



NOTICE OF MEETING

Alexandra Palace and Park Board

TUESDAY, 2ND MARCH, 2010 at 19:30 HRS - THE LONDESBOROUGH ROOM,
ALEXANDRA PALACE, 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 10 & 15 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. ADVICE ON THE OUTCOME OF THE MEETING AT THE CHARITY COMMISSION ON 3 FEBRUARY 2010 (PAGES 1 - 10)

Report of the Trust Solicitor

6. GOVERNANCE UPDATE (PAGES 11 - 26)

Report of the Managing Director, Alexandra Palace Trading Limited (APTL) and Project Manager on behalf of the Interim General Manager, Alexandra Palace – To update the Board with progress made in respect of the governance review, and any key milestones to come, and to seek approval for the Good Governance code.

7. BUDGET 2010/11 (PAGES 27 - 34)

Report of the Head of Finance, Alexandra Palace - to obtain approval for the proposed Trust revenue budget for the 2010/11 financial year.

8. FINANCE UPDATE (PAGES 35 - 40)

Report of the Head of Finance – Alexandra Palace - to advise the Board of the results for the ten month period to 31st January 2010 and the forecast outturn for the 2009/10 financial year

9. MINUTES (PAGES 41 - 56)

- (1) To approve the unrestricted minutes of the meeting of the Alexandra Palace and Park Board held on 12 January 2010 ;
- (2) To approve the minutes of the Consultative Committee held on 16 February 2010 **TO FOLLOW**; and
- (3) To receive the minutes of the Advisory Committee of 9 February 2010 and to consider any recommendations for the Board to consider **TO FOLLOW**.

10. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

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

11. EXCLUSION OF THE PUBLIC AND PRESS

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 and 2 - namely information relating to an individual, and information which is likely to reveal the identity of an individual.

12. STAFFING ISSUES (PAGES 57 - 62)

Report of the Director of Corporate Resources – LB Haringey

13. OFFICER DELEGATION (PAGES 63 - 68)

Report of an Officer's delegation of authority

14. MINUTES (PAGES 69 - 76)

To approve the exempt minutes of the meeting of the Alexandra Palace and Park Board held on 12 January 2010 ;

15. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

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

Ken Pryor
Deputy Head of Local Democracy & Member
Services
River Park House
225 High Road
Wood Green
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Clifford Hart
Committee Manager - Non Cabinet
Ctees
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22 February 2010

ALEXANDRA PALACE & PARK BOARD

Agenda Item No

2 MARCH 2010

REPORT OF HOWARD KENNEDY, THE TRUST'S SOLICITORS**RESPONSIBLE AUTHOR:** Iain Harris Tel: 020 - 7546 8986**REPORT TITLE:** Advice on the outcome of the meeting at the Charity Commission on 3 February 2010.**REPORT AUTHORISED BY:** Iain Harris of Howard Kennedy of 19 Cavendish Square, London W1A 2AW.
Trust's Solicitors.**1. PURPOSE**

1.1 To advise Board members as charity trustees of the discussions that took place at the Charity Commission on 3 February 2010.

2. SUMMARY

2 The Commission has no current contemplation of taking steps to remove Haringey as trustee. It has been informed of the abandonment of the trustees' current strategic objective of granting a long lease to a single developer. It has been advised of the likelihood of the trustees adopting the NCVO Code of Governance and the current consideration of possible structural models for future conduct. It remains willing in principle to promote a S 26 Order to empower the trustees to charge for car parking.

3. RECOMMENDATION

3.1 The Board as charity trustees note the current position.

4. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

4.1 The following papers were relied upon for the preparation of this Report:-

- Our files containing correspondence, emails and attendance notes
- Our letter to the Commission dated 4 February and the Commission's email response dated 8 February 2010.

5. THE REPORT

5.1 In November 2009 officers of the Charity Commission indicated that they wished to progress arrangements to meet to explore and discuss the governance of the trusts. The background to the Commission's interest, as regulator, was the Walklate Report which had been published and was subject of correspondence being received by the Commission.

5.2 At paragraph 9.4 of a report at Agenda Item 5 to the Board on 12 January 2010 the Board members were advised that a meeting had been arranged for 21 January to discuss:

- a. Anything that the Commission wishes to discuss with the charity, its trustees officers and advisers following recent correspondence from third parties and
- b. 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.

5.3 The meeting was in fact rescheduled, at the request of the Commission for 3 February. An agenda was agreed (See Annex A) and the meeting was attended by the Interim General Manager, the Managing Director of Alexandra Palace Trading Limited and the Trust's solicitor.

5.4 As Board members will note from the agreed Agenda an additional matter for discussion was the possible promotion of a S26 scheme to empower the trustees to levy charges for car parking. This was in accordance with the resolution of the Board

on 12 January whereby it requested the Interim General Manager to carry out a more detailed feasibility study on the possibility of implementing a charging regime on the existing car parks. (Resolution APB 09 (iii))

5.5 The meeting and discussions were helpful and positive and the outcomes favourable. The Commission were updated on the following key issues

a. The trustees had abandoned their current strategic objective of granting a long lease to a single developer pending agreement on and adoption of a new strategy.

b. It was likely that the trustees were going to adopt the NCVO Code of Governance at their next meeting.

c. A number of structural models were under consideration but as yet nothing had been either ruled in or ruled out. Further consideration was required together with legal and tax advice.

5.6 The Commission dealt with its own points and matters raised on behalf of the charity as follows:

a. The Commission has no current contemplation of removing Haringey as Trustee.

b. If any individuals are to be appointed as trustees, who are not elected members of Haringey Council, this would need to be authorised by a scheme under S 17 of the Charities Act 1993.

c. The Commission remained willing in principle to promote a S 26 Order empowering the trustees to levy charges for car parking.

5.7 The discussions at the Commission were concluded on the basis that both Commission and the officers agreed they wished to see a vibrant solvent self supporting charity. The discussions were recorded in a letter from Howard Kennedy dated 4 February. The Commission confirmed its officers were happy with the outline of the discussions in that letter by email dated 8 February. (Annex B)

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MEETING WITH THE CHARITY COMMISSION
Offices of the Charity Commission, Millbank
3 February, 2010. 3.30pm

ANNEXE A

Andrew Gill, Interim General Manager, APPCT
 Rebecca Kane, Managing Director, APTL
 Iain Harris, Consultant solicitor, Howard Kennedy solicitors to the charity
 Jon Crutchlow, Charity Commission

AGENDA

Agenda topics
1.0 Introductions
2.0 Objectives of the meeting
<p>3.0 Matters raised by the Commission</p> <p>The current governance structure of the charity including</p> <ul style="list-style-type: none"> - The roles of Councilors and Council Officers within the charity's governance structure and any delegated roles/powers - The decision making processes - Meetings and interaction with the public - The management of the Park and Palace - Management of any conflicts of interest between the role of charity trustee and council - Plans for future governance
<p>4.0 Matters raised by the charity/trading company</p> <p>Promotion of a S 26 scheme to empower the trustees to levy charges for car parking</p> <p>Promotion of a S17 or S 26 scheme to enable Haringey as trustee to appoint new charity trustees who are not members of the council</p>
<p>5.0 Strategic Issues</p> <ul style="list-style-type: none"> - Finance - Governance - Future vision - Public accountability
<p>6.0 Role of the Charity Commission</p> <p>An exploration of strategic advice / approval processes etc.</p>
7.0 AOB

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ANNEXE B

HOWARD KENNEDY

Your ref:
Our ref: IMH1/014086.00007
Document: IMH1/H4021045.1

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By Email

To Mr Jon Crutchlow
Charity Commission

Email: I.Harris@howardkennedy.com

webscwtaunton@chartycommission.gsi.
gov.uk

4 February 2010

Dear Jon

Alexandra Palace and Park Charitable Trust

I am writing following our meeting yesterday afternoon to record the key matters discussed.

Present at the meeting were Neil Robertson, Head of the Commission's Special Casework Team and yourself, Rebecca Kane, Managing Director of Alexandra Palace Trading Limited, Andrew Gill, Interim General Manager of the charity and myself.

The Commission had requested the meeting to be updated in relation to various matters concerning the charity and the conduct of its affairs. The charity had also asked for consideration of some points. We had agreed an agenda prior to the meeting to which we worked.

At the opening of the meeting we explained that at the trustee board meeting on 12 January 2010 the trustees had agreed to abandon their current strategic objective of granting a long lease to a single developer pending agreement on and adoption of a new objective.

Rebecca then summarised the work on and consideration being presently given to the branding and vision for the future of the charity and its governance. I indicated that whilst not formally agreed it was exceedingly likely that the trustees were going to adopt the NCVO Code of Governance at their next meeting.

Rebecca then briefly took the meeting through the various possible structural models being considered. She left you with a PowerPoint summary of these. We had a short discussion on the models and in particular what is referred to as the ultimate solution (independence from Haringey) the streamlined and commissioning models. Delegation to the trading company was later referenced as akin to the Eden Trust operation which might warrant more exploration. Rebecca said that no decisions had been made by the trustees and would not now be made until much later in the year, after the appointment of a new board. Additionally detailed legal and tax advice is required.

At this point you indicated that there was no current contemplation within the Commission of the removal of Haringey as trustee. We are aware that this is a point that has been argued quite forcibly by a number of correspondents and are appreciative of the Commission's position.

Returning to the structural models you said that if new trustees were to be appointed that were not members of Haringey Council this would require a Section 17 Charities Act 1993 scheme. This would be because such new appointments were effectively a change of trustee. Any decision in relation to such a scheme (whether or not to promote one) would be a matter for any dissatisfied party to seek adjudication on from the Charity Tribunal.

4 February 2010

In relation to the third option, delegation to the trading company you said that the trustees could delegate more matters to it. Effectively you suggested that the charity could seek to fulfil its charitable objective through the trading company. Put another way the trading company would act as the agent of the charity in the day to day management of the charity.

We then turned to the matters we wished to discuss. You confirmed that the Commission remained willing in principle to promote a Section 26 Order empowering the trustees to levy charges for car parking. You said that you would probably need to consult upon a proposed order and that a draft would probably need to be advertised. Dependant upon any response to consultation an order could take between 2 and 12 months to be made.

This is a helpful and important indication. At their January meeting the trustees received a paper on additional income sources. One of the options was levying car parking charges in respect of which the trustees directed that it be given further consideration. In the light of your indication further work will now be undertaken on this by officers.

The other matter had already been covered – this was whether the Commission would promote a scheme to enable the appointment of charity trustees who were not Haringey councillors.

We moved towards a conclusion by a general discussion on two matters. The first was that given the size of the Commission's post bag on this charity you would like to be warned on any matters that may be thought to be controversial. From the charity's perspective it is sometimes difficult to anticipate what seemingly straightforward matter then takes on a controversial nature. We will try to warn you of these types of issues and in a sense it may be most helpful for the lines of communication to be informal. Andrew suggests a telephone will often help and his contact details are below.

The final point was the continuing role of the Commission and the relationship between it and the charity. You indicated that this was to work together on the various proposals to try to achieve the best outcome.

We believe it common ground that what both Commission and trustees would like to see is a vibrant, solvent self supporting charity that ceases to be the subject of ongoing complaints to the Commission.

I hope I have fully summarised our discussions and accurately recorded the indications given. May I trouble you to so confirm adding anything you wish. It is the intention to present a very brief report on the meeting to the next trustee board on 2 March and so I look forward to hearing from you.

Yours sincerely

Iain Harris
Consultant

Andrew Gill contact details

Andrew.gill@appct.gov.uk

Office 0208 365 4340
Mobile 07973 373048

From: SCW-Taunton [mailto:webscwtaunton@charitycommission.gsi.gov.uk]
Sent: 08 February 2010 14:41
To: Iain Harris
Subject: 20100208 - Agenda for meeting with Charity Commission 3 February CC:08740198

Iain,

Thank you for the outline of our discussion on Wednesday and putting it together so promptly. I can confirm we are happy with the summary.

Thank you also for taking the time to meet with myself and Neil Robertson and providing us with a clear understanding of the current position of the Trust.

Please do not hesitate to contact me with any queries going forward.

Regards

Jon Crutchlow

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Agenda item:

ALEXANDRA PALACE & PARK BOARD

On 2 March 2010

Report Title: **The Way Ahead - Governance Review and Vision**

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 for this project and confirm that they are comfortable with the general direction in which this work is progressing.
- 1.2 To seek trustee adoption in principle of a code for *Good Governance*.
- 1.3 To report back on the pros and cons identified to date on a number of potential structural models.
- 1.4 To outline the ongoing engagement activity required to support this work.

2. Recommendations

- 2.1 To endorse the adoption of the NCVO *Good Governance* code (Key principles: appendix One)
- 2.2 To note that the NCVO code has been presented to both the Statutory Advisory Committee and to the Consultative Committee. The SAC will meet on 17 March to discuss governance and feed back to trustees.
- 2.3 To note the pros and cons of the various structural options currently available for comment which have been subject to scrutiny of KPMG and officers; some of which were also discussed at the Trustee and Stakeholder away days (Appendix 2).
- 2.4 To note that this project will be delivered within the budget available to year end.
- 2.5 To note the proposed time frame for the project and key milestones which includes an Open Day and a roadshow to broaden engagement (Appendix 3).
- 2.6 That nominated trustees visit or host visits to AP from charities operating similar venues and parks in a bid to learn more about effective governance in action.

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 Major barriers to current governance were identified at both away days and common ground for how to progress with the future of AP&P captured around the following headings: a) Objectives, b) Principles and c) Processes. Trustees recommended to adopt the NCVO *Good Governance* code. More work to implement the code will be undertaken during the May induction process. In time, the code will be made bespoke to suit the preferred structure of the trustees and reflect the work already completed by trustees and stakeholders on the three areas above.
- 3.2 Four key criteria emerged from the away days by which the pros and cons of structural options were assessed by attendees. KPMG have also tested a number of models against tax, charitable law and governance criteria.
- 3.3 Revisions to the Communications Strategy and a revised timeline have brought the work within existing budgets.
- 3.4 Further engagement with trustees, stakeholders, the Council and the Charity Commission is planned. It is anticipated that decisions will be sought later in the year when further legal/tax analysis will also help inform decision making.

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 took 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
- Combined Report Trustees Away Day and Stakeholder Forum, Nov 2009

6. NCVO *Good Governance* Code

- 6.1 The following objectives were endorsed by Trustees to guide the governance review:
To develop effective systems and processes which ensure the overall direction, effectiveness, supervision and accountability of AP&P.
- To make ourselves 'fit for purpose' to deliver a long-term and sustainable future for Alexandra Park & Palace*
- 6.2 At both the Trustees' Away Day and the Stakeholder Forum the main barriers to success for creating a sustainable venue for future generations were presented as:

- Lack of continuity and long-term vision
- High turnover of chair and Board members
- Highly politicised decision making
- Lack of non-political/independent perspectives
- Risk of commercially sensitive papers in public domain
- Skill set of Board limited
- Structure ineffective and ambiguous
- Questions over 'going concern' status
- Lack of trust and high levels of scrutiny

6.3 Both sessions resulted in a number of areas of common ground for how to progress with the future management of AP&P and its governance. These were summarised under three headings a) Objectives b) Principles c) Processes and detailed comments captured in the Combined Report available online:
http://www.alexandrapalace.com/Community/Stakeholders_Reports.html

6.4 In the meantime, it is recommended that the Trustees adopt the existing NCVO 'Good Governance' code (Appendix One) in order to answer the immediate need to have some improved, formal governance arrangements in place. This will be implemented using recommended toolkit activity as part of the annual induction process for new trustees.

6.5 In time, this code will be further developed and made bespoke to address the specific requirements of AP&P. Making the code bespoke to AP&P will also enable it to take account of the work already produced by trustees and stakeholders.

7. Structural Models – assessment to date

7.1 The assessment of the pros and cons of each structural option considered by attendees at the two away days was based on the following key criteria that the new structure should satisfy:

1. A better mix and skills base of trustees to drive change
2. Clarity of responsibilities and levels of authority for trustees, staff and stakeholders
3. Access for stakeholders to influence decisions
4. Accountability of trustees to funders.

7.2 KPMG were commissioned to undertake a 'stress test' of alternative structural options on behalf of the trustees before they met in September 2009. KPMG's remit was then extended in October 2009 to include a review of the three additional models to emerge from the Stakeholder Forum. They applied a variety of tax, charitable law and governance criteria to the models. The pros and cons of each model, as analysed by KPMG (where indicated) and attendees at the two away days are available at Appendix Two.

8. Budget and work to year end

8.1 Project Steering Group were tasked with reviewing the communications strategy to ensure that it meets the overall project deliverables. As a result of the review and changing timescales the remaining activity can be achieved within existing budgets.

9. Programme Overview (Appendix 3)

- 9.1 An informal meeting with the Charity Commission (3 Feb) allowed the Project Manager to bring the Commission up to speed with the work to date and seek advice re potential processes that need adhering to if significant change is agreed for the future.
- 9.2 It is suggested that four trustees meet senior managers from two similar trusts (TBC) and explore their governance systems to help inform future decision making.
- 9.3 It is essential that all stakeholders and the wider public are kept fully engaged in this process. The NCVO 'Good Governance' code was tabled at both the Statutory Advisory Committee (SAC) and the Consultative Committee (CC) meetings on 9 and 16 February respectively for information.
- 9.4 The pros and cons of all the structural options currently under review will be posted on the community web page following the 2 March APPCT Board meeting.
- 9.5 On 13 March an Open Day event and roadshow the following week is planned where interested parties can showcase their involvement/role at AP&P and we can present all the work to date on the structural options under consideration and answer queries directly re the future of AP&P.
- 9.6 Following further stakeholder and public engagement a steer will be sought from trustees and Full Council before further legal and tax work will be carried out. Then the conclusions will re-presented to trustees for a final decision. The nature of this work will very much depend on the level of change decided upon both in the short and medium term.

10. Legal Implications

- 10.1 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 any preferred structural options in the future.

11. Financial implications.

- 11.1 The LBH Chief Financial Officer has been provided with a copy of this report. His comments are provided below:
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.

12. Use of Appendices / Tables / Photographs

- 12.1 Appendix 1 NCVO *Good Governance* code: seven key principles
- Appendix 2 Pros and cons of structural models to date
- Appendix 3 Key project milestones

Appendix 1

Cross reference codes that relate the NCVO code elements with the Governance Outputs that emanated from the Trustees' Away Day and the Stakeholder Forum are:

O = Objective x

Pi = Principle x

Po = Process x

Principle One: Board Leadership	
Comments: Every organisation should be led and controlled by an effective Board of trustees which collectively ensures delivery of its objects, sets its strategic direction and upholds its values. The supporting principles are	
The role of the Board: Trustees have and must accept ultimate responsibility for directing the affairs of their organisation, ensuring it is solvent, well-run, and delivering the outcomes for which it has been set up. Pi6 O3	Strategic direction: Trustees should focus on the strategic direction of their organisation, and avoid becoming involved in day to day operational decisions and matters (except in the case of small organisations with few or no staff). Where trustees do need to become involved in operational matters, they should separate their strategic and operational roles. Pi1, Po7
Principle Two: The Board in Control	
Comments: The trustees as a Board should collectively be responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and complies with all its obligations. The supporting principles are	
Compliance: The Board must ensure that the organisation complies with its own governing document, relevant laws, and the requirements of any regulatory bodies. Pi5 Po11	Internal controls: The Board should maintain and regularly review the organisation's system of internal controls, performance reporting, policies and procedures. Po2,3,4,5,10,11,12,13

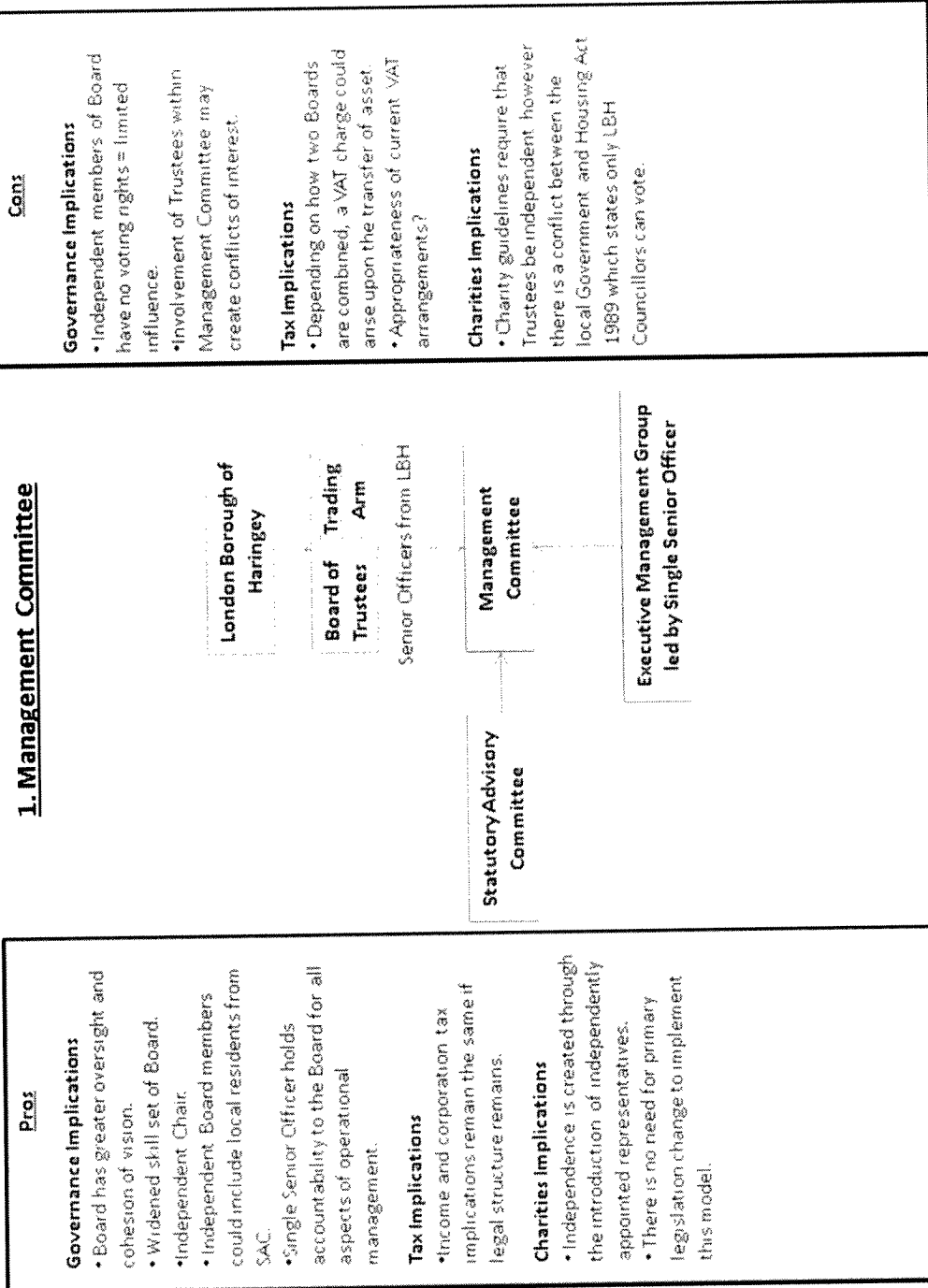
<p>Prudence: The Board must act prudently to protect the assets and property of the organisation, and ensure that they are used to deliver the organisation's objectives.</p> <p>Pi1,8 O2,5,8</p>	<p>Managing risk: The Board must regularly review the risks to which the organisation is subject, and take action to mitigate risks identified.</p> <p>Po3,6 Pi4</p>
<p>Equality and diversity: The Board should ensure that it upholds and applies the principles of equality and diversity, and that the organisation is fair and open to all sections of the community in all of its activities.</p> <p>Pi1,5,8</p>	
<p>Principle Three: The High Performance Board</p>	
<p>Comments: The Board should have clear responsibilities and functions and should compose and organise itself to discharge them effectively. The supporting principles are:</p>	
<p>Trustee duties and responsibilities: Trustees should understand their duties and responsibilities and should have a statement defining them.</p> <p>Po3,4,5,11,12</p>	<p>The effective Board: The Board should organise its work to ensure that it makes the most effective use of the time, skills and knowledge of trustees.</p> <p>Po4,5,6,7,8,9</p>
<p>Information and advice: Trustees should ensure that they receive the advice and information they need in order to make good decisions.</p> <p>Pi3,7 Po1,5,8,9,13</p>	<p>Skills and experience: The trustees should have the diverse range of skills, experience and knowledge needed to run the organisation effectively.</p> <p>O1</p>
<p>Development and support: Trustees should ensure that they receive the necessary induction, training and ongoing support needed to discharge their duties.</p> <p>[Not addressed in consultations to date]</p>	<p>The chief executive: The Board should make proper arrangements for the supervision, support, appraisal and remuneration of its chief executive.</p> <p>Po12</p>
<p>Principle Four: Board Review and Renewal</p>	
<p>Comments: The Board should periodically review its own and the organisation's effectiveness, and take any necessary steps to ensure that both continue to work well. The supporting principles are:</p>	

<p>Performance appraisal: The Board should regularly review and assess its own performance, that of individual trustees, and of sub-committees, standing groups and other bodies.</p> <p>[Not addressed in consultations to date]</p>	<p>Review: The Board should periodically carry out strategic reviews of all aspects of the organisation's work, and use the results to inform positive change and innovation.</p> <p>[Not addressed in consultations to date]</p>
<p>Renewal and recruitment: The Board should have a strategy for its own renewal. Recruitment of new trustees should be open, and focused on creating a diverse and effective Board.</p> <p>[Not addressed in consultations to date]</p>	
<p>Principle Five: Board Delegation</p>	
<p>Comments:</p> <p>The Board should set out the functions of sub-committees, officers, the chief executive, other staff and agents in clear delegated authorities and should monitor their performance. The supporting principles are:</p>	
<p>Clarity of roles: The Board should define the roles and responsibilities of the chair and other honorary officers, in writing.</p> <p>Po4</p>	<p>Effective delegation: The Board should ensure that staff, volunteers and agents have sufficient delegated authority to discharge their duties. All delegated authorities must have clear limits relating to budgetary and other matters.</p> <p>Po5</p>
<p>Terms of reference: The Board should set clear terms of reference for subcommittees, standing groups, advisory panels, etc.</p> <p>Pi2 Po2,8,9</p>	<p>Monitoring: All delegated authorities must be subject to regular monitoring by the Board.</p> <p>[Not addressed in consultations to date]</p>
<p>Principle Six: Board and Trustees Integrity</p>	
<p>Comments:</p> <p>The Board and individual trustees should act according to high ethical standards, and ensure that conflicts of interest are properly dealt with. The supporting principles are:</p>	

<p>No personal benefit. Trustees must not benefit from their position beyond what is allowed by the law and is in the interests of the organisation. Pi1,7,8</p>	<p>Dealing with conflicts of interest Trustees should identify and promptly declare any actual or potential conflicts of interest affecting them. Pi2,8</p>
<p>Probity: There should be clear guidelines for receipt of gifts or hospitality by trustees. Pi2,8</p>	
<p>Principle Seven: Board Openness</p>	
<p>Comments: The Board should be open, responsive and accountable to its users, beneficiaries, members, partners and others with an interest in its work. The supporting principles are</p>	
<p>Communication and consultation: Each organisation should identify those with a legitimate interest in its work (stakeholders), and ensure that there is a strategy for regular and effective communication with them about the organisation's achievements and work. O7,8 Pi2,3 Po1,8,9</p>	<p>Openness and accountability: The Board should be open and accountable to stakeholders about its own work, and the governance of the organisation. Pi2</p>
<p>Stakeholder involvement: The Board should encourage and enable the engagement of key stakeholders, such as users and beneficiaries, in the organisation's planning and decision-making. O7 Pi2,3 Po1,8,9</p>	

This Code covers all the Principles and Processes put forward by Trustees and Stakeholders. It also covers Objectives 1-3, 5, 7 and 8.

APPENDIX TWO - Pros and cons of structural models to date



Pros

Governance Implications

- Trustee skill set is widened.
- SAC provides stakeholder voice.
- Specialist advisors appointed on the enlarged Board.
- Mitigation of continuity risk.
- Single set of Board papers for whole entity.

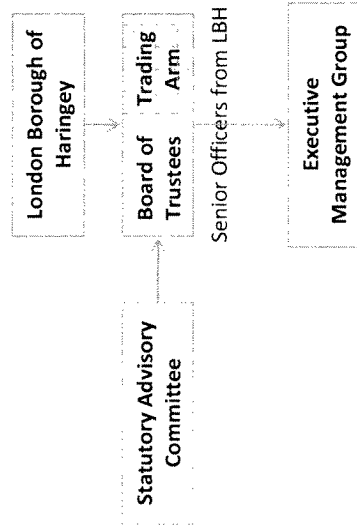
Tax Implications

- Income and corporation tax implications remain the same if legal structure remains.

Charities Implications

- Some independence is created through the introduction of independently appointed reps.
- The removal of the ability of LBH to appoint Trustees means they are breaching the legislation which requires their appointment of Councillors to the Charity.

2a. Streamlined



Cons

Governance Implications

- Board of Trustees retain political interest.
- Independent members of Board have no voting rights therefore remain limited in influence.

Tax Implications

- Depending on how two Boards are combined, a VAT charge could arise upon the transfer of asset.
- May be necessary to consider the appropriateness of current VAT arrangements.

Charities Implications

- Charity guidelines require that Trustees be independent however there is a conflict between the local Government and Housing Act 1989 which states only LBH Councillors can vote.

2b. Commissioning

Pros

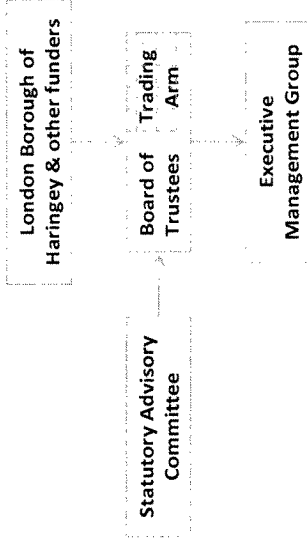
- Governance Implications**
- Trustee skill set is widened.
 - SAC provides stakeholder voice.
 - Specialist advisors appointed on the enlarged Board.
 - Mitigation of continuity risk.
 - Single set of Board papers for whole entity.
 - Independent members of Board have voting influence.

Tax Implications

- Income and corporation tax implications remain the same if legal structure remains.

Charities Implications

- Some independence is created through the introduction of independently appointed reps.
- The removal of the ability of LBH to appoint Trustees means they are breaching the legislation which requires their appointment of Councillors to the Charity.



Cons

Governance Implications

- Board of Trustees retain political interest.

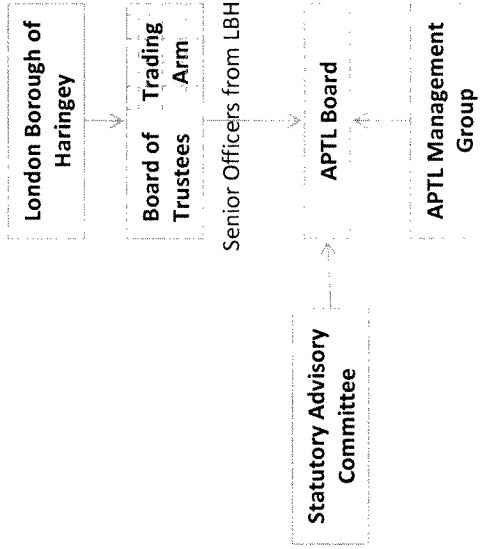
Tax Implications

- Depending on how two Boards are combined, a VAT charge could arise upon the transfer of asset.
- May be necessary to consider the appropriateness of current VAT arrangements.

Charities Implications

- Charity guidelines require that Trustees be independent however there is a conflict between the local Government and Housing Act 1989 which states only LBH Councillors can vote.

3. Delegation to APTL



Pros

Governance Implications

- Activities of APPCT are brought under the umbrella of APTL thus streamlining governance arrangements.
- APTL have control of estate and drive income earning potential upwards.
- Broader skill set on the Boards.

Charities Implications

- Trustees have ultimate responsibility but can delegate certain powers to agents (Trustee Act 2000).

Cons

Governance Implications

- The incorporation of all APPCT activities into the trading arm required careful public communication as it may be challenged.
- Careful due diligence required to ensure objects of charity are safeguarded.
- Possible loss of control by LBH if decision-making powers transferred to another body.

Tax Implications

- A VAT charge could arise if assets are transferred with the transfer of function.
- May be necessary to consider the appropriateness of current VAT arrangements.
- The disposal of the estate from APPCT to APTL will be a capital disposal for income tax purposes and will be treated as taking place at market value.
- Capital gains arising in APPCT on the disposal of the estate should be exempt from capital gains tax but only to the extent that the gains are applied for charitable purposes.

Cons

Tax Implications cont.

- Risk that capital gains will not be exempt from tax as APPCT's charitable objectives would be transferred to APTL with the estate.
- APTL will need to consider how it raises funds to acquire the estate.
- APTL subject to Stamp Duty Land Tax.
- There is a risk that APTL may not have sufficient cash to make gift aid payments to fully mitigate its taxable profits if obligated to use generated income on refurbishing the estate.
- Model could result in a tax liability arising on income which could have fallen within charity tax exemptions or Gift Aid.

4. Patron's

Pros

Governance Implications

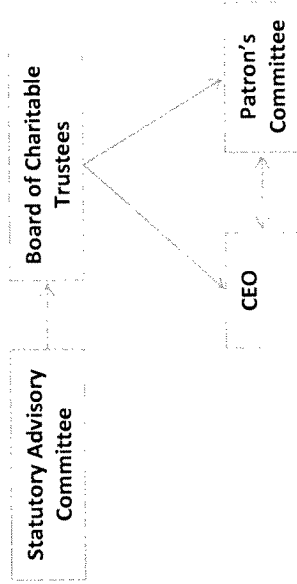
- Trustee skill set is widened.
- SAC provides stakeholder voice.
- Specialist advisors appointed on the enlarged Board.
- Single set of Board papers for whole entity.

Tax Implications

- Income and corporation tax implications remain the same if legal structure remains.

Charities Implications

- Some independence is created through the introduction of independently appointed representatives.



Cons

Governance Implications

- Board of Trustees retain political interest.
- May not provide mitigation of Trustees being annual members.
- Independent members of Board have no voting rights.
- Role of the Patron's Committee risks duplication of responsibilities with other parts of structure.

Tax Implications

- Depending on how two Boards are combined, a VAT charge could arise upon the transfer of asset.
- May be necessary to consider the appropriateness of current VAT arrangements.

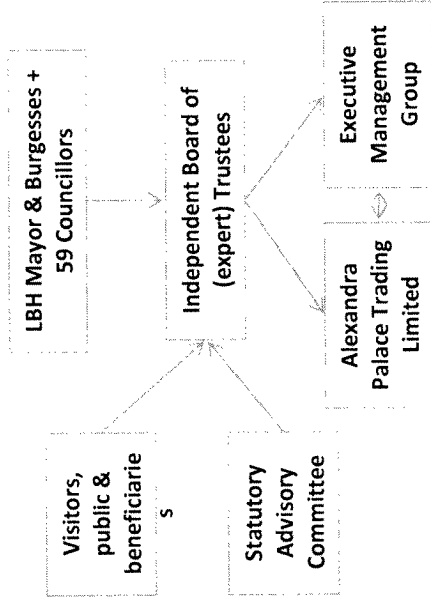
Charities Implications

- Charity guidelines require that Trustees be independent however there is a conflict between the local Government and Housing Act 1989 which states only LBH Councillors can vote. This model has not addressed the role of LBH in appointing Trustees.
- Charity could not trade for certain activities therefore needs a trading subsidiary.

Pros

- Governance Implications**
- Broader skill set on the Boards.
- Charities Implications**
- Some independence is created through the introduction of independently appointed reps.

5. Beneficiaries



Cons

- Governance Implications**
- Careful due diligence required to ensure objects of charity are safeguarded.
 - Possible loss of control by LBH if decision-making powers transferred to another body.
 - The ability to take single control over Park and Palace estate and to use this leverage to drive income earning potential upwards. Is limited due to the need to have two separate Board (between the Trustees and APTL).
 - Financial arrangements (particularly Gift Aid (from LBH to Trustees) is not clear and may hinder medium term financial planning.

Tax Implications

- A VAT charge could arise if assets are transferred with the transfer of function.
- May be necessary to consider the appropriateness of current VAT arrangements.
 - The disposal of the estate from APPCT to APTL will be a capital disposal for income tax purposes and will be treated as taking place at market value.

Cons

Tax Implications cont.

- Capital gains arising in APPCT on the disposal of the estate should be exempt from capital gains tax but only to the extent that the gains are applied for charitable purposes.
- Risk that capital gains will not be exempt from tax as APPCT's charitable objectives would be transferred to APTL with the estate.
- APTL will need to consider how it raises funds to acquire the estate.
- APTL subject to Stamp Duty Land Tax.
- There is a risk that APTL may not have sufficient cash to make gift aid payments to fully mitigate its taxable profits if obligated to use generated income on refurbishing the estate.
- Model could result in a tax liability arising on income which could have fallen within charity tax exemptions or Gift Aid.

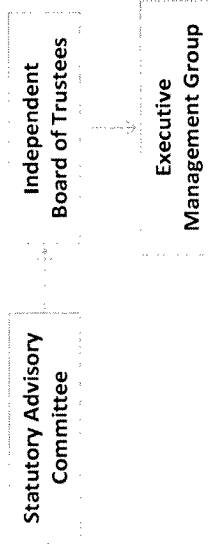
Charities Implications

- Charity guidelines require that Trustees be independent however there is a conflict between the local Government and Housing Act 1989 which states only LBH Councillors can vote.

Pros

- Unlocks goodwill and possible funding.
- LB Haringey removed.
- Lending funding to APPCT is wrong.
- Debt free.
- Brings boarder expertise to Board - skills (x 3 tables). Independence and degree of freedom (x 3 tables) - if funding can be resolved.
- Credibility in public's minds.
- Attract national heavyweights to bring attention to Alexandra Palace.
- Be clear that SAC is a combination of SAC and Consultative Committee.
- Flexibility to rally support from different groups.
- Liberation from political shackles.
- Simplicity/less layers (x 2 tables).
- Non-political.
- Clarity.
- Board must be professional with successful charity experience.
- People would want to join an independent Board of importance.
- Board has to listen to the SAC.
- SAC to include local people.
- Gives stakeholders influence.
- Provides accountability to funders.

Ultimate Solution



Cons

- Funding - where does it come from? (x 2 tables).
- Could LB Haringey give a grant rather than a loan?
- Appropriate developers?
- Appropriate funds?
- Only works if SAC is properly consulted.
- Needs a transitional stage [see record of Trustees Away Day discussion of this].
- Financial uncertainty.
- Needs a dowry from LB Haringey.
- What happens to the historic debt?
- [Requires] change in legislation.
- Danger of ineffective management.
- Concern about abuse of power - no accountability, detrimental decisions could be taken (x 2 tables).

APPENDIX 3 – KEY PROJECT MILESTONES

KEY MILESTONES: MARCH 2010 – MAY 2010

	Feb 2010	March 2010	March/April	May 2010	Summer 2010	Late Summer 2010
	<ul style="list-style-type: none"> • Informal meeting with the Charity Commission • SAC and CC presentation of NCVO code 	<ul style="list-style-type: none"> • Consider pros and cons of structural options at APPCT Board • Open Day and public roadshow 	<ul style="list-style-type: none"> • Meet trustees of similar venues 	<ul style="list-style-type: none"> • Induction for new trustees 	<ul style="list-style-type: none"> • In principle support for a preferred structure • Further legal/tax analysis commissioned 	<ul style="list-style-type: none"> • Trustee decision • Full Council decision



Agenda item:

ALEXANDRA PALACE & PARK BOARD

On 2nd March 2010

Report Title: **BUDGET 2010/11**

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

1. Purpose

1.1 To obtain Board approval for the proposed Trust revenue budget for the 2010/11 financial year.

2. Recommendations

2.1 The Board is asked to approve the Trust's proposed revenue budget for the 2010/11 financial year, which approval is subject to the Council agreeing to meet the deficit.

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 proposed revenue budget for the 2010/11 financial year is given at Appendix 1. The net deficit funding requirement is £2,199k in line with the anticipated allocation from the Council, which will be announced on 22nd February 2010.

3.2 The budget assumes that the £2m capital bid to address ice rink dilapidations is approved and that the Trust also secures capital funds to address key building dilapidations. The budget also assumes that the Council approves the £243k revenue growth bid to uplift the Trust's budget to current operating levels.

3.3 The detail of the budget is outlined in Section 7 to this report.

3.4 The budget contains a number of risks, which are highlighted in Section 8 of this report.

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. Background

- 6.1 In the current financial year, the revenue budget approved by the Board of Trustees was £300k in excess of the revenue budget allocation by London Borough of Haringey. The trustees resolved at their meeting of 19 March 2009 to formally request additional funding from the Council; however, LBH cabinet resolved not to grant the additional funding and requested that the Trust carry out a review of its costs to identify efficiencies.
- 6.2 The review was completed by the Interim General Manager and the results reported to the Board on 30th June 2009. Whilst potential savings of £238k were identified in the Trust's core budget, the Trust incurred a £202k cessation payment in June 2009 when its contract with Mitie Security expired and the company exited from local government pension scheme. The net saving identified in 2009/10 was thus £33k. The savings identified have been delivered in 2009/10 and have been factored into the budget for 2010/11.
- 6.3 The planning and budgeting process of the Trust has now been re-aligned with that of the Council. The Trust submitted a number of capital and revenue bids to the Council for 2010/11, which are summarised below:

Bid Type	Amount	Purpose
Revenue bid	£243k	To reflect the increased core revenue funding requirement of the Trust
Revenue bid	£211k	To cover the reduced gift aid payment from the trading company should the ice rink capital bid be approved
Revenue bid	£150k	To provide project support to work up a Master Plan for the development of the site
Revenue bid	£250k	Additional revenue funding required to cover repairs and maintenance expenditure should the capital bid to fund dilapidations work not be approved
Capital bid	£2m	To address ice rink dilapidations
Capital bid	£1m p.a. for three years	To address key buildings dilapidations

- 6.4 The Council's cabinet will announce their decision on the above bids on 22nd February 2010, following which an update will be provided to the Board on the amount allocated.

7. Trust Revenue Budget 2010/11

- 7.1 The proposed Trust revenue budget for 2010/11 is given at Appendix 1. This budget assumes that both capital bids, the £211k and £243k revenue bids are successful. The budget assumes a £2,199k revenue budget allocation from the Council as follows:

£1,745k	Core revenue budget uplifted for inflation
£243k	Revenue growth bid
£211k	Revenue bid – ice rink
£2,199k	Total

- 7.2 A separate project budget will be developed for the master planning work should this revenue bid be approved.
- 7.3 The income budget includes rental and service charge income from lease and concession holders, the APTL licence fee and income from community events (fireworks, circus, funfair and farmer's market).
- 7.4 The total prime costs budget of £1.385m includes £350k for salaries and £1.035m for the park maintenance, security and buildings maintenance contracts.

The salaries budget assumes that current staffing levels continue in 2010/11 and that the General Manager continues to be supported by a Facilities Manager to ensure the planned dilapidations work is implemented in a timely and cost effective manner.

The budget for the buildings security and maintenance contract assumes a small saving when the contract is re-tendered. The new contract will commence on 1st September 2010.

No allowance has been made for any cessation payment in relation to the local government pension scheme should the current contractor not win the tender and be required to withdrawn from the scheme. Advice has been sought from LBH pension team, who have confirmed that any cessation payment would be negligible should the staff member concerned transfer to the new contractor under TUPE.

- 7.5 Fixed overheads include rates, insurance and external audit. The insurance premium for 2010/11 has not yet been set and the budget assumes a 5% increase on 2009/10. The external audit budget reflects the revised fee from Deloitte and represents a £4k saving on the previous year.
- 7.6 Variable overheads include buildings, road and park repairs and maintenance, legal and professional fees, utilities, recruitment, depreciation and general office costs. The cost of staging the annual fireworks display is also included here.

- 7.7 The buildings repairs and maintenance budgets (£387k) assume that capital funds are secured from the Council to address key dilapidations and broadly reflect 2008/09 expenditure levels. The road repairs budget (£60k) has also been held at the current year's expenditure level. The professional fees budget (£100k) includes £40k for procurement support in relation to the new security and facilities management contract. The £72k legal budget includes recharges from LB Haringey's legal team as well as the Trust's own legal support. This budget is below current year spend and has been calculated to cover the Trust's core legal requirements.
- 7.8 The budget for park maintenance and security (£102k) has been held at the current year's expenditure level. The utilities budget has been reworked based on detailed analysis done during the year of the allocation of utility costs between the Trust and Trading company. The Trust's allocation is approximately 10% of the total bill. The budget assumes a 15% increase in the contract price for gas and electricity from 1st October 2010 and is based on usage estimates similar to 2009/10.
- 7.9 The fireworks budget has been retained at £100k, consistent with the 2009/10 budget but below actual expenditure. The Trading Company is currently exploring sponsorship options on behalf of the Trust but this clearly represents a risk if a suitable sponsor is not identified.
- 7.10 The budget for governance work has been retained at £30k
- 7.11 The APTL gift aid payment has been budgeted at £239k. This assumes that the project to address ice rink dilapidations goes ahead and that the ice rink is unavailable for six months while the work is completed.
- 7.12 The net deficit funding requirement is £2,199k, in line with the expected allocation from the Council. The actual funding allocation for 2010/11 will be announced on 22nd February 2010.

8. Risks

- 8.1 A budget is an estimate based on assumptions that may change over time and will inevitably contain risks. The risks can be mitigated to some extent by regular budget monitoring, reforecasting and taking corrective action but they cannot be removed. The key risks associated with the Trust budget are:
- The Trading Company is unable to deliver the anticipated £239k gift aid payment due to the economic climate or other factors beyond its control;
 - Sponsorship for the fireworks display is not secured and costs exceed the £100k budgeted
 - Public donations for the fireworks are lower than budgeted
 - The anticipated savings on the buildings security/maintenance contract are not deliverable
 - Utilities estimates are inaccurate

- Any cessation payment due upon the expiry of the security contract is larger than anticipated (see para 7.4)
- Additional legal work is commissioned and costs exceed the £72k budgeted

9. Consultation

9.1 N/A

10. Legal and Financial Comments

10.1 LB Haringey Chief Financial Officer comments:

‘The proposed budget is in line with the budget being recommended for approval by the Council. The trust should ensure that it takes the necessary action in order to mitigate the risks to the budget highlighted within this report.’

The trust's solicitor's advice has been taken into account in the preparation of this report

11. Equalities Implications

11.1 There are no perceived equalities implications in this report.

12. Use of Appendices / Tables / Photographs

12.1 Appendix I – Trust Revenue Budget for 2010/11

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APPENDIX 1

TRUST REVENUE BUDGET 2010/11

INCOME	BUDGET 2010/11 £
SUNDRY SALES	100
COMMUNITY EVENTS INCOME	58,745
CONCESSION INCOME	10,000
LEASE INCOME	315,445
 SERVICE CHARGES	 12,000
 TOTAL INCOME	 <u>396,290</u>
 EXPENDITURE	
SALARIES	350,102
PARK CONTRACT	258,000
SECURITY/MAINTENANCE CONTRACT	777,139
TOTAL PRIME COSTS	<u>1,385,241</u>
 FIXED OVERHEADS	
GENERAL RATES	50,000
GENERAL INSURANCES	248,325
AUDIT	14,750
TOTAL FIXED OVERHEAD COSTS	<u>313,075</u>
 VARIABLE OVERHEAD	
REPAIRS - BUILDINGS	270,900
REPAIRS - ROAD	60,000
REPAIR/ MAINTAIN - EQUIPMENT	116,380
IT EXPENDITURE	12,000
INTERNAL AUDIT	6,175
PROFESSIONAL FEES	100,000
LEGAL COSTS	71,895
CENTRAL ADMIN. CHARGES from LBH	10,000
MAINTENANCE - PARK	90,000
PARK SECURITY	12,000
UTILITIES	61,376
TELEPHONE EXPENSES	11,500
OFFICE COSTS	10,815
CLEANING COSTS	18,700
SUNDRY EXPENSES	5,000
MARKETING EXPENSES	5,000
COMMUNITY EVENTS (fireworks)	100,000
STAFF TRAINING AND WELFARE	5,900
RECRUITMENT EXPENSES	10,000
DEPRECIATION	128,533
TOTAL VARIABLE OVERHEAD COSTS	<u>1,106,174</u>
GOVERNANCE COSTS	30,000
TOTAL OVERHEADS	<u>1,449,249</u>
 TOTAL INCOME	 396,290
TOTAL EXPENDITURE	2,834,490
 TRUST OPERATING LOSS	 (2,438,200)
APTL GIFT AID PAYMENT	239,000
TRUST TOTAL OPERATION	<u>(2,199,200)</u>

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ALEXANDRA PALACE & PARK BOARD

On 12th 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 ten month period to 31st January 2010 and the forecast outturn for the 2009/10 financial year.

2. Recommendations

2.1 The Board is asked to note the results for the ten month period to 31st January 2010 and the forecast outturn for the 2009/10 financial year

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

A handwritten signature in blue ink, appearing to be 'AG', is written next to the name Andrew Gill.

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 ten month period ended 31st January 2010 are tabulated against budget at Appendix 1.

3.2 Income is £33k above budget and expenditure is £137k above budget, giving a net adverse variance against budget of £105k. 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 £372k higher than the budget approved by the Trustees at their meeting of 30th June 2009. This compares with a variance of £358k reported to the Board on 12th January 2010.

3.4 The additional funding requirement of £14k is due to a reduction in the forecast gift aid payment from the trading company from £477k to £454k, as presented to the Trading Company Board on 19th February 2010. 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 31st January 2010

6.1 The results for the period ended 31st January are shown in Appendix 1. Overall, income is £33k above budget and expenditure is £137k above budget, giving a net adverse variance against budget of £105k.

6.2 Income is £33k above budget due to the receipt of £21k 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. £12k of the restricted funds has been spent year to date; the forecast assumes these monies are fully spent by year end and any unspent funds will be carried forward to 2010/11.

6.3 Concession/lease income is £4k above budget due to a backdated rent review on the Vodafone lease. Sundry sales are £4k below budget.

6.4 Prime costs are £70k or 5% over budget for the year to date. Salaries are £79k above budget due to higher management costs and increased staff costs during the secondment period. Contracted services are £9k 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 £21k above budget due to a £41k overspend in legal costs offset by a £20k underspend in audit and central admin charges. Legal fees include fees from LBH Legal Services Team as well as Howard Kennedy.

Variable overheads are £46k 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	(£38k)	Due to essential repairs and maintenance expenditure, as previously reported
IT expenditure	(£13k)	Increase in ongoing IT support and maintenance charges
Community events	(£43k)	This budget was previously forecast to be overspent by £18k. Additional costs include invoices from Performing Rights Society and event management costs.
Recruitment	(£27k)	Recruitment fees for APTL non-executive Directors
Path and road repairs	£18k	Due to the timing of invoices – not expected to be underspent by year end
Depreciation	£31k	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
Water	£5k	Bills lower than estimate
Internal audit	£5k	Work to commence from April 2010
Other	£7k	Other net under/overspends
Total overspend	(£46k)	

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 £371k on budget. This compares with a forecast overspend of £358k as reported to the Board on 12 January 2010, an increase of £13k. This is due to a £23k reduction in the expected gift aid payment from Alexandra Palace Trading Limited, now forecast at £454k. This is offset by a £10k reduction in the forecast overspend against the Trust's revenue budget.

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.

- 7.3 Income is forecast to be £33k higher than budget, which broadly reflects the YTD position, although any remaining budget for sundry income has been removed. No other significant variances from the income budget are anticipated.
- 7.3 Salaries are forecast to be £133k above budget by year end, compared with £127k reported to the Board in January 2010. The increase is due to some additional Facilities Management support for contract procurement.
- 7.4 Contracted services are forecast to be £8k underspent against budget for the year due to savings in park security and park maintenance, although the Parks Manager does not expect his budget to be underspent overall by year end. The budget approved by the Board on 30th 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 £25k overspent by year end compared with £33k reported on 12th January 2010. Fixed overheads include savings of £30k in central admin charges and £3k in insurance when compared with the original budget, which are being delivered. The forecast overspend relates to legal fees.
- 7.6 Variable overheads are forecast to be £103k overspent by year end compared with £95k reported on 12th January 2010. The £8k increase is primarily due to late invoices associated with the fireworks (see 6.4 above).
- 7.7 Development costs are forecast to be £5k above budget; this represents the Trust's contribution to the governance and branding work.

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:

The forecast outturn reported here is noted and the Board members should note that while this is £371k over the trust's budget, it is £585k above the budget held by the Council to cover the Trust's deficit position. The trust should ensure that no non-essential expenditure is incurred between now and the end of the year in order to minimise the deficit position.

10. Equalities Implications

- 10.1 There are no perceived equalities implications in this report.

11. Use of Appendices / Tables / Photographs

- 11.1 Appendix I – Actual versus budget for the period ended 31st January 2010
11.2 Appendix 2 – Forecast outturn for the 2009/10 financial year

APPENDIX 1

ALEXANDRA PALACE AND PARK CHARITABLE TRUST

ACTUAL VERSUS BUDGET FOR THE PERIOD ENDED 31st JANUARY 2010

	Budget To Date	Actuals To Date	Variance To Date	Variance % To Date	Annual Budget
Concessions/Leases	248,042	252,050	4,008	2%	297,650
Community Events	49,083	59,813	10,730	22%	50,000
Sundry Sales	4,167	275	(3,892)	-93%	5,000
Service Charges	0	1,150	1,150	0%	12,000
Restricted income	0	20,710	20,710	100%	0
TOTAL INCOME	301,292	333,998	32,706	11%	364,650
EXPENDITURE					
Salaries	275,734	354,831	(79,097)	-29%	294,145
Contracted Services	1,088,100	1,079,318	8,782	1%	1,252,000
TOTAL PRIME COSTS	1,363,834	1,434,149	(70,315)	-5%	1,546,145
Fixed overheads	306,666	327,920	(21,254)	-7%	368,000
Variable overheads	814,090	859,743	(45,653)	-6%	987,515
TRUST BEFORE DEVELOPMENT COSTS	(2,183,298)	(2,287,813)	(104,515)	1%	(2,537,010)
Development costs	34,500	34,671	(171)	0%	30,000
TOTAL TRUST OPERATION	(2,217,798)	(2,322,484)	(104,686)	1%	(2,567,010)
Gift aid payment from APTL	0	0	0	0%	600,000
TRUST NET DEFICIT	(2,217,798)	(2,322,484)	(104,686)	1%	(1,967,010)

APPENDIX 2

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

FORECAST OUTTURN FOR THE 2009/10 FINANCIAL YEAR

	Actuals to January	Forecast Feb-Mar	Forecast Total	Annual Budget	Variance	Variance %
Concessions/Leases	252,050	49,608	301,658	297,650	4,008	-4%
Community Events	59,813	917	60,730	50,000	10,730	8%
Sundry Sales	275	833	1,108	5,000	(3,892)	-50%
Service Charges	1,150	12,000	13,150	12,000	1,150	10%
Restricted income	20,710	0	20,710	0	20,710	100%
TOTAL INCOME	333,998	63,358	397,356	364,650	32,706	2%
EXPENDITURE						
Salaries	354,831	72,098	426,929	294,145	(132,784)	-42%
Contracted Services	1,079,318	164,985	1,244,303	1,252,000	7,697	0%
TOTAL PRIME COSTS	1,434,149	237,083	1,671,232	1,546,145	(125,087)	-8%
Fixed overheads	327,920	65,167	393,087	368,000	(25,087)	0%
Variable overheads	859,743	231,143	1,090,886	987,515	(103,371)	-9%
TRUST BEFORE DEVELOPMENT COSTS	(2,287,813)	(470,035)	(2,757,848)	(2,537,010)	(220,838)	-8%
Development costs	34,671	0	34,671	30,000	(4,671)	-17%
TOTAL TRUST OPERATION	(2,322,484)	(470,035)	(2,792,519)	(2,567,010)	(225,509)	-8%
Gift aid payment from APTL	0	454,000	454,000	600,000	(146,000)	0%
TRUST NET DEFICIT	(2,322,484)	(16,035)	(2,338,519)	(1,967,010)	(371,509)	-10%

**UNRESTRICTED MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD
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PRESENT : * denotes attendance

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

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

Observer: Mr D. Liebeck

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

APBO01.	<p>APOLOGIES FOR ABSENCE</p> <p>An apology for absence was received on behalf of Councillor C. Harris, and for lateness from Mr Willmott.</p> <p>NOTED</p>
APBO02.	<p>URGENT BUSINESS</p> <p>The Clerk to the Board – Mr Hart advised that there were no items of urgent business.</p> <p>The Chair advised that Board Members had been emailed a communication from Mr O’Callaghan in relation to agenda item 6 – The Way ahead – Governance review and vision development for Alexandra Palace. The Chair, in acknowledging receipt of the contents of the email, advised that the governance issue would be raised for discussion at the Consultative Committee on 16 February 2010 and a number of the matters raised by Mr O’Callaghan would be addressed during the introduction of the report this evening.</p> <p>NOTED</p>
APBO03.	<p>DECLARATIONS OF INTERESTS</p> <p>The Clerk to the Board – Mr Hart advised the Board that those members who sat as Directors to the Board of Alexandra Palace Trading Limited were required to declare a personal interest and prejudicial interest with regard to agenda items 15 & 16. However those declaring would be able to remain during consideration of</p>

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	<p>item 15, but to leave the proceedings for Item 16.</p> <p>Councillors Egan and Scott respectively declared a personal interest and prejudicial interest with regard agenda items 15 & 16, and also declared interests of the same nature on behalf of Councillors Hare and Thompson, who were currently not in attendance but would be arriving shortly.</p> <p>Ms Parker – Director of Corporate Resources – LB Haringey also declared an interest in Exempt Items 15 – 16 as Director of Alexandra Palace Trading Limited.</p> <p>Ms Downie – Head of Finance – Alexandra Palace declared an interest in Exempt Items 15 – 16 as Head of Finance Alexandra Palace Trading Limited.</p> <p>Ms Kane – Managing Director Alexandra Palace Trading Limited declared an interest in Exempt Items 15 – 16 as Managing Director Alexandra Palace Trading Limited.</p> <p>NOTED</p>
<p>APBO04.</p>	<p>QUESTIONS, DEPUTATIONS OR PETITIONS : TO CONSIDER ANY QUESTIONS, DEPUTATIONS OR PETITIONS RECEIVED IN ACCORDANCE WITH PART 4, SECTION B29 OF THE COUNCIL'S CONSTITUTION</p> <p>Nil</p>
<p>APBO05.</p>	<p>THE WAY AHEAD - GOVERNANCE REVIEW AND VISION DEVELOPMENT FOR ALEXANDRA PALACE</p> <p>The Chair asked for a brief introduction of the report.</p> <p>Ms Kane – Managing Director – Alexandra Palace Trading Limited (APTL) advised the Board that the Project Steering Group (PSG), which presently included internal and external members, had assisted the progress of this project work and was led by her. The PSG had met on 13 November and agreed in principle the overarching programme for project delivery between Nov 2009 and Mar 2010. This had since been amended to reflect the cancellation of the APPCT Board meeting on 17/12/09 and activities delayed by one month.</p> <p>Ms Kane outlined the recent background work and reminded the Board of its Trustee Away Day on 26 September 2009 which had engaged the Board in the initial stages of the governance project and had been formulating a new vision for the future of Alexandra Palace - also known as the branding review. A summary of outcomes was reported to the Board on 15 October 2009. Ms Kane also advised of the Stakeholder Forum which had taken place on 24 October, and had been attended by c.40 invited stakeholders. The Forum had helped to develop some key themes for a future draft vision, and had resulted in clear pros and cons for various structural options, and three new options were proposed for further deliberation. Ms Kane referred to the Board to appendix 1 of the report which set out the key milestones during the period from November 2009 to March 2010, which had now been slightly revised. Also further comments had been sought from stakeholders and their constituents/contacts and these findings were attached at appendix 2. Ms Kane briefly outlined the responses in relation the structural</p>

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options, branding, governance, and general issues.

(Councillors Hare and Thompson arrived at 19.40hrs).

Ms Kane briefly outlined the recent work of KPMG in applying an assessment of tax, legal and local government implications to the three new structural options proposed at the Stakeholder Forum, and KPMG had advised about the viability of all three proposals and whether they would warrant further investigation. Ms Kane referred the Board to the structural options under consideration detailed in Appendix 3 of the report and briefly outlined each of the models:

The Management Committee Model

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

The Streamlined Model

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

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

Delegation to APTL

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

Patron's model

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

The Beneficiaries Model

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

Ms Kane also advised the Board that a communications strategy had been drawn up and issued for tender and had resulted in two submissions.

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Following evaluation of both bids, Bell Pottinger was appointed. The scope of their appointment depended on the allocation of funding which officers were attempting to find from existing budgets. It was the case that Bell Pottinger had been asked to review their bid and prioritise activity for 2009/10 which resulted in a reduction from £35k to £31k. This had then been subjected to further review by Project Steering Group (PSG) on 4 January 2010.

Ms Kane also advised the Board that the work of the PSG established in assisting with the detailed project work in terms of the 'way ahead' should be formally noted, and that it be stressed that this body were not making any formal decisions but recommended options for the Board to consider as part of a continuing process, operating as a forum for preparing recommendations to the Board which supported the project.

There being no comments from the Board the Chair summarised and it was:

RESOLVED

- i. that support be given to the overarching programme for delivery as outlined in (Appendix 1) of the report;
- ii. that it be noted that the three new structural options as detailed in appendix 3 of the report, and as proposed by attendees at the Stakeholder Forum on 24 October 2009, had been subject to further scrutiny by KPMG and their opinion sought re the validity of these options for further work.
- iii. that the sum of £46k required to deliver the remainder of the project by year end, including delivery of the Communications Strategy (£31k) and further legal and tax advice on any preferred structural option be noted: and .
- iv. 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 Alexandra Palace and Park Board which support the project.

APBO06. INTERNAL AUDIT PLAN 2010/2011

The Chair asked for a brief introduction of the report.

The Head of Finance – Alexandra Palace Ms Downie advised the Board that 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, Ms Downie advised that Mazars had been appointed internal auditors to the Trust following a competitive tender process. With reference to the appendices

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attached to the report – Ms Downie advised that Appendix 1 & 2 detailed the Internal Audit Strategy and Internal Audit Plan for the financial years 2010/11 through to 2012/13.

Ms Downie advised that at this stage the Board was being asked to review and approve the Internal Audit Strategy and the Internal Audit Plan for 2010/11, and that it should be noted that with future annual audit plans these would be reviewed and approved prior to the commencement of the financial year in question. Ms Downie also advised that the Internal Audit Plan recommended a total of 13 days be committed in 2010/11, resulting in a cost of £6,175 excluding disbursement.

In thanking Ms Downie for her introduction, the Chair welcomed Mr Richard Bott from Mazars. The Chair agreed to suspend Standing Orders in order for Mr Bott to address the Board.

Mr Bott thanked the Chair and briefly outlined to the Board the draft strategy and operational plan for the period 31 March 2011 as detailed in appendix 1 of the report.

Mr Bott detailed:

- The scope and purpose of internal audit
- The Internal audit strategy and Audit Needs Assessment Process (ANA)
- Prioritisation of coverage and resources
- Strategy/Operational Audit Plan for the period ending 31 March 2011

The Chair asked if there were any points of clarification from Mr Bott.

In response to questions from Councillors Thompson and Hare Mr Bott advised that Mazars would use their professional judgement with regard to flagging any control weaknesses identified to the Board. Mr Bott also responded that the proposed governance arrangements and risk management framework of the Trust should prevent a trustee from embarking on a course of action that could be detrimental to the Trust.

The Interim General Manager Alexandra Palace – Mr Gill advised the Board that at Appendix A - page 22 there was clear detail that allowed for follow-up on governance work.

Mr Tarpey sought clarification as to the stated 13 days of work and whether these were company days, or individual person days. Mr Tarpey also commented that perhaps 1 full day to assess core financial controls was not sufficient, as he did not feel that, and with no disrespect, that given that Mazars were new to the organisation.

In response Mr Bott advised that the 13 days were person days and that time had been allowed in the APTL internal audit plan to review core financial controls. As the same financial controls were relied upon by the two entities, 1 day was felt to be sufficient in this instance.

There being no further questions the Chair thanked Mr Bott for his contribution

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	<p>and response, and agreed that standing orders be resumed.</p> <p>The Chair then summarised and it was:</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. That the Internal Audit Strategy (as set out in Appendix A (Mazars' report)) be endorsed as covering the organisation's key risks; ii. that the Internal Audit Strategy be endorsed as including all areas required 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 of Alexandra Palace; iii. That the areas identified in the Strategy and Plan for the period ending 31st March 2011 be endorsed as those areas to be covered as a priority, and that the level of resources identified for the purpose were appropriate given the assurances required; iv. that approval be given, in principle, to the endorsement of the plan for the period ending 31st March 2011 and the corresponding cost of £6,175 excluding disbursements and VAT; and v. that power be delegated to the Interim General Manager Alexandra Palace to set the exact internal audit fee for 2010/11, dependent on the amount of follow-up work required, and that the Head of Finance be authorised to provide for these costs within the Trust revenue budget for 2010/11.
<p>APBO07.</p>	<p>FINANCE UPDATE</p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Head of Finance – Alexandra Palace Ms Downie reported the report before the Board detailed the financial results for the eight month period to 30 November 2009 and the forecast outturn for the 2009/10 financial year. Ms Downie advised the Board that overall, year to date income was £20k above budget and expenditure was £121k above budget, giving a net adverse variance against budget of £101k. Income was £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 included public donations for the fireworks, which were £6k above budget. Concession/lease income was £5k below budget due to the delay in signing the Workshop lease. This had now been signed with the leaseholder commencing trading. Sundry sales were £3k below budget.</p> <p>Ms Downie reported that prime costs were £57k (5%) over budget for the year to date, with salaries £68k above budget due to higher management costs and increased staff costs during the secondment period. The contracted services were £11k below budget in the areas of park security and park maintenance, although the Park Manager had indicated there was likely to be an underspend in his budget overall by year end. In respect of fixed overheads Ms Downie reported that these were £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 was due to the timing of invoices and the forecast had been adjusted to reflect this.</p>

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	<p>Ms Downie, in reference to the forecast gift aid payment from Alexandra Palace Trading Limited, advised that this had now been reduced to £477k, as reported to the APTL Board. Ms Downie commented that the APPCT Board had 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 was difficult to predict until after the World Darts Championships, which made a significant contribution to the Trading Company's net profit for the year. Ms Downie commented that the £477k represented a realistic target taking into account year to date performance, contracted and pipeline bookings for the remainder of 2009/10.</p> <p>Ms Downie concluded that as previously reported, the Trading company's performance was monitored by the APTL Board and Senior Management Team on a monthly basis and the Managing Director liaised closely with the Interim General Manager of the Trust to highlight areas of concern.</p> <p>Following responses to questions in relation to matters contained within the circulated report the Chair summarised and it was:</p> <p>RESOLVED</p> <p>that the results for the eight month period to 30 November 2009, and the forecast outturn for the 2009/10 financial year be noted.</p>
<p>APBO08.</p>	<p>EXECUTIVE BRIEFING</p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Interim General Manager Alexandra Palace – Mr Gill advised the Board that the report informed the Board of the identified key priorities for action and actions taken to date, including the management of risks and legislative and regulatory compliance. Mr Gill informed Members that while much progress had been made since June 2009 on the key priority areas, this report highlighted some areas of further development and capacity building. 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.</p> <p>Mr Gill went on to advise that the report detailed:-</p> <ul style="list-style-type: none"> • a draft Risk Register which identified the key risks to the Trust, and quantified those risks in terms of probability and severity of impact • a list of the controls necessary for mitigating risks • an Action Plan to deliver the controls, which scored the risks before and after mitigation <p>Mr Gill also commented on the Trust's Business Plan for 2009/10, and APTL that of APTL's (reviewed annually). The IGM is working on a draft Business Plan to cover 3 years from April 2010 to April 2013.</p> <p>Mr Gill went on to briefly explain the contents of both appendices attached to the</p>

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report in respect of Risk Register (being one of the outcomes of the Governance Action Plan), and the Compliance Matrix which was drawn up to monitor and record current status and compliance level of key features, operation and facilities management in accordance legislative, regulatory and safety requirements. Mr Gill reminded the Board that previous reports (in June and October 2009) had detailed progress towards completing the actions arising from the recommendations in the Follow-up Internal Audit report in April 2009. Mr Gill reported that several of the audit recommendations had been addressed by action taken by him and his team, and of the original twelve recommendations - ten had been addressed and/or were in progress. The remaining two recommendations (Corporate Governance and Risk Management Framework) were being addressed by the Review of Governance & Branding Project and the Business Planning work in train. Consideration was being given to the Trust adopting the NCVO "Good Governance Code".

Mr Gill requested that Board Members provide comments to him, in particular on the risks he had identified. Mr Gill went on to further advise that in addition to the tasks and activities that trustees were aware of, he identified the following key priority areas for his team during 2009/10 (following the advice by expert consultants in the fields of Facilities Management and Healthy and Safety);

- 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)

Mr Gill also referred to each of the key priorities, and action taken to date and remaining actions in the Draft Risk Register at Appendix 1.

In highlighting each element of both appendices Mr Gill commented on the importance of working in a culture of good safety management which had been enhanced in the past few months throughout the site by the greater involvement of managers and improved awareness of both staff and contractors of the need for good management of safety.

Mr Gill referred to the financial situation of the Palace as detailed at para 6.6 of the report and in particular advised that the Trust had submitted a bid to the Council in respect of the Trust's revenue budget for 2010/11. The bid represented 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 assumed that the dilapidations capital bid was not successful but that the ice rink capital bid were to be successful. However this did represent the 'worst case scenario' in terms of the impact on next year's revenue budget. The growth bids were:-

- Core budget uplift - £243k
- Repairs and maintenance - £250k
- Reduction in APTL gift aid payment - £211k
- Master Plan for Alexandra Palace - £150k

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Mr Gill advised that the bids would be considered by Cabinet and a formal decision will be taken in February 2010. Mr Gill also advised that the £300K capital investment awarded to the Trust by LB Haringey in June 2009 had enabled improvements to the lettable space and the outright purchase of equipment which was previously rented.

Item	Current Status at the 23/12/09
○ 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

Mr Gill, in concluding his introduction also reminded the Board of the Trust's present strategic objective which was the grant of a long lease to a single developer. Mr Gill advised that whilst it may take some time to develop new strategic objectives, it may now be appropriate for the Trust formally to resolve that its strategic objective was no longer the grant of a long lease to a single developer, and that the existing strategic objective could therefore be abandoned pending agreement on and adoption of a new objective.

The Chair thanked Mr Gill for his succinct introduction to the report. He also recorded his thanks to Mr Gill and his team for the efforts to produce such a detailed, concise and informative report.

The Board briefly discussed the report's contents and sought clarification to a number of points contained therein.

Councillor Hare also thanked officers for their efforts in producing such a comprehensive report and in particular welcomed the recommendation in relation to the Board formally resolving that its strategic objective was no longer the grant of a long lease to a single developer as detailed in para 2.4 of the report. He sought clarification as to whether this would have any specific significance with regard to future funding from the LB Haringey and whether funding had been given on the basis that this was only whilst the Board's primary objective was to grant a long lease to a single developer. In response the Director of Corporate Resources, LB Haringey – Ms Parker advised that the basis for the funding provision from LB Haringey was not specific.

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Following discussion as regards the wording of the recommendation in respect of the Board resolving its strategic objective the Chair summarised and it was:

RESOLVED

- i. that the content of the report and appendices be noted;
- ii. that the Draft Risk Register be agreed together with the stated timescales and priorities;
- iii. that the development of the three-year Business Plan as detailed within the report be endorsed; and
- iv. that it be agreed that the current strategic objective to granting a long lease to a single developer no longer be the Board's primary objective, and that this strategic objective be abandoned, pending agreement on and adoption of a new objective by the Board.

APBO09. ADDITIONAL SOURCES OF INCOME FOR APPCT - SCOPING REPORT

The Chair asked for a brief introduction of the report.

The Interim General Manager – Mr Gill advised that Mr Evison the Park Manager would be presenting the report as Mr Evison had carried out the investigation work into proposals as part of a development project.

Mr Evison advised the Board that following on from the decision of the Board of 24 November 2009 which had resolved that the Interim 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.

Mr Evison referred to the financial position of the trust and advised that in summary the income was 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 donation cash collection)

In advising that that the current budget for maintaining Alexandra Palace Way and the other park roads and paths was £60,000, Mr Evison outlined the four options for generating additional income that could be considered together with the legal, financial and practical impacts:

Implementing a toll on Alexandra Palace Way

Mr Evison reported that in respect of the option of 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 was

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because the Alexandra Park and Palace Acts and Orders 1900 to 2007 did not authorise charging save for specific purposes of which a road toll levy is not one. Mr Evison referred to the advice of the Trust Solicitor that such primary legislation could take more than two years to complete via a private bill. If permission was granted for a toll it would require significant infrastructure in the form of barriers and toll-booths, and construction and implementation would follow the legislation taking perhaps a further 12 months. If a toll was enforced, drivers could easily take alternative routes so there may be little traffic to collect fees from. There would also be issues with regard to difficulties with regard to leaseholders from the trustees, in particular the Garden Centre. It, together with its lawful visitors, would have a right under the lease to pass over the trustee's land for access purposes without charge, and therefore arrangements to permit this would need to be negotiated.

Implementing a charging regime on the existing car parks

Mr Evison reported that the trustees could be authorised by an order made under section 17 or 26 of the Charities Act 1993 to levy car park charges. Mr Evison advised that 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.

Mr Evison went to outline that a section 26 order was a comparatively more straightforward, cheaper and simpler process than a section 17 order or primary legislation. It was however the Charity Commission's scheme, made at the request of the trustees. The Commission may give directions for advertising and possibly consultation. In terms of the administration of this option new infrastructure would be required including, road markings, signs and pay & display machines, and this could be implemented within perhaps six-months after an Order. As a result there would be revenue generated from the ticket sales and fines issued. Mr Evison commented that if the LB Haringey 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 were technically "trust monies" terms for engaging any enforcement contractor would have to be agreed. 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.

With regard to income from charges Mr Evison reported that the former General Manager had estimated in 2005 that car park charging could generate between £750,000 and £1 million per annum, after initial setup costs. There was however no documentation to assess the accuracy of this estimate and the methodology of its calculation. A full cost-benefit analysis will need to be carried out as part of the further scoping paper. Also following a feasibility study of the car park charging option, the Board may wish only to seek the power to levy car park charges and then consider implementing appropriate charges as part of the overall master planning scheme.

Construction of a multi-story car park

Mr Evison advised that the 1985 Alexandra Park and Palace Act authorised

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the Board 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 empowered the Board or any other person, to make reasonable charges to the public for the use of such car park. Mr Evison further advised that increasing the overall available car parking capacity would increase the desirability of the palace as a venue and could increase hall bookings, and if more visitors attended the associated food and beverage sales may increase. In respect of likely costs these could well be extremely large, but could possibly be funded by prudential borrowing. Mr Evison advised that planning permission was likely to be required for this scheme and the timescale would be measured in years.

Enforcing road traffic infringements and collecting fines

In respect of this option Mr Evison reported that Alexandra Palace Way had a speed limit of 20mph and a number of no-overtaking zones, pedestrian crossings and traffic lights, though enforcement of these was not currently carried out. The permanent speed cameras were operated by the Camera Safety Partnership, and a new camera required a collision history of four KSI (killed or seriously injured) in 36 months though this was not a factor for Alexandra Palace Way. There were also Mobile speed cameras operated by the Metropolitan Police and a request had been sent for consideration. Other traffic infringements may possibly be enforced by cameras and generate fines.

Mr Evison advised that the capital cost to install the cameras was potentially quite small and could be completed fairly quickly. However processing the penalty notices and pursuing those who did not pay could be difficult and would have potential cost implications as at present the only method of claiming the penalty fee was by complaint through the magistrate's court.

The Chair, in thanking Mr Evison for his succinct introduction, referred the Board to the option in relation to Toll charges for the private road. The Chair expressed a view that the Board should reject this option, together with the option in respect of the multi-storey car-park, and asked that the Board support this course of action, and ask for further feasibility studies in respect of the options for charging for use of the car park, and road traffic infringements.

Councillors Hare and Scott, in sharing the Chair's views, also felt that the rejected options could be explored at a later date if the Board felt in the future that they should be examined further, and that at the current time only focus on the 2 viable options.

Councillor Scott, in reference to the option of speed enforcement, commented on whether there could be a speed camera system installed with a camera at each end which logged the speed and time taken by a vehicle between the 2 camera points. He also asked whether it would be legal for the Palace to enforce a speed restriction and cameras as owner of the road, and if there were similar arrangements and enforceable restrictions for the LB Haringey to apply.

In response the Trust Solicitor – Mr Harris advised that in terms of the private road it was for the owner to enforce whatever restrictions it wished, and therefore the Palace's position was different to that of the LB Haringey as the Local authority did not itself own the roads through the Borough. Mr Harris also advised

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that the by-laws that existed were enforceable by a private road owner though there may well be difficulties for the owner to then enforce any restrictions. It would be the case that where a speed infringement was found the owner would then have to apply to the Magistrate's court to enforce a fine as a penalty.

In response to further points of clarification from Councillors Scott and Williams as to whether an imposing of a fine was likely to be a non-starter, Mr Harris advised that in effect there were 2 separate issues. These were the enforcing of a by-law to impose a 20 mph speed limit through the private road, and then the issue of applying to the Court to recover the fine from the individual concerned.

The Chair commented that in view of Mr Harris's comments the speed enforcement option may also well be a non-starter given that there would costs involved to recover fines from magistrates etc.

Mr Harris advised that the report before the Board was a scoping paper which outlined the 4 options. It was therefore for the Board to decide whether the outlined options were individually to be worked up further or not pursued further. The whole of the scoping exercise had been to give outline views in respect of those 4 options the Board had asked to be scoped in November 2009. It appeared from the discussions that, at this stage, 1 option was an attractive one to pursue further and the other 3 were not.

Councillor Williams sought clarification as to whether the enforcement of traffic restrictions option would be difficult to apply. Mr Harris reiterated his earlier points and added that the option would be difficult to manage from an administrative perspective.

(Mr Willmott arrived at 20.40hrs)

In respect of the option of Car park charging the Chair felt that this option should be pursued further.

Mr Gill advised the Board that in respect of car-parking that once the Board had had the necessary powers it could choose to charge or not charge for car parking at the Palace and it could choose to suspend charging for a period of time if appropriate.

Councillor Hare commented that the public used the car-parks for a whole range of reasons – using the Phoenix Bar, going to a live concert, walking in the Park, and therefore in his view, he did not think that it was unreasonable to impose a charge.

In drawing the discussions to a close the Chair asked that should Board members have any other ideas for additional sources of income then they should feed these through directly to Mr Evison.

In response to points of clarification from Ms Paley and Councillor Thompson Mr Harris advised that the trustees Palace had always had the option to seek a power to charge but had never before decided to do so. The process for seeking agreement to car-park charging would be by way of applying to the Charity Commission for a Section 26 Order under the Charities Act. This would take

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	<p>some months to do but there was likely not to be any objection from the Charity Commission. Mr Harris also advised that in deciding not to pursue³ of the options the Board should state the reasons why it was not further pursuing those options.</p> <p>The Chair then summarised and it was:</p> <p>RESOLVED</p> <p>i. that the four options detailed in the scoping report as follows be noted:</p> <ul style="list-style-type: none"> a. Implementing a toll on Alexandra Palace Way b. Implementing a charging regime on the existing car parks c. Construction of a multi-storey car-park d. Enforcing road traffic infringements and collecting fees <p>ii. that in respect of options a, c and d above these options not be pursued at this time as it was not viewed that each option was a viable one, at this stage, due their being costly, unpractical, and difficult to administer; and</p> <p>iii. that in respect of Option b - implementing a charging regime on the existing car parks, the Interim General Manager be requested to carry out a more detailed feasibility study to be reported to a future meeting of the Board.</p>
APBO10.	<p>MINUTES</p> <p>RESOLVED</p> <p>That the unrestricted minutes of the meeting the Alexandra Palace and Park Board held on 24 November 2009 be agreed and signed by the Chair as an accurate record of the proceedings.</p>
APBO11.	<p>ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT</p> <p>Nil Items.</p>
APBO12.	<p>EXCLUSION OF THE PUBLIC AND PRESS</p> <p>RESOLVED</p> <p>That the press and public be excluded the from the meeting for consideration of Items 13, 14, 15, 16 as they contain exempt information as defined in paras 1,2, 3, and 5 of Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); 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.</p> <p style="text-align: center;">SUMMARY OF EXEMPT/CONFIDENTIAL PROCEEDINGS</p>

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APBO13.	MINUTES AGREED - the exempt minutes of the Alexandra Palace and Park Board of 24 November 2009.
APBO14.	ADVICE ON THE CURRENT POSITION IN RELATION TO POTENTIAL LITIGATION AGREED -THE RECOMMENDATIONS AS CONTAINED IN THE REPORT
APBO15.	CONFIRMATION OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS TO THE BOARD OF ALEXANDRA PALACE TRADING LIMITED AGREED -THE RECOMMENDATIONS AS CONTAINED IN THE REPORT
APBO16.	APTL LICENCE FEE 2010/11 AGREED -THE RECOMMENDATIONS AS CONTAINED IN THE REPORT
APBO17.	ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT Nil

There being no further business to discuss the meeting ended at 21.35hrs

COUNCILLOR PAT EGAN

Chair

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of the Local Government Act 1972.

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