures delivery of its objects, sets its strategic direction and upholds its values.”

The first related supporting principle is that

“The Trustees have and must accept ultimate responsibility for directing the affairs of their organisation, ensuring it is solvent, well run and delivering the outcomes for which it has been set up.”

9. I shall be able to advise further as may be required at the Board meeting.

Iain Harris  
Howard Kennedy

3 September 2010

**STAKEHOLDER FEEDBACK FOR BOARD OF TRUSTEES  
ITEM 4**

**TABLED AGENDA**

**ON GOVERNANCE AND THE FUTURE VISION OF AP&P**

**GATHERED 24.08.10**

- Q1.** Does this really represent real progress? The 'interim' model, due to be considered by Trustees on 6 Sept, is almost identical to the model tabled at the Stakeholder Forum in October 2009. Have the trustees gone far enough?
- A. Hope that stakeholders take comfort from the fact that the interim model being considered by Trustees is almost identical to the one mooted last autumn and therefore reflects that the trustees have listened to stakeholders and not created totally different model. There has been a lot of work behind the scenes and further engagement with stakeholders, plus bringing newly appointed trustees up to speed with the changes to ensure 100% support and understanding. Remember that the trustees have also adopted an aspiration of total independence in the longer term which is what the majority of stakeholders requested.
- Q2.** What is the timeline for SAC and CC reform?
- A. The reform commences once SAC and CC have held forthcoming meetings (7 and 14 Sept respectively) and agreed the process for reviewing themselves. An update to the Board is expected on 5 Oct but not anticipating the work will have been completed at this stage.
- Q3.** Is the profit being generated at AP&P enough to cover the necessary investment? Is the business still reliant on exhibitions?
- A. As per the presentation, the Trust has £40m in debts plus a maintenance backlog worth c.£30m. The profits generated on site contribute a six figure contribution to help with the annual maintenance of the building but that does not address any of the backlog work or derelict spaces or the debt. The aim of the Regeneration Working Group is to lever in the significant funding required to address these issues which is pressing. Major infrastructural failings are likely in the next 12-24months if significant investment is not secured. The business has changed at AP and although the 10-12 regular exhibitions are important the real growth areas (and better returns) exist in delivering live events (e.g. music, sport, awards etc).
- Q4.** Will anything happen whilst LBH is in charge? The LBH councillors have no vision, as evidenced at Hornsey Town Hall. Another 5 years could be spent talking about plans and delivering nothing.

A. The trustees have been considering their vision for AP&P and have abandoned the previous strategy of finding a single developer for the site. And they have involved stakeholders in that process, created the draft brand values to underpin that vision, and agreed to bring some independent advisors onto their Board to swell the skills sets and experience to be drawn upon. The Regeneration Working Group will formulate ideas and recommendations for the Trustees and draw on a wide range of expertise. The building is driving the timescales. There is no time for lengthy debate and procrastination. The building will not survive if action is not swift.

**Q5.** How will the independent advisors be selected? What skills will they have? They must be appointed with ability to challenge/lead the Trustees rather than just do their bidding.

A. There will be a clear recruitment and selection process. They are not the same as paid consultants. They will be chosen for their relevant skills sets to assist the delivery of a new vision.

(It was suggested from the floor that the Independent Advisors should be "Shadow Trustees". Stakeholders were invited to send suggestions for recruitment to the Interim General Manager.)

**Q6.** How will the SAC / CC review be conducted and will it provide an opportunity for other interested parties to suggest new members etc?

A. The SAC and CC need to consider at their forthcoming meetings the process and methodology for conducting the review. We will feed back to both chairs that others (currently not members of either) would like to have an input.

Comment: Very important that the People's Palace remains a strong tenet of the future of AP&P.

**Q7.** How can we be certain that the Trustees will listen to stakeholders in the future? In the past the SAC and CC have been ignored on many occasions.

A. One of the main reasons the Board have asked that the SAC and CC review themselves is to ensure that the stakeholder forum becomes as efficient and effective as possible. This was a clear objective that emerged from both the trustee and the stakeholder forum sessions held last autumn 2009. This will hopefully aid better communications and a constructive dialogue in the future. The trustees have also committed, by virtue of the NCVO code that they have adopted, to open and transparent processes and effective engagement of a myriad of stakeholders.

Comment: There was recognition by several present that the relationships and communications between the respective AP&P committees have improved recently.

**Q8.** Can we be assured that there is no hotel coming into the main building? And that the trustees won't lease parts of the building?

A. Nothing is ruled in and nothing is ruled out at this stage. The role of the Regeneration Working Group is to assess the best use of the building and make recommendations to the Board of Trustees. A hotel has long been viewed by many as a necessity for AP&P and planning permission has been granted in the past for the site. The trustees have committed to not seeking to grant a long lease to a sole operator. Although the Chair did not rule out that if a body like English Heritage wished to manage the Palace that might be appropriate.

**Q9.** What is the Trust's solicitor's view on the appointment of independent advisors?

A. When we first started the Review of Governance and Vision last summer a group of senior officers with legal advisors met to consider a range of possible structural models. The Trust's solicitor was the first one to suggest the ultimate objective for the Charity should be to achieve complete financial and legal independence from Haringey Council. He fully supports the Trustees' aspiration to achieve this. Of course, we all know that there are some major hurdles to be overcome first, including the £40M debt and the need to find an alternative source of revenue funding.

**Q10.** What happened to the £8M 'dowry' from the GLC (when AP was transferred to Haringey)?

A. This was answered from the floor – it was suggested that the money was spent on refurbishing the palace after the 1980 fire. This seemed to be accepted by the questioner.

**Q11.** Why are the trustees not planning on changing the Act of Parliament whilst the interim plans are implemented? They could do this simultaneously as a bid towards gaining legal independence.

A. The trustees are committed to the aspiration of being a financially and legally independent body in the future but agree that their efforts are best spent in delivering the regeneration work to save the building in the immediate to medium term. Changing an Act of Parliament can take between 18-24 months, is costly, time consuming and resource intense. It is not thought that this is best use of limited resources in the current climate.

Comment: over consultation can kill projects. The top 100 buildings in the world came about due to the single-minded visionary focus of one person. Not design by committee.

**Q12.** Why has the cost of staffing increased in APTL from £400k to over £1.2m? What does the General Manager think about this?

A. The Interim General Manager stated that his feelings were irrelevant. The operation and performance of the Trading Company is a matter for the Trustees to keep under review. APTL was not the subject for discussion this evening. The IGM repeated that this evening was to discuss Governance and strategic issues and invited the questioner to submit any further questions to him. The IGM further offered to hold individual or group meetings with any stakeholders who wished to raise operational or other matters. The MD made a brief statement about the commitment and hard work on behalf of APTL. The increase in staffing costs relates to the transfer of Ice Rink staff from the Trust to the Trading Company.