



## NOTICE OF MEETING

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# Alexandra Palace and Park Board

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TUESDAY, 12TH JANUARY, 2010 at 19:30 HRS - THE LONDESBOROUGH ROOM,  
ALEXANDRA PALACE WAY, WOOD GREEN, LONDON N22.

**Councillors:**

Councillor Egan (Chair), Hare, C. Harris, Peacock, Scott, Thompson (Vice Chair) and Williams

**Non-voting representatives:**

Ms V. Paley, Mr M. Tarpey and Mr N Willmott  
(Alexandra Palace and Park Consultative Committee).

**Observer:**

Mr D. Liebeck (Chair, Alexandra Park and Palace Advisory Committee).

### AGENDA

**1. APOLOGIES FOR ABSENCE**

**2. URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. (late items will be considered under the agenda item where they appear. New items will be dealt with at items 11 & 17 below )

**3. DECLARATIONS OF INTERESTS**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

**4. QUESTIONS, DEPUTATIONS OR PETITIONS : TO CONSIDER ANY QUESTIONS, DEPUTATIONS OR PETITIONS RECEIVED IN ACCORDANCE WITH PART 4, SECTION B29 OF THE COUNCIL'S CONSTITUTION**

**5. THE WAY AHEAD - GOVERNANCE REVIEW AND VISION DEVELOPMENT FOR ALEXANDRA PALACE (PAGES 1 - 12)**

Report of the Managing Director, Alexandra Palace Trading Limited (APTL) and Project Manager on behalf of the Interim General Manager – Alexandra Palace - To update Trustees with the progress made, and key milestones to come, in relation to improving current governance in order to create a 'fit for purpose' board and structure and the ongoing work to formulate a new vision for Alexandra Palace.

**6. INTERNAL AUDIT PLAN 2010/2011 (PAGES 13 - 30)**

Report of the Finance Manager – Alexandra Palace

**7. FINANCE UPDATE (PAGES 31 - 38)**

Report of the Head of Finance – Alexandra Palace – To advise the Board of the results for the eight month period to 30<sup>th</sup> November 2009 and the forecast outturn for the 2009/10 financial year.

**8. EXECUTIVE BRIEFING (PAGES 39 - 54)**

Report of the Interim General Manager – Alexandra Palace - To advise the Board on the management priorities for the Trust's team during 2009/10, including the management of risks and legislative compliance.

**9. ADDITIONAL SOURCES OF INCOME FOR APPCT - SCOPING REPORT (PAGES 55 - 58)**

Report of the Interim General Manager – Alexandra Palace

**10. MINUTES (PAGES 59 - 72)**

To confirm the unrestricted minutes of the Alexandra Palace and Park Board held on 24 November 2009.

**11. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT**

To consider any new items of urgent unrestricted business admitted under Item 2 above.

**12. EXCLUSION OF THE PUBLIC AND PRESS**

The following item is likely to be subject of a motion to exclude the press and public from the meeting as it contains exempt information as defined in Section 100a of the Local Government Act 1972; namely information relating to an individual or information, or information which is likely to reveal the identity of an individual.

The following items are likely to be subject of a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 paragraphs 1, 2, 3 and 5 ; namely information relating to an individual, information which is likely to reveal the identity of an individual, information relating to the business or financial affairs of any particular person (including the authority holding that information), information in respect of which a claim to legal professional privilege could be maintained in legal proceedings

Note by the Deputy Head of Local Democracy and Member Services

Item 16 allows for the consideration of exempt information (if required) in relation to Item 7 which appears earlier on the agenda.

**13. MINUTES (PAGES 73 - 74)**

To confirm the exempt minutes of the Alexandra Palace and Park Board held on 24 November 2009.

**14. ADVICE ON THE CURRENT POSITION IN RELATION TO POTENTIAL LITIGATION (PAGES 75 - 80)**

Report of the Trust Solicitor – Alexandra Palace

**15. CONFIRMATION OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS TO THE BOARD OF ALEXANDRA PALACE TRADING LIMITED (PAGES 81 - 96)**

Report of the Interim General Manager – To report the outcome of interviews for the post of Non-Executive Directors to the Board of Alexandra Palace Trading Limited, and to consider the confirmation of appointments as recommended.

**16. APTL LICENCE FEE 2010/11 (PAGES 97 - 102)**

Report of the Head of Finance - Alexandra Palace - To agree the APTL licence fee for the 2010/11 financial year.

**17. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT**

To consider any new items of urgent exempt business admitted under Item 2 above.

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Deputy Head of Local Democracy & Member  
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4 January 2010



Agenda item:

**ALEXANDRA PALACE & PARK BOARD****On 12 January 2010**

Report Title: **The Way Ahead - Governance Review and Vision Development for Alexandra Palace**

Report of: **Rebecca Kane, Managing Director, APTL and Project Manager on behalf of Andrew Gill, Interim General Manager, APPCT**

### **1. Purpose**

- 1.1 To update Trustees with the progress made, and key milestones to come, in relation to improving current governance in order to create a 'fit for purpose' board and structure and the ongoing work to formulate a new vision for Alexandra Palace.
- 1.2 To report back on the outcomes of the Stakeholder Forum on 24 October 2009 and the ongoing engagement of our key stakeholders.
- 1.3 To outline the structural models which KPMG were asked to further scrutinise.
- 1.4 To outline the key communication activities required to support this work and the funding necessary.

### **2. Recommendations**

- 2.1 To support the overarching programme for delivery as outlined (Appendix 1).
- 2.2 To note that three new structural options, as proposed by attendees at the Stakeholder Forum, were subject to further scrutiny by KPMG and their opinion sought re the validity of these options for further work. (Appendix 3)
- 2.3 To note that a sum of £46k is required to deliver the remainder of the project by year end. This includes delivery of the Communications Strategy (£31k) and further legal and tax advice on any preferred structural option.
- 2.4 That the work of the established Project Steering Group (PSG) in assisting with the detailed project work in terms of the 'way a head' be noted and recognised, and that the work of the PSG continue as a forum for preparing recommendations to the Board which support the project.

Report Authorised by: **Rebecca Kane, Managing Director, APTL**

Contact Officer: **Rebecca Kane, Managing Director, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 4343.**

### **3. Executive Summary**

- 3.1 The Project Steering Group, which presently includes internal and external members, assists the progress of this project work and is led by the Project Manager, Rebecca Kane. PSG met on 13 November and agreed in principle the overarching programme for project delivery between Nov 2009 and Mar 2010. This has since been amended to reflect the cancellation of the APPCT Board meeting on 17/12/09 and activities delayed by one month.
- 3.2 The programme could be subject to amendment if 100% of the remaining funds cannot be found from existing budgets.
- 3.3 A Trustee Away Day was held on 26 September to engage Trustees in the governance project and to start formulating a new vision for the future of Alexandra Palace; also known as the branding review. A summary of outcomes was reported to Trustees on 15.10.09.
- 3.4 The Stakeholder Forum took place on 24 October, was attended by c.40 invited stakeholders, helped develop some key themes for a future draft vision, resulted in clear pros and cons for various structural options and three new options were proposed for further deliberation. Further comments were sought from stakeholders and their constituents/contacts by 4 December 2009.
- 3.5 KPMG have been asked to apply the same assessment of tax, legal and local government implications to the three new structural options proposed at the Stakeholder Forum. They will advise about the viability of all three proposals and whether they warrant further investigation. The structural options under consideration are contained in Appendix 3.
- 3.6 A communications strategy was issued for tender and resulted in two submissions. Following evaluation of both bids, Bell Pottinger were appointed. The scope of their appointment depends on the allocation of funding which officers are attempting to find from existing budgets. Bell Pottinger were asked to review their bid and prioritise activity for 09/10 which resulted in a reduction from £35k to £31k. This will be subjected to further review by PSG on 4 January 2010.
- 3.7 Rebecca Kane has hosted one behind the scenes tour for members of Save Ally Pally to date. Further site tours are being diarised.
- 3.8 The community page on the website has been updated and will become more interactive with the appointment of Bell Pottinger. A public exhibition is planned in early 2010 to engage a wider public with this process.
- 3.9 Rebecca Kane and Andrew Gill are to meet informally with the Charity Commission on 21 January 2010.
- 3.10 Further external assistance with regard the legal and tax implications of any preferred structure is required by year end and is estimated to cost £15k. Funding is available for this sum.

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

4.1 The Chair and Board of Trustees agreed on 30 June 2009 to adopt a new approach to the governance review (as previously outlined in Sept '08) and seize the opportunity to undertake a thorough analysis of the current structures and processes which underpin the Trust.

#### **5. Local Government (Access to Information) Act 1985**

Reports referred to in preparing this paper:

- Review and stress test of governance arrangements, KPMG, Sept 2009
- Minutes of APPCT Board meeting, 30 June 2009
- Update on Trustees' Away Day, September 2009

#### **6. Project Programme 09/10**

6.1 The key milestones for project delivery, as recommended by PSG (and subsequently amended to take account of the cancelled 17 December APPCT Board meeting), are contained at Appendix 1 to this report. The trustees will be asked to give in principle guidance on the brand values/proposition and preferred structural option so that officers may seek further legal and tax advice before presenting a preferred option for a wider public 'consensus check' at the exhibition in Spring 2010.

6.2 As outlined above, the programme is subject to amendment if the remaining funding for the Communications Strategy cannot be found from existing budgets. To date, officers have identified 50% of the necessary funding. It may be necessary to delay some elements of the programme to the financial year 2010/11. Any amendments to the programme will be recommended by the Project Manager to the PSG which will consider the implications before making further recommendations to the Board.

#### **7. Stakeholder Forum (24 October)**

7.1 Of an invitation list numbering c.100 over 40 representatives from across a broad spectrum of interest groups attended the forum and spent five hours repeating a similar exploratory exercise to that undertaken by the Trustees on 26 Sept 2009. Feedback from some 40-50 stakeholder interviews on their vision for Alexandra Park & Palace was presented and alternative options for a potential re-structure of the Board of Trustees and its relationship with the London Borough of Haringey and Alexandra Park & Palace management were explored.

7.2 A number of Trustees attended in an observer capacity in order to listen to stakeholder's views.

7.3 The results of the Trustees' Away Day and the Stakeholder Forum will help trustees set a draft vision and strategy for the future course of Alexandra Park & Palace which will be presented to the public for further comment at an exhibition in Spring 2010.

- 7.4 KPMG have been asked to assess the three new structural options proposed at the Forum using the same criteria as was previously adopted for assessing Options 1 and 2 before they were discussed by the Trustees on 26 Sept. They will advise Trustees whether any of those new suggestions warrants further investigation. All the structural options being examined are contained at Appendix 3.
- 7.5 All attendees at the Stakeholder Forum and those unable to attend who have expressed an interest in being kept informed of this process, were sent the resultant reports from that session. In addition they were provided with several power point slides to enable them to engage their own constituents/contacts in the process and gather further feedback on the structural options and emerging vision. A total of seven further comments were received by the deadline of 4 December 2009. The addendum report to the existing reports is available at Appendix 2 and is available for wider public consumption on the community web page. This additional feedback will be used in conjunction with the existing reports to inform the next stage of the process.

## 8. Communications Strategy

- 8.1 A communications strategy, as considered by the Project Steering Group, was issued for tender to four PR/Communications firms and resulted in two bids from Direct PR (current PR provider to APTL and APPCT) and Bell Pottinger.
- 8.2 Following a review of the two bids against agreed criteria the Interim General Manager and Managing Director awarded the contract to Bell Pottinger. It is for the trustees to decide the scope of the contract.
- 8.3 PSG recommend the following activity as crucial to support the ongoing delivery of both the governance and branding work:
- **Public Affairs engagement:** including strategy development, local and regional political audiences, political planning support, working in conjunction with the LBoH Planning and Regeneration department, stakeholder information management.
  - **Media Relations:** public consultation, proactive local and regional media relations, design and delivery of exhibition and PR material, web presence and monitoring.
  - **Community relations:** management of all community relations and a community forum, production of local newsletters/e-bulletins. .
  - **Public exhibition:** design and artwork
- 8.4 Bell Pottinger provided a schedule of rates for a number of activities. Taking into account the essential works identified above, and a request to value engineer the work to identify core priorities the cost of delivery was reduced to £31,000 which includes design and print costs for x2 newsletters and one public exhibition.



- 8.5 Behind the scenes tours of AP, hosted by Rebecca Kane, have been offered to a range of stakeholders and interested parties. To date, two members of Save Ally Pally, the editor of the Ham & High and members of LBH Planning and Regeneration Dept. have been given a tour and further tours are in the pipeline for trustees and other local press.
- 8.6 A community page is now 'live' and was recently updated on the AP website which outlines the review and the issues facing AP&P. It invites people to register to receive more information and will become increasingly interactive as the project progresses and BP commence work as per the Communications Strategy.

## **9. Legal Implications**

- 9.1.1 The Trust's solicitor has been consulted in respect of the preparation of this report. The Trust's solicitor, BWB (lawyers to APTL) and the legal advisor to the London Borough of Haringey will be further engaged in working up a preferred structural option and associated code of governance as per the project programme at appendix 1.
- 9.2 As part of their original commission, KPMG have been asked to assess the tax, legal and local government implications of the three new options presented at the Forum.
- 9.3 Additional work is required to fully explore the implications of the preferred structural option once this has been considered by the Trustees. This has an estimated cost implication of £15k based on previous experience of legal and governance support. This sum can be found from existing resources.
- 9.4 Rebecca Kane and Andrew Gill are to meet with the Charity Commission on 21 January 2010 to discuss:
- Anything that the Commission wishes to discuss with the charity, its trustees, officers and advisers following recent correspondence from third parties.
  - To seek an informal steer on the Governance/Branding review process to date and to inform the Charity Commission of the current status of the project and projected outcomes.

## **10. Financial implications.**

- 10.1 The LBH Chief Financial Officer has been provided with a copy of this report. His comments are provided below:
- 10.2 The full implementation of the revised governance arrangements are important and should not be delayed. Any additional costs arising from the recommendations in this report need to be contained within existing budgets.
- 10.3 The Trust's Solicitor has been sent a copy of this report and his comments have been incorporated.

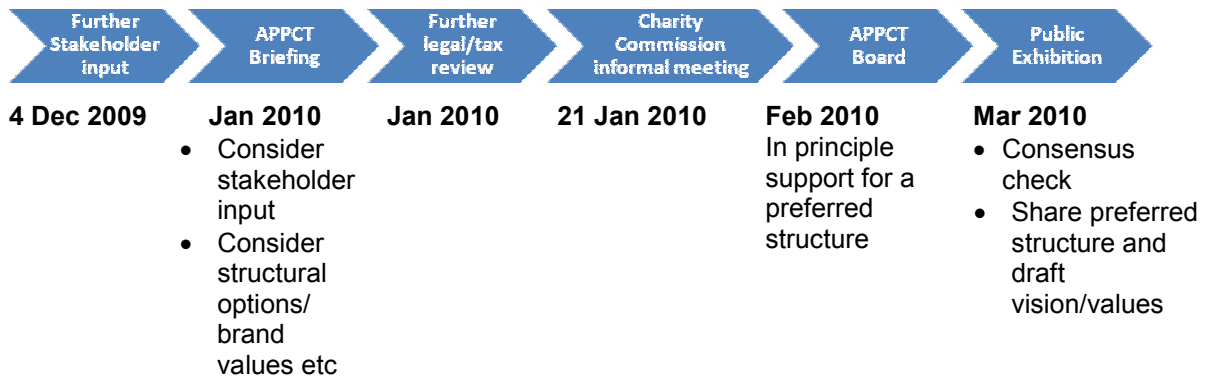
**11. Use of Appendices / Tables / Photographs**

- 11.1 Appendix 1 Governance / Branding: Next Steps, Nov 2009 – March 2010
- Appendix 2 Addendum to the Combined Report: Trustees Away Day and Stakeholder Forum
- Appendix 3 The structural options under consideration by KPMG

**Appendix 1**

**THE WAY AHEAD – GOVERNANCE REVIEW AND VISION DEVELOPMENT FOR ALEXANDRA PARK & PALACE**

**KEY MILESTONES: NOV '09 – MARCH '10**



## Appendix 2

### Addendum to the Combined Report: Trustees Away Day and Stakeholder Forum

#### 1 Introduction

As part of a programme of work to review the governance and branding of Alexandra Park & Palace (Alexandra Palace or APP for short), a Trustees Away Day and Stakeholder Forum were held on 26 September and 24th October 2009 respectively.

A combined report of the **governance** discussions at the Trustees Away Day and Stakeholder Forum was produced and circulated, but stakeholders were invited to discuss the issues further with members of their groups who were unable to attend the Stakeholder Forum. Comments from this process were invited and a deadline of 4th December 2009 was agreed.

This **addendum** provides a record of the additional feedback received by 4th December 2009 and is presented in the same format as that used for the main Combined Report. Please visit:

[www.alexandrapalace.com/About\\_Us/Stakeholders\\_Reports.html](http://www.alexandrapalace.com/About_Us/Stakeholders_Reports.html)  
to view all the outputs from the Governance and Branding Review.

Additional feedback was received from the following individuals and organisations:

1. Harry Aspden
2. Anastasia Christofis
3. Hornsey Historical Society (Jacob O'Callaghan)
4. Muswell Hill & Fortis Green Association (John Hajdu, Chair)
5. Colin Richell
6. Save Ally Pally (Jacob O'Callaghan)
7. Lynne Zilkha.

Numbers in brackets indicate the number of people/organisations from the seven above that made the same comment.

#### 2 Objectives

	Objectives	Comments
1	A fit for purpose Board	Independent (3) with expertise in conservation, recreation, leisure and hospitality (2) with pan-London representation, free of political influence (3). Consider having paid independent trustees with business expertise and one Haringey Councillor because Council should continue as owners. LBH should continue to subsidise the Charity as necessary.
2	Essential repairs	Especially for the Victorian Theatre and TV Studios (2).
3	Business plan on the basis of an agreed strategy	Is there enough potential in the building to make it viable, given the scale of resources needed to bring enough of it back into use?

		We must have a governance structure that will deliver this.
5	Clarify and endorse the charitable objects	Make more use of volunteers in the Palace.
6	Build up occupancy	Expand the exhibition business to generate income to spend on maintenance, wages and community facilities. A visitors' bookshop/information centre is needed.
8	Engage a range of appropriate investors	Casino is unacceptable.
11	Promote the positives	Encourage the good chef and his staff to open the restaurant.
14	Improve transport links	Bring back trams. Impose toll. Essential to improve viability of venue.

#### 4 Principles that Trustees will hold to in delivering the objectives

	Principles	Comments
1	Act firstly in the interests of the charity	Trustees must adhere to this as laid down in the Acts.
6	Lead	Lack of integrity and poor governance has led to a lack of direction and breaches of the provisions in the Acts in the past.
8	Integrity	There has been a lack of trust and integrity between trustees, staff and Council officers in recent years.

#### 5 Processes that Trustees will adopt for good governance

	Processes	Comments
2	Establish clear reporting mechanisms	To the subsidiary parts of the structure eg SAC.

#### 6 Comments on Structural Options

No specific comments were made on the different options discussed at the Stakeholder Forum itself. General comments included:

- The options appear to be over complicated to the layman and without the necessary independent legal advice it is not possible to assess the risks involved with each.
- Will any of the options generate greater integrity, leadership, cooperation and agreed purpose between the different bodies, staff etc?
- The question is who can best be trusted to run the Trust with integrity and reduce the burden on Haringey tax payers.
- There is not one option without its 'cons'.

#### 7 Other Comments

Branding

- Re-branding may be a waste of time (2). 'Alexandra Park & Palace Charity' is an honest and comforting name - not a brand - and could easily have a feel good factor if the 'Charity' element was more prominent (2).
- Put more APPC branding on transport.

- Core value based re-branding is the only re-branding process that works, which must relate to our 'charitable trust' status and these words should be used on all paperwork, communications and merchandising.
- Please return to the use of concepts such as vision, aims, objectives, planning, priorities, strategies, projects etc to allow us to use the left side of our brain and keep our feet on the ground and still develop good ideas.
- Why not work with, instead of against the aims, celebrate the history and exploit the charitable status - that would be left-brained thinking.

### Governance

- There is no need to change the current governance structure (2) or any of the 1900-1985 Acts of Parliament (2), but the place and its Acts should be handed over gradually over time to an independent board with separate patrons, and be completely without political control (2).
- There is no point trying to 'de-brand' Alexandra Palace from its original aim which is protected in the Acts and been defended in the courts.
- The charity is too large to be the responsibility of a single borough. Its benefits should be for all Londoners and even beyond.
- Without a change in legislation LBH could continue to hold the Trusteeship while co-opting independent trustees with full voting rights onto the board.
- The subsidiary elements of any structure (eg SAC and CC) should report directly to the Board of Trustees and assist the Board. SAC has been frustrated in carrying out its role by the lack of response from the Trustees.

### General

- Income from the ice rink should be credited back to the ice rink and not to the general pot; so too for the theatre as an incentive to the Friends.
- The upkeep of the much valued park needs assured funding as well as protection against encroachment by Palace events and the extension of car parking provision.
- Reviewing governance and branding can turn round the fortunes of charities, but can take time and may well be contested in the courts causing further impediments to progress on the ground.
- Transfer the Palace to the trusteeship of English Heritage, National Trust or some such eminent and expert custodian.
- We are anxious to help - to put on talks and lectures, care for the archives etc.

## **8 Next Steps**

Further work will be done by KPMG to test the pros and cons of all the structural options.

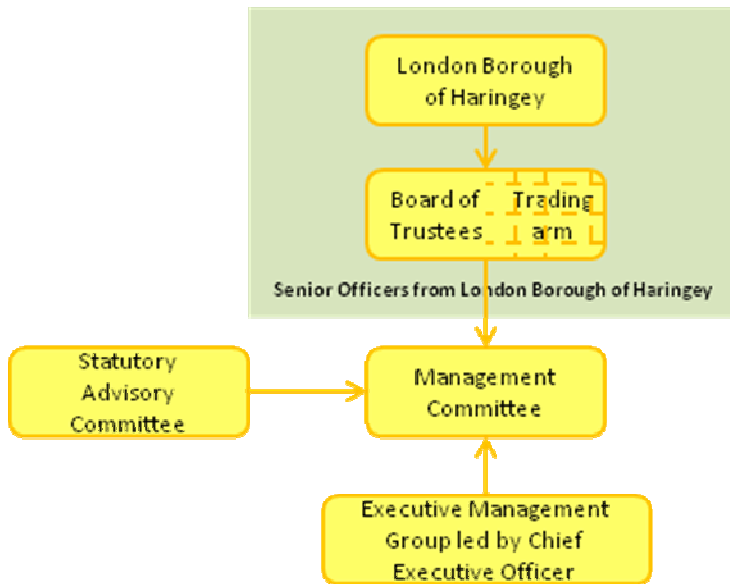
Stakeholders and the wider public will be consulted on the draft strategy early in 2010, by way of a public exhibition.

Our thanks go to all who have contributed so positively so far to this review. We look forward to working with you again in the next stages.

**Appendix 3 - The structural options under further consideration by KPMG**

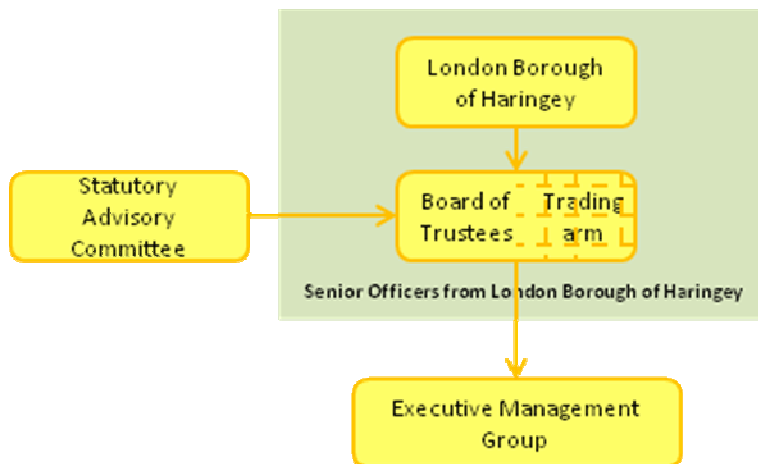
**1. The Management Committee Model**

- Board of Trustees includes three councillors
- Independent Trustees appointed with specialist expertise onto the Management Committee
- Single CEO responsible for trading and charity activity
- Independent Chair of Management Committee



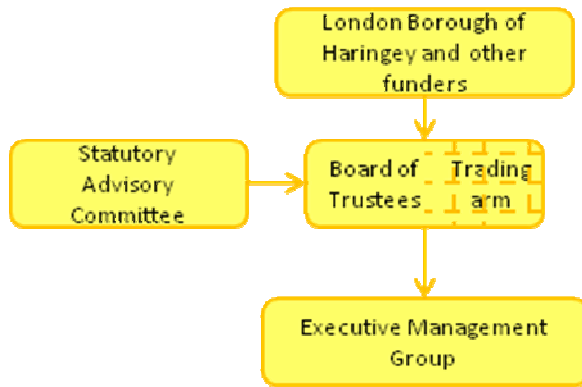
**2a) The Streamlined Model**

- Board of trustees includes APTL Board
- Independent Chair and elected reps
- Board includes three Councillors



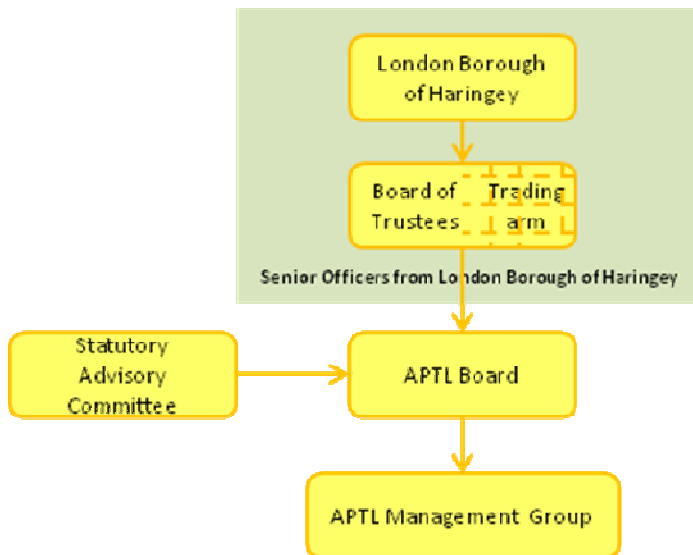
**2b) The Commissioning Model**

- As above but LBH no longer sole trustee – passes to APPCT
- Haringey and others fund charitable activity under agreed Terms of Reference



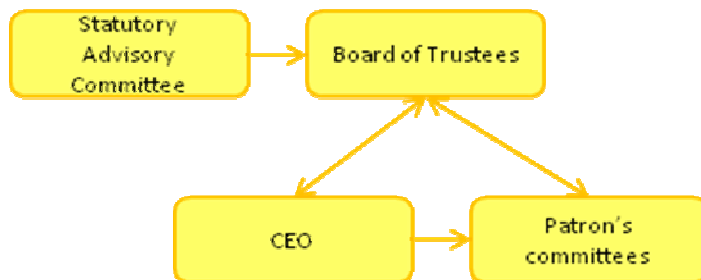
**3. Delegation to APTL**

- Board of Trustees includes APTL Board
- Independent elected representatives with specialist expertise
- APTL operates Alexandra Palace under 125 year lease



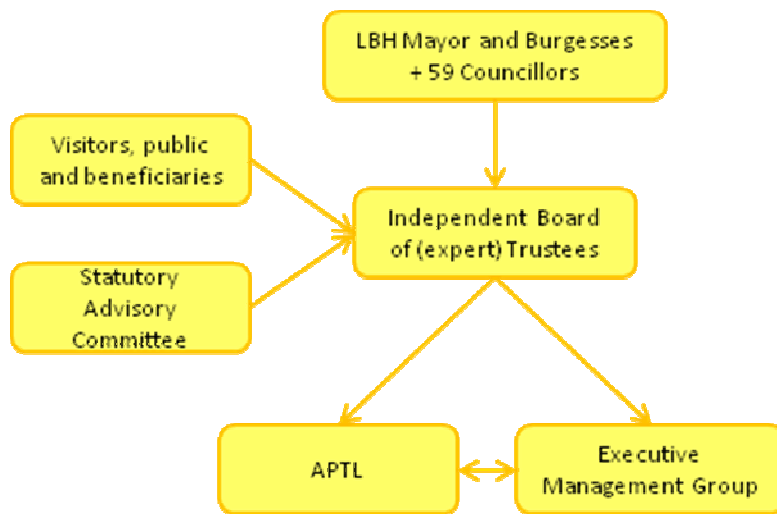
**4. Patron's model**

- Role of London Borough of Haringey is unclear
- Patrons committees represent Specialist Interest Groups within the venue



### 5. The Beneficiaries Model

- Independent Chair and Board
- Additional body representing the public and beneficiaries





**ALEXANDRA PALACE & PARK BOARD****On 12<sup>th</sup> January 2010**

Report Title: **INTERNAL AUDIT PLAN 2010/11**

Report of: **Helen Downie, Head of Finance, Alexandra Palace & Park**

**1. Purpose**

1.1 The purpose of this report is to approve the Internal Audit Strategy and the Internal Audit Plan for the Trust for the financial year 2010/11

**2. Recommendations**

- 2.1 The Board considers if the Internal Audit Strategy (as set out in Appendix A of Mazars' report) covers the organisation's key risks as they are recognised by the Board.
- 2.2 The Board considers if the Internal Audit Strategy includes all those areas that the Board would expect to be subject to internal audit coverage, both in terms of Mazars' professional responsibilities as well as covering areas of concern flagged by Senior Management.
- 2.3 The Board considers if the areas identified in the Strategy and Plan for the period ending 31<sup>st</sup> March 2011 are those which the Board believes should be covered as a priority and that the level of resources are appropriate given the assurances required.
- 2.4 The Board agrees, in principle, the plan for the period ending 31<sup>st</sup> March 2011 and the corresponding cost of £6,175 excluding disbursements and VAT.
- 2.5 The Board delegates to the Interim General Manager the setting of the exact internal audit fee for 2010/11, dependent on the amount of follow-up work required, and authorises the Head of Finance to provide for these costs within the Trust revenue budget for 2010/11.

Report Authorised by: **Andrew Gill, Interim General Manager**



Contact Officer: Helen Downie, Head of Finance, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 0208 365 4310.

**3. Executive Summary**

3.1 The 2008 LBH Internal Audit Report recommended that internal auditors be appointed to improve corporate governance and the system of internal financial control within the Trust and Trading Company. As previously reported to the Board, Mazars have been appointed internal auditors to the Trust following a competitive tender process.

The attached report at Appendix 1 sets out their Internal Audit Strategy and Internal Audit Plan for the financial years 2010/11 through to 2012/13.

3.2 At this stage, the Board is being asked to review and approve the Internal Audit Strategy and the Internal Audit Plan for 2010/11. Future annual audit plans will be reviewed and approved prior to the commencement of the financial year in question.

3.3 The Internal Audit Plan recommends a total of 13 days be committed in 2010/11, resulting in a cost of £6,175 excluding disbursements.

**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 No specific background papers were used in compiling this report.

**6. Consultation**

6.1 N/A

**7. Legal and Financial Comments**

7.1 The Trust's Solicitor has been sent a copy of this report.

The LBH CFO has been sent a copy of this report.

**8. Internal Audit Comments**

8.1 The LBH Head of Internal Audit has been asked to comment on this report and her comments have been incorporated above.

**9. Equalities Implications**

9.1 There are no perceived equalities implications in this report.

**10. Use of Appendices / Tables / Photographs**

10.1 Appendix I – Draft Internal Audit Strategy and Operational Plan for the period to 31<sup>st</sup> March 2011



DRAFT Internal  
Audit Strategy  
and Operational  
Plan for the  
period to 31<sup>st</sup>  
March 2011

Presented to Alexandra Palace  
and Park Board meeting of: 12<sup>th</sup>  
January 2010

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**Appendices**

Appendix A	Strategic Audit Plan
Appendix B	Operational Audit Plan for the period ending 31 <sup>st</sup> March 2011
Appendix C	Types of Audit Approach
Appendix D	Our typical approach to Individual Assignments

*This report has been prepared for Alexandra Palace and Park Charitable Trust. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein.*

## 1. Introduction

Alexandra Palace and Park Charitable Trust's (APPCT) main function is the upholding, maintaining and repairing of the Palace and to maintain the Park and Palace as a place of public resort and recreation and other public purposes. The Council of the London Borough of Haringey is trustee of APPCT. The Council delegates the entire function of trustee to the Board of APPCT, who are annually elected to sit on the Board and act as the charity trustees.

APPCT has a wholly owned trading subsidiary, Alexandra Palace Trading Limited (APTL). APTL's principal objective is the raising of funds for APPCT through hall and room hires, catering (in-house and concession management), operation of the Phoenix Public House and operation of the Ice Rink and Café. A license to undertake these activities is provided by APPCT.

During 2008, an internal audit of APPCT and APTL and was undertaken by Haringey Borough Council's internal audit team. One of the recommendations made was for formal ongoing internal audit arrangements to put in place. Following a competitive tender exercise in August 2009, Mazars LLP have been appointed as Internal Auditors to both organisations. The Internal Audit Strategy and Operational Plan for APTL has been reported as a separate document to the APTL Board.

At the time of drafting this report, APPCT, APTL, and the Council are in the midst of a governance review to ensure the governance structure is fit for purpose and empowers the trustees to secure a sustainable future for the asset. This review may result in a number of implications for the future content and direction of the Internal Audit Strategy and Plan.

## 2. The Scope and Purpose of Internal Audit

The purpose of internal audit is to provide the Alexandra Palace and Park Board with an independent and objective opinion on governance, risk management and internal control, and their effectiveness in achieving the organisation's agreed objectives. Internal Audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control.

The work of internal audit, culminating in our annual opinion, forms a part of APPCT's overall assurance framework.

Our work is delivered in accordance with the Institute of Internal Auditors (IIA) – International Standards.

**3. The Internal Audit Strategy and Audit Needs Assessment (ANA) Process*****Purpose***

The purpose of this document is to provide the Alexandra Park and Palace Board with details of the process adopted to determine an Audit Strategy and Operational Plan for the period ending 31<sup>st</sup> March 2011. The Operational Plan will run to the end of the next financial year, due to the timing of our appointment and to allow sufficient work to be undertaken in order to provide an annual opinion.

The ANA process is used to direct internal audit resources to those aspects of the organisation that are assessed as generating the greatest risk to the achievement of its objectives.

***The ANA Process***

In order to understand the issues and risks facing the organisation and determine the audit need, we have undertaken the following:

- We have considered the current context and relationship between APPCT, APTL and the Council. In a number of areas, there will be a need for internal audit reviews to consider systems and processes within both APPCT and APTL
- We have confirmed the core objectives of the organisation and key risks associated with the achievement of those objectives through discussion with:-

***APPCT***

- Interim General Manager
- Interim Facilities Management Consultant

***APTL***

- Managing Director
- Head of Finance / Company Secretary
- Acting Head of Events and Operations
- Head of Catering
- Leisure Services Manager
- General Sales Manager

***Haringey Borough Council***

- Director of Corporate Resources (advisor to APPCT Board, Director of APTL)
- Head of Audit and Risk Management

*Others*

- External Auditors to APPCT and APTL
- Reviewed key documentation including:
  - APPCT Business Plan 2009/10
  - APPCT Financial Statements for the year ended 31<sup>st</sup> March 2009
  - Results of Haringey Council Internal Audit review 2008 and subsequent reports on progress of the implementation of recommendations from this review
  - External Auditors, Deloitte, Management Report/Letter for the Year Ended 31 March 2009
- Identified the sources of assurance available to the organisation and the controls in place to mitigate the organisation's risks.
- Considered areas where internal audit coverage would be of benefit and add value.
- Reviewed the findings and recommendations of the internal audit work undertaken by the Council and used our knowledge and experience to identify areas that would benefit from internal audit coverage.
- Considered/identified areas of coverage, having undertaken the ANA, that do not appear as high priority risks, but where internal audit coverage can provide a tangible input to assurance, for example:
  - Work required in order to enable the external auditors to place maximum reliance on internal audit work on core financial systems;
  - Areas of concern flagged by management or Alexandra Park and Palace Board;
  - Emerging issues; and
  - Need for ongoing assurance in relation to key aspects of internal control.

***Prioritisation of coverage and resources***

The prioritisation of reviews and resources within the Strategy depends upon:

- The priority for each area of coverage for internal audit, in terms of levels of risk to the organisation.
- When the last audit of the area was undertaken (if at all) and what was the outcome.
- When the risk to be considered is likely to impact upon the organisation.
- Whether there are management concerns about the area.
- Whether or not there have been significant systems, staff or organisational changes since the last audit.

During the period of the Strategy and the Plan, the priority and frequency of assignments will be subject to ongoing review in order to recognise changes in the risk profile and/or systems of the organisation. These will be identified through regular liaison with Senior Management and the Alexandra Palace and Park Board.

Our professional judgement has been applied in assessing the level of resource required for the audits identified in the Strategy and Operational Plan. This includes consideration of the complexity of the underlying system, volume and frequency of transactions, sources of assurance and the audit approach to the area under review.

However, the number of days in any one year is a matter for the Senior Management and the Board taking into account the risks of the organisation and the needs in relation to the resources available.

#### 4. Strategy/Operational Audit Plan for the period ending 31<sup>st</sup> March 2011

The draft Internal Audit Strategy covering the period to 31<sup>st</sup> March 2013 is attached at Appendix A.

At the time of drafting this Strategy and Plan, the Trust is in the process of formalising a Risk Management framework. Consequently we have not been able to place reliance on an established framework/risk register in developing the Strategy and Plan. We have provided resources within the plan to assist the Trust in developing the framework.

The table at Appendix A identifies the auditable areas based on our understanding from meetings with Key Staff and review of key documentation. The justification column provides background information as to the significance of the area as well as sources of assurance including the work previously undertaken by the Council. The auditable areas are then prioritised based on the resources available and the frequency and days assigned identified within the Audit Year (days) columns.

In Appendix B we have detailed the Operational Audit Plan for the period to 31<sup>st</sup> March 2011. This provides detailed high level scopes, key contacts and provisional timescales for undertaking the fieldwork and reporting to the Alexandra Park and Palace Board based on the perceived risk areas and the resource allocation of days. Appendix C outlines the audit approach we will adopt for each type of audit or review. Appendix D provides an overview of our typical audit approach for individual assignments.

Our tender in August 2009 was on the basis of 15 days of coverage per annum for the APPCT and APTL. However based on our presentation and subsequent discussions with the Head of Finance of APTL, prior to accepting our appointment as internal auditors we expressed our view that it was likely a considerably higher level of resources was required overall, especially early on within the Strategy. This is primarily due to the recommendations raised by the Council and the absence of any previous ongoing internal audit arrangements.



**5. Considerations required of the Alexandra Park and Palace Board**

Alexandra Park and Palace Board Members are asked to:

- Consider if the Internal Audit Strategy (as set out in Appendix A) covers the organisation's key risks as they are recognised by the Board.
- Consider if the Internal Audit Strategy includes all those areas that the Board would expect to be subject to internal audit coverage, both in terms of our professional responsibilities as well as covering areas of concern flagged by Senior Management.
- Consider if the areas identified in the Strategy and Plan for the period ending 31<sup>st</sup> March 2011 are those which the Board believes should be covered as a priority and that the level of resources are appropriate given the assurances required.
- Agree the plan for period ending 31<sup>st</sup> March 2011.

Appendix A –Strategic Audit Plan

Auditable Area	Justification	Audit Year (Days)		
		Period to 31 <sup>st</sup> March 2011	2011/12	2012/13
Corporate Governance - Strategic	<ul style="list-style-type: none"> <li>Annual requirement under professional standards.</li> <li>Governance review of APPCT and APTL in progress. Results to be considered as part of our annual opinion.</li> <li>In order to add value to the organisation, we will adapt our approach each year.</li> <li>Council Internal Audit in 2008 made recommendation on implementation and embedding of Code of Governance.</li> </ul>	Recommendation to be considered in Follow Up below.	3#	3#
Corporate Risk Management	<ul style="list-style-type: none"> <li>Council internal audit in 2008 made recommendation on implementation of risk management framework.</li> <li>The Trust is currently working on implementing a formalised risk management framework.</li> <li>Annual requirement for internal audit review under professional standards.</li> <li>In order to add value to the organisation, in subsequent years we would adapt our approach each year. For instance, year 1 support in development of framework, year 2 review of framework, Risk Surveys, etc.</li> </ul>	2	#	#
Business Continuity Planning	<ul style="list-style-type: none"> <li>Shared risk with APTL.</li> <li>External Audit Management Report / Letter</li> </ul> <p>Recommendation on need to prepare a Disaster Recovery Plan in 2008/09.</p>	Recommendation to be considered in Follow Up below.	3	-

# Joint review of Corporate Governance and Risk Management in 2011/12 and 2012/13.

Auditable Area	Justification	Audit Year (Days)		
		Period to 31 <sup>st</sup> March 2011	2011/12	2012/13
Core Financial Controls	<ul style="list-style-type: none"> <li>Annual coverage to provide assurance over the operation of financial systems.</li> <li>Financial services/reporting provided by Head of Finance/Finance Team of APTL.</li> <li>Council internal audit review in 2008 included a number of financial related recommendations.</li> <li>Rolling coverage to be determined in conjunction with APPCT and Head of Finance, APTL due to use of the same finance system.</li> <li>Areas to consider - Budget Setting and Control; General Ledger; Purchasing and Procurement; Miscellaneous Income (Community events, licence fee), debtors, payroll, and assets and inventories.</li> <li>SLA with Council on purchasing/procurement.</li> </ul>	1	1	1
Commercial Property Management	<ul style="list-style-type: none"> <li>APPCT is landlord for number of concessions within Park for which it receives income (£289k in 2008/09).</li> <li>Also number of responsibilities for property management under respective leases.</li> </ul>	-	-	3
ICT	<ul style="list-style-type: none"> <li>Limited use of ICT within Trust due to nature of activities and number of Staff.</li> <li>Resources to review ICT areas. For example, ICT Strategy, ICT Security; Data Protection.</li> </ul>	-	-	-
Human Resources	<ul style="list-style-type: none"> <li>HR support provided by HR department of APTL..</li> <li>Small number of Staff employed directly by Trust.</li> <li>APTL plan to undertake internal review of HR in 2009/10.</li> <li>Areas could include: Recruitment, Retention, Staff training and development, Performance Management.</li> <li>Council internal audit recommendation in 2008 on a formal performance review and staff training/development framework.</li> </ul>	Recommendation to be considered in Follow Up below.	1	-

Auditable Area	Justification	Audit Year (Days)	
		Period to 31 <sup>st</sup> March 2011	2011/12 2012/13
Health and Safety/DDA Compliance	<ul style="list-style-type: none"> <li>Shared responsibilities with APTL.</li> <li>Area of focus for Trust management and number of improvements implemented in past 6 months.</li> <li>H&amp;S Committee in place.</li> </ul>	3	-
Facilities / Contract Management	<ul style="list-style-type: none"> <li>Area of significant budgetary spend for Trust. Specific contracts in place for engineering, maintenance and security of site.</li> <li>Also ongoing repairs to the building and equipment not covered under contracted arrangements.</li> <li>Capital bids submitted for ice rink and dilapidations submitted. Currently waiting for outcome</li> <li>All encompassing tender for Facilities Management contract anticipated during Autumn 2010.</li> <li>Work to include consideration of procurement and project management of respective contracts reviewed.</li> <li>Council internal audit in 2008 made recommendations on need for a formalised contract management framework, planned maintenance programme.</li> </ul>	4	-

Auditable Area	Justification	Audit Year (Days)		
		Period to 31 <sup>st</sup> March 2011	2011/12	2012/13
Follow Up	<ul style="list-style-type: none"> <li>Resources to provide assurance over the implementation of internal audit recommendations, both from the prior year, and those scheduled for implementation in the current year.</li> <li>Council internal audit team has undertaken interim follow up of recommendations made as part of review in 2008 in April 2009. Progress report on implementation status of recommendations to Council Audit Committee 5<sup>th</sup> November 2009.</li> </ul>	1	3	3
Audit Management	<ul style="list-style-type: none"> <li>To be used at Partner and Senior Manager level for client and External Audit liaison and for preparation for and attendance at Alexandra Park and Palace Board.</li> </ul>	2	2	2
Contingency	<ul style="list-style-type: none"> <li>Resources which will only be utilised should the need arise, for example, for unplanned and ad-hoc work and will be subject to prior approval by the Senior Management Team and Alexandra Park and Palace Board.</li> </ul>	-	-	-
<b>GRAND TOTAL</b>		<b>13</b>	<b>13</b>	<b>12</b>

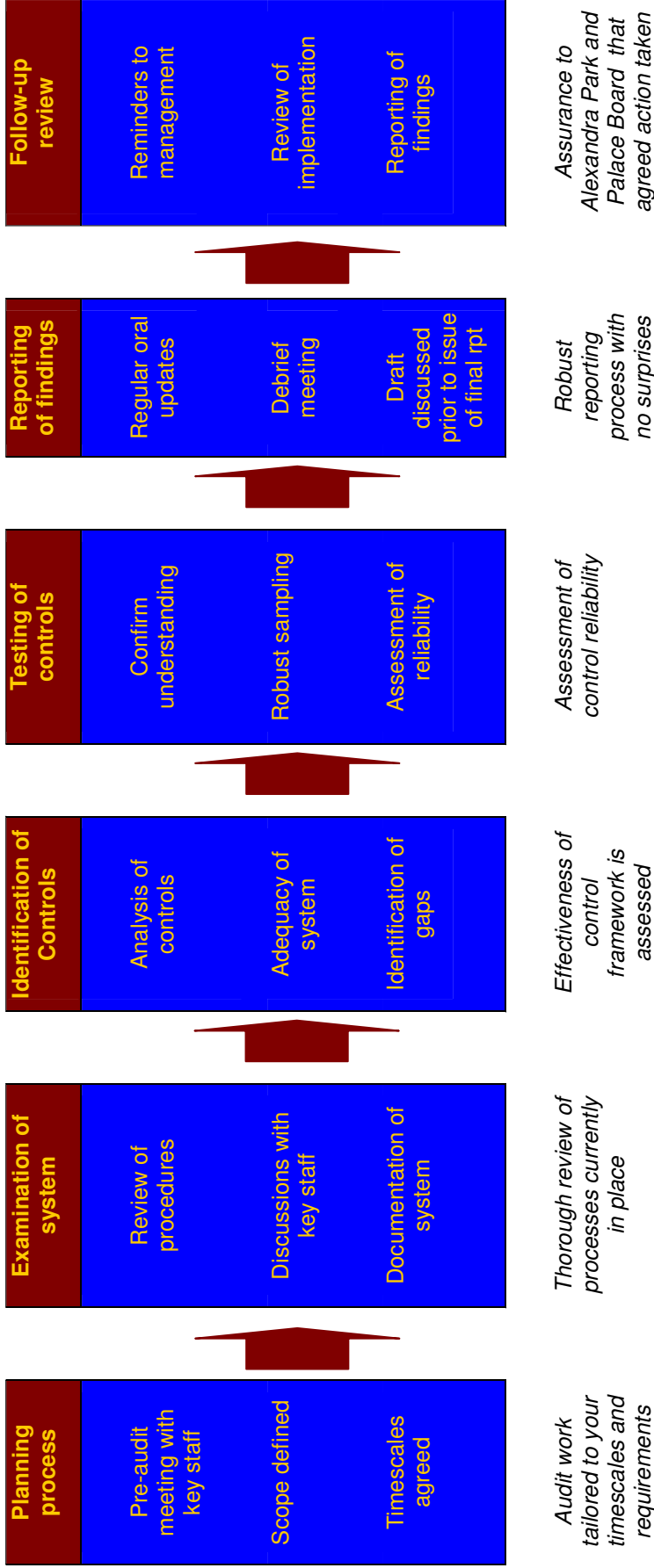
Appendix B – Operational Audit Plan for the period ending 31<sup>st</sup> March 2011

Auditable Area	Client Contacts (i.e. Senior Management Lead)	Outline Scope	Audit Approach	Planned Days	Target Review Start Date	Target Alexandra Palace and Park Board Meeting
Corporate Risk Management	Interim General Manager	Resources to support Trust in devising and implementing a Risk Management Framework.	Advisory	2	As required.	As completed.
Core Financial Controls	Interim General Manager Head of Finance, APTL	Review of the Trust's core financial systems. Suggested focus on Budget Setting and Control and Procurement. To be undertaken at same time as APTL internal audit of Core Finance systems.	Systematic	1	September/ October 2010	December 2010
Health and Safety/DDA Compliance	Interim General Manager	Review of the Trust's arrangements for ensuring compliance with Health and Safety and DDA requirements.	Key Controls	3	September/ October 2010	December 2010
Facilities/Contract Management	Interim General Manager	Consideration of the procurement of and the means by which the new facilities management contract is being managed.	Systematic	4	November 2010	January 2011
Follow Up	Interim General Manager	Resources to assess progress in implementing internal audit recommendations.	Follow Up	1	March 2010	June 2010
Audit Management	Interim General Manager	Resources for ongoing audit management, preparation for and attendance at Alexandra Park and Place Board at which internal audit matters are discussed.	n/a	2	n/a	n/a
<b>TOTAL DAYS</b>				<b>13</b>		

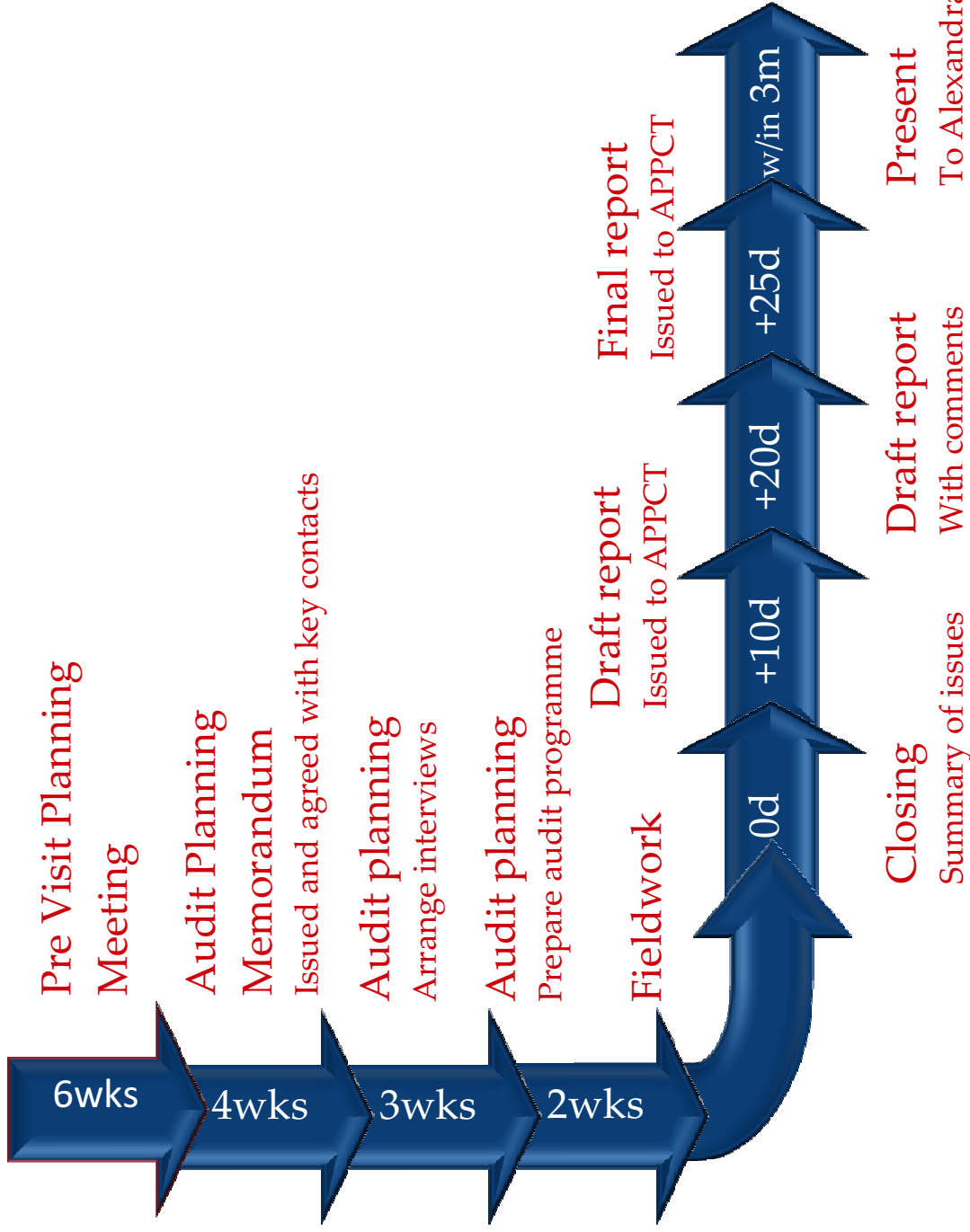
Appendix C – Types of Audit Approach

Approach	Description
Systematic audit	An audit in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.
Compliance Audits	If compliance is deemed to be an issue, these audits test only for compliance with controls.
Key Controls Testing	Audit testing clearly focussed on a small number of material or key controls.
Quality Assurance Review	Reviewing the approach and competency of other reviewers rather than reviewing risks and controls. Designed to form an opinion of the reliance that can be placed on the work of others.
Controls Risk Self Assessment (CRSA)	A technique in which the people who run a system or process review their own risks and controls, usually with a facilitator who ensures a structured approach.
Systems Development Audit	Ongoing review of developing plans and designs for new systems and processes aimed at identifying potential weaknesses in control if the plans and designs go ahead as they are. This will not result in a formal assurance level.
Healthcheck	A high level review of the controls in place within a given area.
Follow up	A review of the actions taken to implement previous recommendations from internal audit or other assurance providers. Wherever possible, this will be linked back to the organisation's own recommendation tracking processes. Testing will be performed, as appropriate, to confirm the success of implementation of agreed actions to manage the risk identified.
Advisory work	The scope and methodology of this work will vary to suit the needs of your organisation, as will the output of this work. Advisory work will not result in a formal assurance opinion.
Checklists	A review to compare the processes in place with recognised best practice.

Appendix D – Our typical approach to Individual Assignments







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Agenda item: 7

**ALEXANDRA PALACE & PARK BOARD****On 12<sup>th</sup> January 2010**Report Title: **FINANCE UPDATE**Report of: **Helen Downie, Head of Finance, Alexandra Palace & Park****1. Purpose**

1.1 To advise the Board of the results for the eight month period to 30<sup>th</sup> November 2009 and the forecast outturn for the 2009/10 financial year.

**2. Recommendations**

2.1 The Board is asked to note the results for the eight month period to 30<sup>th</sup> November 2009 and the forecast outturn for the 2009/10 financial year

Report Authorised by: **Andrew Gill, Interim General Manager**

Contact Officer: Helen Downie, Head of Finance, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 0208 365 4310.

**3. Executive Summary**

3.1 The results for the eight month period ended 30<sup>th</sup> November 2009 are tabulated against budget at Appendix 1.

3.2 Income is £20k above budget and expenditure is £121k above budget, giving a net adverse variance against budget of £101k. The key variances are explained below.

3.3 The reforecast for the year is given at Appendix 2. The Trust net deficit for the year is currently projected to be £358k higher than the budget approved by the Trustees at their meeting of 30<sup>th</sup> June 2009. The reasons for the increase are explained below. LB Haringey has already been informed of the likely additional deficit funding requirement.

3.4 £123k of the additional funding requirement is due to a reduction in the forecast gift aid payment from the trading company. The trading company is actively pursuing all revenue generating opportunities and restricting discretionary expenditure to items which are necessary to support income generation in order to maximise the gift aid payment for the year.

3.5 The Trust is also taking the following action to minimise the overall deficit:

- Reducing the use of external consultants where possible
- Restricting repairs and maintenance expenditure to items which are necessary either to support the trading company or ensure compliance

#### **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 No specific background papers were used in compiling this report.

### **6. Results for the period ended 30<sup>th</sup> November 2009**

6.1 The results for the period ended 30<sup>th</sup> November 2009 are shown in Appendix 1. Overall, income is £20k above budget and expenditure is £121k above budget, giving a net adverse variance against budget of £101k. Explanations for the key variances are given below.

6.2 Income is £20k above budget due to the receipt of £16k of restricted income which was not budgeted for and community events income being £11k above budget. The latter includes public donations for the fireworks, which were £6k above budget. Concession/lease income is £5k below budget due to the delay in signing the Workshop lease. This has now been signed and the leaseholder has commenced trading. Sundry sales are £3k below budget.

6.3 Prime costs are £57k or 5% over budget for the year to date. Salaries are £68k above budget due to higher management costs and increased staff costs during the secondment period. Contracted services are £11k below budget in the areas of park security and park maintenance, although the Parks Manager does not expect his budget to be underspent overall by year end.

Fixed overheads are £18.5k above budget due to a £33k overspend in legal costs offset by a £15k underspend in central admin charges. Legal fees include fees from LBH Legal Services Team as well as Howard Kennedy. The underspend in central admin charges is due to the timing of invoices and the forecast has been adjusted to reflect this.

Variable overheads are £45k above budget overall. There are a number of over and under spends in this category as follows;

Category	Year to Date (Over)/Underspend	Explanation
Repairs building/equipment	(£47k)	Due to essential repairs and maintenance expenditure, as previously reported
IT expenditure	(£11k)	Increase in ongoing IT support and maintenance charges
Community events	(£27k)	Partly due to timing of invoices for the fireworks, although this budget is expected to be overspent by approx £18k
Recruitment	(£21k)	Recruitment fees for APTL non-executive Directors
Path and road repairs	£27k	Due to the timing of invoices – not expected to be underspent by year end
Depreciation	£19k	Underspent as the budget was calculated on a prudent basis, assuming capital expenditure would be made earlier in the year
Printing	£9k	Credit note received for previous years' printing costs
Other	£6k	Smaller over/under spends
<b>Total overspend</b>	<b>(£45k)</b>	

6.7 Development (governance) costs are on budget for the year to date.

## 7. Forecast outturn for the financial year

7.1 Income and expenditure have been reforecast on a line by line basis, in consultation with individual budget holders. The savings identified in the budget review are being delivered.

7.2 The overall forecast is for a net overspend of £358k on budget. Income is forecast to be £18k higher than budget, which broadly reflects the YTD position, although the budget for sundry income has been removed. No other significant variances from the income budget are anticipated.

7.3 Salaries are forecast to be £127k above budget by year end. The key reasons for this are as follows:

- Higher than budgeted management costs;
- The fact that two of the six permanent posts are being covered by agency staff;
- One permanent member of staff is currently on long term sickness absence and additional staffing costs have been incurred to cover his role;

- There has been a requirement for additional expertise on the Facilities Management side to oversee the preparation of capital bids, introduce key controls and monitoring arrangements and head up the procurement team for the new Facilities Management contract.

- 7.4 Contracted services are forecast to be £5k underspent against budget for the year due to additional savings in park security. The budget approved by the Board on 30<sup>th</sup> June 2009 includes savings of £15k in park security when compared with the original version of the budget. These savings are being delivered.
- 7.5 Fixed overheads are forecast to be £33k overspent by year end due to YTD overspends in legal fees. Fixed overheads include savings of £30k in central admin charges and £3k in insurance when compared with the original budget, which are being delivered.
- 7.6 Variable overheads are forecast to be £95k overspent by year end. This compares with a £86k forecast overspend in variable costs reported to the Board on 24<sup>th</sup> November 2009. The increase in the forecast is due primarily to additional provision for central admin charges, currently underspent, in the event that additional charges are received before the year end.

The agreed budget savings of £25k on park maintenance and £5k on professional fees are being delivered.

- 7.7 Development costs are forecast to be £2.5k above budget; this represents the Trust's contribution to the governance and branding work.
- 7.8 The forecast gift aid payment from Alexandra Palace Trading Limited has now been reduced to £477k, as reported to the APTL Board. The Trustees have previously been informed that the original budget of £600k was seen as a very challenging target in the current business environment. The year end position is difficult to predict until after the World Darts Championships, which makes a significant contribution to the Trading Company's net profit for the year. However, £477k represents a realistic target taking into account year to date performance, contracted and pipeline bookings for remainder of 2009/10.

As previously reported, the Trading company's performance is monitored by the APTL Board and Senior Management Team on a monthly basis and the Managing Director liaises closely with the Interim General Manager of the Trust to highlight areas of concern.

## **8. Consultation**

- 8.1 N/A

## **9. Legal and Financial Comments**

- 9.1 The Trust's Solicitor has been sent a copy of this report.

The LBH CFO has been sent a copy of this report and his comments are as follows:

“I note the overall worsening of the position, including the new variation of an expected £123k shortfall in the forecast amount from APTL. I would continue to urge a refrain on non-essential and non-income generating expenditure where possible.”

**10. Equalities Implications**

10.1 There are no perceived equalities implications in this report.

**11. Use of Appendices / Tables / Photographs**

11.1 Appendix 1 – Actual versus budget for the period ended 30<sup>th</sup> November 2009

11.2 Appendix 2 – Forecast outturn for the 2009/10 financial year

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## APPENDIX 1

## ALEXANDRA PALACE AND PARK CHARITABLE TRUST

## ACTUAL VERSUS BUDGET FOR THE PERIOD ENDED 30TH NOVEMBER 2009

	Budget To Date	Actuals To Date	Variance To Date	Variance % To Date	Annual Budget
Concessions/Leases	198,433	193,192	(5,241)	-3%	297,650
Community Events	48,167	59,286	11,119	23%	50,000
Sundry Sales	3,333	40	(3,293)	-99%	5,000
Service Charges	0	1,165	1,165	0%	12,000
Restricted income	0	16,260	16,260	100%	0
<b>TOTAL INCOME</b>	<b>249,933</b>	<b>269,943</b>	<b>20,010</b>	<b>8%</b>	<b>364,650</b>
<b>EXPENDITURE</b>					
Salaries	220,587	288,469	(67,882)	-31%	294,145
Contracted Services	924,200	913,423	10,777	1%	1,252,000
<b>TOTAL PRIME COSTS</b>	<b>1,144,787</b>	<b>1,201,892</b>	<b>(57,105)</b>	<b>-5%</b>	<b>1,546,145</b>
Fixed overheads	245,334	263,927	(18,593)	-8%	368,000
Variable overheads	627,138	672,219	(45,081)	-7%	987,515
<b>TRUST BEFORE DEVELOPMENT COSTS</b>	<b>(1,767,326)</b>	<b>(1,868,095)</b>	<b>(100,769)</b>	<b>1%</b>	<b>(2,537,010)</b>
Development costs	24,500	24,784	(284)	-1%	30,000
<b>TOTAL TRUST OPERATION</b>	<b>(1,791,826)</b>	<b>(1,892,879)</b>	<b>(101,053)</b>	<b>1%</b>	<b>(2,567,010)</b>
Gift aid payment from APTL	0	0	0	0%	600,000
<b>TRUST NET DEFICIT</b>	<b>(1,791,826)</b>	<b>(1,892,879)</b>	<b>(101,053)</b>	<b>1%</b>	<b>(1,967,010)</b>

## APPENDIX 2

**ALEXANDRA PARK AND PALACE CHARITABLE TRUST**  
**FORECAST OUTTURN FOR THE 2009/10 FINANCIAL YEAR**

	Actuals to November	Forecast Dec-Mar	Forecast Total	Annual Budget	Variance	Variance %
Concessions/Leases	193,192	99,217	292,409	297,650	(5,241)	-4%
Community Events	59,286	1,833	61,119	50,000	11,119	8%
Sundry Sales	40	0	40	5,000	(4,960)	-50%
Service Charges	1,165	12,000	13,165	12,000	1,165	10%
Restricted income	16,260	0	16,260	0	16,260	100%
<b>TOTAL INCOME</b>	<b>269,943</b>	<b>113,050</b>	<b>382,993</b>	<b>364,650</b>	<b>18,343</b>	<b>2%</b>
<b>EXPENDITURE</b>						
Salaries	288,469	132,642	421,111	294,145	(126,966)	-42%
Contracted Services	913,423	333,731	1,247,154	1,252,000	4,846	0%
<b>TOTAL PRIME COSTS</b>	<b>1,201,892</b>	<b>466,373</b>	<b>1,668,265</b>	<b>1,546,145</b>	<b>(122,120)</b>	<b>-8%</b>
Fixed overheads	263,927	137,667	401,594	368,000	(33,594)	0%
Variable overheads	672,219	410,784	1,083,003	987,515	(95,488)	-9%
<b>TRUST BEFORE DEVELOPMENT COSTS</b>	<b>(1,868,095)</b>	<b>(901,774)</b>	<b>(2,769,869)</b>	<b>(2,537,010)</b>	<b>(232,859)</b>	<b>-8%</b>
Development costs	24,784	7,785	32,569	30,000	(2,569)	-17%
<b>TOTAL TRUST OPERATION</b>	<b>(1,892,879)</b>	<b>(909,559)</b>	<b>(2,802,438)</b>	<b>(2,567,010)</b>	<b>(235,428)</b>	<b>-8%</b>
Gift aid payment from APTL	0	477,000	477,000	600,000	(123,000)	0%
<b>TRUST NET DEFICIT</b>	<b>(1,892,879)</b>	<b>(432,559)</b>	<b>(2,325,438)</b>	<b>(1,967,010)</b>	<b>(358,428)</b>	<b>-10%</b>



Agenda item:8

**ALEXANDRA PALACE & PARK BOARD****On 12<sup>th</sup> January 2010**Report Title: **EXECUTIVE BRIEFING**Report of: **Andrew Gill, Interim General Manager, Alexandra Palace & Park Charitable Trust****1. Purpose**

- 1.1 To advise the Board on the management priorities for the Trust's team during 2009/10, including the management of risks and legislative compliance.
- 1.2 To advise the Board on progress since the report of the Interim General Manager in October 2009 on the outstanding internal audit recommendations.
- 1.3 To advise the Board of the strategy for developing a draft three-year Business Plan for the Charity to commence in April 2010.

**2. Recommendations**

- 2.1 The Board is asked to note the content of the report and appendices.
- 2.2 The Board is asked to endorse the Draft Risk Register and provide guidance on timescale and priorities where necessary.
- 2.3 The Board is asked to endorse the proposal for developing the three-year Business Plan.
- 2.4 The Board is asked to consider abandoning the Trusts' current strategic objective to grant a long lease to a single developer, pending agreement on and adoption of a new objective.

Report Authorised by: **Andrew Gill, Interim General Manager**

Contact Officer: Andrew Gill, **Interim General Manager, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 4340**

**3. Executive Summary**

- 3.1 This report informs the Board of the key priorities for action identified by the Interim General Manager and actions taken to date, including the management of risks and legislative and regulatory compliance.
- 3.2 While much progress has been made since June 2009 on the key priority areas,

this report highlights some areas of further development and capacity building.

3.3 In addition to a specific risk register for health and safety, the Trust has adopted a

Compliance Matrix to monitor and record the current status and compliance level of key features, operations and facilities.

3.4 This report brings to the attention of Board Members a draft Risk Register which Register identifies the key risks to the Trust, quantifies those risks in terms of probability and severity of impact, lists the controls necessary for mitigating risks, identifies an Action Plan to deliver the controls and scores the risks before and after mitigation.

3.5 The Trust has a Business Plan for 2009/10 and APTL has a Business Plan which is reviewed annually. The IGM is working on a draft Business Plan to cover 3 years from April 2010 to April 2013.

#### **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 No specific background papers were used in compiling this report.

#### **Description**

6.1 The Board has been informed by previous reports (in June and October 2009) of progress toward completing the actions arising from the recommendations in the Follow-up Internal Audit report in April 2009.

6.2 Several of the audit recommendations have been addressed by action taken by the Interim General Manager's (IGM) team. Of the original twelve recommendations, ten have been addressed and/or in progress. The remaining two recommendations (Corporate Governance and Risk Management Framework) are being addressed by the Review of Governance & Branding Project and the Business Planning work in train. Consideration is being given to the Trust adopting the NCVO "Good Governance Code".

6.3 In addition to the tasks and activities that trustees will be aware of, the Interim General Manager (advised by expert consultants in the fields of Facilities Management and Healthy and Safety) identified the following key priority areas for his team during 2009/10;

- skills and resources
- legislative, regulatory and health and safety compliance

- finance – capital and revenue budgets
- establishing and quantifying the extent of dilapidations
- governance and organisational issues
- practical and proactive support of APTL in meeting their business objectives (facilities management)

For each of these key priorities, further details of the issues, action taken to date and remaining actions is given below and in the Draft Risk Register at Appendix 1.

6.4 Governance and organisational issues are the subject of another report to this Board Meeting

#### **6.4 Skills and Resources**

6.4.1 In June 2009 the management structure of the Trust reflected the plan for a major developer to operate the site, with the Trust retaining a modest 'client' function with limited operational capacity. The Trust had lost personnel with key knowledge of the history and operational functionality of the site. There was a lack of capacity in the areas of facilities and contract management and considerable scope for improvement in record keeping and management information. Key policies and procedures were either absent or out of date. There was major reliance on the assistance of external consultants in the areas of management of health & safety and contract management. There was a backlog of Planned Preventative Maintenance work and other maintenance works had been held over from the previous financial year.

6.4.2 The new term contract for Security Manned Guarding had been awarded to a contractor, Work Place Facilities, which had gone into administration. The work was being undertaken by Europa Workspace Solutions Ltd

6.4.3 Since June 2009 the following actions were taken to address the above issues;

- Interim Facilities Manager appointed (Les Myers)
- Interim Office Manager/PA appointed (Joanne Hawitt-Phillips)
- Expert FM consultant appointed (John Barnett)
- 3 Tier Contract Review process and introduced
- Good practice adopted for project management and Procurement
- Key record systems computerised
- Office filing system reviewed and rationalised
- Microsoft Exchanger Server installed across AP to enable sharing of Outlook calendars, etc.
- Blackberry Enterprise Server installed to improve connectivity for senior management
- Security Managed Guarding contract formally novated to Europa
- Repairs and Maintenance contact with Integral formally extended
- Both above contracts are now co-terminus, ending on 31 August 2010
- Updated existing policies and procedures and introduced several new ones (see section 6.5 below)

- Reduced reliance on external consultants (retaining two)
- Clarified reporting lines and improved communications with APTL

- 6.4.4 The Trust's team now have regular 1-2-1 meetings, clear performance targets, with their line manager, monthly Team Meetings (in addition to the monthly AP wide team meetings).
- 6.4.5 Training and development of the Trusts' officers is continuing and all Managers have specific projects that stretch and develop their skills and experience.
- 6.4.6 Of the 6 posts in the Trusts' establishment 3 of the incumbents are interim officers. In the medium to long term the Trust should consider recruitment of permanent officers to these or similar posts.
- 6.4.7 The Trust's Senior Fire Officer has been on sick leave since July 2009 and the bulk of his work is being covered by the Interim Facilities Manager.
- 6.4.8 The Trust lacks capacity around procurement and capital project management. In the short-term these shortages will be addressed by buying in capacity through existing framework agreements approved by LBoH Corporate Procurement.

## **6.5 Legislative, Regulatory and Health and Safety Compliance**

- 6.5.1 Since June 2009 the following actions have been taken to improve the compliance of the site;
- Introduced a Compliance Matrix (attached at Appendix 2) to monitor and record the current status and compliance level of key features, operations and facilities.
  - Developed the Health & Safety Risk Register which records risks, control measures and responsible officers for the following sections of Alexandra Palace;
    - Catering
    - Events & Operations
    - Facilities
    - Finance
    - General
    - Ice Rink
    - Park
    - Sales and Marketing.
  - The H & S Risk register is reviewed monthly at the Health & Safety Steering Group meeting, attended by all Section Heads (including term contractors) and chaired alternatively by the IGM and MD of APTL.
  - Developed a Risk Register which identifies the Trust's key risks and control measures in the areas of;
    - Governance & Management
    - Operational Risks
    - Financial Risks

- External Risks
- Compliance with Laws & Regulations
- Additional Risks

(More details on the Draft Risk Register are below in section 6.9 of this report)

- Updated the 2006 Fire Risk Assessment for the entire site in line with new regulations on fire safety
- Issued the following policy and procedure documents;
  - Health, Safety, Welfare and Environment Policy and Procedures
  - Contractors Handbook
  - HSE Induction
  - Fire Emergency Plan
  - Incident Management Procedures
  - Significant Areas of Hazard (Coloured maps of the site which have been marked Red/Amber/Green on hazards)
  - AP Smoking Policy
  - APTL Event Services Handbook
  - H & S Training Matrix

Nb all of the documents listed above are available to Board Members upon request to the Trust office.

6.5.2 Most importantly, the culture of good safety management has been enhanced throughout the site through greater involvement of managers, improved awareness among staff and contractors and rigid enforcement of rules such as the wearing of hard hats during major event build-ups.

6.5.3 The development and refinement to the following policy and procedure documents is in progress;

- Safety Inspections – Procedure, Checklist & Report form
- Communications (data capture & reporting) procedure
- Induction Checklist (2 part – HR and Line Manager)

6.5.2 The Compliance Matrix is attached to this report at Appendix 2

## **6.6 Finance – Capital and Revenue Budgets**

6.6.1 In June 2009 there was an outstanding budget review which had been requested by LBoH, which had allocated less money than the Trust had estimated it needed for 2009/10.

6.6.2 The IGM completed the budget review, identifying savings of £235K. While these savings were achieved, unfortunately the bulk of them were offset by a single payment of £202K due to the former Security Contractors for pension liability.

- 6.6.3 The IGM requested that the LBoH Chief Financial Officer treat the £202K as an exceptional item (i.e. removing it from the revenue budget) but this was not possible.
- 6.6.4 The actual financial performance of the Trust is reported separately to this Board meeting. While the revenue budget is overspent it should be noted that the areas of overspend (management and repairs and maintenance) were identified early in the financial year and were expected.
- 6.6.5 Until June 2009 the Trust had maintained a separate bought ledger system from the accounting systems used by the Finance Section of Alexandra Palace. This system has now been abandoned and the accounting process has been simplified.
- 6.6.6 The IGM receives monthly finance reports from the Head of Finance, including;
- Summary accounts
  - Reforecast
  - Management Accounts
  - Transaction Listing
- These reports are discussed at a monthly meeting between the IGM and Head of Finance Updated the 2006 Fire Risk Assessment for the entire site in line with new regulations on fire safety
- 6.6.7 There are separate budget monitor reports and meetings to/with the budget holders of the largest spending sections; Facilities Management and Parks.
- 6.6.8 Regular Budget Monitor Meetings are held by senior management at Alexandra Palace with a senior representative of the LBoH CFO.
- 6.6.9 The Trust has submitted a bid to the Council in respect of the Trust's revenue budget for 2010/11. The bid represents the estimated additional funding requirement, over and above the £1.7m allocated by the Council in 2009/10. The bid was prepared on a prudent basis and assumes that the dilapidations capital bid is not successful but that the ice rink capital bid is successful. This represents the 'worst case scenario' in terms of the impact on next year's revenue budget.
- 6.6.10 The revenue growth bids are:

Core budget uplift - £243k

This represents the uplift required in the Trust revenue budget to bring it up to current operating levels and to fund facilities management support to deliver essential repairs and maintenance works. The Council allocated £1.728m revenue funding to the Trust in 2009/10. The Trust's internal budget, approved by the Board of Trustees, stands at £1.967m. The increased funding requirement is largely due to a reduction in the anticipated gift aid payment from Alexandra Palace Trading Limited due to the difficult economic climate and the increasingly dilapidated state of the building. It has not been possible to reduce



Trust expenditure to cover the shortfall in gift aid income due to the requirement to maintain the building to legally required standards.

Repairs and maintenance - £250k

If the bid to secure £3m capital (£1m p.a.) to address critical dilapidations is not approved, it is anticipated that additional £250k revenue expenditure will be required in 2010/11 to ensure the building remains compliant with relevant legislation and can continue to function as a venue. This expenditure will be targeted towards the fire main, fire alarm system and key areas of buildings dilapidation. However this makes no allowance for uplift in general maintenance and decoration within the building and will continue to impact on APTL's ability to sell the space.

Reduction in APTL gift aid payment - £211k

This represents the anticipated reduction in APTL's profit for 2010/11 due to the need to close the ice rink for a period of six months to carry out the refurbishment work, on the assumption that the ice rink capital bid is approved. However, it is estimated that by 2012/13, the refurbished facility would generate a net increase in income of £188k.

Master Plan for Alexandra Palace - £150k

This investment will enable the Trustees (with delegated authority from LBoH) to articulate a master-plan for the site which can then be tested and a fundraising strategy agreed for executing the required development. The funds would provide for a Project Manager to lead this work and commission the necessary reports to test such proposals.

6.6.11 The above bid will be considered by Cabinet and a formal decision will be taken in February 2010.

6.6.12 The £300K capital investment awarded to the Trust by LBoH in June 2009 has enabled improvements to the lettable space and the outright purchase of equipment which was previously rented.

6.6.13 Most of the £300K has been spent or committed and the table below shows the current status of the capital works;

<u>Item</u>	<u>Current Status at the 23/12/09</u>
○ West Hall flooring	Work completed
○ Cleaning machines	Equipment operational
○ Kiosks in Great Hall	Work completed
○ Improve Palm Court 2/3 meeting room	Tenders received`
○ Portable AV	Specification being finalised
○ Dishwasher	Completed
○ Motorised pallet truck	Completed
○ Crockery / cutlery / glassware	Completed
○ Ice Rink catering	Work completed

○ Ad hoc catering Equipment	Completed
○ Automated answering service	Quotes invited
○ Information point in Palm Court	Works Held
○ General site signage	Works Held
○ Phoenix Bar Furniture	Added 03/09/09
○ Palace Suite Entrance	Added 03/09/09
○ Pump Priming for Ice Rink	Added

6.6.14 As Board Members Trustees are aware, the IGM and his team have worked closely with APTL to prepare and submit a £2M capital bid for replacement of the Ice Rink. It is believed that this may be suitable for funding by prudential borrowing and the result of the bid will be known in February 2010.

6.6.15 APTL has identified several further investment needs for which it has no capital funds, including the possible replacement of the Panorama Room.

## **6.7 Establishing and Quantifying the Extent of Dilapidations**

6.7.1 In 2005 a detailed condition audit of the site was commissioned by APPCT from King Sturge LLP in preparation for the proposal to let the Palace on a long term repairing lease. The FM Consultant has updated this report by the RPI index to bring it to current day costs.

6.7.2 A sum of £26 to £33 million is required to put the buildings into a weather proof, structurally sound condition with the primary mechanical and electrical systems being fit for purpose.

6.7.3 Since the 2005 report few works have taken place to arrest the continuing deterioration of the Palace and the IGM's FM team believe that the Trust has a limited period before it becomes very difficult for it to operate the site in its current form as it would be unable to demonstrate compliance with health, safety and fire regulations.

6.7.4 A further capital bid for £1.0 million year on year for the financial periods 2010/11, 2011/12 and 2012/13 (£3.0 million total) has been submitted to address general building & services dilapidations and compliance issues across Alexandra Palace.

6.7.5 The key objectives of this capital bid are to address critical repairs/replacement within the following key areas:-

- Leaking external hydrant water service by the installation of a plastic liner into the 250mm underground ductile iron pipe work
- Faulty and unreliable fire alarm system by system replacement

- Leaking roof in the Great Hall and degradation of the external brickwork, render and fenestration
- Theatre repairs to make the facility safe and ready to mothball to protect the Victorian assets.
- BBC Studios, Ancillary Parts of the East Entrance, Sub-basement repairs to make them safe
- Address the dilapidation of internal Fabric, decoration and cleanliness by a programme of decoration and cleaning.
- Building services replacement of faulty controls and repairs/replacement of corroded heating and ventilation systems
- Replacement and upgrading of telephone & IT systems

6.7.6 The result of the capital bid will be known in February 2010.

## **6.8 Support to APTL and Facilities Management**

6.8.1 In addition to the capital works described above, the IGM and the FM team hold monthly Facilities Meetings with the MD and senior colleagues of APTL. These meetings identify problems and potential improvements on site which assist APTL to 'sell the space' such as the partial redecoration the Great Hall.

6.8.2 The Facilities Manager role is crucial to the effective operation of the site, providing liaison between APTL, contractors, suppliers and Trust staff. The Facilities Manager is the client at Contract Manager level for the contracts with Europa and Integral.

6.8.3 The FM Consultant has advised on improvements to the way the repairs and maintenance contract with Integral is managed and this has resulted in;

- Clearing the backlog of PPM works
- A cost model for R & M works which is updated monthly
- A fixed monthly sum for reactive works, resulting in better profiling of works and costs throughout the year.
- Provision of a Handyman on site 5 days per week to tackle jobs identified by APTL and its customers
- The Integral Contract Manager has been replaced

6.8.4 Since June 2009, the FM team have also;

- Completed an Energy Efficiency survey (funded by The Carbon Trust)
- Reduced utility costs by 40% through buying into framework agreements

- Updated the space analysis for the site using AutoCad – this confirms the commonly used 60:40 analysis of usable/unusable space
- Resolved the immediate problem of the fire main leaking owing to being operated at too high pressure
- Completed a review of the site's CCTV system
- Implemented a range of control and management measures, including new Assignment Instructions for security staff and a permit to Work system for visiting contractors

## **6.9 Draft Risk Register**

- 6.9.1. Board Members may recall that a Risk Register (attached at Appendix 1) was one of the outcomes of the Governance Action Plan. The IGM has liaised with colleagues to populate a 'top level' Risk Register. The Risk Register is complimented by a separate H & S Risk Register and the Compliance matrix mentioned above.
- 6.9.2. The draft Risk Register identifies the key risks to the Trust, quantifies those risks in terms of probability and severity of impact, lists the controls necessary for mitigating risks, identifies Action Plan to deliver the controls and scores the risks before and after mitigation.
- 6.9.3. Subject to the approval of the Board, the IGM will further refine the Risk Register to assign a timescale to each of the Action Plans and to identify for each risk as which point further action may be required to mitigate risks.

## **6.10 Business Plan**

- 6.11 The Trust has a Business Plan for 2009/10 and APTL has a Business Plan which is reviewed annually. The IGM is working on a draft Business Plan to cover 3 years from April 2010 to April 2013.
- 6.12 The Business Plan would set out strategic objectives for the Trust and show how Alexandra Palace contributes to the Council Plan outcomes.
- 6.13 Board Members are aware that the Trust's present strategic objective is the grant of a long lease to a single developer. While it may take some time to developer new strategic objectives, it may now be appropriate for the Trustees formally to resolve that their strategic objective is no longer the grant of a long lease to a single developer. The existing strategic objective could therefore be abandoned pending agreement on and adoption of a new objective.
- 6.14 The Trust Business Plan would resemble the Council Plan in that it will be a strategic and overarching document that sits above APTL's Business Plan, the Parks Management Plan and the Action Plans of key partners such as Integral, Europa and John O'Connor.

6.15 It is proposed that the Trust's Business Plan broadly follow the LBoH template, which quite rightly requires business planning to be linked to financial planning and budgeting. Thus the Business Plan will incorporate a Financial Plan for the Trust and will have sections for;

- The Trustees' Vision
- Key Objectives for 2010 to 2013 (including Governance & Branding)
- Service Context (how AP links to and complements the Council's services)
- Service Delivery (what we do, how and why)
- Challenges to the Service
- Annual Performance Review
- Human Resources Plan (including Equalities)
- Finance and Resources (including VFM)

6.16 The Board is asked to endorse the above proposal for developing the 3 year Business Plan, a draft of which would be brought to a Board Meeting in Spring 2010.

## **7. Consultation**

7.1 N/A

## **8. Legal and Financial Comments**

8.1 The Trust's Solicitor has been sent a copy of this report and his comments have been reflected in the text,

The LBoH CFO has been sent a copy of this report.

The LBoH Head of Audit has been consulted on the draft Risk Register and her comments have been reflected in the document.

## **9. Equalities Implications**

9.1 There are no perceived equalities implications in this report.

## **10. Use of Appendices / Tables / Photographs**

Appendix I – Draft Risk Register  
Appendix II - Compliance Matrix

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## ALEXANDRA PALACE AND PARK CHARITABLE TRUST DRAFT RISK REGISTER

Area of Risk	Potential Outcome	Probability	Impact	Unmitigated Risk Score	Controls for mitigating risk	Probability	Impact	Mitigated score	Action Plans to Deliver Mitigations Plans	Timescale for Action Plans	Responsibility
<b>Item No Governance and Management</b>											
1	Governance, Operational and Branding Strategy inadequate for the long term needs of the site.	5	5	25	Good Governance code, sustainable organisational and management structures.	4	5	20	Governance and Branding review resulting in new Trustee strategy and vision leading of approved and sustainable Master Plan for the site.	Dependent on Governance & Branding Review Project	Trustees
2	Business model for site not adequate to support the operational overheads and Capital Expenditure development for the site.	5	5	25	Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment.	4	5	20	Business Model to be reviewed as part of Master Planning project, taking into account alternative use of venue space and "Sweating the Asset" to deliver both the Charitable Aims of the site and economic returns	Dependent on Governance & Branding Review Project	Trustees
3	APPCT & APTL structure is not the correct business model to meet the long terms needs of the site	4	5	15	Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment.	3	5	15	New governance arrangements for Trust maintain independence of charity. Restructure of executive management to create one leadership role.	Dependent on Governance & Branding Review Project	Trustees
4	Governance arrangements with LBOH are restrictive on the ability to develop the site.	4	5	20	Good Governance code, sustainable organisational and management structures combined with sustainable business model	3	5	15	New Trustee strategy and vision leading to approved and sustainable Master Plan for the site.	Dependent on Governance & Branding Review Project	Trustees
5	The independence of the Charity is compromised by external influence	3	5	15	Trustee Board is separate from the Council.	2	5	10	New governance arrangements for Trust maintain independence of charity. Restructure of executive management to create one leadership role. New Code of Governance.	Dependent on Governance & Branding Review Project	Trustees
6	Turnover of Trustees each year	4	5	20	Good Governance Code which sets out the requirements for robust and effective approach. Particular emphasis on selection of trustees with requisite skills and effective induction and training	3	5	15	New governance arrangements for Trust maintain independence of charity. New Code of Governance.	Dependent on Governance & Branding Review Project	Trustees
7	Lack of staff skills/capacity to manage capital projects.	4	3	12	Capital projects include an allowance for buying in skills. Management oversight and regular review of projects.	2	3	6	Continue current arrangements combined with management restructure.	To be decided after APPB on 12/01/10	General Manager/Chief Officer
<b>Operational Risks</b>											
1	Vulnerability of site relying on a single covenant from APTL as main source of income	4	5	20	Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment.	3	5	15	Business Model to be reviewed as part of Master Planning project, taking into account alternative use of venue space.	Dependent on Governance & Branding Review Project	Trustees
2	Deteriorating physical condition of building & services	5	5	25	Capital Expenditure request made to LBOH.	3	5	15	Infrastructure improvements projects funded by capital bids.	Dependent on out come of capital bids - February 2010.	General Manager/Chief Officer
3	Key Operational facilities (e.g. Ice Rink) fail and/or become un-economic to operate	5	5	25	Capital Expenditure request made to LBOH.	1	1	1	Infrastructure improvements projects funded by capital bids.	Dependent on out come of capital bids - February 2010.	General Manager/Chief Officer
4	Skills and resources cannot be recruited to meet the needs of the site	4	4	16	New management structure implemented enabling permanent recruitment	3	3	9	Restructure of management and recruitment to vacant/new posts	To be decided after APPB on 12/01/10	General Manager/Chief Officer
5	Increased competition and demands of customers impacts on the ability of site to compete in the open market	4	4	16	Capital Expenditure injection from LBOH or alternative source of funding and a more entrepreneurial way of achieving Capital Expenditure injection	3	4	12	Business Model to be reviewed as part of Master Planning project, taking into account alternative use to venue space.	Dependent on Governance & Branding Review Project	Managing Director/Chief Officer
6	Inadequate contract management framework	3	5	15	LBOH procurement processes and 3 Tier Contract Review process.	2	3	6	Arrangements in place, subject to annual strategic contract review.	Ongoing	General Manager/Chief Officer
7	Failure of key contractors/service providers	2	5	10	Effective procurement, regular and frequent contract monitoring, 3 tier contract review process, review of performance measures.	2	5	10	Arrangements in place, subject to annual strategic contract review and refinement of contract review process.	Strategic Reviews to be completed during 2010	General Manager/Chief Officer
8	IT and communication infrastructure failure	4	4	16	Capital Expenditure injection through LBOH pre-Business Planning review.	2	2	4	Infrastructure improvements projects funded by capital bids.	To be decided after APPB on 12/01/10	General Manager/Chief Officer
9	Site is vulnerable to acts of Terrorist	3	5	15	Work with Specialists to ensure that the site operates to the recommended levels of security and protection	2	5	10	Continue to develop current arrangements, making infrastructure improvements where possible.	Ongoing	General Manager/Chief Officer
10	Inadequate management information - non financial	3	4	12	Regular reporting and monitoring of KPIs, regular and frequent dialogue between APTL and APPCT, 3 tier contract review process, effective PPM programme.	1	4	4	Continue to develop current arrangements, upgrade PPM system and improve robustness of ICT systems.	Ongoing	General Manager/MD/Chief Officer
<b>Financial Risks</b>											
1	Inadequate management information - financial	3	4	12	Individual P & L for each event, monthly budget monitoring reports/meetings, (including with LBOH). Quarterly reforecast for APTL and APPCT reported to boards. Regular update of asset register and other financial records. Effective Internal Audit arrangements.	1	4	5	Continue to develop current arrangements, documenting procedures where appropriate. Develop Internal Audit strategy and operational plan to meet emerging risks.	Ongoing, existing Internal Audit arrangements.	Head of Finance
2	Outstanding Financial Claims	3	5	15	Continue to review impacts and likelihood of successful claim/counter-claim.	3	5	15	Trustees to keep legal advice under review.	Ongoing	General Manager/Chief Officer
3	LBOH unable and unwilling to continue to fund deficit	2	5	10	LBOH to approve Trustees' Financial Plan as part of Business Planning process. Exceptions reported by APPCT to LBOH via existing budget monitor process.	1	5	5	Budget setting process to be co-ordinated between Trust and LBOH. Trust to engage with PBPB from late summer onwards. Trust to develop 3 year Business Plan including annually reviewed Financial Plan.	Draft Business Plan by April 2010.	General Manager/Chief Officer

4	Poor internal financial control / risk of fraud	Financial position and plan no longer sustainable, lost revenue, negative reputational impact.	3	4	12	Regular internal review, periodic appraisal by Internal Audit, anti fraud and credit risk measures.	2	4	8	Internal Audit Strategy and Operational Plan to be monitored by Head of Finance and GM/MD/Chief officer.	Ongoing, existing Internal Audit arrangements.	General Manager/MD/Chief Officer
	Significant reduction in contribution from the Trading Company	Financial position and plan no longer sustainable	4	4	16	Existing budget monitoring process identifies reduced performance and control measures. Exceptions reported to Trust Board and LBoH.	3	4	12	Trust variable spend linked to actual Gift Aid received. Continue to link reforecast of APPCT and APTL.	Finance Plan by April 2010	Head of Finance
5	Lack of robust approach to business planning by both Charity and APTL	Potential impact on financial viability of Charity and Company	4	5	20	Good Governance Code which sets out the requirements for robust and effective approach. 3 year Trust Business Plan reflects APTL forecasts and aspirations.	3	4	12	Budget setting process to be co-ordinated between Trust and LBoH. Trust to engage with PBPR from late summer onwards. Trust to develop 3 year Business Plan. Approach agreed by all parties but flexible enough to adapt to results of master planning exercise.	To be decided after APPB on 12/01/10	General Manager/Chief Officer
6	Lack of Performance	Financial position and plan no longer sustainable	4	5	20	Suite of KPIs to measure improved VFM and income generation for the site	3	5	15	Monthly performance targets to be set for APTL and reported to Trustees.	KPIs to be agreed by April 2010	Head of Finance
<b>External risks</b>												
1	Adverse press coverage	Impact on reputation and potential future development	4	5	20	Trust appointed PR consultants and nominated representatives	2	5	10	Existing PR arrangements to be documented and procedure agreed on representation and spokespeople.	Dependent on Governance & Branding Review Project	General Manager/MD/Chief Officer
2	Increased competition/business turn down plus demands of customers impacts on the ability of site to compete in the open market	Impact on reputation and potential future development	4	5	20	Sustainable business model that maximises economic returns from the site while ensuring adequate Capital Expenditure investment.	3	5	15	Business Model to be reviewed as part of Master Planning project, taking into account alternative use of venue space.	Dependent on Governance & Branding Review Project	General Manager/Chief Officer
<b>Compliance with law and regulation</b>												
1	Charity Commission investigation	Charity seen to be operating unlawfully and/or not meeting its objectives	3	5	15	Good Governance code, sustainable organisational and management structures combined with effective PR and Trustees ambassadorial functions.	2	5	10	Dialogue with Charity Commission, new Code of Governance, etc.	Dependent on Governance & Branding Review Project	Trustees
2	Lack of compliance with law, regulations and/or licensing conditions.	Charity seen to be operating unlawfully and/or not meeting its objectives	2	5	10	Regular review of Compliance Matrix, effective internal legal advice effective and professional management and advice given by Chief Officers.	2	5	10	Regularised arrangements for legal advice, knowledge and expertise of Chief Officer, Code of Governance, Compliance Matrix etc.	Dependent on Governance & Branding Review Project	Trustees
<b>Additional Risks</b>												
1	Health and safety risks/non-compliance with H&S regulations.	Negative impact on staff and clients/facility users and reputation. Restrictions on or loss of events licence.	3	5	15	Properly implemented health, safety, welfare and environmental policy, procedures and arrangements augmented by a suite of other control measures e.g. Contractor's Handbook, regular Safety Inspections, etc. Health & safety Steering Group chaired by MD and GM. Effective implementation and training on policies and procedures. Compliance matrix. Separate H & S Risk Register. Monitoring and trend analysis of accidents/incidents.	1	5	5	Continued implementation and development of existing suite of H & S documentation. Staff/contractor training. Regular review of Compliance Matrix.	Ongoing - top management priority	All Managers, Staff and Trustees
2	Inadequate Business continuity/ Disaster Recovery Plans	Reduced operational effectiveness and profitability. Reputational damage. Reduced staff morale. Missed business opportunities.	3	5	15	Business Continuity and Disaster Recovery Plans in place and regularly reviewed by Trust and APTL. Testing and training of plans.	1	5	5	Incident Management Procedure in place. BCP and Disaster recovery Plan in progress.	Draft documents by April 2010	General Manager/Chief Officer

**Key**

**Probability:**  
 5 = Very likely to happen  
 4 = Likely to happen  
 3 = May happen  
 2 = Unlikely to happen  
 1 = Very unlikely to happen

**Impact**  
 5 = Very high  
 4 = High  
 3 = Medium  
 2 = Low  
 1 = Very low

**Risk Score**  
 25 = Maximum - extremely high  
 20 to 24 = High  
 15 to 19 = Medium  
 10 to 14 = Low  
 1 to 9 = Very Low

**Note: to be added; Identification of trigger points for further action required to mitigate risks.**



Updated 10/12/09

Yet to be actioned  
 Work started but not completed  
 Complete or under control

Compliance Specific Action Plan

Description	Requirement	Frequency	Records Required	Control in place	Action needed	Who to Action	Comp Date/Priority	Next Test	Notes
Control of Legionella	Hot and cold water temperature testing	Monthly	Schematic diagrams; risk assessments; water temperature logs; records of cleaning and inspection; dosing and inspection records	There is a contract through R&M Contractor for the management of the water systems. There is a manual detailing the a water risk assessment and management plan	1) The water risk assessment to be inspected and checked to be up to date	FM	P1 Completed		Completed
	Flow and return temps at calorifiers	Monthly			2) The PPM schedules to be inspected and confirmed to be up to date. Henley Water	FM	Henley Water 2008	2009	Completed
	Cold water tank temps	6 monthly			3) GAP analysis and action plans to be developed as appropriate from 1 & 2 above.	FM	P2	2009	Have actions been completed as recommended: RMC Chased 10/11/09
	Water temperatures at all taps	Annually							
	Inspection, cleaning and disinfection of water tanks and calorifiers	Annually							
	Cooling towers and spray humidifiers:								
	* biocide dosing checks	Monthly							
	* system cleaned and disinfected	6 monthly							
Gas safety	Inspection of gas boilers and safety devices (PRVs, shut off valves etc)	Annually	Annual inspection certificates (CORGI); gas schematic diagrams	Detailed works on the gas systems were carried out last year by R&M Contractor	1) Review with the R&M Contractor that the action identified have all been completed.	FM	P1		Delaps report identifies value of works required
	Inspection of gas distribution pipework	Annually			2) Check that the gas fired equipment asset register is up to date.	FM	P1		Detailed asset register obtained.
	Gas schematics (where incoming main >2") and isolation signage	Annually			3) Check that schematics are in place and emergency isolation valves are clearly identified.	FM	P1		Part of delaps report identifies value of works required
	Gas fired appliances - test and inspection	Annually			4) Check that adequate PPM is in place and that it is up to date.	FM	P2		Part of FM contract works
Fire safety	Fire risk assessment completed for site (or part thereof) where FM are responsible person	Annually	Fire risk assessment; weekly and annual test records; fire extinguisher test certificate; fire safety log; evacuation report	There is a Fire Risk Assessment completed for the site dated August 2006. There is pumped fire main system, sprinklers, fire panels and voice evacuation systems across the site	1) The current FRA needs to be reviewed, updated and brought up to the new style format	FMC with FM	P1: Completed		Complete
	Visual inspection of fire alarm panels to ensure no fault indicated	Daily / weekly			2) PPM schedules to be checked to be up to date.	FMC with FM	P1: Work in progress with MLB		Delaps survey completed and being costed
	Weekly activation of break glass call points to test alarm (note: rotate call points tested to ensure each is covered within a 13 week period)	Weekly			3) The fire safety management system and operational procedures to be collated in a package.	FMC with FM	P1: Work in progress		Draft Fire Emergency Plan issued Nov 09
	Fire door closing mechanisms	Monthly			4) The training of staff supporting the FMS at (3) to reviewed and action agreed.	FMC with FM	P1: Work in progress		Training Plan in draft being implemented
	Fire escape routes clear and final exit doors unobstructed and operational	Monthly			5) Improved induction processes for the site to be developed	FMC with FM	P1		Draft document issued Nov09
	Testing and inspection of smoke / heat detector heads	Annually			6) A review of the areas of site not covered with fire evacuation to be carried out and action agreed	FMC with FM	P2		CAPEX bid made for 2010
	Fire extinguisher testing and inspection	Annually			7) The issues of call out by the brigade to be reviewed and action agreed to reduce incidents where practical	FMC with FM	P1: Contact made		Continue to manage
	Fire damper operational (fault check at panel)	Weekly			8) Action plan to be developed to address the poor state of the underground ductile iron fire main and the leakage problems	FMC with FM	P1		PBPR Bid made for CAPEX 2010
	Sprinkler sets and water pumps (diesel and jockey)	Weekly & Annually			9) Capital programme to be developed to address the longer term issues of the age and condition of the services	FMC with FM	P2		PBPR Bid made for CAPEX 2010
	Fire hose reels - service and inspection	Annually			10) Address problem with leak and reinstate the underground fire main back to operations	FMC with FM	P1: Work in completed		Leak repaired, continue to manage
	Fire evacuation tests	bi-annually							
Emergency lighting	Activation of non maintained emergency lighting units (no greater than for quarter of rated duration) and inspection of maintained units for illumination	Monthly	Monthly, 6 monthly and 3 yearly test records logged	R&M Contractor have responsibility for the PPM inspection and testing.	1) The PPM schedules to be inspected and confirmed to be up to date.	FM	P1		Major problems with Concpet software system needs upgrade.
	Discharge testing of emergency lighting units (minimum 15 mines)	6 monthly			2) Site inspection to be carried out to ensure that site is compliant.	FM	P2		Major problems with Concpet software system needs upgrade.
	Full discharge of emergency lighting units	3 yearly							
Standby power supplies	Emergency generator testing	Quarterly	Record logs and service sheets	R&M Contractor have responsibility for the PPM inspection and testing.	1) The PPM schedules to be inspected and confirmed to be up to date.	FM	P1		Generator repaired with new radiator
	Full load testing	Annually			2) Leaking radiator on generator to be repaired/replaced	FM	P1 Completed		Completed
Air conditioning and ventilation systems	Extract fans - cleaning	Annually	Insurance inspection certificate	R&M Contractor have responsibility for the PPM inspection and testing.	1) The PPM schedules to be inspected and confirmed to be up to date.	FM	P1		Additional mechanical resources with R&M Contractor
	Cooling coils and condense traps cleaned and disinfected. Pre-filter replacement	Annually			2) R22 refrigerant issues to be identified and action agreed	FM	P2		CAPEX bid submitted for 2010
	Kitchen extract canopies and hoods - inspection and cleaning	6 monthly			3) Condition audit of equipment required and cleaning	FM	Completed August 2009	01/08/10	CAPEX bid submitted for 2010
Pressure systems	Thorough examination and inspection of boilers, compressors etc	Annually	Insurance inspection certificate completed under written scheme	R&M Contractor have responsibility for the FM management.	1) The PPM schedules to be inspected and confirmed to be up to date.	FM	P1		Schemes of examination need to be produced.
Transportable gas containers	Inspection of storage arrangements	Monthly	Site safety inspection report	R&M Contractor have responsibility for the PPM inspection and testing.	1) The PPM schedules to be inspected and confirmed to be up to date.	FM	P1		Part of FRA action with FM & APTL
Lifting equipment	Thorough examination and testing of passenger lifts or passenger lifting equipment (e.g. MEWPs)	6 monthly	Insurance inspection certificate; SWL clearly identified; defects reports	Insurance inspections are in place and actions on lift repairs are outstanding	1) Progress the recently approved maintenance items	FM	P1		Lifting contract with PIP
	Examination and testing of lifting equipment, lifting chains and eyebolts, lifting beams, fork lift trucks etc.	Annually			2) Review the procedures in place and confirm that all assets are covered.	FM	P2		Lifting contract with PIP
Fall arrest systems (latchway etc)	Thorough examination and testing	Annually	Insurance inspection certificate		1) Asset register to be checked and any such equipment needs to be reviewed for compliance.	FM	P2		Schemes of examination need to be produced.
ity	Testing and examination of fixed electrical installation to BS7671	5 yearly			1) The recently cancelled inspections on the 1/6/09 to be rescheduled with the APT. Tested 2007	&M Contract	Thermal examination required		Epsilon Report reviewed and P1 & P2 outstanding. Cost estimated.

Electrical safe	Portable appliance testing and inspection	Annually	NIC/EIC certificates; circuit and fuse rating details; electrical distribution drawings; PAT test logs	R&M Contractor have the responsibility for the inspection and testing as part of their contract	2) Identify key business users (e.g. Mast) and develop and checklist & procedure for implementation of site shutdowns. Action September 2009	&M Contract	P2		To be actioned
	RCD socket testing	Monthly			3) The PPM schedules to be inspected and confirmed to be up to date. Tested 2007	&M Contract	Outstanding P1 actions are they completed		Epsilon Report reviewed and P1 & P2 outstanding. Cost estimated
Work equipment	Testing and inspection of safety devices (e.g. emergency stops / interlocks etc)	Monthly	Equipment maintenance logs	TO BE CHECKED BY FM	1) Asset register to be compiled for any equipment that comes within this area of classification	FM	P2		New asset register under development
	Guarding systems in place	Monthly							
Noise at work	Noise assessments undertaken	As required	Noise assessment	TO BE CHECKED BY FM	1) Review of site required to ensure no plant rooms come within designated noise thresholds	FM	P2		Areas checked. Signage & PPE to be checked.
Accident & Incident reporting	Recording of accident / incidents	As required	HS310; F2508; F2508A	TO BE CHECKED BY FMC	1) Review of systems, controls and reporting required to confirm compliance	FMC	P1		Part of HSE
	Notifiable, reportable and dangerous occurrences to HSE				2) Ensure a Permit to work system is in place for hazardous works	FMC	P1 Draft in place		HSE documents produced and implemented
	Notification of occupational diseases				3) Ensure that performance monitoring system is in place.		P2 RFM, monthly mtg and compliance checks		Managed
CDM	Pre-tender H&S plan developed	As required	F10 Notification of project under CDM; H&S Plan; H&S File; O&M manuals	TO BE CHECKED BY FMC	1) Review of systems, controls and reporting to confirm compliance	FMC	Use LBOH for any projects		Completed
	Health and safety file completed for project								
	H&S file includes O&M manuals handed over on completion								
Asbestos	Risk assessment of asbestos on site	As required, inspections at least annually	Asbestos risk assessment; asbestos register; notification form FOD ASB5; inspection reports	Asbestos surveys have been completed and designated areas of the site are cordoned off to staff	1) Asbestos surveys to be checked and action plans reviewed.	FM	P1		Completed
	Register of asbestos containing materials (ACMs) on site				2) Re-inspections to be actioned as appropriate	FM	P2		Policy for re-inspection
	Notification of removal								
	Condition based inspections of ACMs								
	Management plan of ACMs on site								
Confined space	Register of confined spaces on site	As required	Register including description and site drawings	TO BE CHECKED BY FM	1) An register of confined spaces to be produced and procedures put in place to control access. E.g. Basement areas.	FM	P2		Two areas identified and signage needs to be checked.
Road transport	Vehicle testing, inspection and insurance	Annually	Weekly vehicle checklists, MOT, vehicle insurance	TO BE CHECKED BY FM	1) Asset register to be compiled of plant/equipment under this category	FM	P1		NONE
	Visual checks (lights, brakes, horn, tyres etc)	Weekly			2) Ensure PPM schedules in place	FM	P2		NA
Ladders	Visual examination and inspection	Quarterly	Ladder register; ladder tags	R&M Contractor have responsibility for the management of these access systems.	1) Review controls in place	FM	P1		Controlled by R&M Contractor
	Colour coding / tagging to confirm inspection								
COSHH	Register of all substances classed as hazardous to health	As required	COSHH register, COSHH assessments, material safety data sheets (MSDS)	R&M Contractor have responsibility for the management this area and COSHH manuals in place.	1) Review controls in place	FM	P1		Controlled by R&M Contractor
	COSHH assessments								
Safety signs	Safety signs in place and conform to regulations standard e.g. fire safety signs, directional signs, hazard warnings, PPE, road safety signs etc	Monthly	Site safety inspection	TO BE CHECKED BY FM	1) Site inspections required to ensure that the site is fully compliant	FM	Actioned with Bush		Bush Fire completed BBC tower. Rest of site in progress
Scaffolds	Certificate of inspection	On completion	Scaffold register; inspection reports	R&M Contractor have responsibility for the management of these access systems.	1) Review controls in place	FM	Contractor procedure produced		Finalise documentation and issue
	Weekly inspection (and after inclement weather)	Weekly / as required							
	Register where scaffold > 7 days in situ								
Lighting, glazing, floors, heating, cleanliness, toilets and welfare	Inspections to ensure standards meet with the requirements of the Workplace (Health, Safety and Welfare) Regulations 1992	Monthly	Site safety inspections	TO BE CHECKED BY FM	1) Site inspections required to ensure that the site is fully compliant	FM team	P2		Condition report from King Sturge. CAPEX bid submitted for 2010
Lightning protection	Inspection and test of conductor	Annually	Inspection log	R&M Contractor have the responsibility for the inspection and testing as part of their contract	1) The PPM schedules to be inspected and confirmed to be up to date.	FM	Tested 19/1/09	01/12/09	Check on E1 to 6 comment on sheet?
Roof Gullies	Inspection and cleaning	Annually	Inspection log	R&M Contractor have the responsibility for the inspection and testing as part of their contract	1) The PPM schedules to be inspected and confirmed to be up to date.	FM	25/08/09		Completed



Agenda item:

**Alexandra Park & Palace Board****On 12 January 2010**Report Title: **Proposals for additional sources of income – Scoping Report**Report of: **Mark Evison, Park Manager****1. Purpose**

1.1 To consider the options available for additional sources of income.

**2. Recommendations**

2.1 That the Board consider the four options and decides which, if any, should be subject to a more detailed feasibility study by the Interim General Manager.

2.2 That consequently, any feasibility study be reported to the Board at a later date.

Report Authorised by: **Andrew Gill, Interim General Manager:** .....

Contact Officer: **Mark Evison, Park Manager,**  
**Alexandra Park & Palace Charitable Trust, Alexandra Palace Way, Wood**  
**Green N22 7AY. Tel No. 020 8365 2121.**

**3. Executive Summary**

3.1 Trustees requested that the Interim General Manager investigate options for the Trust to generate additional revenue by applying charges to the various vehicles using the site.

3.2 Four options have been identified by officers and these options have a range of legal, financial and practical implications.

3.3 Trustees are asked to consider these options and provide a steer for producing a more detailed feasibility study of one or more of these options.

**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 Reference is made to correspondence between the Trust Solicitor, Charity Commission and various Alexandra Palace General Managers.

**6. Description**

6.1 At the board meeting of 24<sup>th</sup> November 2009, it was resolved that General Manager prepare a scoping report in respect of charging for use of car parks together with details of projected incomes, and also the legal process for seeking a change to primary legislation, and also to include the pros and cons of toll charging and costs of road maintenance of the private road.

6.2 The financial position of the trust is well documented, in summary the income is currently derived from four main sources:

- Alexandra Palace Trading Ltd (APTL) licence fee
- APTL gift aid payment
- park income (leases and licences)
- community event income (e.g. circus, funfair and fireworks cash collection)

6.3 The current budget for maintaining Alexandra Palace Way and the other park roads and paths is £60,000.

6.4 This reports sets out some further options for generating additional income and outlines the legal, financial and practical impacts.

6.5 There are four options for generating additional income that can be considered, in no particular order:

- Implementing a toll on Alexandra Palace Way
- Implementing a charging regime on the existing car parks
- Construction of a multi-story car park
- Enforcing road traffic infringements and collecting fines

6.6 Trustees are asked to consider the options as outlined below and recommend which options, if any are pursued by officers. A more detailed feasibility study will then be presented to the Board at a later date.

**7 Implementing a toll on Alexandra Palace Way**

7.1 A toll-road scheme was investigated by a previous General Manager. The view of the Treasury Solicitor in 1995 was that primary legislation would be required. This is because the Alexandra Park and Palace Acts and Orders 1900 to 2007 do not authorise charging save for specific purposes of which a road toll levy is not one.

7.2 The Trust Solicitor has advised that such primary legislation could take more than two years to complete. A private bill, which this would be, can only be lodged in November each year, the next opportunity being November 2010.

7.3 If permission was granted for a toll it would require significant infrastructure in the form of barriers and toll-booths. Construction and implementation would follow the parliamentary scheme taking perhaps a further 12 months.

7.4 If a toll was enforced, drivers could easily take alternative routes via public roads and leave the toll scheme with little traffic to collect fees from.

7.5 A toll would create difficulties with regard to leaseholders from the trustees, in particular the Garden Centre. It, together with its lawful visitors, have a right under the lease to pass over the trustee's land for access purposes without charge. Arrangements to permit this would need to be negotiated.

## **8 Implementing a charging regime on the existing car parks**

- 8.1 The trustees may be authorised by an order made under section 17 or 26 of the Charities Act 1993 to levy car park charges. There are technical differences between these two sections which do not presently matter. Following an exchange of correspondence between the charity's solicitors and the Charity Commission in 2004, the Commission indicated it might be prepared to consider dealing with the matter under S26. Dependant upon the trustee's decision on this paper the issue will need to be revisited with the Commission.
- 8.2 A section 26 order is a comparatively more straightforward, cheaper and simpler process than a section 17 order or primary legislation. It is however the Charity Commission's scheme, made at the request of the trustees. The Commission may give directions for advertising and possibly consultation.
- 8.3 New infrastructure would be required including, road markings, signs and pay & display machines, this could be implemented within perhaps six-months after an Order.
- 8.4 There would be revenue generated from the ticket sales and fines issued. If the LBH model was followed the parking enforcement contractor would retain the fines and the palace would keep the income from ticket sales. However as any sales income and fine receipts are technically "trust monies" terms for engaging any enforcement contractor would have to be agreed.
- 8.5 It is envisaged that a sliding scale of charges would be applied so that the impact of such charges would vary according to the nature of the users. Such details would be fully explored during the feasibility stage.
- 8.6 It was estimated in 2005 that car park charging could generate between £750,000 and £1 million per annum, after initial setup costs.

## **9 Construction of a multi-story car park**

- 9.1 The 1985 Alexandra Park and Palace Act authorises the trustees to let or licence land at the rear of the Palace, effectively part of the north service yard, for the provision of a car park. It also empowers the trustees or any other person, to make reasonable charges to the public for the use of such car park.
- 9.2 Increasing the overall available car parking capacity will increase the desirability of the palace as a venue and could increase hall bookings. Also, if more visitors attend the associated food and beverage sales could increase.
- 9.3 The cost of such a scheme could be extremely large, but could possibly be funded by prudential borrowing.
- 9.4 Planning permission would probably be required for this scheme and the timescale would be measured in years.

## **10 Enforcing road traffic infringements and collecting fines**

- 10.1 Alexandra Palace Way has a speed limit of 20mph and a number of no-overtaking zones, pedestrian crossings and traffic lights. Enforcement of these is not currently carried out.
- 10.2 Permanent speed cameras are operated by the Camera Safety Partnership. A new camera requires a collision history of four KSI (killed or seriously injured) in 36 months. This is not the case on Alexandra Palace Way.

- 10.3 Mobile speed cameras are operated by the Metropolitan Police and a request has been sent for consideration. Other traffic infringements could possibly be enforced by cameras and generate fines.
- 10.4 The capital cost to install the cameras is potentially quite small and could be completed fairly quickly. Processing the penalty notices and pursuing those who do not pay could be difficult and would have potential cost implications as at present the only method of claiming the penalty fee is by complaint through the magistrate's court.

## **11 Summary**

- 11.1 There are four main options for generating additional revenue considered in this report.
- 11.2 Trustees are asked to consider these options and advise officers which of the options they would like to be subjected to a more detailed feasibility study.
- 11.3 A feasibility study would include details of the potential cost of a scheme, information regarding likely timescales and the results of the appropriate consultation exercises.
- 11.4 Any feasibility study will be reported to the board with further information and details in order that Trustees make a decision whether or not to proceed.

## **7. Recommendations**

- 7.1 That the Board consider the four options and decides which, if any, should be subject to a more detailed feasibility study by the Interim General Manager.
- 7.2 That consequently, any feasibility study be reported to the Board at a later date.

## **8. Legal Implications**

- 8.1 The Trust's solicitor was provided with a draft of this report and his advice has been taken into account in the production of this final version.
- 8.2 The LBH Head of Legal Services has been sent a copy of this report.

## **9. Financial Implications**

- 9.1 The LBH Chief Financial Officer has been sent a copy of this report.
- 9.2 The feasibility studies will attract the usual legal fees and officer time.
- 9.3 Each of the options if pursued will have initial set-up costs and ongoing revenue costs, however, additional income could be generated in the longer term. The scale of costs for any particular project is not known and would be determined by the feasibility study.

## **10. Use of Appendices/Tables/Photographs**

**N/A**

**UNRESTRICTED MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD  
TUESDAY, 24 NOVEMBER 2009**

PRESENT : \* denotes attendance

Councillors \*Egan (Chair), C Harris, \*Hare, \*Peacock, \*Scott, \*Thompson (Vice-Chair) and \*Williams

Non-Voting Representatives: \*Mr N. Willmott, Mr M Tarpey, Mr V Paley

Observer: Mr D. Liebeck (Councillor Whyte (on behalf of Mr Liebeck for part of the meeting))

Also present:

Mr A. Gill – Interim General Manager – Alexandra Palace

Mr I. Harris – Trust Solicitor

Mr M. Evison – Park Manager – Alexandra Palace

Ms H. Downie – Head of Finance – Alexandra Palace

Ms R. Kane – Managing Director – Alexandra Palace Trading Limited

Ms J Parker – Director of Corporate Resources – LB Haringey

Mr C Hart – Committee Manager (Clerk to the Board) LB Haringey

**MINUTE  
NO.**

**SUBJECT/DECISION**

<b>APBO58.</b>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were received on behalf of Councillor C Harris, Mr Liebeck, Ms Paley, and Mr Tarpey.</p> <p><b>NOTED</b></p>
<b>APBO59.</b>	<p><b>URGENT BUSINESS</b></p> <p>The Chair advised the Board that in respect of Agenda Item 10 – Governance Update which was marked ‘TO FOLLOW’ this item would not be considered at this evening’s Board meeting.</p> <p>The Clerk to the Board – Mr Hart advised that whilst there were no items of urgent business there had been 1 agenda item marked ‘TO FOLLOW’ - for which reasons for lateness would be given – Item 12 – Fireworks 2009 – Update on the event., together with an appendix (3) to accompany Item 9 – Finance Update. Mr Hart also advised that the deliberations of the Alexandra Palace and park Consultative Committee of 17 November 2009 in relation to Agenda Items 6, 7 and 8 had been tabled.</p> <p><b>NOTED</b></p>

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<p><b>APBO60.</b></p>	<p><b>DECLARATIONS OF INTERESTS</b></p> <p>The Chair reminded those Members of the Board who were Members of the LB Haringey's Planning Committee to consider their position in relation to those items on the agenda which will require consideration by that body.</p> <p>Councillors Hare and Peacock both advised that as Members of the LB Haringey's Planning Committee they would indicate at each individual item whether they would be speaking on that matter, which would then determine their participation in the item when considered by the LB Haringey's Planning Committee.</p> <p><b>NOTED</b></p>
<p><b>APBO61.</b></p>	<p><b>QUESTIONS, DEPUTATIONS OR PETITIONS : TO CONSIDER ANY QUESTIONS, DEPUTATIONS OR PETITIONS RECEIVED IN ACCORDANCE WITH PART 4, SECTION B29 OF THE COUNCIL'S CONSTITUTION</b></p> <p>Nil</p>
<p><b>APBO62.</b></p>	<p><b>TO CONSIDER A REQUEST FROM THE FOLLOWING ORGANISATION FOR REPRESENTATION ON THE ALEXANDRA PALACE AND PARK CONSULTATIVE COMMITTEE:</b></p> <p>The Chair advised that in respect of the application received on behalf of the Conservation Area Advisory Committee for Alexandra Park and Palace for membership to the Alexandra Palace and Park Consultative Committee, it was for the Board to consider such applications and agree them.</p> <p>There being no comments from members in respect of the detail of the application the Chair then summarised and it was:</p> <p><b>RESOLVED</b></p> <p>That approval be given to the application received from Conservation Area Advisory Committee for Alexandra Park and Palace for appointment to the Alexandra Palace and Park Consultative Committee.</p>
<p><b>APBO63.</b></p>	<p><b>ADIZONE - PLANNING APPLICATION</b></p> <p>The Chair advised that in respect of the proposed application he reminded both Councillors Hare and Peacock that should they speak on the item during consideration now then this would preclude them from taking part in discussions of the matter at the LB Haringey's Planning Committee.</p> <p>The Chair also advised the Board of the consideration of the proposals by the</p>



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Alexandra Park and Palace Statutory Advisory Committee of 3 November 2009, and also the Alexandra Palace and Park Consultative Committee of 17 November 2009, and the views expressed at each meeting which had been circulated.

By way of background Mr Ely – Policy and Development Manager – Recreation Service, London Borough of Haringey (LBH) advised the meeting that the LB Haringey had been awarded funding to provide an Adizone outdoor gym in the park. The facility would be installed and maintained by LBH Recreation Services, and the Board would be required to enter into a Memorandum of Understanding with LBH for the facility.

The Chair advised that he did not propose to have a considerable discussion as there had been a lengthy debate at the aforesaid meetings – however he was happy to take questions in the form of clarification. Councillor Hare confirmed that his questions were of a technical nature.

In respect of his earlier reference, the Chair referred to views of the Statutory Advisory Committee (SAC) and Consultative Committee. Both considered the application, and their comments were in essence that they were broadly supportive to the proposal in principle but were concerned about: security issues; that the structure would have a negative aesthetic impact on the historic park; wider consultation was required and that there would be on-going costs to Haringey and potential financial implications for the Palace, in the longer term.

(Mr Willmott arrived at 20.40hrs)

The Board then discussed the proposals at length – the main points being:

- The distance from the road to the proposed location and whether 45 metres was a sufficient amount , or should the location be closest or further away
- Where the 45 metre distance actually commenced from i.e. the boundary of the Park, the edge of pavement or block of flats opposite the park
- Concerns about security
- The need for effective screening the facility and type of screening e.g. trees or landscaped earth mounds
- The positive/detrimental effects to the local community

Following the discussion and advice from the Interim General Manager Alexandra Palace, and clarification from the Trust Solicitor – Mr Harris, the Chair summarised and it was:

**RESOLVED**

1. that authority be delegated to the General Manager, and Park Manager – Alexandra Palace to negotiate and conclude a Memorandum of Understanding with LB Haringey (LBH) Recreation Services to permit use of the land for the construction of a new exercise and sports facility on part of the Newlands Playing Field subject to the receipt and circulation to Board members of a formal Section 36 Charities Act report, and subject further to the following:-

**MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD  
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- i. a formal site visit taking place on Friday 27 November 2009 commencing at 10.00hrs at the proposed site to consider the proposed location and in particular the 45 metre distance from Newlands Road and whether this distance is appropriate having regard to the neighbourhood and
  - ii. that should there be any disagreement as to the proposed location as a result of the site visit that cannot be resolved at the site visit then the matter be referred back to a meeting of the Board or its Panel as one of urgency;
2. that the comments and concerns of the Alexandra Park and Palace Advisory Committee, and the Alexandra Palace and Pak Consultative Committee be noted.

**APBO64. PROPOSALS TO MAKE IMPROVEMENTS TO THE PITCH AND PUTT COURSE**

The Chair reminded both Councillors Hare and Peacock of the likelihood of the item being considered at the LB Haringey Planning Committee in the near future and that as members of that body should they take part in discussions this evening then this would preclude them considering the matter at the Planning Committee. The Chair then asked for a brief introduction of the report.

Councillor Peacock having expressed her earlier declaration took no part in the discussion or decision taking.

The Park Manager – Alexandra Palace – Mr Evison informed the Board that Golfwise Ltd operated the pitch and putt course since it reopened in 2008, and held a 12 year lease which commenced in March 2008. The pitch and putt site suffered from poor drainage and the topography reduced playability during the winter months. The Trust does not have funding to carry out large scale improvements to the course. As a long-term partner, Golfwise Ltd had submitted plans to improve the facilities on the course. The proposed plans before the Board were part of a consultation exercise before ideas were finalised and a planning application was submitted. A planning permission from the Local Authority would be required and further consultation would be carried out by the LB Haringey Planning Service when an application was submitted. The lease for the site prohibited the tenant from making “any addition to” and “cut alter maim or injure” the premises so permission for this project would need documented agreement.

Mr Evison further advised that the landscaping works would involve importing material to achieve the terrace-effect required to improve the course. These works would be allied with suitable planting schemes to minimise the visual impact from the palace. It was viewed that enhancing the facility would improve footfall and should raise the profile of the palace and park site, and the

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enhancement project would represent a significant investment in the site. Mr Evison also commented that the current tenants were likely to approach the Trust in future to request an extension of the lease term. In terms of the lease agreement it required an annual rental figure to be paid. This was supplemented with a turnover rent payable once a threshold was reached. The additional facility would increase turnover and therefore income to the palace.

Mr Evison further advised that proposals have been presented to the Advisory Committee and Consultative Committee and their comments were appended to this report. The Advisory Committee had supported the proposals as long as the view of the Park was not affected by installation. The Advisory Committee had also expressed concerns that lorries entering the Park to bring in materials would have an adverse effect on local residents . The Consultative Committee had commented that:

- i. That, if the proposal went ahead, the use of the kiosk did not change with the additional facility;
- ii. That the exact specification of the hard surfaced areas of the mini-golf should be in keeping with the character of the Park;
- iii. That the landscaping should not adversely affect the outlook of the park;
- iv. The nature of any new signs should be in keeping with the character of the Park.

Mr Evison advised the Board that the representatives of Golfwise Ltd were in attendance and would be happy to answer any concerns.

The Chair thanked Mr Evison for his succinct introduction. In welcoming the representatives from Golfwise Ltd to the meeting and asking them to address the meeting the Chair MOVED that Standing Orders be suspended for this purpose – which was agreed nemine contradicente.

The Representatives gave a brief presentation of their proposals as detailed in the circulated appendix and answered a number of points of clarification in terms of the work required at the site, the scale of the landscaping operation, the overall effect of the work on the local environment, and the excavation works and likely soil and earth displacement work required, together with the detrimental effects to the local community.

The representatives further clarified the nature of the Golfwise operation in terms of it being an effective 'pitch and putt' operation and was in no way similar to a 'crazy golf 'operation often seen at sea side resorts/locations around the UK.

The Chair thanked the representatives from Golfwise Ltd for their attendance. The Chair then advised that Standing Orders were reinstated.

Councillor Hare expressed his concerns at the likely detrimental effect of the development on the Park and the local community and the likely levels of earth displacement.

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The Chair then summarised and it was:

**RESOLVED**

- i. That the contents of the report be noted;
- ii. That approval be given to proposals for the improvements to the pitch and putt course at Alexandra Palace, and that the General Manager, and Park Manager Alexandra Palace, in conjunction with legal advisors be authorised to conclude negotiations and finalise the necessary legal documents;
- iii. That it be noted that the proposals for the improvements to the pitch and putt course at Alexandra Palace would be subject to planning permission by the LB Haringey; and
- iv. that the comments and concerns of the Alexandra Park and Palace Advisory Committee, and the Alexandra Palace and Park Consultative Committee be noted.

Councillor Hare asked that his abstention to the proposals be recorded.

**APBO65. DEER ENCLOSURE - ALEXANDRA PALACE - EXTENSION - PLANNING APPLICATION**

The Chair reminded both Councillors Hare and Peacock of the likelihood of the item being considered at the LB Haringey Planning Committee in the near future and that as members of that body should they take part in discussions this evening then this would preclude them considering the matter at the Planning Committee. The Chair then asked for a brief introduction of the report.

Councillor Peacock having expressed her earlier declaration took no part in the discussion or decision taking.

In a brief introduction the Park Manager – Alexandra Palace advised that the proposals were for the erection of chain link fencing to extend the existing secondary deer enclosure. The matter would be the subject of a planning application to the LB Haringey as the park was a conservation area, and planning permission was required for fencing of the proposed height. The planning authority would consider if the fencing was appropriate and if it conflicted with the status of the site as metropolitan open land.

Mr Evison also commented that the Deer Manager had recommended that the area available to deer was made larger to reduce their reliance on supplementary feed. Mr Evison briefly outlined that the new fencing would be set back from the footpath and match the existing fencing, and some small branches may be pruned to allow the fencing to be installed.

Mr Evison further advised that proposals have been presented to the Advisory Committee and Consultative Committee and their comments were appended to the report, and tabled. The Advisory Committee had in the majority supported

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the proposals with the exception of one representative, and that some Members of the Consultative Committee had commented that they felt the deer enclosure already occupied a large area of the northern part of the Park and the extension would make a further area inaccessible to the public and would bring the boundary of the Park inwards, and that the extension presented a risk to three of the mature oak trees. Comments had also been expressed that that there had not been adequate consultation for park users.

Councillor Hare asked whether the Park manager could look into the possibility of introducing of other wildlife into the enclosure and take account of the comments expressed at the Consultative Committee.

The Chair then summarised and it was:

**RESOLVED**

- i. that approval be given to the proposals for the fencing and proposed extension of the existing deer enclosure as landowner of the site; and
- ii. that the comments and concerns of the Alexandra Park and Palace Advisory Committee, and the Alexandra Palace and Park Consultative Committee be noted.

**APBO66. FINANCE UPDATE**

The Chair asked for a brief introduction of the report.

The Interim General Manager – Mr Gill advised that the appendix 3 to the report was late due to the matter of the capital and revenue bids not being suitable for publication until after 17 November 2009 which was when the Council's Cabinet had released the papers for consultation. The figures had not therefore been in the public domain until then.

The Head of Finance – Alexandra Palace Ms Downie reported to the Board that overall, year to date income was £7k above budget and expenditure was £18.5k above budget, giving a net adverse variance against budget of £11k. Income was £7k above budget due to the receipt of £16k of restricted income which was not budgeted for, offset by a £11.5k shortfall in concessions/lease income. £13k of the restricted income related to a grant from the Environment Agency for the improvement of habitats around the boating lake and £3k was for restoration of the organ. Lease income was £7.5k below budget due to the delay in signing the Workshop lease and Concession income was £4k below budget due to the timing of invoices to concession holders.

Ms Downie further reported that Prime costs were £42k or 5% over budget for the year to date with Salaries £51k above budget due to higher management costs and increased staff costs during the secondment period. Contracted services were £9k below budget, mainly in the area of park security, although this was a timing issue and it was not expected that this category would be underspent by year end.

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Ms Downie further advised that fixed overheads were forecast to be on budget overall.

Ms Downie also advised the Board that the forecast gift aid payment from Alexandra Palace Trading Limited remained unchanged at £600k. Ms Downie commented that Trustees should be aware that this was a very challenging target in the current business environment and therefore represented a significant risk within the Trust budget. The Trading company's performance was monitored by the APTL Board and Senior Management Team on a monthly basis and the Managing Director continued to liaise closely with the Interim General Manager of the Trust to highlight any areas of concern.

In respect of the Appendix 3 to the report Mr Gill advised the Board that as reported to the Board on 6 October, the Trust had submitted two capital bids to the Council for 2010/11 in line with the Council's Pre Business Planning Review. The first was a bid to address general buildings dilapidations, amounting to £1m p.a. for three years. The second a £2m bid to repair and upgrade the ice rink facility. The Council had classified the latter bid as being one that prudential borrowing may be suitable for.

In terms of Revenue growth bids Mr Gill advised that the Board was asked to note that the following revenue bids had been submitted to the Council in respect of the Trust's revenue budget for 2010/11:

**(i) Core budget uplift - £243k**

Mr Gill commented that this represented the uplift required in the Trust revenue budget to bring it up to current operating levels and to fund facilities management support to deliver essential repairs and maintenance works. The Council allocated £1.728m revenue funding to the Trust in 2009/10. The Trust's internal budget, approved by the Board of Trustees, stood at £1.967m. The increased funding requirement was largely due to a reduction in the anticipated gift aid payment from Alexandra Palace Trading Limited due to the difficult economic climate and the increasingly dilapidated state of the building. It was not been possible to reduce Trust expenditure to cover the shortfall in gift aid income due to the requirement to maintain the building to legally required standards.

**(ii) Repairs and maintenance - £250k**

Mr Gill further reported that if the bid to secure £3m capital (£1m p.a.) to address critical dilapidations were not approved, an anticipated additional £250k revenue expenditure would be required in 2010/11 to ensure the building remained compliant with relevant legislation and continue to function as a venue. This expenditure would be targeted towards the fire main, fire alarm system and key areas of buildings dilapidation. However, this did not allow for uplift in general maintenance and decoration within the building, which would continue to impact on APTL's ability to sell the space.

**(iii) Impact on APTL profit of the ice rink closure during capital works - £211k**

Mr Gill reported that this represented the anticipated reduction in APTL's profit for

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2010/11 due to the need to close the ice rink for a period of six months to carry out the refurbishment work, on the assumption that the ice rink capital bid was approved. However, it was estimated that by 2012/13, the refurbished facility would generate a net increase in income of £188k.

**(iv) Master Plan for Alexandra Palace - £150k**

Mr Gill commented further that this investment would enable the Trustees (with delegated authority from the Council) to articulate a master-plan for the site which could then be tested and a fundraising strategy agreed for executing the required development. The funds would provide for a Project Manager to lead this work and commission the necessary reports to test such proposals.

Mr Gill added that all bids were being considered as part of the budget consultation process, the results of which would be considered by the LB Haringey's Cabinet and a formal decision taken in February 2010.

In response to a number of comments with regard to the bids, and a seeming need for increases in income and likely sources of income, Mr Gill advised the Board that there were various options being explored. The road that ran through the park was a private road and that in this respect the palace could seek a power, through primary legislation, to levy a toll for its use.. The only exemption would be LRT who had prior permission to access the road as a supplier of public transport. However, the toll charging would cause considerable problems in terms of securing authority and subsequent administration. An alternative method of raising funds would be to obtain an approval via the Charity Commission for the charging of use of car parks at the palace. The Trust Solicitor – Mr Harris advised that he had already previously, in 2004, sought the views of the Charity Commission and they had advised that they would consider supporting such a proposal. In response to comments from Members in relation to timescales, Mr Harris advised that primary legislation could take in the region of 18 months. Authority to charge for parking could be a shorter time scale.

Mr Gill felt that should the Board be in mind to develop this proposal then he would, in conjunction with Mr Harris, a draft scoping paper outlining the proposals and projected incomes, and also the legal process for seeking a change to primary legislation.

In response to clarification from Mr Willmott in relation to the activity of APTL and how well the Trading Company were doing given the recession during the last 12 months the Managing Director APTL – Ms Kane advised that the exhibition booking commitments were currently at the same level as for the same period in 2008. Ms Kane also advised that there was a continuing high level of marketing to attract additional bookings but that it was not possible at this stage to predict how well levels of bookings would be by mid 2010.

The Chair welcomed the proposals and also asked that the scoping report include the pros and cons of toll charging and costs of road maintenance of the private road.

In respect of the £211K budget deficit, Councillor Hare sought clarification as to

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	<p>whether this amount could be met from prudential borrowing. In response the Director of Corporate Resources – LB Haringey Ms Parker advised that it was not appropriate.</p> <p>The Chair, in drawing the discussions to a close summarised and it was:</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. that the results for the six month period to 30 September 2009, and the forecast outturn for the 2009/10 financial year be noted;</li> <li>ii. that the reported position as detailed by the General Manager in respect of the capital and revenue growth bids submitted to the LB Haringey for 2010/11 onwards be noted; and</li> <li>iii. that the General Manager Alexandra Palace prepare a scoping report for consideration by the Board in January 2010 in respect of charging for use of car parks at the palace together with details projected incomes, and also the legal process for seeking a change to primary legislation, and also to include the pros and cons of toll charging and costs of road maintenance of the private road.</li> </ul>
<p><b>APBO67.</b></p>	<p><b>GOVERNANCE UPDATE</b></p> <p>Item not considered.</p>
<p><b>APBO68.</b></p>	<p><b>APPOINTMENT OF EXTERNAL AUDITORS</b></p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Head of Finance – Alexandra Palace – Ms Downie, in a brief introduction, reminded the Board of its decision of 22<sup>nd</sup> July 2008 to re-tender the provision of external audit services to the Trust and Trading Company in line with best practice. Ms Downie referred to the tender exercise which had been carried out in line with the Council’s Contract Standing Orders and the Trading Company’s draft procurement policy. In addition, advice was sought from the LB Haringey’s Head of Procurement to confirm that the process followed met the Council’s requirements. Ms Downie advised the Board that for practical reasons, a joint tender process was followed on behalf of the Trust and Trading Company. In total nine firms had been invited to tender, and six submitted full written tenders, which were evaluated by a panel against pre-determined criteria. The panel consisted of the Interim General Manager of the Trust, the Managing Director of the Trading Company, and herself. As a result, two firms were shortlisted to attend presentations, which were also evaluated against pre-determined criteria. Ms Downie confirmed that based on the selected criteria, the panel was unanimous in identifying Deloitte as the most suitable firm to conduct the external audit of the Trust and Trading Company.</p> <p>Ms Downie further advised that given the long standing relationship between Deloitte and the Trust, Deloitte had been asked to confirm their internal processes for reviewing independence and objectivity, as detailed in 7.1</p>



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	<p>paragraph 7.1 of the report. Ms Downie added that 2009/10 would be the third year that Sue Barratt from Deloitte had been the audit partner for the Trust and Trading Company.</p> <p>Following points of clarification on a MOTION by the Chair it was:</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. that the tender and selection process followed to identify the most suitable firm to carry out the external audit of Alexandra Park and Palace Charitable Trust be noted;</li> <li>ii. that approval be given to the re-appointment of Deloitte as external auditors to the Trust with effect from the 2009/10 financial year.</li> </ul>
<p><b>APBO69.</b></p>	<p><b>FIREWORKS 2009 - UPDATE ON THE EVENT</b></p> <p>The Chair asked for a brief introduction of the report before the Board.</p> <p>The Interim General Manager – Mr Gill advised the Board that the reasons for lateness in receiving the report was due to the need to evaluate the success of the Fireworks event, as well the calculation of the cash donations.</p> <p>In an introduction Mr Gill informed the Board that the 2009 Fireworks event was a great success, generating very positive media coverage for the Palace, with approximately 50,000 people attending the event, compared with an estimated 42,000 in 2008. In terms of cash donations collected – this totalled £26,995 compared with £21,529 in 2008, a 25% uplift. The monies collected would be used to off set the running costs of this event which were in excess of £100k. The decision to move the German Beer Festival from the West Hall to the Great Hall had a very positive impact on both the success of the event and APTL’s catering income, which was £20k higher than the previous year. This would make an important contribution to the Trading Company’s £600k profit target for 2009/10.</p> <p>Mr Gill further commented that there had been positive media coverage for the event with articles in the local press – The Ham &amp; High, and Hornsey Journal, as well as national coverage including Time Out, the Independent, the Sunday Times and radio coverage on LBC, Radio 2 and local radio. Mr Gill reported that the Metropolitan Police hailed the event a great success from a public order perspective, with only three arrests and two reported crimes, one public order offence and one theft of a mobile phone. The profit and loss statement for the event was still being finalised, as final invoices were outstanding from suppliers. The cost savings previously outlined to the Board were largely implemented, but indications were that there would be an over spend against the £100k budget due to the need to ensure the event ran smoothly and the public were not placed at risk. It was the case that approximately 70% of the budget was directed towards essential expenditure to ensure public safety, such as stewarding, barriers, lighting, and CCTV and medical services.</p> <p>The Chair thanked Mr Gill for his succinct introduction and asked if there were any specific comments or questions.</p>

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	<p>The Board briefly discussed the event and congratulated the Management at Alexandra Palace for the organisation of the event. Mr Willmott expressed some concerns about the security and crowd control when entering and leaving parts of the event. Also whilst the buffet service provided had been excellent he had noted that he had not seen many Members in the internal rooms, and whether this had been due to the withdrawal VIP invites on this occasion.</p> <p>The Chair, in noting the comments expressed, stated his disappointment that there had been little voluntary participation on the part of the members of the Advisory, and Consultative Committees to assist in the event specifically in cash collection and felt that this was a missed opportunity for people to be involved.</p> <p>Mr Gill in advising that certain aspects of the event had had to be scaled down due to cost implications, also advised that in terms of the Police operation, as previously there had been no charge for the policing of the event and therefore this had curtailed costs. However there had been an indication from the Police that there would be a charge for the following year – 2010, and as this cost would affect the overall viability of hosting the event and a report would be given to a Board meeting in late Spring 2010.</p> <p>The Chair then summarised and it was:</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. That the report be noted; and</li> <li>ii. That it be noted that a report of the General Manager would be submitted to a meeting of the Alexandra Palace and Park Board in the spring of 2010 detailing the cost implications and viability of staging the Firework event in November 2010.</li> </ul>
<b>APBO70.</b>	<p><b>MINUTES</b></p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. That the unrestricted minutes of the meetings of the Alexandra Palace and Park Board held on 6 October, and 15 October 2009 be confirmed and signed as an accurate record of the proceedings;</li> <li>ii. That the minutes of the Alexandra Palace and Park Consultative Committee held on 17 November 2009 be agreed;</li> <li>iii. That the minutes of the Alexandra Park and Palace Advisory Committee held on 3 November 2009 be noted.</li> </ul>
<b>APBO71.</b>	<p><b>ANY OTHER UNRESTRICTED URGENT BUSINESS THE CHAIR CONSIDERS TO BE URGENT</b></p> <p><b>NIL</b></p>
<b>APBO72.</b>	<b>EXCLUSION OF THE PUBLIC AND PRESS</b>

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	<p><b>RESOLVED</b></p> <p>That the Public and Press be excluded from the proceedings as Items 13-15 are exempt as defined in Section 100a of the Local Government Act 1972; namely information in respect of which a claim to legal professional privilege could be maintained in legal proceedings, information relating to any individual, information likely to reveal the identity of an individual, and information relating to the business or financial affairs of any particular person (including the authority holding that information).</p> <p><b>SUMMARY OF EXEMPT/CONFIDENTIAL PROCEEDINGS</b></p>
<b>APBO73.</b>	<p><b>EXEMPT MINUTES</b></p> <p>Agreed the exempt minutes of the meetings of the Alexandra Palace and Park Board held on 6 October, and 15 October 2009.</p>
<b>APBO74.</b>	<p><b>APPOINTMENT OF EXTERNAL AUDITORS</b></p> <p>Agreed the recommendations contained within the report.</p>
<b>APBO75.</b>	<p><b>ANY OTHER EXEMPT URGENT BUSINESS THE CHAIR CONSIDERS TO BE URGENT</b></p> <p><b>NIL</b></p>

The meeting ended at 21.38hrs.

COUNCILLOR PAT EGAN

Chair

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