



NOTICE OF MEETING

Alexandra Palace and Park Board

THURSDAY, 14TH OCTOBER, 2010 at 19:30 HRS - THE OLD BOXING CLUB,
ALEXANDRA PALACE, PALACE WAY, WOOD GREEN, LONDON N22 7AY.

Councillors: Egan (Chair), Strickland (Vice-Chair), Hare, Peacock, Scott, Stewart 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 with be dealt with at items 12 & 17 below)

3. DECLARATIONS OF INTERESTS

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

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

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

5. TO CONSIDER A REQUEST FROM THE FOLLOWING ORGANISATIONS FOR REPRESENTATION ON THE ALEXANDRA PALACE AND PARK CONSULTATIVE COMMITTEE (PAGES 1 - 2)

To consider a request from the following organisations for representation on the Alexandra Palace and Park Consultative Committee

- i. CUFOS
- ii. The Grove Café
- iii. Vitrine Ltd – The Lakeside Café

6. FINANCE UPDATE (PAGES 3 - 26)

Report of the Head of Finance Alexandra Palace -To advise the Board of the results for the five month period to 31st August 2010 and the forecast outturn for the 2010/11 financial year, and to update the Board on the capital and revenue growth bids submitted to the Council for 2011/12.

7. CAPITAL PROJECTS UPDATE (PAGES 27 - 32)

Report of the Interim General Manager – Alexandra Palace - To update the Board on the progress on Capital Projects during 2010/11, and to advise of a planned bid to the Council for Capital funding in 2011/12.

8. GOVERNANCE UPDATE (PAGES 33 - 44)

Report of the Interim General Manager – Alexandra Palace - including Matters arising out of the Governance report considered on 6 September 2010 : Appointment of Independent Advisors, 'Stakeholder Forum'.

9. BESPOKE CODE OF GOVERNANCE - PART 1 (PAGES 45 - 102)

Report of the Interim General Manager Alexandra Palace

10. FINAL CONSOLIDATED STATUTORY ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2010 (PAGES 103 - 162)

Report of the Head of Finance – Alexandra Palace - To approve the Annual Report and Consolidated Accounts of the Trust for the year ended 31st March 2010.

11. UNRESTRICTED MINUTES (PAGES 163 - 176)

To consider the unrestricted minutes of the special Alexandra Palace and Park Board held on 6 September 2010.

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

13. EXCLUSION OF THE PUBLIC AND PRESS

14. EXEMPT MINUTES (PAGES 177 - 186)

To consider the exempt minutes of the special Alexandra Palace and Park Board held on 6 September 2010.

15. FINANCE UPDATE (PAGES 187 - 202)

Report of the Head of Finance – Alexandra Palace

16. PROPERTY MATTERS (PAGES 203 - 210)

Report of the Park Manager – Alexandra Palace – To advise the Board of the first annual report regarding property issues of the leases and other property interests granted by the Municipal Corporation of Haringey as trustee of Alexandra Park and Palace.

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

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6 October 2010

Alexandra Palace and Park Board – 14 October 2010**AGENDA ITEM 6****REQUESTS FROM THE FOLLOWING ORGANISATION FOR REPRESENTATION ON THE ALEXANDRA PALACE AND PARK CONSULTATIVE COMMITTEE****INFORMATION ON EACH ORGANISATIONS****CUFOS**

This charity occupies the Old Station Building and the current lease was granted in 2001. They run the building as a community centre. At present about 25 local groups meet there regularly and they include a preschool, several toddler groups and a range of educational and leisure activities for children and adults. These include language, art and drama classes, several bands and health groups like yoga, Weightwatchers and the local Multiple Sclerosis Society. It is also hired out for private parties at weekends and so is fully used seven days a week

The Grove Café

The current kiosk was built as during the Heritage Lottery Funded Park improvement project. The current tenants have run the facility since it opened in mid 2007. They provide hot and cold food and drinks all year round in the Grove.

The Lakeside Café

This former boathouse was converted for use as a café during the Heritage Lottery Funded Park improvement project. This facility also opened in mid 2007. They provide hot and cold food and refreshments all year round. The lakeside café hosts the annual public outdoor art show. The lakeside café also has the only public wifi facility on site.

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Agenda item:

ALEXANDRA PALACE & PARK BOARD**On 14th October 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 five month period to 31st August 2010 and the forecast outturn for the 2010/11 financial year
- 1.2 To update the Board on the capital and revenue growth bids submitted to the Council for 2011/12.

2. Recommendations

- 2.1 The Board is asked to note the results for the five month period to 31st August 2010 and the forecast outturn for the 2010/11 financial year
- 2.2 The Board is asked to note the position on the capital and revenue bids

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

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

3. Executive Summary

- 3.1 The results for the five month period ended 31st August 2010 are tabulated against budget at Appendix 1.
- 3.2 Unrestricted income is £10.5k above budget and unrestricted expenditure is £77k below budget, giving a net positive variance against budget of £87k. The key variances are explained below.
- 3.3 The reforecast for the year is given at Appendix 2. The Trust unrestricted deficit for the year is currently projected to be £49k lower than budget, before the reforecast position of APTL is taken into account. The latter is covered in an exempt appendix to this report.
- 3.4 Appendix 3 provides an update on the capital and revenue bids the Trust has made to the Council.

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 August 2010

- 6.1 The results for the period ended 31st August 2010 are shown in Appendix 1. The restricted/designated element of the Trust's budget relates to capital grants from LB Haringey. £300k was secured in 2009/10 for targeted capital purchases to support the operations of the trading company, with £500k secured in 2010/11 for key building dilapidations work. The variable overhead expenditure in this column represents depreciation against those capital purchases.
- 6.2 Unrestricted income is £10.5k above budget and unrestricted expenditure is £77k below budget, giving a net positive variance against budget of £87k. Explanations for the key variances are given below.
- 6.3 Unrestricted income is £10.5k above budget due to leaseholder invoices for recharged electricity, part of which relates to usage during the previous financial year.
- 6.4 Prime costs are on budget for the year to date. Salaries are £5k underspent due to the delay in appointing a Facilities Manager. Contracted services are £6k over budget due to an RPI increase applied retrospectively to the Parks contract; the Parks Manager is covering this increase from elsewhere in his budget.
- 6.5 Fixed overheads are slightly under budget due to lower central administration charges from LB of Haringey. Variable overheads are £65k below budget, primarily due to underspends in repairs and maintenance (£57k). This is largely due to the timing of remedial and capital works and the forecast has been revised to reflect this.
- 6.6 Governance costs are £13k below budget, although this budget line is expected to be full spent by year end.

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.
- 7.2 The overall forecast is for a net underspend of £49k on budget. This is primarily due to the cancellation of the fireworks, which has resulted in a net saving in the Trust's accounts of circa £60k. The impact of this decision on the trading company's gift aid projections is covered in the exempt appendix to this report.

- 7.3 Income is forecast to be £25k below budget due to the removal of £29.5k income from the fireworks and £6k concession income from ice cream vans in the park. The latter is now managed by APTL and a significantly higher annual licence fee has been secured. These two adjustments are offset by the £10.5k positive variance for the year to date.
- 7.4 Salaries are forecast to be £14k below budget due to the ongoing delay in appointing a Facilities Manager. Following two unsuccessful recruitment drives, other options are now being explored to fill this gap in the Trust team.
- 7.5 Contracted costs are forecast to be £13k overspent, primarily due to an RPI increase applied to the Parks contract (£10k). This will be covered from elsewhere in the Parks budget.
- 7.6 Fixed overheads are forecast to be £5k underspent due to a reduction in the provision for central administration charges from LB Haringey.
- 7.7 Variable overheads are forecast to be £68k below budget, primarily due to the cancellation of the fireworks, which has reduced variable expenditure by £90k. This is offset by a projected £11k overspend on water charges due to a backdated bill currently in dispute, a projected £5k overspend on legal and professional fees reflecting year to date expenditure and a £6k additional provision for depreciation on the ice rink capital refurbishment.

The original budget assumed a small reduction in R&M and security costs once the new contract comes into affect. No further cost reductions are assumed in the forecast at this stage.

8. Risks

- 8.1 The forecast presented at Appendix 2 represents a prudent estimate of the Trust's anticipated deficit position for 2010/11, based on the information currently available. As with any forecast, it is subject to a number of risks, with the key risks identified as follows;
- Repairs and maintenance budgets may prove inadequate should the building, plant or equipment suffer a major failing
 - Utility budgets include the assumption of a 15% price increase from 1st October. At the time of writing, the gas and electricity prices for the new contract period are not yet fixed. The forecast also assumes usage levels that are similar to 2009/10
 - The road maintenance budget remains unchanged at £60k. Management are already aware of necessary street lighting works at a cost of circa £30k and depending upon the extent of winter road damage, this budget may be insufficient to cover the Trust's needs.
 - Overall, the forecast allows for little contingency to cover unforeseen expenditure.

9. Capital and Revenue bids 2011/12

- 9.1 The trustees will be aware of the impending cuts to public sector finances and the extremely difficult funding environment the Council will face over the next three years and beyond. The Council will be required to make difficult decisions over the coming weeks and months regarding where scarce resources are to be allocated.
- 9.2 In 2010/11, the trust was successful in obtaining a £243k uplift in its revenue budget allocation to reflect current operating levels, together with a capital grant of £500k to address key buildings dilapidations. The Council agreed a further £500k capital grant on an indicative basis for 2011/12, although the trust is required to submit a formal bid to obtain the funds. The draft capital bid to the Council is attached as Appendix 3 to this report.
- 9.3 With regard to the Trust's revenue budget allocation for 2011/12, a bid for £50k additional revenue funding, representing a 2.5% inflationary increase on the current year, is being prepared. The aim of this bid is to protect the Trust's revenue funding stream from any cuts in real terms. Any additional revenue bid would be likely to fail and could be prejudicial to the interest of the Trust in the current funding climate.

10. Legal and Financial Comments

- 10.1 The Trust's Solicitor has been sent a copy of this report and has no comment.

The Head of Legal Services for LBH has been sent a copy of this report and has no comment.

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

'The contents of the report are noted. The Board is encouraged to keep budgets under constant review in order to maximise the level of underspends and ensure that savings are maximised in the current financial year and in future years.'

11. Equalities Implications

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

12. Use of Appendices / Tables / Photographs

- 12.1 Appendix 1 – Actual versus budget for the period ended 31st August 2010
12.2 Appendix 2 – Forecast outturn for the 2010/11 financial year
12.3 Appendix 3 – Draft Capital bid for the 2011/12 financial year

Appendix 1

ALEXANDRA PALACE AND PARK CHARITABLE TRUST

ACTUAL VERSUS BUDGET FOR THE 5 MONTHS ENDING 31ST AUGUST 2010

	TOTAL TRUST FUNDS		Total	UNRESTRICTED		Variance %	Annual Budget
	Unrestricted	Restricted/ Designated		Budget	Actuals		
	£	£	£	£	£		£
Concessions/Leases	109,831	0	109,831	112,890	109,831	(3,059)	280,445
Community Events	22,721	0	22,721	20,336	22,721	2,385	58,745
Sundry Sales	217	0	217	0	217	217	100
Service Charges	10,973	0	10,973	0	10,973	10,973	12,000
Designated capital grant income	0	500,000	500,000	0	0	0	0
TOTAL INCOME	143,742	500,000	643,742	133,226	143,742	10,516	351,290
EXPENDITURE							
Salaries	140,636	0	140,636	145,875	140,636	5,239	350,102
Contracted Services	459,243	0	459,243	453,255	459,243	(5,988)	1,033,139
TOTAL PRIME COSTS	599,879	0	599,879	599,130	599,879	(749)	1,383,241
Fixed overheads	131,888	0	131,888	134,615	131,888	2,727	323,075
Variable overheads	341,401	19,405	360,806	406,896	341,401	65,495	1,098,174
TRUST BEFORE GOVERNANCE COSTS	(929,426)	480,595	(448,831)	(1,007,415)	(929,426)	77,989	(2,453,200)
Governance costs	13,277	0	13,277	22,500	13,277	9,223	30,000
TOTAL TRUST OPERATION	(942,703)	480,595	(462,108)	(1,029,915)	(942,703)	87,212	(2,483,200)
Gift aid payment from APTL	0	0	0	0	0	0	284,000
TRUST NET DEFICIT	(942,703)	480,595	(462,108)	(1,029,915)	(942,703)	87,212	(2,199,200)

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

FORECAST OUTTURN FOR THE 2010/11 FINANCIAL YEAR (UNRESTRICTED FUNDS)

	Actuals to August	Forecast Sept-Mar	Forecast Total	Annual Budget	Variance	Variance %
Concessions/Leases	109,831	161,557	271,388	280,445	(9,057)	-3%
Community Events	22,721	8,910	31,631	58,745	(27,114)	-46%
Sundry Sales	217	100	317	100	217	217%
Service Charges	10,973	12,000	22,973	12,000	10,973	91%
TOTAL INCOME	143,742	182,567	326,309	351,290	(24,981)	-7%
EXPENDITURE						
Salaries	140,636	195,531	336,167	350,102	13,935	4%
Contracted Services	459,243	586,872	1,046,115	1,033,139	(12,976)	-1%
TOTAL PRIME COSTS	599,879	782,403	1,382,282	1,383,241	959	0%
Fixed overheads	131,888	185,767	317,655	323,075	5,420	2%
Variable overheads	341,401	689,026	1,030,427	1,098,174	67,747	6%
TRUST BEFORE GOVERNANCE COSTS	(929,426)	(1,474,629)	(2,404,055)	(2,453,200)	49,145	2%
Governance costs	13,277	16,723	30,000	30,000	0	0%
TOTAL TRUST OPERATION	(942,703)	(1,491,352)	(2,434,055)	(2,483,200)	49,145	2%



**Alexandra Park and Palace
Charitable Trust**

DRAFT
**Dilapidations & Backlog
of Maintenance.**
2011/12 Application for Funding

**Business Case
For Capital Bid**

28th September 2010

DOCUMENT CONTROL

CHANGE HISTORY

Version	Author	Date	Change
V0.1	J Barnett	13/09/10	Initial
V0.2	J Barnett	28/09/10	Final Draft
V1.0			Final
Etc.			

REVIEWERS

Version	Reviewer	Role	Date
V0.1	Andrew Gill	General Manager (APPCT)	22/09/10

APPROVERS

Version	Approver	Role	Date
V0.1	Andrew Gill	General Manager (APPCT)	

DISTRIBUTION

Version	Name	Role
V0.1	Andrew Gill	General Manager
	Rebecca Kane	Managing Director (APTL)
	Mark Evison	Parks Manager

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1 Project definition

1.1 Description

Alexandra Palace is a versatile exhibition, conference and banqueting venue hosting a wide range of commercial events. Since the formation of the Alexandra Palace Trading Ltd (APTL) in 1999 a wide client base has been developed, although when compared to many of its competitors (e.g. O2 Arena, Earls Court and NEC) the site is lacking in many areas. The site is very tired, dilapidated and very much dependant on its Victorian heritage plus the loyalty of its previous clients for its business.

Since the site does not generate a profit, capital reserves cannot be set aside for investment in new and replacement fabric and infrastructure. The site is totally dependent on grants and aids from whatever sources that may be available. (e.g. Lottery, English Heritage, Haringey Council). In the current economic climate these are in short supply. During the Pre-Business Planning Review process in 2009 the Council granted the sum of £500k for 2010/11 with a further sum of £500k agreed on an indicative basis for 2011/12. This paper is submitted in support of the Trust's request for the release of the second tranche of capital monies for 2011/12.

This paper does not address the long term investment requirement of Alexandra Palace. It only addresses the "steady state" investment needed to keep the site operational and to avoid site closure.

During 2010/11 the £500k capital monies granted under the previous round of bids has been allocated to undertake the following:-

External Building Dilapidations (Budget Spend 2010/11: £130k)

A detailed survey of the external fabric of the palace has been completed and has identified that the sum of £428k needs to be invested over the next 10 years to address the poor state of the fabric; with much of this expenditure within the first 2 to 3 years. This will provide a minimal investment on the structure to keep it safe and water proof; these monies will not address the severe fabric dilapidations in areas of the East Wings (e.g. Theatre). Urgent immediate works were identified along the South facing Panorama area and £130k is currently being targeted at structural repairs and making safe of this area

Fire Alarm Upgrade/Replacement (Budget Spend 2010/11 £50k)

A detailed report has been commissioned to look at the condition of the fire and evacuation systems across the Palace. This has confirmed that the current systems are obsolete and have reached the end of their working life. It has also identified that the voice evacuation system is non-compliant and in need of replacement since it is basically a public address system. (i.e. Not installed to fire regulation standards). To replace the complete system will cost in the order of £450k.

During 2010/11 monies have been targeted at critical areas (i.e. pump house, Ice rink) where system problems need to be urgently addressed.

External Hydrant Main (Budget Spend 2010/11 £5,000)

An internal inspection, leakage and mapping survey has been undertaken of the fire hydrant main supplying Alexandra Palace. This has identified that the internals of the pipe work has large amounts of corrosion build up in places and there may be some underground leakages. During 2010 we have already had two major failures of the pipe work, which support the case that replacement of this main will be required as soon as possible.

Internal Dilapidations (Budget Spend 2010/11 £100k)

High priority work which deliver the best “Returns on the Investment” have been agreed with APTL. These areas have been surveyed and costed. (i.e Palm Court Entrance, Londesborough room, Phoenix Toilets, Palace Suite and Palm Court meeting rooms). A sum of £100k is being contracted to complete these works over the coming months

Theatre. (Budget Spend 2010/11 £50,000)

A Structural Engineering report has been commissioned and the report has confirmed that the internal structure is in a very poor condition and the building is unsafe for general use or public access. The key findings are:-

- Lime mortar deterioration in the walls
- Roof structure problems with roof trusses detached in places and rafter splitting due to deflection.
- Differential settlement of the structure (i.e. ridge of roof undulates)
- Dry rot in parts of the wooden structure
- Plaster on walls detached and in danger of collapse
- Plaster lath ceiling collapsing in places.

Discussions are currently in progress with English Heritage to see if funding can be secured to help address some of the key issues. The Trust is working with the “Friends of the Theatre” to develop a medium term strategy for this area.

Upgrade of the Data/Comms Infrastructure (Spend 2010/11 £50k)

The data and communications cabling systems have been replaced and upgraded across the Palace. This has improved the speed of the system and introduced the network into new areas such as the Palm Court Suite. The investment of £50k has now provided a platform on which a new telephone system and other IT equipment can be installed.

Infrastructure Works (Spend 2011/11 £125k)

The sum of £125k has been targeted at a number of infrastructure projects (i.e. improving site signage, security barriers, IT hardware to support the operation of the business.

Buildings Services (Revenue and Maintenance Expenditure 2010/11 only)

Due to lack of available monies during 2010/11 no works have been undertaken on the building services infrastructure services. All these services are now 20 to 25 years old and will need investment in the near future. In particular the area of telephones, security and energy use reduction need priority attention

While the £500k capital investment has been important to Alexandra Place during 2010/11 there is an urgent need to continue with the investment across future years to safeguard the asset and ensure business continuity.

1.2 Objectives

The objectives of this Business Case are to identify the requirement for a continued capital investment programme to:-

- Ensure that Alexandra Palace provides a safe, compliant and fit for purpose facility for people using the site.
- Reduce the risk of catastrophic failure of the building and service with the consequential income loss from the inability for APTL to trade.
- Address the dilapidations and degradation of the facilities to a point where it can no longer be commercially viable to operate.
- Address sustainability issues during the programme of investment to deliver improved energy efficiency and reduce AP impact on the environment.

1.3 Customer Quality Expectations

a) Compliant, Safe & Fit for Purpose

- Demonstrated through audit, documentation and procedures that the site meets full legislative compliance and good practice.

b) Reliability of Facilities.

- Reduced reactive maintenance
- Less equipment down time and failures
- Improved environmental conditions.

c) Customer Perception

- Improved aesthetic of the facility.
- More repeat business
- Quality of amenities improved

b) Sustainability

- Reduction in the carbon footprint of the site

1.4 Scope

This business case reviews the options available to APPCT to generate a capital investment programme to safeguard the operation of the business to ensure that the facilities are safe, compliant and fit for purpose.

1.5 Exclusions

This business case will not address the long term future of the site. It will concentrate on the task of ensuring the site is safe, legislatively compliant and fit for purpose for people to use (i.e. Minimal Capital Expenditure Option). To fully address the issues of redundant space and the full dilapidations would require a capital investment 10 times the magnitude that this business case describes.

1.6 Relationship with other events

This programme of works would be integrated with the APPCT revenue and maintenance programme to ensure that monies are not wasted. Close working relationships with APTL would also ensure that monies were allocated to those areas which would ensure compliance, service reliability and value for money return.

2 Costs and benefits

2.1 Options

Option 1: Do Nothing (Not considered an option)

During 2010/11 the Interim General Managers team has used the £500k investment to tackle important areas of non-compliance, dilapidation and support the business of APTL as detailed in section (1.1) above. Opportunity has also been taken to review the requirement for continued capital investment programme and to carry detailed feasibility studies into the following areas:-

- External building fabric condition
- Fire and evacuation systems
- Fire hydrant main
- Internal dilapidations
- Data and communications
- Security systems
- External services
- Carbon reduction.

Appendix 1 shows a “10 year Minimal Capital Investment Plan” which seeks to address high priority areas of non-compliance, service reliability and customer perception. The table shows that a continued capital investment programmes will be required over the next 10 years and that the £500k second tranche of capital monies for 2011/12 is essential to support this programme.

The option to do nothing is therefore high risk which could affect the ability to trade and operate the site.

Option 2: Moth Ball the Site (Possible Option)

Under the Alexandra Park and Palace (Public Purposes) Act 1990 there is a duty to make the site “*available for the free use and recreation of the public forever*”. To moth ball the site (i.e. in part or full) would be controversial and could result in another legal challenge against the Trustee and the London Borough of Haringey..

There is no doubt that unless further capital monies are targeted into AP, loss of some or all the facilities is likely to take place. (e.g. lack of adequate fire evacuation and protection systems).

This is considered to be the “last resort option.”

Option 3: Grant & Sponsorship (Possible Option)

Historically this option has been used to secure some monies to address specific issues on the site. However in today’s economic climate these monies are in short supply and in many cases are linked to a requirement to secure matched funding. Since AP does not generate a profit and there is no capital budget for investment this option is not considered viable to fully address the issues described.

Interim monies are also required to generate sufficient information to submit any such formal bids.

This option could only be pursued in parallel with a successful bid such as this business case.

Option 4: Long Term Lease of the Site (Not considered an option)

The option to commercially lease the entire building has already been pursued by Haringey Council with the plan to authorise a 125 year lease to Firoka being legally challenged and upheld in October 2007.

This is not considered an option at this time.

Option 5: Continued Capital Support from the Council (Preferred Option)

Unless capital monies continue to be invested into the building and infrastructure services the site will become non-viable to operate within the next few years. Further monies are therefore required to continue with addressing the external fabric condition, fire monitoring and protection systems, plus addressing the decay and dilapidations of the internal building fabric.

The Trustees are currently working on the “Governance and Future Vision of Alexandra Palace”. At some time in the future a way of injecting some £40 to £50 million will need to be identified if the site is to remain viable facility. However in the short term a minimal investment programme of £500k per annum is required to tackle the high priority issues and to keep the site operational

At this time the only viable option is to seek capital monies is through Haringey Council, through the Pre-Business Planning Review process

This would be the preferred option

2.2 Benefits

This investment would help to safe-guard the asset and prevent further deterioration while the Trustees fully address the long term vision for the site.

2.3 Project budget

The Business Case supports the case for the release of the second tranche of capital funding of £0.5million through the London Borough of Haringey which was approved in principle by Cabinet for 2010/11

2.4 Time commitments

Similar to 2010/11 a professional team would be engaged to oversee the delivery of the works. This would include the role of a CDM Coordinator which will be required as some of the project would come under the Construction Design and Management Regulations and a part time Project Manager to coordinate the project on behalf of APPCT.

It is estimated that the main input will be required from the General Managers FM Team typically 1 to 2 days per week throughout the project to review progress and support the design stages.

2.5 Cost benefit analysis

Cost savings will result from reduced reactive maintenance following investments. However, the major benefit of this investment is the protection of the licence fee and gift aid generated by APTL (£150k and £400k respectively in 2009/10), together with other Trust income generated on the site of circa £226k.

3 risk log

3.1 Risk Log (To be finalised)

Risk	Risk Owner	Impact (H/M/L)	Probability (H/M/L)	Proximity (MM/YY)	Mitigation Plan Summary to Reduce Impact

4 Comments

4.1 Financial

It is proposed to engage the Pre-Business Planning Review process taking place within the London Borough of Haringey to secure the capital funding in 20011/12. This will require the basic submission to be sent by the 30th September registering our outline requirement for the funding. Final decision will not be announced until February 2011.

4.2 Legal

It is proposed to have a member of LBOH Legal Department and LBOH Construction Procurement Department as part of the client team to ensure that legislative and good practice takes place.

4.3 Equalities

The Equal Opportunities policies will be embedded into the tender specification and contractor's policies and procedures will be reviewed during the pre-qualification stages for compliance with APPCT standards.

5 Authority to proceed

5.1 *Sign-Off*

Sign-off _____ Project Sponsor

Sign-off _____ Finance

Appendix 1A – Budget Pro Forma

Project Name:	Dilapidations & Backlog of Maintenance
Project Sponsor:	Andrew Gill
Business Case Last Reviewed:	September 2010

A) Cost-Benefit Analysis

Financial Costs		Financial Benefits	
External Expertise	£	Cashable Efficiency	
Internal Resource	£	Profitability	
Accommodation	£		
IT	£		
Change Management	£		
Other Capital	£		
Total	£ 500,000	Total	
		Net savings	

B) Funding / Investment Appraisal

Funding Streams				
	LBOH Council Funding		External Funding	
	Revenue Funds	Capital Budget	Revenue Funds	Capital Budget
Year 1	£ Nil	£500,000	£ Nil	£ Nil
Year 2	£ Nil	TBA	£ Nil	£ Nil
Year 3	£ Nil	TBA	£ Nil	£ Nil
Total Value	£ Nil	£500,000	£ Nil	£ Nil

Investment Appraisal			
	Year 1	Year 2	Year 3
Financial Costs	£500,000		
Financial Benefits*	£0	£0	£0
Net	£500,000		

*The key financial benefit associated with the investment is the continued operation of the Trading company, which has delivered a gift aid payment to the Trust of £400,000 in 2009/10 and £468,234 in 2008/09, thereby offsetting the Trust's deficit funding requirement from the Council.

Appendix 1B – Non-financial benefits

Benefit	Type	Measures	
		Existing Base Line	Target
Performance: Quality and reliable facilities	People Through Doors	Existing Base Line	10% increase
Customer Perception: Provide an improved leisure experience to our customers	Customer Surveys	Existing Base Line	Target a 10% improvement in level of customer satisfaction.
Reduce reactive maintenance.	Reduced down time and maintenance.	Existing base Line	Target a 10% reduction in reactive maintenance
Safety and compliance	Documentation	Existing base Line	100% compliance by audit

Appendix 1C 10 Year Minimal Option CAPEX Plan

10 Year Minimal Option CAPEX Plan

Area	Priority	Item	2011/12	2012/14	2014/16	2016 Onwards	Total	Return on the Investment
			Yr 1	Yr 2-3	Yr 4-5	Yr 6-10		
External Fabric (Costed by NPS Framework Consultancy)	P1	Elevations - South	£122,455.00	£67,513.00	£5,850.00	£21,493.00	£217,311.00	To keep AP safe and fit for purpose to keep trading
	P1	Elevations - West	£22,496.00	£12,286.00	£8,714.00	£0.00	£43,496.00	
	P1	Elevations - North	£25,000.00	£36,400.00	£20,270.00	£750.00	£82,420.00	
	P1	Elevations - East	£13,260.00	£12,914.00	£2,057.00	£0.00	£28,231.00	
	P1	Elevations - Roof Level	£6,795.00	£19,550.00	£1,450.00	£0.00	£27,795.00	
			Moneys in 2010/11	-£100,000.00				
Sub Total Wall Elevations:-			£90,006.00	£148,663.00	£38,341.00	£22,243.00	£299,253.00	
Roof Areas (Costed by NPS Framework Consultancy)	P1	RE10 Fire escape corroded and timber supports rotten	£4,000.00				£4,000.00	To keep AP safe and fit for purpose to keep trading
	P1	RE01 and RE03 EOL Temp covering 330m2 x £95	£31,494.00				£31,494.00	
	P1	R-W06 Missing glazed panel damaging steel structure below	£1,500.00				£1,500.00	
	P1	R-W10 - Renew mineral felt to North slope over loading bay 280m2 x £140		£39,200.00			£39,200.00	
	P1	R-W12 and R-W03 multiple splits to asphalt. Decothane allowed and multiple services on roof 450m2 x £60		£27,000.00			£27,000.00	
	P1	High level glazed roofs - regular inspections and specialist replacement of any cracked panes. Provisional sum estimates required	£4,000.00				£4,000.00	
	P1	Other roof repairs	£2,000.00	£20,000.00			£22,000.00	
Sub Total Roof Areas:-			£42,994.00	£86,200.00	£0.00	£0.00	£129,194.00	
Grand Total Fabric:-			£133,000.00	£234,863.00	£38,341.00	£22,243.00	£428,447.00	
Fire and Evacuation System (Costed by NPS Framework Consultancy)	P1	Replacement of the obsolete and faulty fire alarm systems. Replacement of non-compliant public alarm evacuation system	£225,000.00	£225,000.00	£0.00	£0.00	£450,000.00	To keep AP safe & fit for purpose to operate
Hydrant Main (Provisional Sum)	P1	Replacement/lining of 10" Underground Hydrant main due to continuing problems of pipe fractures	£0.00	£100,000.00	£0.00	£0.00	£100,000.00	To keep AP safe & fit for purpose to operate
Internal Dilapidations (Provisional Sums)	P2	Capital investment into minor works on the internal building infrastructure	£0.00	£200,000.00	£400,000.00	£1,000,000.00	£1,600,000.00	To support APTL to keep trading
	P1	Cleaning, repair and re-certification of Great Hall roof fabric	£0.00	£250,000.00	£0.00	£0.00	£250,000.00	
	P3	Theatre protection, repairs and/or refurbishments	£0.00	£0.00	£250,000.00	£750,000.00	£1,000,000.00	To protect/use the asset (Assumed 50% of costs with matched funding)
Data/Comms Communication Systems (Tendered costs)	P1	Replacement of the telephone system	£12,000.00	£24,000.00	£24,000.00	£0.00	£60,000.00	To support APTL to keep trading
	P2	Upgrade and replacement of IT services	£10,000.00	£20,000.00	£0.00	£0.00	£30,000.00	
Security Systems (Provisional Sum)	P1	Replacement and upgrade of the CCTV camera systems						To provide security of AP to meet recognise standards & Codes of Practice
	P1	Installation of security barriers/bollards to restrict close vehicular access to buildings	£55,000.00	£55,000.00	TBA	TBA	TBA	
	P1	Replacement and upgrade of the Janus door access/security system						
External Services (Provisional Sums)	P1	Repair/lining of faulty underground foul water drainage systems	£25,000.00	£0.00	£0.00	£0.00	£25,000.00	To keep AP safe & fit for purpose to operate
	P1	Repair/replacement of the underground power supplies to the external lighting systems	£40,000.00	£0.00	£0.00	£0.00	£40,000.00	
	P2	Repairs to footpaths and private road systems within the Alexandra Park & Palace estate.	£0.00	£0.00	£200,000.00	£200,000.00	£400,000.00	To keep AP safe & fit for purpose to operate
Carbon Reduction (Provisional Sums)	P3	Replacement/Decentralisation of Central Boiler systems at Alexandra Place; Feasibility study & provisional sum	£0.00	£0.00	£5,000.00	£500,000.00	£505,000.00	Potential payback 5 to 10 years
	P3	Power Factor Correction/voltage optimisation to improve energy efficiency	£0.00	£0.00	£50,000.00	£0.00	£50,000.00	Payback 10 years
Grand Total:-			£500,000.00	£1,108,863.00	£967,341.00	£2,472,243.00	£4,938,447.00	
CAPEX Potential Budget:-			£500,000.00	TBA	TBA	TBA	£500,000.00	

Appendix 1D Commentary on 10Year Minimal
 Commentary on Investment Proposals

Option

Area	Priority	Item	Commentary on the Proposed Investment
External Fabric (Costed by NPS Framework Consultancy)	P1	Elevations - South	NPS a Framework Consultant through Haringey Council has been contracted to inspect all the external building fabric. From this work a detailed Asset Management Plan has been developed and the works costed. This represents the minimal capital plan to ensure the external fabric dilapidation is arrested.
	P1	Elevations - West	
	P1	Elevations - North	
	P1	Elevations - East	
	P1	Elevations - Roof Level	
Roof Areas (Costed by NPS Framework Consultancy)	P1	R-E10 Fire escape corroded and timber supports rotten	NPS a Framework Consultant through Haringey Council has been contracted to inspect all the external building fabric. From this work a detailed Asset Management Plan has been developed and the works costed. This represents the minimal capital plan to ensure the external fabric dilapidation is arrested.
	P1	R-E01 and R-E03 EOL Temp covering 330m2 x £95	
	P1	R-W06 Missing glazed panel damaging steel structure below	
	P1	R-W10 - Renew mineral felt to North slope over loading bay 280m2 x £140	
	P1	R-W12 and R-W03 multiple splits to asphalt. Decothane allowed and multiple services on roof 450m2 x £60	
	P1	High level glazed roofs - regular inspections and specialist replacement of ant cracked panes. Provisional sum estimates required	
Fire and Evacuation System (Costed by NPS Framework Consultancy)	P1	Replacement of the obsolete and faulty fire alarm systems. Replacement of non-compliant public alarm evacuation system	NPS a Framework Consultant through Haringey Council has been contracted to inspect and report on the fire and evacuation systems at Alexandra Palace.
Hydrant Main (Provisional Sum)	P1	Replacement/lining of 10" Underground Hydrant main due to continuing problems of pipe fractures	A contract has been placed with a pipeline expert "Germanischer Lloyd Industrial Services" to carry out internal inspections and leakage detection of the underground hydrant main. Indications are that the internal condition of the pipe work is poor in some areas and there may be underground leakage which is currently un-detected.
Internal Dilapidations (Provisional Sums)	P2	Capital investment into minor works on the internal building infrastructure	The internal fabric is dilapidated and the continued use of the facility for events requires a continued programme of refurbishment. The roof decorative fabric ceiling within the Great Hall is in poor condition and in need of cleaning/refurbishment. NPS have undertaken a detailed study of the Theatre and identified that it is a poor condition,
	P1	Cleaning, repair and re-certification of Great Hall roof fabric	
	P3	Theatre protection, repairs and/or refurbishments	
Data/Comms Communication Systems (Tendered costs)	P1	Replacement of the telephone system	The existing telephone system is obsolete and un-reliable. A replacement system has recently been tendered
	P2	Upgrade and replacement of IT services	The existing IT systems are poorly integrated and in need of upgrading
Security Systems (Provisional Sum)	P1	Replacement and upgrade of the CCTV camera systems	Increasing security risks and threats of terrorism require security systems to be continually reviewed and improved. The systems at Alexandra Palace need investment.
	P1	Installation of security barriers/bollards to restrict close vehicular access to buildings	
	P1	Replacement and upgrade of the Janus door access/security system	
External Services (Provisional Sums)	P1	Repair/lining of faulty underground foul water drainage systems	Part of the underground foul water drainage system is faulty and needs refurbishment
	P1	Repair/replacement of the underground power supplies to the external lighting systems	The power supplies to the street lighting along Alexandra Palace Way and some areas of the Park have failed and need repair/refurbishment
	P2	Repairs to footpaths and private road systems within the Alexandra Park & Palace estate.	To repair/replace broken footpaths slabs, carry our repairs and replacement of road surfaces along Alexandra Place Way.
Carbon Reduction (Provisional Sums)	P3	Replacement/Decentralisation of Central Boiler systems at Alexandra Place; Feasibility study & provisional sum	The Display Energy Certificate for Alexandra Palace shows that it has a performance rating "G" which is the lowest rating.
	P3	Power Factor Correction/voltage optimisation to improve energy efficiency	

CAPEX Plan

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Report Title: **Capital Projects Update**

Report of: **Andrew Gill, Interim General Manager, Alexandra Palace & Park Charitable Trust**

1. Purpose

- 1.1 To update the Board on the progress on Capital Projects during 2010/11.
- 1.2 To advise the Board of the planned bid to the Council for Capital funding in 2011/12

2. Recommendations

- 2.1 The Board is asked to note the progress report on the Capital projects.
- 2.2 The Board is asked to endorse the proposed bid to the Council for further Capital funding for 2011/12
- 2.3 The Board is asked to note that it will receive further updates on the matters covered by this report at future Board meetings.

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



Contact Officer: John Barnett, **Interim Facilities Management Consultant, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 4334**

3. Executive Summary

- 3.1 The Ice Rink replacement is proceeding to budget and programme completion date of the 10th December 2010. The project is currently one week behind on the groundwork's and action is being taken to mitigate the delay.
- 3.2 The dilapidations works are proceeding to programme, £200k of monies have been committed/spent at the time of writing and a further £230k will be committed to the external and internal dilapidation works during September 2010.
- 3.3 A further bid of £500k is to be made to the Council for capital funding during 2011/12 to replace the Fire Alarm systems and further address the external fabric of the building.

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

5. Local Government (Access to Information) Act 1985

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

6 Progress Report on 2010/11 Capital Expenditure

Ice Rink Replacement

- 6.1 The sum of £2.266 million has been secured from the Council via Prudential Borrowing to replace the Ice Rink. This will be repaid over a period of 12 years from the resulting increased operating profits of the new facility. Interest will be charged on this loan at a rate of 3.59%.
- 6.2 An additional sum of £66,461 has also been approved by the Council's Sustainable Investment Fund (SIF) programme for a low emissivity ceiling for the ice rink. This sum will be repaid to the Council from the resulting energy cost savings delivered from the new ceiling over a five year period. This loan does not attract interest.
- 6.3 The underground piling works have been completed and the base of the new ice rink has been constructed.
- 6.4 The toilet, changing rooms and front kiosk are all undergoing refurbishment works.
- 6.5 The new Ice Rink equipment is being manufactured by ICETECH UK.
- 6.6 The project is proceeding to a revised contract completion date of the 10th December 2010. The project is reporting one week behind on the groundwork's which is on the critical path and Lengard are implementing mitigating actions to bring the programme back on schedule.
- 6.7 Should the project complete late due to the fault of the contractor, there are liquidated damages set against the contractor. These are likely to be enforced by the Project Sponsor, the Interim General Manager with support from the Project Board.

Dilapidation Works

6.8 As detailed in the previous reports to the Board, APPCT obtained a capital grant from the Council for 2010/11 of £500,000. To date £200k has been committed/spent and a further £230k will be committed during October on the external and dilapidation works. The following is a progress report on works:-

6.9 Internal Dilapidations (£100k Budget)

6.9.1 A contract has been commissioned through the Council's Framework to complete the internal dilapidation works.

6.9.2 Work priorities have been agreed with APTL, surveyed and budget costed. (i.e Palm Court Entrance, Londesborough room, Phoenix Toilets, Palace Suite, Palm Court meeting rooms and new visitor reception point in the Palm Court). A mobilisation programme is being developed and the works will be undertaken over the next 2 to 3 months, programmed to ensure they do not impact on the scheduled trading activities.

6.10 External Building Dilapidations (£130k Budget)

6.10.1 A contract has been commissioned through the Council's Framework to produce a detailed survey of the building external fabric.

6.10.2 The report which has recently been received prioritises and budget cost the minimum works that need to be undertaken to ensure the deterioration of the fabric is arrested. It is estimated a sum of £428k needs to be invested over the next 10 years with much of this expenditure within the next 2 to 3 years. This will provide a minimal investment on the structure to keep it safe and water proof; these monies will not however address the severe fabric dilapidations in areas of the East wing (e.g. Theatre).

6.10.3 During this survey the area along the South terrace adjacent to the Panorama Room has been found to be in an extremely poor condition. Preliminary works have already been undertaken and structural engineers are devising the most economic solution for repair. The old channel steelwork that supports the arches has badly corroded and caused brickwork to fail. While it is believed that catastrophic failure is unlikely, there is an urgent need to get these repairs underway before the winter.

6.10.4 Work is proceeding with a possible design solution of underpinning the arches with extra steelworks concealed from view by the decorative wooden frontages. Discussions will shortly be held with the Council's Design & Conservation Team and English heritage before work proceeds.

6.10.5 The detailed Asset Management plan for the external structure will be presented in a future paper to the Board.

6.11 Fire Alarm Upgrade/Replacement (£40k Budget)

6.11.1 A contract has been commissioned through the Council's Framework to carry out a feasibility study on the condition and compliance of the existing fire and evacuation systems.

6.11.2 The report has identified that the existing system has reached the end of its working life and is in need of replacement. In some aspects such as the audible evacuation equipment the system does not conform to current standards. The system is also very unreliable and subject to numerous false alarms, which has resulted in complaints from the London Fire Brigade. The report has identified that the budget for replacement would be in the order of £450,000.

6.11.3 Work is now proceeding with the detailed design and specification for a replacement system for the site and the proposed capital expenditure will form part of a capital bid to the Council for 2011/12.

6.12 Theatre (£50k Budget)

6.12.1 A contract has been commissioned through the Council's Framework to produce a detailed survey of the Theatre structure and fabric.

6.12.2 This report has confirmed that the internal structure is in a very poor condition and unsafe for general use.

6.12.3 Key findings are:-

- Lime mortar deterioration in the wall bonds
- Roof structure problems with roof trusses detached in places and rafter splitting due to deflection.
- Differential settlement of the structure (i.e. ridge of roof undulates)
- Dry rot in parts of the wooden structure. (Being actioned immediately)
- Plaster on walls detached and in danger of collapse
- Plaster lath ceiling collapsing in places
- A major investment would be required to re-turn the facility back to an operational condition.
- To simply net the internal structure to prevent danger to personnel would cost in the order of £100k, assuming that the structure can carry the extra loading which would need to be confirmed.

6.13.4 Further works have been suspended on this project while discussions are held between English Heritage and the "The Friends of the Theatre" to assess the way forward.

6.13 Upgrade of the Data/Comms Cabling Infrastructure (£50k Actual)

6.13.1 The data/comms cabling infrastructure has now been upgraded and the new systems went live on the 2nd August 2010. This provides an improved performance and a platform to link other business systems on the network.

6.13.2 As part of the potential business improvements a new telephone system has been tendered for and these tenders are currently being evaluated. The results of this process will be included in a future Board report when the information has been fully evaluated.

6.14 External Hydrant Main (£5k Budget)

A contract was placed with a pipeline expert "Germanischer Lloyd Industrial Services" to carry out internal inspections and leakage detection of the underground hydrant main. The results of this work will be available later in the September. This will assist the development of an action plan to repair/replace this facility which has been long term problem at Alexandra Palace. Early indications are that the internal condition of

the pipe work is poor in some areas and there may be some underground leakage which is currently un-detected.

6.15 Other Funds (£125K Budget)

6.15.1 Monies have been released to purchase barriers to support APTL operations and site security; improving the external signage and carpeting the West Hall.

6.15.2 New carpet tiles have been purchased for the West Hall to address the premature failure of the floor coating installed in 2009. This will address the problems being experienced by APTL in letting this area. Discussions have been held with Haringey Legal Services with view to pursuing a claim against the contractor who completed these works.

6.15.3 Monies have also been allocated to a strategic review of the IT systems across the site and the additional server necessary to support a Time and Attendance system.

6.15.4 There is currently a sum of £20k held in reserve as a contingency.

7. Proposed 2011/12 Capital Bid to the Council

7.1 The capital bid to the Council in 2009 requested a sum of £1.0 million per annum for 2010/11, 2011/12 and 2012/13 to address dilapidations at Alexandra Place. The Council's Cabinet awarded a capital grant of £500k for 2010/11 and agreed in principle to the sum of £500k being available in 2011/12.

7.2 Whilst the £500k capital grant for 2011/12 was agreed in principle, the Trust still needs to submit a bid to release the funds.

7.3 An updated business case is therefore being submitted to the Council for the release of a further £500k for the 2011/12 financial year. The substantial part of these monies would be targeted at:-

Priority 1 Areas:

- Replacement of the fire and evacuation systems across the site.
- Urgent repairs to the external fabric.

Priority 2 Area:

- Internal dilapidations (subject to the availability of funding after P1 completed)

7.4 A detailed Project Initiation Document will be submitted to a future Trust Board meeting for the Board's approval once the reports currently being carried out have been returned.

8. Consultation

- 8.1 Progress on capital and major revenue works is reviewed on a monthly basis at Facilities Meetings between senior management of the Trust and APTL.
- 8.2 Regular progress reports are submitted to the APPCT Board throughout the year.

9. Legal and Financial Comments

- 9.1 The Head of Legal Services had no comments on the report, but noted that they were supporting the Trust on the issue of the premature failure of the floor coating in the West Hall
- 9.2 The LBH Chief Financial Officer notes the contents of this report.


10. Equalities Implications

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

11. Use of Appendices / Tables / Photographs



Agenda item:

Alexandra Palace & Park Board	on 14 th October 2010
Report Title: Governance Update	
Report of: Andrew Gill, Interim General Manager, Alexandra Palace & Park Charitable Trust	
<p>1. Purpose</p> <p>1.1 To report back on progress, following the resolutions of the Board on 6 September 2010 in the following areas:</p> <ul style="list-style-type: none"> a) Recruitment of Independent Advisors to the Board b) Master planning (the Alexandra Park & Palace Regeneration Working Group) c) Structural changes to streamline processes and systems <p>1.2 Following the end of the Governance and Future Vision Project and the winding up of the Project Steering Group, to inform the Board of the tasks remaining at the handover by the Project Manager to the Interim General Manager.</p> <p>1.3 To inform the Board that it will receive further reports at future meetings on the matters above and progress and timescale concerning the following matters;</p> <ul style="list-style-type: none"> d) Financial Independence, including the focus of APTL on increasing profits and APCCT on fundraising. e) The review of the APP Statutory Advisory Committee (APPAC) and Consultative Committee (APPCC), 	
<p>2. Recommendations</p> <p>2.1 That the Board notes the progress in implementing a number of its previous resolutions on Governance and Future Vision outlined in this report.</p> <p>2.2 That the Board notes that following the completion of its key objectives (previously reported to the Board), the Project Steering Group for Governance and Future Vision has now been wound up.</p> <p>2.3 That the Board notes that the remaining key tasks associated with developing the Governance of the Trust have been entrusted to the Interim General Manager.</p> <p>2.4 That the Board endorses the approach to the recruitment of the Independent Advisers to the Board detailed in section 6.7 of this report.</p> <p>2.5 That the Board considers the draft job description for Independent Advisors appended to this report and provides guidance to the Interim General Manager on its preferences thereon.</p>	
<p>Report Authorised by: Andrew Gill, Interim General Manager</p> 	

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

3. Executive Summary

- 3.1 This report updates the Board on progress in implementing a number of its previous resolutions on Governance and Future Vision.
- 3.2 The Project Steering Group for Governance and Future Vision has now been wound up and the remaining key tasks associated with developing the Governance of the Trust have been entrusted to the Interim General Manager (IGM) and are outlined in this report.
- 3.3 Development of the NCVO Code of Good Governance into a bespoke Code of Governance for the Trust is the subject of a separate report to this Board meeting.
- 3.4 The IGM has drafted a Job Description for the Independent Advisors which is appended to this report at Appendix 1.
- 3.5 The Board may wish to consider whether it wishes to specify skills, experience or qualifications for inclusion in a Candidate Specification.
- 3.6 The recruitment process cannot commence until the Full Council of LB Haringey is requested to delegate to the Alexandra Palace and Park Board the recruitment, selection and appointment of the independent advisors to the Board.
- 3.7 A meeting of the Alexandra Park & Palace Regeneration Working Group is scheduled for 5 October 2010.
- 3.8 There has been limited progress towards a combined and more effective stakeholder forum;
 - 3.8.1 The APPAC at its meeting on 7 September 2010 declined to agree to a joint meeting with the APPCC but instead resolved to create a Sub Group to explore the proposals and to consider how the Committee might operate more effectively.
 - 3.8.2 The APPCC at its meeting on 14 September 2010 noted the response of the APPAC outlined above and the APPCC resolved to await the findings of the APPAC Sub Group before progressing the matter.

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

- 4.1 Resolutions made by the Board on 29 June 2010 and 6 September 2010.

5. Local Government (Access to Information) Act 1985

- 5.1 N/A

6. Description

- 6.1 At its meeting on 6 September 2010 the Board resolved to adopt an 'interim' model for structural change, including the appointment of Independent Advisors to the Board and a review of the Alexandra Park and Palace Advisory Committee and Alexandra Palace and Park Consultative Committee as the most appropriate phased approach towards the longer term aspiration of legal/financial independence.
- 6.2 The Board has also resolved;
 - 6.2.1 To approve terms of reference and proposed membership of the Alexandra Park & Palace Regeneration Working Group (APPRWG).

- 6.2.2 That in respect of the recommendations arising from the work of the APPRWG requiring consideration by the Board it be noted that special meetings of the Board will be convened as and when required to consider such issues.
- 6.2.3 That support be given to the financial focus in the short term for APPCT, APTL and the APPRWG;
- APTL: increase profit and drive commercial activity
 - APPCT: fundraise
 - APPRWG: identify untapped investment sources/funding
(to include quick wins as well as longer term investment)
- 6.2.4 That the full Council of LB Haringey be requested to delegate to the Alexandra Palace and Park Board the recruitment, selection and appointment of the independent advisers to the Board
- 6.3 Following the completion of its key objectives (previously reported to the Board), the Project Steering Group (PSG) for Governance and Future Vision has now been wound up and the remaining key tasks associated with developing the Governance of the Trust have been entrusted to the Interim General Manager (IGM).
- 6.4 The key tasks remaining are;
- 6.4.1 Development of the NCVO Code of Good Governance code adopted by the Board on 2 March 2010 into a bespoke Code of Governance for the Trust. This is the subject of a separate report to this Board meeting.
 - 6.4.2 The appointment of Independent Advisors to the Board.
 - 6.4.3 Working towards a Stakeholder Forum via the review of the Alexandra Park and Palace Advisory Committee and Alexandra Palace and Park Consultative Committee.
 - 6.4.4 The development of a new Strategy for the Trust following the Board's decision to abandon the former Strategy of awarding a long lease for the site to a single developer.
 - 6.4.5 Work towards achieving financial and (ultimately) legal independence of the Trust.
- 6.5 Of the five tasks listed above, 6.4.1 and 6.4.2 can be achieved in the short term, i.e. within a matter of weeks from now. 6.4.3 is likely to take more time to achieve i.e. within a matter of months from now. 6.4.4 will be informed by the outputs of the APPRWG and should be achieved within the next year. 6.4.5 is unlikely to be achieved in the near future and may take a number of years to achieve, because, among other reasons it will require new legislation.
- 6.6 The Board is asked to note the status of the key tasks described above and progress made since the Board's meeting on 6 September 2010 as follows;
- 6.7 **A) The appointment of Independent Advisors to the Board.** The Board has discussed the terms of engagement, job description and recruitment process for the Independent Advisors and provided a steer to the IGM via discussion of the matter and in the following terms:
- attracting advisers with particular historic interest or ability to fund raise and an understanding of commerciality/fund raising, or high profile notoriety
 - the need to not limit the number of advisors but this be dependent on the specific criteria and skill set e.g. advisers similar to those used for the development of St Pancras or Tate Modern or other such large scale development
 - that the criteria for expertise could fall into 3 main categories – fund raising, heritage, hospitality
 - that the Independent Advisors would not receive any monetary stipend for the role but would be able to claim reasonable expenses
 - that the Independent Advisors would be seen in an ambassadorial role with a whole range of abilities and that their function be a meaningful one

- 6.7.1 The Board (via the IGM) has invited suggestions regarding the recruitment of the Independent Advisors from Stakeholders and members of the Alexandra Park and Palace Advisory Committee. The Chair of the Board has also invited suggestions from members of the Alexandra Palace and Park Consultative Committee to be sent to the IGM. At the time of writing, the IGM has received suggestions from one person.
- 6.7.2 While the role of Independent Advisor to the Board is not the same as that of a Trustee, there are enough similarities in the role to the role of Trustee and Chair of a Board of Trustees that resources are available to assist in the recruitment process.
- 6.7.3 The IGM has researched the options for recruiting the Independent Advisors and considered best practice in the Third Sector and has drafted a 6 step Recruitment Plan, based on the NCVO plan for recruiting Trustees.
- 6.7.4 The key Steps of the Recruitment Plan are summarised below;
Step 1 Getting started, checking the legals and planning the process.
Step 2 Who Are You Looking For? Do they exist? Defining the role, skills and experience, telling people about the role
Step 3 Attracting the new Advisors, advertising the role, meeting with potential applicants, observing board meetings, dealing with queries etc.
Step 4 Selection and Appointment, use of specialist recruitment agency, shortlist, interview, etc.
Step 5 Welcoming the new Advisors, induction, assigning specialist roles, officer support etc.
Step 6 What Next? Developing the Board, succession planning, etc.
- 6.7.5 The recruitment process is currently at Step 2. Further details, including the full Recruitment Plan, will be reported to a future Board meeting.
- 6.7.6 The IGM has taken advice and considered best practice in the Third Sector and has drafted a Job Description for the Independent Advisors which is appended to this report at Appendix 1. The Board may wish to consider whether it wishes to specify skills, experience or qualifications for inclusion in a Candidate Specification.
- 6.7.7 The recruitment process cannot commence until the Full Council of LB Haringey is requested to delegate to the Alexandra Palace and Park Board the recruitment, selection and appointment of the independent advisers to the Board.
- 6.7.8 The Chair is anxious to ensure support for any changes to the Trust's governing documents before full Council approval is sought. Therefore no date has been set for Full Council approval.
- 6.8 **B) Master planning (the Alexandra Park & Palace Regeneration Working Group).** The role of the APPRWG (as approved by the board in its Terms of Reference) is;
"To oversee and give direction to the design, formulation and adoption of a sustainable regeneration strategy for Alexandra Park and Palace and will include the delivery of a strategic master Plan which will provide an integrated framework for future commercial and development delivery."
- 6.8.1 Once the planning framework has been resolved the Board may move on to consider a new Strategy to replace the one of holistic development abandoned by the Board in January 2010.
- 6.8.2 The inaugural meeting of the APPRWG is scheduled for 5 October 2010. The IGM will ensure that any decision requiring approval by the Board is communicated promptly to the Chair of the Board and to the Board as appropriate.
- 6.9 **C) Structural changes to streamline processes and systems.** It is recognised that whilst the APP Statutory Advisory Committee (APPAC) is constituted in an Act of Parliament, there could be means of enhancing its current remit/membership. Progress towards a combined and more effective stakeholder forum has commenced. The APP Statutory Advisory Committee (APPAC) and Consultative Committee (APPCC) have both held meetings since 6 September 2010. Both Committees were requested by their Chairs to consider holding an inaugural joint meeting at which both groups need to agree a process for 'holding a mirror to themselves', as

the Trustees have done, and identify actions to streamline their processes and improve effectiveness; including consideration of the necessity of having two separate groups.

- 6.9.1 The APPCC at its meeting on 14 September 2010 noted the response of the APPAC outlined above and the APPCC resolved to await the findings of the APPAC Sub Group before progressing the matter.
- 6.9.2 The APPAC at its meeting on 7 September 2010 declined to agree to a joint meeting with the APPCC but instead resolved to create a Sub Group to explore the proposals and to consider how the Committee might operate more effectively.
- 6.9.3 Officers continue to support both Committees in this matter and will advise the Chair of the Board on the legal and constitutional aspects of the Committee's deliberations. Further reports on the matter will be provided to future meetings of the Board.

7 Consultation

- 7.1 There has been no specific consultation on this report beyond the liaison with the APP Statutory Advisory Committee and APP Consultative Committee (APPCC) described at 6.9 above.

8 Recommendations

- 8.1 That the Board notes the progress in implementing a number of its previous resolutions on Governance and Future Vision outlined in this report.
- 8.2 That the Board notes that following the completion of its key objectives (previously reported to the Board), the Project Steering Group for Governance and Future Vision has now been wound up.
- 8.3 That the Board notes that the remaining key tasks associated with developing the Governance of the Trust have been entrusted to the Interim General Manager.
- 8.4 That the Board endorses the approach to the recruitment of the Independent Advisers to the Board detailed in section 6.7 of this report.
- 8.5 That the Board considers the draft job description for Independent Advisors appended to this report and provides guidance to the Interim General Manager on its preferences thereon.

9 Legal Implications

- 9.1 The Trust's Solicitor's advice has been taken into account in preparing this report.
- 9.2 This report was sent to the LBH Head of Legal Services for comment.

10 Financial Implications

- 10.1 In 2010/11 a budget allocation of £30,000 was approved by the Trustees to complete this work. Actual spend YTD is £15,000. No additional budget is anticipated at this stage. If additional funding were required, Trustees would be asked to redirect funds from other revenue budgets.
- 10.2 The LBH CFO notes the contents of the report.

11 Use of Appendices/Tables/Photographs

11.1 Appendix 1 - Draft Job Description for Independent Advisor

Appendix 1

Alexandra Palace & Park Charitable Trust (APPCT)

DRAFT JOB DESCRIPTION

Post: **Independent Advisor to the Board**

Responsible to: **The Board of APPCT**

Working Context

Alexandra Park and Palace has a long history as a popular destination for leisure dating back to the 1860's. The origin of the charity is in the 1900 act of parliament titled the "Alexandra Park and Palace (public purposes) Act 1900. The act established a "body of trustees to acquire Alexandra Park and Palace and other lands and to hold them for the unlimited use and recreation of the public forever".

The trusteeship of the charity was passed to the London Borough of Haringey from the Greater London council (GLC) in 1980. The objects and powers of the charity and trustees are contained in various acts of parliament and orders known collectively as the Alexandra Park and Palace Acts and Orders 1900-2004.

The charity governance is delegated by the corporate trustee (Haringey Council) to a board of the local authority known as the Alexandra Palace and Park board. This delegation means that the individual members of the Board are, as a matter of charity law the "charity trustees." In consequence they are responsible for all the charity does and how it does it.

The board currently consists of seven trustees who are elected members of the council and four non voting representatives. These are drawn from the Alexandra Palace and Park Consultative Committee which advises the board of the views and desires of the park and palace user groups and also gives opportunity to those local and national organisations that wish to have an input into the operation of the charity.

The board is also advised by a (Statutory) advisory committee which consists of local residents associations and ward councillors from the adjacent local wards along with two council wide representatives.

The Board has recently created a new working group, the Alexandra Park & Palace Regeneration Working Group (APPRWG) the role of which is to oversee and give direction to the design, formulation and adoption of a sustainable regeneration strategy for Alexandra Park and Palace and will include the delivery of a strategic master Plan which will provide an integrated framework for future commercial and development delivery.

Once the planning framework has been resolved the Board will move on to consider a new Strategy to replace the one of holistic development abandoned by the Board in January 2010.

The Role of the Trustees

Trustees take ultimate responsibility for the work that the Trust does, and the way in which it spends its money to achieve its aims. It is a big responsibility, focussing on the strategic direction of the organisation, agreeing plans and budgets, and holding the Chief Officer to account for the delivery of the plans.

It has a legal dimension too, with Trustees legally responsible for ensuring that the organisation operates to standards set by Parliament and the Charity Commission.

The Role of the Independent Advisors

The role differs from that of Trustee in the sense that it has no general or regulatory accountability for the operation of the Charity's affairs. At APPCT it also differs in that, currently, only elected members of Haringey Council can be Trustees of the Charity. Accordingly Independent Advisors are full members of the Board but they are not able to vote in board meetings. In practice, decisions are rarely pushed to a vote as the Chair tries hard to seek consensus and unanimity when the Board is asked make decisions.

You will have demonstrable expertise and board level experience in one or more of the areas of fund raising, heritage or hospitality.

Commitment

This is a meaningful and important role in which you will be expected to act as an Ambassador for Alexandra Park & Palace. It is a task that will take time to do properly, we estimate the equivalent of at least one day per month on average, possibly more during periods of intense activity.

APPCT Board meets about 6 or 7 times per year, usually taking a long break during the summer period. There may be sub committees or working groups, with authority delegated to them by the Board, meeting at other intervals. Staff or stakeholders may seek to consult with you on your particular area of expertise. You may be asked to represent the Trust at outside meetings with potential funders or influencers, attend our open days, or work alongside staff at events and receptions.

Key Responsibilities

- 1 To provide specific advice to the Board on your area/s of expertise and professional experience.
- 2 To act as an Ambassador for APPCT
- 3 To assist other Board members to hold APPCT 'in trust' for donors and current and future beneficiaries by;

- Ensuring that the Trust has a clear vision, mission and strategic direction, and is focused on achieving these
- Being responsible for the performance of the Trust and for its 'corporate' behaviour
- Ensuring that the Trust complies with all legal and regulatory requirements
- Acting as guardians of the Trust's assets, both tangible and intangible, taking all due care over their security, deployment and proper application
- Ensuring that the Trust's governance is of the highest possible standard
- To work in partnership with other Board members, the Chief Officer and other senior staff

Duties

To use your knowledge, skills, experience and expertise to assist the Board to;

1. To agree the vision and strategy for the Trust
2. To ensure that the business plan and budget reflect the agreed strategic direction and are appropriate
3. To agree the measures for objectively monitoring the progress of the charity towards its strategic goals
4. To monitor the achievement of the Trust against the key measures from the business plan and budget
5. To hold the Chief Officer accountable for the achievement of the Trust's goals, and provide them with regular, constructive feedback on both management and overall achievement
6. To appoint the Chief Officer, to set their terms and conditions and to ensure that the organisation and the appointee invests in ongoing professional development, and considers succession planning
7. To agree the Trust's policies and ensure that they will assist in the achievement of the strategic and business plans
8. To ensure that the Trust has satisfactory financial control systems and procedures, and to review the level of risk annually
9. To safeguard the Trust's reputation, and other intangible assets
10. To reflect annually on the Board's performance and your own performance as a Board Member.

Tasks

1. To participate in the annual Trustee induction meeting and planning workshops or Away Days.

2. To attend Board meetings, read relevant papers and be prepared to make relevant contributions to discussion and providing guidance to officers of the Trust.
3. To support the staff when requested, sharing expertise, as a member of a working group or in other appropriate ways
4. To be prepared to act as a spokesperson for the Trust when asked by the Chair or Chief Officer, and to work within an agreed brief
5. To attend events as an ambassador for Trust, to network and promote the work of the organisation
6. To assist with fundraising by speaking, networking and otherwise seeking donations in conjunction with staff and volunteers as appropriate

Self Development

To develop own skills and capabilities through appropriate continuing professional development, including participation in Board appraisals and review of strategic plans.

Adherence to Legislation and Policy

1. To ensure that all responsibilities are carried out under relevant health and safety legislation and Trust Policy.
2. To comply with the Trust's Governing Documents, including its Code of Governance and its various policies and procedures relating to the Trust's activities.

Equalities

To promote and implement the Trust's Equality and Diversity policies in all areas of the work.

Terms of Engagement

1. The role of Independent Advisor, like that of Trustee, is unpaid but reasonable expenses incurred may be reclaimed from the Trust.
2. The term of office will be in accordance with the Constitution of Haringey Council, which currently means that APPCT Board members are appointed annually at the Council's AGM.

Key Working Relationships

1. Board of APPCT
2. General Manager APPCT
3. Alexandra Palace Stakeholder Committees
4. Alexandra Palace Trading Ltd

Other Information

The role of Independent Advisor to the Board of Alexandra Park & Palace is an exciting development in the long history of the iconic site we know as "Ally Pally". As the Board moves into the next crucial phase of developing its long-term strategy you could play a key part in influencing and advising on the direction Ally Pally takes next.

Your knowledge, experience and expertise will be valued and respected by the Board, its officers and stakeholders. Your advice could make a real difference, not merely to the Board, but to the hundreds of thousands of people who visit Ally Pally each year and the millions who might visit a regenerated Ally Pally in the future.

Further details are available from;

Councillor Pat Egan

Chair of APPCT
Alexandra Palace & Park Charitable Trust
Telephone 0208 365 4321

Email Patrick.Egan@haringey.gov.uk

Andrew Gill

Interim General Manager
APP Charitable Trust
Telephone 0208 365 4340
Mobile 0797 3373 048

Email andrew.gill@appct.org

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Agenda item:

Alexandra Palace & Park Board **on 14th October 2010**

Report Title: **Bespoke Code of Governance (Part 1)**

Report of: **Andrew Gill, Interim General Manager, Alexandra Palace & Park Charitable Trust**

1. Purpose

- 1.1 To update the Board on progress in making the NCVO Code of Governance bespoke to Alexandra Park & Palace Charitable Trust.
- 1.2 To advise the Board of clauses of the NCVO Code that do not apply to APPCT which are (as required by the Code) documented in this report.
- 1.3 To seek guidance from the Board on the integration of the NCVO code with the existing governing documents of APPCT and ancillary documents in draft form.
- 1.4 To request the Board to consider adopting a Code of Conduct for Trustees.
- 1.5 To prepare the Board for consideration of a comprehensive suite of documents comprising the Governing Documents in the form of a Trustee Handbook.

Please note; this is Part 1 of a two-part report. It does not contain the bespoke code itself as it seeks approval for the methodology, process and contents of developing a Trustee handbook that will encompass the code and other governing documents of the Trust. Part 2 will be submitted to the Board at its meeting on 30 November 2010.

2. Recommendations

- 2.1 That the Board approves the proposed exemptions from the NCVO Code of Governance as listed at section 6.9 of this report.
- 2.2 That the Board approves the proposed approach to the integration of the NCVO code with the existing governing documents of APPCT and ancillary documents as listed in this report and that the suite of documents shall collectively be known as the Trustee Handbook.
- 2.3 That the Board approves in principle the adoption of a Code of Conduct for Trustees and provides such guidance as the Board deems appropriate on the content of such a code.
- 2.4 That the Board considers the creation of a new committee or committees to enable compliance with the Code of Good Governance as outlined in section 6.10 of this report and provides such guidance as the Board deems appropriate on the role of such committee/s.
- 2.5 That the Board instructs the Interim General Manager to progress the development and further drafting of the documents as necessary to present the Trustee Handbook to a future meeting of the Board.

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



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

3. Executive Summary

- 3.1 This report updates the Board on progress in making the NCVO Code of Governance bespoke to Alexandra Park & Palace Charitable Trust.
- 3.2 It is not considered practicable to incorporate all the Trust's governing documents into one single document.
- 3.3 It is proposed by the IGM that the NCVO Code should form the cornerstone of the Trust's Governing Documents, the whole suite of which will form the Trustee Handbook.
- 3.4 The relationship between the various documents forming the proposed Trustee Handbook is depicted in the diagram at figure 1 below.
- 3.5 This report identifies those areas where the Trust will be able to comply (assuming the implementation of the Trustee Handbook) with the Code and those few areas where it may not comply.
- 3.6 In order to comply with the Code the Trust will need to implement a number of new policies and procedures and these are listed in the report.
- 3.7 The Board is invited to consider whether it may improve its governance by adopting a separate Code of Conduct for Trustees and a sample code is attached at Appendix 1.
- 3.8 The report lists the ancillary documents which exist in draft or final draft form and would be incorporated in the Trustee Handbook.
- 3.9 Subject to the Board's approval of the approach to the Trustee Handbook described above, the Implementation Plan for this work will be submitted to the Board at its meeting on 30 November 2010.

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

- 4.1 Resolutions made by the Board on 2 March 2010.

5. Local Government (Access to Information) Act 1985

- 5.1 NCVO Code of Good Governance (attached at Appendix 2)
- 5.2 Codes of Conduct for Trustees by Charity Trustee Networks

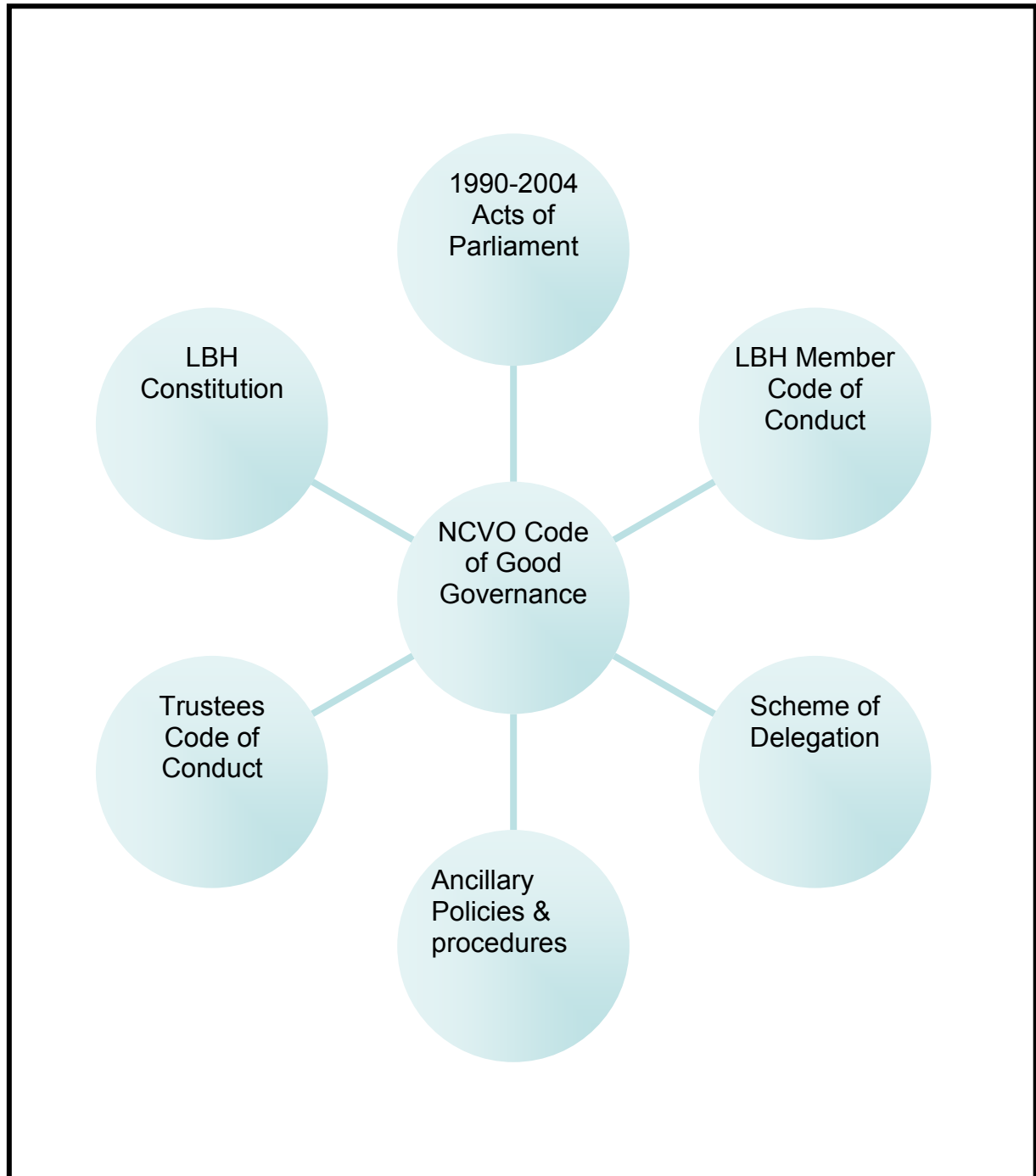
6. Description

- 6.1 Following its work with Stakeholders during the Review of Governance and Vision in 2009 and early 2010, the Board at its meeting on 2 March 2010 resolved that the NCVO Good Governance Code (henceforth referred to as "the Code") and the Key Principles of the Code be endorsed and adopted subject to the provisions of Haringey Council's Constitution as they apply to the Alexandra Palace and Park Board and its officers.
- 6.2 The Code is attached for ease of reference at Appendix 2 to this report. The Key Principles are;
 - Board Leadership
 - The Board in control
 - The High Performance Board
 - Board Review and Renewal
 - Board Delegation

- Board and trustee Integrity
- Board Openness

- 6.3 The Interim General Manger (IGM) was asked to brief the Board in detail on the implications of the Code with particular emphasis on the role of the Board and its work with stakeholders. Further work to implement the Code was undertaken during the Board induction process in May and June 2010 and the IGM was asked to bespoke the Code to suit the preferred structure of the Trustees and reflect the work already completed by trustees and stakeholders on
- a) Objectives
 - b) Principles
 - c) Processes
- 6.4 The IGM has reviewed the work done by previous management of the Trust in this area and researched the Codes of other organisations with a view to developing a Code of Governance for the Trust in the form of a single document and has concluded that it is not possible to incorporate all the necessary papers into one document.
- 6.5 In addition to the various Acts of Parliament that set the Trust's charitable object, the Trust is also governed by the Constitution of Haringey Council and its Trustees are covered by the Haringey Council Code of Conduct for Members. The Trust is also subject to the regulations and Standing Orders of Haringey Council in relation to certain financial and procurement matters.
- 6.6 The NCVO Code of Good Governance is a very comprehensive and well drafted document that provides an excellent basis for the governance of a third sector body such as the Trust.
- 6.7 Full implementation of the Code inevitably requires a number of supplementary documents in the form of policies and procedures, some of which the Trust already has in place and some of which the Trust has in draft form.
- 6.8 It is proposed by the IGM that the Code should form the cornerstone of the Trust's Governing Documents, the whole suite of which will form the Trustee Handbook. The relationship between the various documents forming the proposed Trustee Handbook is depicted in the diagram at figure 1 overleaf;

Figure 1 Trustee Handbook



6.9 Compliance with the Code is not mandatory but, where an organisation does not comply with a specific part of the Code, it is invited to record this fact and to set out the reasons for the non-compliance. The table below identifies those areas where the Trust will be able to comply (assuming the implementation of the Trustee Handbook) with the Code and those few areas where it may not;

Table 1 – APPCT Compliance with the Code

Part of NCVO Code	Requirements	APPCT Compliance
A Preamble	Complying with the Code, terminology	Can comply, no exemptions
B Board Leadership	The role of the Board, Strategic Direction	Can comply, no exemptions
C The Board in Control	Compliance, internal controls, managing risk, equality and diversity	Will not comply with C8, quality assurance system as beneficiaries are too many and services too broad.
D The High Performance Board	Trustee duties and responsibilities, the Effective Board, etc.	Can comply, no exemptions
E Board Review and Renewal	Performance appraisal, renewal and recruitment, review.	Cannot comply with E3 to E12 recruitment of Trustees as they are appointed by Haringey Council.
F Board Delegation	Clarity of roles, effective delegation, terms of reference, monitoring.	Can comply, no exemptions
G Board and Trustee Integrity	No personal benefits, conflicts of interest, probity.	Can comply via Trustees Code of Conduct.
H Board Openness	Communication and consultation, openness and accountability, stakeholder involvement.	Can comply, no exemptions

6.10 In order to comply with the Code the Trust will need to implement a number of new policies and procedures (in addition to those already in draft form). These are listed below in table 2 with proposed action to ensure compliance and target dates;

Table 2 – New Policies and Procedures

Part of NCVO Code	Requirements	Proposed Action to Ensure Compliance & Target Date
C The Board in Control	C7: Internal controls, set up an Audit Committee.	Board to consider setting up Finance, Audit and HR Committee. Target date TBA.
C The Board in Control	C14: The Board should have a whistle blowing policy and procedures.	Policy and procedures to be adopted as part of revised internal finance procedures. December 2010.
D The High Performance Board	D1: Trustee's statement or letter setting out duties and responsibilities and the expectations of the Trust on trustees.	Letter to be signed by Trustees when appointed in May 2011. Letter to include Declaration of Interests.
D The High Performance Board	D14: Strategy for support and personal development of Trustees. Induction (already comply).	Trustees Induction process to be enhanced to include this requirement for individual Trustees. June 2011
E Board Review and Renewal	E1: Performance appraisal of the Board, individual Trustees and sub-committees.	Biennial review of Board performance, annual review of individual Trustees by Chair and of Chair by Board. July 2011.
E Board Review and Renewal	E16: Review, strategic reviews of all aspects of the Trusts' work.	Key Action Review completed for 2009-10 in Business Plan. Strategic review to be finessed for future annual refresh of Business Plan. April 2011.
F Board Delegation	F1: Clarity of roles, define the role of the Chair and other honorary roles including Independent Advisors.	Job description to be adopted for Chair and other roles as approved by the Board. December 2010.

- 6.11 The Code refers to a Code of Conduct for Trustees. The Trustees of APPCT in their capacity as Elected Members of the Council are required to comply with Haringey Council's Code of Conducts for Members. The Board is invited to consider whether it may improve its governance by adopting a separate Code of Conduct for Trustees. A sample code based on that suggested by the Charity Trustee Networks in its publication 'Codes of Conduct for Trustees' is attached at Appendix 1 of this report.
- 6.12 It may be helpful to the current and future Chair and to the Board to particularise the role and functions of the Chair. The Code states that the role of the Chair should include, as a minimum;
- (a) the efficient conduct of business at the organisation's Board and general meetings;
 - (b) that the organisation's business is efficiently and accountably conducted between Board meetings;
 - (c) that the organisation complies generally with this code;
 - (d) specifically that the appraisal and remuneration of the organisation's chief executive is conducted in accordance with this Code;

(e) that the employment of the chief executive complies with employment legislation and good practice; and

(f) that the appraisal of board and trustee performance is conducted in accordance with this Code.

- 6.13 The purpose of a code of conduct is to provide a structure for the responsibilities and expectations of the trustees to help avoid or address problems. It is not about a lack of trust between or in the trustees of an organisation. A code of conduct provides trustees with an understanding of what is required of their role, enabling them to be transparent, open and accountable in what they do and how they do it. For the most part, a code will simply codify the good practice and behaviour already in existence.
- 6.14 There are many codes and standards across the sector. They exist because all charities and trustees are different and will find varying styles and types of resources helpful. Many boards have said that finding the particular type of resource, training or support that helps them deal with issues is a matter of trial and error – if it doesn't work, they try something else.
- 6.15 One such set of standards came out of the Nolan Committee, which published its Seven Principles of Public Life, and recommended that all public bodies adopt codes of conduct incorporating those principles. The Nolan Principles form the basis of many codes of conduct, translated into contexts outside of the public sector, and have been adopted widely.
- 6.16 One such set of standards came out of the Nolan Committee, which published its Seven Principles of Public Life, and recommended that all public bodies adopt codes of conduct incorporating those principles. The Nolan Principles form the basis of many codes of conduct, translated into contexts outside of the public sector, and have been adopted widely.

The Nolan Principles – adapted for trustees

1. Selflessness

Trustees should act solely in terms of public benefit. They should not act in order to gain financial or other benefits for themselves, their family or their friends.

2. Integrity

Trustees should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their role as a trustee.

3. Objectivity

In carrying out the business of the organisation, trustees should make choices based on merit.

4. Accountability

Trustees are accountable for their decisions and actions to their stakeholders and the public and must submit themselves to whatever scrutiny is appropriate to their role.

5. Openness

Trustees should be as open as possible about all the decisions and actions they take.

6. Honesty

Trustees should declare any private interests relating to their trusteeship and take steps to resolve any conflicts arising in a way that protects the public benefit.

7. Leadership

Trustees should promote and support these principles by leadership and example.

6.17 The following list of ancillary documents exist in draft or final draft form and would be incorporated in the Trustee Handbook;

1. Code of Conduct for Trustees and Members of the Board (including Letter of understanding and Trustees Declaration of Interests)
2. Constitution and Terms of Reference (including Haringey Elected Member Code of Conduct and the Trust's Relationship with Haringey Council)
3. Scheme of Delegation (including Summary of General Manager's role, responsibilities and delegated authority)
4. Trust Governance Structure Chart
5. Trust 3 year rolling Business Plan (including strategic objectives and annual work plan for Chief Officer).
6. Risk Management Framework (including Risk Register)
7. General Procedures, Protocol for decision making and reporting (including Board annual work programme, Business Plan and Trustee Induction plan)

8. Relationship between APP Charitable Trust and AP Trading Company (including APTL Company structure).
9. Summary of APPCT Internal Procedures (including structure chart, finance and expenditure policy/procedures, Staff Handbook, etc.)
- 6.18 Subject to the Board's approval of the approach to the Trustee Handbook described above, the Implementation Plan for this work will be submitted to the Board at its meeting on 30 November 2010.

7 Consultation

- 7.1 There has been no specific consultation on this report beyond the work done by the Board with stakeholders during the Review of Governance and Vision in 2009 and early 2010 described at 6.1 above.
- 7.2 Both the APP Statutory Advisory Committee and APP Consultative Committee have welcomed the Board's adoption of the Code.

8 Recommendations

- 8.1 That the Board approves the proposed exemptions from the NCVO Code of Governance as listed at section 6.9 of this report.
- 8.2 That the Board approves the proposed approach to the integration of the NCVO code with the existing governing documents of APPCT and ancillary documents as listed in this report and that the suite of documents shall collectively be known as the Trustee Handbook.
- 8.3 That the Board approves in principle the adoption of a Code of Conduct for Trustees and provides such guidance as the Board deems appropriate on the content of such a code.
- 8.4 That the Board considers the creation of a new committee or committees to enable compliance with the Code of Good Governance as outlined in section 6.10 of this report and provides such guidance as the Board deems appropriate on the role of such committee/s.
- 8.5 That the Board instructs the Interim General Manager to progress the development and further drafting of the documents as necessary to present the Trustee Handbook to a future meeting of the Board.

9 Legal Implications

- 9.1 The Trust's Solicitor's advice has been taken into account in preparing this report.
- 9.2 This report was sent to the LBH Head of Legal Services for comment.

10 Financial Implications

- 10.1 The LBH CFO notes the contents of this report.
- 10.2 There are no significant financial implications of this report. Most of the work involved in implementing the new Governing Documents will fall to the Trust's officers.

11 Use of Appendices/Tables/Photographs

- 11.1 Table 1 - APPCT Compliance with the Code

- 11.2 Table 2 – New Policies and Procedures
- 11.3 Appendix 1 – Detailed model code of conduct for trustees
- 11.4 Appendix 2 - NCVO Code of Good Governance

Appendix 1

A detailed model code of conduct for trustees

I will respect and uphold the values of [organisation name]
[list values of organisation]

GENERAL

- I will act within the governing document of [organisation name] and the law, and abide by the policies and procedures of the organisation. This includes having a knowledge of the contents of the [governing document] and relevant policies and procedures.
- I will support the objects and mission of [organisation name], championing it, using any skills or knowledge I have to further that mission and seeking expert advice where appropriate.
- I will be an active trustee, making my skills, experience and knowledge available to [organisation name] and seeking to do what additional work I can outside trustee meetings, including sitting on sub-committees.
- I will respect organisational, board and individual confidentiality, while never using confidentiality as an excuse not to disclose matters that should be transparent and open.
- I will develop and maintain a sound and up-to-date knowledge of [organisation name] and its environment. This will include an understanding of how [organisation name] operates, the social, political and economic environment in which it operates and the nature and extent of its work.
- I will use [organisation name]'s resources responsibly, and when claiming expenses will do so in line with [organisation name] procedures.
- I will seek to be accountable for my actions as a trustee of [organisation name], and will submit myself to whatever scrutiny is appropriate.
- I accept my responsibility to ensure that [organisation name] is well run and will raise issues and questions in an appropriate and sensitive way to ensure that this is the case.

MANAGING INTERESTS

- I will not gain materially or financially from my involvement with [organisation name] unless specifically authorised to do so.
- I will act in the best interests of [organisation name] as a whole, and not as a representative of any group – considering what is best for [organisation name] and its present and future beneficiaries and avoiding bringing [organisation name] into disrepute.
- Unless authorised, I will not put myself in a position where my personal interests conflict with my duty to act in the interests of the organisation. Where there is a conflict of interest I will ensure that this is managed effectively in line with [organisation name] policy.
- I understand that a failure to declare a conflict of interest may be considered to be a breach of this code.

MEETINGS

- I will attend all appropriate meetings and other appointments at [organisation name] or give apologies. If I cannot regularly attend meetings I will consider whether there are other ways I can engage with [organisation name].
- I will prepare fully for all meetings and work for the organisation. This will include reading papers, querying anything I do not understand, thinking through issues before meetings and completing any tasks assigned to me in the agreed time.
- I will actively engage in discussion, debate and voting in meetings; contributing in a considered and constructive way, listening carefully, challenging sensitively and avoiding conflict.
- I will participate in collective decision making, accept a majority decision of the board and will not act individually unless specifically authorised to do so.

GOVERNANCE

- I will actively contribute towards improving the governance of the trustee board, participating in induction and training and sharing ideas for improvement with the board.
- I will help to identify good candidates for trusteeship at [organisation name] and, with my fellow trustees, will appoint new trustees in accordance with agreed selection criteria.

RELATIONS WITH OTHERS

- I will endeavour to work considerately and respectfully with all those I come into contact with at [organisation name]. I will respect diversity, different roles and boundaries, and avoid giving offence.
- I recognise that the roles of trustees, volunteers and staff of [organisation name] are different, and I will seek to understand and respect the difference between these roles.
- Where I also volunteer with the organisation I will maintain the separation of my role as a trustee and as a volunteer.
- I will seek to support and encourage all those I come into contact with at [organisation name]. In particular I recognise my responsibility to support the chair and the senior staff member.
- I will not make public comments about the organisation unless authorised to do so. Any public comments I make about [organisation name] will be considered and in line with organisational policy, whether I make them as an individual or as a trustee.

LEAVING THE BOARD

- I understand that substantial breach of any part of this code may result in procedures being put in motion that may result in my being asked to resign from the trustee board.
- Should this happen I will be given the opportunity to be heard. In the event that I am asked to resign from the board I will accept the majority decision of the board in this matter and resign at the earliest opportunity.
- If I wish to cease being a trustee of [organisation name] at any time, I will inform the chair in advance in writing, stating my reasons for leaving.

Signed
Name
Date

Good Governance

A Code for the Voluntary
and Community Sector

First edition: June 2005

ACEVO, Charity Trustee Networks,
ICSA, NCVO on behalf of
The National Hub of Expertise in Governance

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partone

Introducing the code

Charities exist to create a better society. They operate for a vast range of purposes, and in many different ways, but each is united by a commitment to voluntary action and a desire to make the world a better place.

The size and complexity of the charity sector, and its relationship with both the state and its citizens, is changing at an ever-increasing pace.

One of our jobs as regulator to the sector is to encourage charities to adopt good practice in governance. Adopting good practice can help charities keep pace with the changes and make them more effective where it really counts – in helping the people they were set up to benefit. We have worked with our voluntary sector partners to develop this code of governance. It has been produced by the sector, for the sector and for the sector. The code provides a flexible and proportionate framework for charities; there are common standards to which all charities should aspire, with higher expectations of larger charities.

We shall watch with interest to see how charities meet the challenge of complying with the code.

Geraldine Peacock
Chairman, Charity Commission

introduction

Why a code of governance?

Governance is high on the agenda in all sectors – public, private and voluntary. As voluntary and community organisations working for public benefit, we are increasingly expected to demonstrate how well we are governed. Good governance is a vital part of how voluntary and community organisations operate and are held accountable.

Other sectors have already developed Codes in recent years. Housing associations have a detailed Code prepared by the National Housing Federation. Co-operatives UK have the Corporate Governance Code of Best Practice. In the public sector, there is the new Good Governance Standard for Public Services. And the private sector has its 2004 Combined Code on Corporate Governance, which builds on the work of the Cadbury, Greenbury and Higgs Inquiries over the last decade or so. Action in our sector is overdue.

This Code arises from directly expressed needs in the voluntary sector. These came from organisations which needed guidance to clarify the main principles of governance and to help them in decision-making, accountability and the work of their boards. In response to these demands, a group of voluntary sector infrastructure associations, with the Charity Commission, came together and decided to work towards developing the Code. Vitally, the Code has thus been developed by and for voluntary and community organisations.

This first edition is aimed at the entire voluntary and community sector. After it has been in operation for some 18 months, we intend to carry out a major and open review of its effectiveness, so that we can refine it to better meet the sector's needs. See Appendix 10 for details of the review, and of how to comment.

Terminology

For simplicity, we refer throughout to 'the board' and 'trustees', but recognise that many different terms are in use for the people in these roles. Similarly we refer to the 'chief executive' to mean an organisation's most senior member of staff.

What is 'governance'?

One writer on governance in our sector has helpfully defined governance as being:

"the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation."¹

In our sector, trustees take ultimate responsibility for the governance of their organisations. However, governance is not a role for trustees alone. More, it is the way trustees work with chief executives and staff (where appointed), volunteers, service users, members and other stakeholders to ensure their organisation is effectively and properly run and meets the needs for which the organisation was set up.

¹ From *The Governance of Voluntary Organisations*, Cornforth 2003

Behind good governance must lie principles. In our Code, we have set out some principles of good governance, tailored for the sector. Others have done the same for their sectors, and we reproduce some examples in the Appendices.

It is worth referring here to the “Nolan Principles”, set out by Lord Nolan while chairing the Committee on Standards in Public Life. Although these were originally established for individuals involved in public and government positions, they are seen as having wider relevance, including for the trustees of voluntary and community organisations. Many organisations have found the Nolan principles a useful basis for understanding the individual role of a trustee, and they often appear in trustee job descriptions or codes of conduct. The principles are set out in full at the appendix, and are: **Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership.**

We recognise that the language of governance and performance will be more familiar to larger organisations. In practice, the way organisations ‘govern’ will be different depending on the circumstances. These circumstances can include the size of an organisation, how long it has been in existence, and the culture and values it possesses. One distinctive factor is size and here are a few examples of how an organisation’s understanding of governance may differ:

- In a small community group governance might be about getting things in place, making sure it’s clear who is doing what and making sure that all concerned are working together to a common cause.
- In a local or county-wide service providing organisation, governance might be more focused on the relationship between the trustees and staff team, and ensuring good service delivery.
- In a larger national or regional organisation, governance might be about the need to demonstrate how the organisation delivers on its mission through quality service provision, its accountability to the public and stakeholders, and always ensuring that the board’s structure is ‘fit for purpose’.

The Code is written to be applicable in all such circumstances, but clearly each organisation will need to interpret and apply it according to its particular needs and circumstances.

About this Code

This code is primarily aimed at the trustees of voluntary and community organisations, who have ultimate governance responsibilities. It will help them to lead their organisations through example, and to achieve excellent governance. It is also aimed at chief executives, who provide the bridge between trustees and staff, and have a central role in ensuring good governance.

We hope that it will also be more widely useful. For staff, volunteers, members and service users, it will help them to understand what they can expect from a well-governed organisation. It will also be relevant to those with a wider involvement in the governance of the sector; such as: funders; donors; the general public; professional advisers; consultants; trainers; and regulators.

The Code aims to help enhance the effectiveness of voluntary and community organisations by:

- clarifying what effective governance looks like and how governing bodies can govern effectively;

- reassuring an organisation's stakeholders about the way organisations are governed; and
- maintaining and enhancing public confidence in organisations and in the voluntary and community sector

The Code is applicable except where there exists an approved code by an existing regulator or representative body. This first version has been developed and endorsed by the following voluntary sector infrastructure bodies, and also by the Charity Commission:

- National Council for Voluntary Organisations (NCVO);
- Association of Chief Executives of Voluntary Organisations (ACEVO);
- Charity Trustee Networks (CTN); and
- Institute of Chartered Secretaries and Administrators (ICSA).

The Code has also been endorsed by The National Hub of Expertise in Governance (the Governance Hub), which will now take on the responsibility for future work on the Code. The Hub will thus lead on future reviews and updating of the Code, and will develop supplements for different types of voluntary and community organisation if required. This means that the views and feedback of organisations using the Code are vital. In Appendix 9, we explain in more detail how you can help us to refine and develop the code to its next stage. Please do take up the opportunity to contribute.

Using the Code

The main principles of the Code are intended to be relevant to all sizes and types of voluntary and community organisation. Some of the additional guidance and suggestions may be more or less relevant to your organisation depending on your circumstances, for example your size, legal structure or aims and objectives. This is inevitable because of the size and diversity of the voluntary and community sector. There will be supplements created for different types of organisation where it has been recognised, through consultation, that there are differing needs.

The Code is compliant with legal and regulatory requirements, including those relating to charities. It links closely with other codes and standards. These include the self-regulation of fundraising and the draft National Occupational Standards for Trustees and Management Committee Members. For registered charities, it is intended that the Code should complement the Charity Commission's *The Hallmarks of an Effective Charity* and the new booklet *The Essential Charity Trustee*.

The Code is based on the principle of 'comply or explain'. This means that it is not a legal or regulatory requirement. Organisations using it should be able to either 'comply' with the main principles of the Code, or 'explain' why they don't apply in the particular circumstances.

Some organisations may not comply with certain statements because they are in the process of working towards them, and thus aspire to them. Alternatively, they may exceed the standards outlined in this guidance, or it may be that aspects of this Code do not easily relate to the circumstances of a particular organisation.

parttwo

Good governance: a code for the voluntary and community sector

The key principles of good governance

The key principles set out below have been used in the drawing up of this Code, and provide the main headings for its sections. They are set out here not as a part of the Code, but to set the context, and to help with interpretation.

Underlying each of these is the additional principle of equality – that of ensuring equity, diversity and equality of treatment for all sections of the community. We see this as fundamental to the work of all voluntary and community sector organisations; rather than creating a separate ‘Equality’ section, the principle has been used to inform all sections of the Code.

Board leadership 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 Board in control 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 high performance Board The Board should have clear responsibilities and functions, and should compose and organise itself to discharge them effectively.

Board review and renewal 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.

Board delegation 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.

Board and trustee integrity The Board and individual trustees should act according to high ethical standards, and ensure that conflicts of interest are properly dealt with.

The open Board The Board should be open, responsive and accountable to its users, beneficiaries, members, partners and others with an interest in its work.

A | Preamble

- A1** This Code contains guidance for the good governance of voluntary and community organisations. It is intended to help and support their Board members in the important and rewarding work that they carry out. Because voluntary and community organisations vary greatly in terms of size and activity, not all of the Code will apply to all of them. But all such organisations are invited to consider all parts of the Code, and take the action that suits their circumstances in the light of the principles set out.

Complying with this Code

- A2** This Code is not mandatory, and sets out best practice. Organisations that comply with the Code are invited to state this in their annual report and other relevant published material.
- A3** Where an organisation does not comply with a specific part of the Code, it is invited also to record this fact, and to set out the reasons for non-compliance.
- A4** Where an organisation's governing document does not allow the organisation to adopt one or more recommendations of this Code, then the governing document must take precedence.
- A5** Organisations using this Code are advised to review their governing document, standing orders and other documentation, and consider amending them as necessary to enable their implementation of the Code.
- A6** Smaller organisations with limited resources and with few or no staff are invited to focus on the principles set out in the Code, and to state their compliance with the principles rather than the detail of the Code.
- A7** This Code has been prepared primarily to meet the needs of organisations working in England; organisations working in other parts of the United Kingdom are welcome to make use of it as they see fit.
- A8** Where voluntary and community organisations are already covered by existing Codes of Governance prepared by their representative bodies or regulators, the existing Code should take precedence. Where more than one such Code might apply, the organisation should seek advice as to which one should take precedence.

Terminology

- A9** In this Code, we refer to:
- (a)** an organisation's governing body as a Board, and its members as trustees; in practice, various other equally valid terms are also used, such as committee members, governors or directors;
 - (b)** the senior member of an organisation's staff team as the chief executive, although again there is a range of job titles in use; and

- (c) the organisation's main constitutional document or instrument as being its governing document; this may in practice be referred to as its Constitution, Charter, Memorandum and Articles, Trust Deed, Rules or other term.

This Code is intended to apply regardless of the terms used.

- A10** Where we use the word 'must', this refers to legal requirements or obligations on trustees. The word 'should' is otherwise used throughout, to indicate the requirements of this Code.

Using the Code

- A11** This Code is organised in sections which follow the key principles of governance as set out on the previous page. Each section starts by restating the key principle, and then sets out a number of supporting principles. Each of these is then covered in clearly headed sub-sections. In the sub-sections, readers will find practical ways for Boards to comply with the relevant principles.
- A12** This is the first edition of this Code, and those using it are invited to comment on its application, and on any amendments they wish to suggest for future revision of the Code (see Appendix 10 for details).

B | Board Leadership

The key principle: 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.

Supporting principles:

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.

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.

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.

- BI** The Board should have a statement of its strategic and leadership roles, and of key functions which cannot be delegated. These should include as a minimum:
- (a)** ensuring compliance with the objects, purposes and values of the organisation, and with its governing document;
 - (b)** setting or approving policies, plans and budgets to achieve those objectives, and monitoring performance against them;
 - (c)** ensuring the solvency, financial strength and good performance of the organisation;
 - (d)** ensuring that the organisation complies with all relevant laws, regulations and requirements of its regulators;
 - (e)** dealing with the appointment (and if necessary the dismissal) of the organisation's chief executive;
 - (f)** setting and maintaining a framework of delegation and internal control; and
 - (g)** agreeing or ratifying all policies and decisions on matters which might create significant risk to the organisation, financial or otherwise.

- B2** The Board must ensure that the organisation's vision, mission and values and activities remain true to its objects.
- B3** Trustees are bound by an overriding duty, individually and as a Board, to act reasonably at all times in the interests of the organisation and of its present and future beneficiaries or (in the case of a membership organisation) members.
- B4** All trustees are equally responsible in law for the Board's actions and decisions, and have equal status as trustees.
- B5** Each and every trustee must act personally, and not as the representative of any group or organisation; this applies regardless of how that person was nominated, elected or selected to become a trustee.
- B6** The trustees must ensure that they remain independent, and do not come under the control of any external organisation or individual.

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.

- B7** Where an organisation employs staff, the chief executive has responsibility for maintaining a clear division of responsibilities between the Board and the staff team. She or he should provide an effective link between Board and staff, informing and implementing the strategic decisions of the Board.
- B8** Trustees should not seek to become directly involved in decisions which have been properly delegated to staff. Instead, they should hold staff to account through the chief executive.
- B9** In the case of smaller organisations, where some trustees may be directly involved in operational decisions and matters, those concerned should make a clear distinction between their trustee role and their operational work.

C | The Board in control

The key principle: 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.

Supporting principles:

Compliance The Board must ensure that the organisation complies with its own governing document, relevant laws, and the requirements of any regulatory bodies.

Internal controls The Board should maintain and regularly review the organisation's system of internal controls, performance reporting, policies and procedures.

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.

Managing Risk The Board must regularly review the risks to which the organisation is subject, and take action to mitigate risks identified.

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.

Compliance

The Board must ensure that the organisation complies with its own governing document, relevant laws, and the requirements of any regulatory bodies.

- C1** The Board must ensure that the organisation complies with:
- (a) its own governing document;
 - (b) the requirements of its regulators and relevant legislation, and in particular that it submits annual returns, reports and accounts as required by law;
 - (c) any statutory or regulatory requirements relating to maintenance of financial records, and external audit of its accounts; and
 - (d) the requirements of all other statutes, authorities and regulations governing its work (see C2 below).
- C2** Depending on their size, the nature of their activities and the type of their governing document, organisations must ensure compliance with any of the following that apply to them:
- (a) charity law and the requirements of the Charity Commission;

- (b) company law and the requirements of Companies House;
 - (c) Industrial and Provident Society law, and the requirements of the Financial Services Authority;
 - (d) employment law;
 - (e) health and safety legislation;
 - (f) data protection legislation;
 - (g) legislation against discrimination on grounds of race, disability, gender and other factors; and
 - (h) any other legislation which may apply to particular organisations, such as that relating to fundraising, the protection of children or vulnerable adults, the provision of health or care services, the provision of financial advice, housing and tenancy law and others.
- C3** The Board should have policies, procedures and reporting mechanisms in place to ensure compliance with applicable legislation.
- C4** Organisations which fundraise should comply with the relevant self-regulatory code (see Appendix 2 for further details).

Internal controls

The Board should maintain and regularly review the organisation's system of internal controls, performance reporting, policies and procedures.

- C5** The Board should set and maintain standing orders, systems of financial control, internal control, performance reporting, and policies and procedures.
- C6** The Board should ensure that there is a system for the regular review of the effectiveness of its internal controls.
- C7** Larger and more complex organisations should set up an audit committee, and should also consider the use of an internal audit service.
- C8** Organisations providing services to users should consider adoption of an appropriate quality assurance system, or of other forms of accreditation (see Appendix 1 for examples of relevant schemes).

Managing risk

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. The Board must regularly review the risks to which the organisation is subject, and take action to mitigate risks identified.

- C9** The Board must avoid undertaking activities which might place at undue risk the organisation's service users, beneficiaries, volunteers, staff, property, assets or reputation.

- C10** The Board must exercise special care when investing the organisation's funds, or borrowing funds for it to use, and must comply with the organisation's governing document and any other legal requirements in doing so.
- C11** Trustees should understand the risks facing the organisation and how these are managed and minimised. The Board should undertake a full risk assessment (either periodically or on a rolling basis) and take appropriate steps to manage the organisation's exposure to significant risks.
- C12** The Board should obtain advice from professional advisors or others on all matters where there may be material risk to the organisation, or where the trustees may be in breach of their duties.
- C13** The Board should take ultimate responsibility for dealing with and managing conflicts that may arise within the organisation. This includes conflicts arising between trustees, staff, the chief executive, members, volunteers or service users.
- C14** The Board should have a whistleblowing policy and procedures to allow confidential reporting of matters of concern, such as misconduct, misuse of funds, mismanagement, and risks to the organisation or to people connected with it. The policy and procedures should:
 - (a)** be accessible and open to all staff, volunteers, trustees and agents of the organisation;
 - (b)** provide for those who are not confident about raising a concern with their line manager or a senior manager to have direct access to a trustee, an independent person or a regulatory body;
 - (c)** assure people who raise such concerns in good faith that they need have no fear of reprisals or other adverse consequences;
 - (d)** ensure that all such concerns will be properly assessed and investigated in a way that is fair to the whistleblower and others involved; and
 - (e)** provide for appropriate action to be taken where a concern is shown to be well founded.

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.

- C15** The Board should ensure that its organisation upholds and promotes equal opportunities and diversity in all areas of its work, including:
 - (a)** the identification and assessment of needs to be met;
 - (b)** allocation of resources, making of grants or provision of services;
 - (c)** membership of the Board and any sub-committees;
 - (d)** staff recruitment, selection, training and conditions of service;
 - (e)** communication with stakeholders and the public;

- (f) accessibility of meetings and communications; and
- (g) the buying of goods and services.
- C16** The Board should set strategies for and receive regular reports on the organisation's work to achieve equality and diversity, against clear targets where practicable. These reports should be used to help develop the organisation's overall strategies.
- C17** Where the organisation is set up to serve a specific section of the community, this should be clear and the above principles should be interpreted and applied as appropriate.

D | The high performance Board

The key principle: The Board should have clear responsibilities and functions, and should compose and organise itself to discharge them effectively.

Supporting principles:

Trustee duties and responsibilities Trustees should understand their duties and responsibilities and should have a statement defining them.

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.

Information and advice Trustees should ensure that they receive the advice and information they need in order to make good decisions.

Skills and experience The trustees should have the diverse range of skills, experience and knowledge needed to run the organisation effectively.

Development and support Trustees should ensure that they receive the necessary induction, training and ongoing support needed to discharge their duties.

The chief executive The Board should make proper arrangements for the supervision, support, appraisal and remuneration of its chief executive.

Trustee duties and responsibilities

Trustees should understand their duties and responsibilities and should have a statement defining them.

- D1** All trustees should be asked to sign and return a statement or letter setting out their duties and responsibilities, and the expectations of the organisation on trustees.
- D2** The letter should, as a minimum, include obligations to:
 - (a)** uphold the values and objectives of the organisation;
 - (b)** give adequate time and energy to the duties of being a trustee; and
 - (c)** act with integrity, and avoid or declare personal conflicts of interest.
- D3** Individual trustees must not act on their own on behalf of the Board, or on the business of the organisation, without proper authority from the Board.

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.

- D4** The Board should meet regularly, and ensure that its work is focused on delivering its strategic role.
- D5** Within the terms of its governing document, the Board should ensure that it has enough trustees to provide the skills and experience needed, without becoming so large that decision-making becomes unwieldy.
- D6** The Chair of the Board should ensure that all trustees can contribute at meetings, and that the proceedings are not dominated by particular trustees.

Information and advice

Trustees should ensure that they receive the advice and information they need in order to make good decisions.

- D7** The Board should ensure that it conducts its work efficiently, and receives the information and advice it needs to make good decisions. Board papers should be timely, well-presented, circulated well in advance of Board meetings, and should make clear recommendations to the Board.
- D8** The Board should take professional advice where necessary before making important decisions and should not rely excessively or exclusively on a single source.

Skills and experience

The trustees should have the diverse range of skills, experience and knowledge needed to run the organisation effectively.

- D9** The trustees should collectively provide a mix of skills, experience, qualities and knowledge appropriate to the organisation and its beneficiaries' needs, and so that the organisation can respond to the challenges and opportunities it faces.
- D10** Depending on the organisation's size and the nature of its activities, the experience of trustees should, as appropriate, cover the following areas:
 - (a)** providing effective strategic leadership, and working as a team;
 - (b)** direct knowledge of the organisation's beneficiaries and users, and of their needs and aspirations, whether gained through life or work experience;
 - (c)** governance, general finance, business and management;

- (d) human resources and diversity;
 - (e) the operating environment and risks that exist for the organisation; and
 - (f) other specific knowledge required, such as fundraising, health, social services, property or legal.
- D11** The Board should aim to have a diverse group of trustees, broadly representative of the community and membership it serves.
- D12** The Boards of organisations providing services to beneficiaries or users should be open to trustee membership from these groups unless there are clear legal or other reasons why this is not practicable.
- D13** Staff of the organisation may only become trustees where this is permitted by law and by the organisation's governing document. It should also be agreed by the Board as being demonstrably in the interests of the organisation, and as not creating unacceptable conflicts of interest. A staff trustee should not chair the organisation; staff trustees should be in a minority on the Board.

Development and support

Trustees should ensure that they receive the necessary induction, training and ongoing support needed to discharge their duties.

- D14** The Board should have a strategy for the support and personal development of all trustees, so that each trustee can keep up to date with the knowledge and skills they need to carry out their role.
- D15** All new trustees should undergo a full induction, in which they receive all the information and support they need to carry out their new role, and can meet key staff, users and beneficiaries, and other stakeholders.
- D16** Implementation of these strategies may be delegated by the Board to the organisation's chief executive or secretary.

The Chief Executive

The Board should make proper arrangements for the supervision, support, appraisal and remuneration of its chief executive.

- D17** The Board should ensure that formal arrangements are set up for the regular supervision, appraisal and personal development of their chief executive. This may be carried out by the chair, another trustee or by a small group of trustees.
- D18** The Board should ensure that there is a formal mechanism for setting the remuneration of the chief executive, which should be ratified by the Board.

- D19** The remuneration package for the chief executive should:
- (a)** be adequate to attract and retain the quality of staff required, but no more;
 - (b)** be openly disclosed in the organisation's accounts, including pension and other benefits; and
 - (c)** where there is a performance related element, be linked to the achievement of measurable targets.
- D20** The Board should seek independent expert or professional advice when required concerning sensitive matters relating to the chief executive's employment.

E | Board review and renewal

The key principle: 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.

Supporting principles:

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.

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.

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.

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.

- E1** The Board should ensure that:
- (a)** at least every two years, it sets aside time to reflect on its own performance and functioning as a team;
 - (b)** the performance of individual trustees is regularly assessed and appraised, either by the chair or another trustee, or by using external assistance;
 - (c)** the performance of the chair is likewise assessed and appraised, either by another trustee, the Board as a whole, or using external assistance; and
 - (d)** the performance of sub-committees, standing groups and other bodies is similarly appraised and reviewed.
- E2** The results of these appraisals should be used to make necessary changes and improvements, to inform the creation of appropriate training programmes, and to guide trustee renewal and recruitment.

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.

- E3** The Board should have a strategy for its own renewal, with succession planning arrangements in place to ensure timely replacement of trustees resigning or reaching the end of their terms of office; particular attention should be given to succession planning for replacement of the chair and other honorary officers.
- E4** The Board may wish to delegate implementation of this strategy to a sub-committee or panel.
- E5** Trustees must be recruited and appointed in accordance with the organisation's governing document, and with relevant legislation.
- E6** The Board should consider setting maximum terms of office to ensure a steady renewal of trustees; these may be set out in standing orders or in the organisation's governing document.
- E7** Before new trustees are appointed, the Board should determine what new attributes and knowledge are needed, and write them down in the form of a role description, or role profile.
- E8** The Board should ensure that the recruitment process is open to all sections of the community, and should consider open advertising and a range of other recruitment methods to attract a wide range of candidates.
- E9** Candidates should, where the organisation's governing document permits, be interviewed formally, and appointed on merit.
- E10** In the case of organisations where the trustees are nominated by an external body, or elected by a wider membership, the Board should work in partnership with the organisations or people concerned to ensure that they are aware of the specific skills and experience required from new trustees.
- E11** Where permitted by the organisation's governing document, using co-options should be used where necessary to recruit individuals with particular skills, experience and qualities that are not fully provided by existing trustees.
- E12** The Board should ensure that the procedures for joining and leaving the Board are clearly understood by all trustees and others involved.

 **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.

- E13** To remain effective, the Board should periodically conduct strategic reviews of all aspects of the organisation's work and functioning, to ensure that:
- (a)** the needs for which the organisation was set up still exist, and its objects as set out in the governing document remain relevant to those needs;
 - (b)** the organisation is continuing to meet those needs, and remains fit for purpose; and
 - (c)** the needs are being met in the most effective way.
- E14** Reviews should include the areas covered in this Code, including the organisation's:
- (a)** governing document, standing orders, purposes, mission and vision;
 - (b)** Board and trustees – their functioning and effectiveness;
 - (c)** staffing and volunteer structures, working methods, and operational policies and procedures;
 - (d)** mechanisms for internal control and performance reporting;
 - (e)** mechanisms for planning and budgeting;
 - (f)** sub-committees, working groups and advisory bodies; and
 - (g)** relations with stakeholders, and arrangements for communication and consultation with them.
- E15** The Board should use the results of such reviews to:
- (a)** generate a creative and innovative approach to the organisation's development;
 - (b)** inform its strategic planning;
 - (c)** make changes and improvements to its operational activities; and
 - (d)** initiate collaborative work with other organisations to deliver the best possible outcomes for users, beneficiaries and members; and
 - (e)** create a positive impact on the overall effectiveness and governance of the organisation.
- E16** Where possible, the Board should be open with stakeholders about the results of such reviews, indicate clearly what steps they intend to take in response, and give explanations concerning actions they have decided not to take.

F | Board delegation

The key principle: 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.

Supporting principles:

Clarity of roles The Board should define the roles and responsibilities of the chair and other honorary officers, in writing.

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.

Terms of reference The Board should set clear terms of reference for sub-committees, standing groups, advisory panels, etc.

Monitoring All delegated authorities must be subject to regular monitoring by the Board.

Clarity of roles

The Board should define the roles and responsibilities of the chair and other honorary officers, in writing.

- F1** The Board should define and write down the role of the chair, and that of other honorary officers such as vice-chair, treasurer and the secretary to the Board; it should be noted that for companies the role of secretary is partly defined by the relevant legislation.
- F2** The role of the chair should include, as a minimum, to ensure:
- (a)** the efficient conduct of business at the organisation's Board and general meetings;
 - (b)** that the organisation's business is efficiently and accountably conducted between Board meetings;
 - (c)** that the organisation complies generally with this code;
 - (d)** specifically that the appraisal and remuneration of the organisation's chief executive is conducted in accordance with this Code;
 - (e)** that the employment of the chief executive complies with employment legislation and good practice; and
 - (f)** that the appraisal of board and trustee performance is conducted in accordance with this Code.

- F3** Where the Board has delegated specific roles to honorary officers or to other trustees, ultimate responsibility rests with the Board as a whole. In such situations the trustee(s) concerned should separate the specific roles from their wider trustee role.

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.

- F4** In all but the smallest organisations, the Board will need to delegate parts of its work to others in a clear, practical and legal manner. Delegations may be made to individual trustees, sub-committees (see below), the chief executive, other staff, volunteers or agents and consultants.
- F5** Delegations must comply with the terms of the organisation's governing document and any relevant legislation.
- F6** Where there is a chief executive, delegations to other staff and volunteers should normally be through that individual.
- F7** Delegations should always be in writing, and should set clear limits on matters such as expenditure, authority and decisions that can be made. Delegations may be written in Board minutes, terms of reference for sub-committees, staff job descriptions, or in a separate list.

Terms of reference

The Board should set clear terms of reference for sub-committees, standing groups, advisory panels, etc.

- F8** The Board may wish to set up sub-committees, advisory groups, panels or other bodies to assist its work. Such bodies should have clear written terms of reference in addition to any delegated authority.

Monitoring

All delegated authorities must be subject to regular monitoring by the Board.

- F9** The Board must remain in ultimate control of all delegations:
- (a)** Honorary officers and other trustees should report back to the Board promptly on any use of delegated authority;

- (b)** the Board should receive regular reports and minutes from all sub-committees etc; and
- (c)** the mechanisms established for internal control and performance reporting should be used to monitor use of delegated authority by the chief executive, or other staff or volunteers (see C5-C8).



Board and trustee integrity

The key principle: The Board and individual trustees should act according to high ethical standards, and ensure that conflicts of interest are properly dealt with.

Supporting principles:

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.

Dealing with conflicts of interest Trustees should identify and promptly declare any actual or potential conflicts of interest affecting them.

Probity There should be clear guidelines for receipt of gifts or hospitality by trustees.

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.

- G1** Trustees must be scrupulous to avoid gaining any private benefit from their position, whether financial or other, except:
 - (a)** as permitted by law and the organisation's governing document; and
 - (b)** where this is agreed by the Board as demonstrably in the interests of the organisation.
- G2** Where the law and the organisation's governing document permit payment of trustees, this must not exceed the prescribed limits, and it should be demonstrably in the interests of the organisation to make the payment.
- G3** No trustee should be involved in setting their own remuneration. Mechanisms for setting the level of payment to trustees should be set up to avoid conflicts of interest, including where appropriate making use of independent advice.
- G4** Full disclosure of any payments made to trustees is required by law for some organisations, in the organisation's annual accounts and annual report. All organisations should do the same, even where not required by law.
- G5** The organisation should have procedures for trustees to claim legitimate travel and other expenses incurred while carrying out the organisation's business; trustees should not be out of pocket for the work they carry out for the organisation.

Conflicts of interest

Trustees should identify and promptly declare any actual or potential conflicts of interest affecting them.

- G6** The organisation must have procedures for trustees to declare actual or potential conflicts of interest to the Board; such declarations should be made at the earliest opportunity. They should be recorded in Board minutes or in a register kept for the purpose.
- G7** Where a material conflict of interest arises at a Board meeting, the trustee concerned should not vote on the matter or participate in discussions. She or he should also offer to withdraw from the meeting, and the other trustees should decide if this is required.
- G8** Where a trustee has a major or ongoing conflict of interest, she or he should offer to resign from the Board.
- G9** Boards should have special procedures or standing orders to deal with conflicts of interest for trustees who are the organisation's service users, beneficiaries or members of staff.

Probity

There should be clear guidelines for receipt of gifts or hospitality by trustees.

- G10** Trustees should declare all personal gifts received and hospitality accepted while on the organisation's business, or from people or organisations connected with the organisation; such declarations should be recorded in Board minutes or in a register kept for that purpose.
- G11** Trustees should not accept gifts with a significant monetary value or lavish hospitality; where this may be a frequent issue, the organisation should set a policy to define what is and is not acceptable.
- G12** Trustees should under no circumstances accept gifts or hospitality where this could be seen as being likely to influence the decisions of the Board.

H | Board openness

The key principle: The Board should be open, responsive and accountable to its users, beneficiaries, members, partners and others with an interest in its work.

Supporting principles:

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.

Openness and accountability The Board should be open and accountable to stakeholders about its own work, and the governance of the organisation.

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.

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.

- H1** The Board should identify those people and groups who have a legitimate interest in the organisation's work; these might include users, beneficiaries, members, partners, staff, volunteers, regulators, other government bodies and funders. We refer to these as 'stakeholders' in this code.
- H2** The Board should ensure that the whole organisation, and its stakeholders, have a clear understanding of the Board's role, and of the organisation's objects and values.
- H3** There should be regular and appropriate communication and consultation with stakeholders to ensure that:
 - (a)** their views are taken into account in the organisation's decision-making;
 - (b)** they are informed and consulted on the organisation's plans and proposed developments which may affect them;
 - (c)** there is a procedure for dealing with feedback and complaints from stakeholders, staff, volunteers and the public; and
 - (d)** the organisation's performance, impacts and outcomes are reported to stakeholders.

- H4** The Board must ensure that the organisation produces an annual report and accounts that comply with relevant legislation; these should provide a balanced and accurate assessment of the organisation's successes and failures.
- H5** Communication should be offered in formats accessible to the stakeholder audiences, for instance in plain language, translated into languages commonly spoken among the communities served, on tape/CD, or in Braille.
- H6** The organisation must hold an Annual General Meeting if required by the governing document or by law; this may be an opportunity to invite stakeholders.

Openness and accountability

The Board should be open and accountable to stakeholders about its own work, and the governance of the organisation.

- H7** The Board should ensure that the organisation upholds a commitment to openness and accountability at all levels. This will mean:
 - (a)** being clear about what information is available, and what must remain confidential to protect personal privacy or commercial confidentiality;
 - (b)** complying with reasonable outside requests for information about the organisation and its work;
 - (c)** being open about the organisation's governance work, and its strategic reviews;
 - (d)** ensuring that stakeholders have the opportunity to hold trustees to account and know how to do this; and
 - (e)** ensuring that the principles of equality and diversity are applied, and that information and meetings are accessible to all sections of the community.

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.

- H8** The Board should ensure that the views of users, beneficiaries, staff, volunteers and other stakeholders are taken into account in the organisation's decision-making and strategic reviews. This will mean:
 - (a)** encouraging wide stakeholder engagement in the organisation's decision-making, and promoting activities that support that engagement; and
 - (b)** ensuring that users, beneficiaries, members and other stakeholders are involved in the most appropriate way, and that involvement is open to all sections of the community (see Equality and Diversity at C15-C17).

- H9** In organisations where the trustees are elected by a wider membership, the Board should ensure that it:
- (a)** has clear policies on who is and is not eligible for membership of the organisation, including users, beneficiaries and staff;
 - (b)** keeps the members informed about the organisation's work; and
 - (c)** uses the membership as a way of involving stakeholders in the organisation's governance.

partthree

Appendices

Appendix I: Organisations offering quality assurance systems and/or accreditation for the voluntary and community sector

NB: There are many systems in use, and this list gives a selection of the better-known ones.

Quality First

Birmingham Voluntary Service Council
138 Digbeth
Birmingham B5 6DR
Tel 0121 643 4343
Fax 0121 643 4541
Email administration@bvsc.org
Web www.bvsc.org

Excellence Model

British Quality Foundation
32-34 Great Peter Street
London SW1 P 2QX
Tel 020 7654 5000
Fax 020 7654 5001
Web www.quality-foundation.co.uk

ISO 9000

British Standards Institution
389 Chiswick High Road
London W4 4AL
Tel 020 8996 9000
Fax 020 8996 7400
Email cservices@bsi-global.com
Web www.bsi.org.uk

PQASSO

Charities Evaluation Services
4 Coldbath Square
London EC1R 5HL
Tel 020 7713 5722
Fax 020 7713 5692
Email enquiries@ces-vol.org.uk
Web www.ces-vol.org.uk

Charter Mark Services

First Cabinet Office
Horse Guards Road
London SW1P 3AL
Tel 020 7276 1755
Email Chartermark@cabinet-office.x.gsi.gov.uk
Web www.chartermark.gov.uk

Investors in People UK

7-10 Chandos Street
London W1G 9DQ
Tel 020 7467 1900
Fax 020 7636 2386
Email information@iipuk.co.uk
Web www.investorsinpeople.co.uk

Quality Mark

Legal Services Commission
85 Gray's Inn Road
London WC1X 8TX
Tel 020 7759 0000
Web www.legalservices.gov.uk/qmark

Social accounting and auditing

New Economics Foundation
3 Jonathan Street
London SE11 5NH
Tel 020 7820 6300
Fax 020 7820 6301
Email info@neweconomics.org
Web www.neweconomics.org

Appendix 2: Guidance on the self-regulatory Code for organisations which fundraise from the public

The Self-regulation of Fundraising Scheme will be open, on a voluntary basis, to all UK organisations engaged in public fundraising. Trustees will be required to ensure that the Donor's Charter and the Codes of Fundraising Practice are adopted and disseminated, and, as signatories to the scheme, to agree to adhere to the highest standards of fundraising practice and the scheme's complaints process. Organisations subscribing will be expected to:

- secure the understanding, buy-in and support of their trustees;
- ensure that their fundraisers have access to, understand and use the Codes of Practice;
- adopt a suitable complaints-handling procedure and evaluation procedure;
- publicise their commitment to the donors charter in their communications with donors; and
- carry the scheme's logo on all fundraising materials.

For more details, while the scheme is being set up during 2005, please contact The Institute of Fundraising on 020 7840 1000 or e-mail info@Institute-of-Fundraising.org.uk.

Appendix 3: Organisations that can assist trustees

Association of Chief Executives of Voluntary Organisations (ACEVO)

Web www.acevo.org.uk

Tel 0845 345 8481

Represents third sector leaders and provides them with support, advice and development opportunities.

bassac

Web www.bassac.org.uk

Tel 0845 241 0375

The British Association of Settlements and Social Action Centres is a membership network of multi-purpose community organisations. It represents its diverse members at a national level and offers them strategic support.

Black Training and Enterprise Group (BTEG)

Web www.bteg.co.uk

Tel 020 7713 6161

Aims to achieve improvements for black people, in areas of employment, economic regeneration, education and enterprise.

Board Builders

Web www.boardbuilders.com

Based in America, working internationally to help non-profits reach a higher level of success, and to help board and staff achieve greater joy.

Boardsource

Web www.boardsource.org

USA-based resource for practical information, best practice, training, and leadership development for boards of nonprofit organisations.

Centre for Effective Dispute Resolution (CEDR)

Web www.cedr.co.uk

Tel 020 7536 6000

Encourages and develops mediation and other cost-effective dispute resolution and prevention techniques. NCVO, in partnership with CEDR, offer a mediation service for the voluntary sector. Contact NCVO Helpdesk on 0800 2 798 798 as a first point of contact.

Charities Aid Foundation (CAF)

Web www.cafonline.org

CAF is an international non-governmental organisation providing specialist financial services to charities and their supporters.

Charities Evaluation Services

Web www.ces-vol.org.uk

Tel 020 7713 5722

CES helps members of voluntary and community organisations to develop their own approaches to enhancing the quality of their services.

Charity Commission

Web www.charitycommission.gov.uk

Tel 0870 333 0123

The Charity Commission is established by law as the regulator and registrar for charities in England and Wales.

Charity Finance Directors' Group (CFDG)

Web www.cfdg.org.uk

Tel 0845 345 3192

A membership organisation which specialises in helping charities to manage their accounting, taxation, audit and other finance related functions.

Appendix 3: Organisations that can assist trustees (cont.)

Charity Trustee Networks

Web www.trusteenetworks.org.uk

Tel 01483 243327

Charity Trustee Networks helps set up and provides support to networks of charity trustees.

Companies House

Web www.companieshouse.gov.uk

Tel 0870 33 33 636

Incorporates and dissolves limited companies; examines and stores company information delivered under the Companies Act and related legislation; and makes this information available to the public.

Community Matters

Web www.communitymatters.org.uk

Tel 020 7837 7887

The nationwide federation for community associations and similar organisations.

Directory of Social Change (DSC)

Web www.dsc.org.uk

Tel 08450 777 707

Helps voluntary and community organisations to thrive through advice on: how to raise money; how to manage resources to maximum effect; what their rights and responsibilities are and how to plan and develop for the future.

Ethnic Minority Foundation

Web www.ethnicminorityfund.org.uk

Tel 0800 652 0390

Committed to extending opportunities to people from ethnic minority communities.

The Governance Hub

Web www.governancehub.org.uk

Tel 0800 2 798 798 (*at the Accountable Body, NCVO*)

A partnership of voluntary and community sector associations, working to improve the quality of governance of voluntary and community organisations in England.

Governance Institute

Web www.governanceinstitute.com

Based in America, conducts research studies and showcases best practice.

Institute of Chartered Accountants in England and Wales:

Web www.icaew.org.uk

Tel 020 7920 8100.

The largest professional accountancy body in Europe.

Institute of Chartered Secretaries and Administrators (ICSA)

Web www.icsa.org.uk

Tel 020 7580 4741

The professional body for Chartered Secretaries. A Chartered Secretary is qualified in company law, accounting, corporate governance, administration, company secretarial practice and management.

Institute of Fundraising

Web www.institute-of-fundraising.org.uk

Tel 020 7840 1000

The Institute of Fundraising promotes the highest standards of fundraising practice.

National Association of Councils for Voluntary Service (NACVS)

Web www.nacvs.org.uk

Tel 0114 278 6636

The network of over 300 Councils for Voluntary Service throughout England.

NCVO

Web www.ncvo-vol.org.uk

Web www.askNCVO.org.uk

Freephone HelpDesk 0800 2 798 798

Textphone 0800 01 88 111

Email trustee.enquiries@ncvo-vol.org.uk

The umbrella body for the voluntary sector in England; has a dedicated Trustee and Governance Team.

Appendix 3: Organisations that can assist trustees (cont.)

Public Concern at Work

Web www.pcaw.co.uk

Tel 020 7404 6609

The charity that assists whistleblowers and advises organisations on whistleblowing.

Trustee bank

Web www.trusteebank.org.uk

Lists organisations which can help you fill trustee vacancies, or help you find a vacancy to become a trustee.

Voluntary Sector National Training Organisation (VSNTO)

Web www.voluntarysectorskills.org.uk

Tel 020 7713 6161

Supports learning and development for staff, volunteers, and trustees within the voluntary and community sectors.

Volunteering England

Web www.volunteering.org.uk

Tel 0845 305 6979

The national volunteer development agency for England, with offices in London and Birmingham.

The Work Foundation

Web www.theworkfoundation.com

Tel 0870 165 6700

Exists to inspire and deliver improvements to performance through improving the quality of working life. Previously part of The Industrial Society.

Appendix 4: Selected further reading on the governance of the voluntary and community sector

A Chair's first 100 days

Tesse Akpeki, edited by Marta Maretich, NCVO, 2005.

A Polished Performance

Tesse Akpeki, NCVO, 2004.

Action for effective boards: a guide for housing organisations and their board members

National Housing Federation, 2001.

Appraising the Chief Executive – an essential guide to performance review.

ACEVO, second edition 2002.

Being an effective board member

Mike Hudson and others, Charity Management Consortium, 2003.

Best Behaviour: Using trustee codes of conduct to improve governance practice

Tesse Akpeki, NCVO, 2004.

Boards that work

David Fishel, Directory of Social Change, 2003.

The Cadbury Report (1992), Greenbury Report (1995) and Hampel Report (1998)

www.ecgi.org/codes/country_pages/codes_u.k.htm. Private sector governance reports.

Charities and Meetings

(CC48) Charity Commission.

The Charities Manual: A Complete Guide to Voluntary Sector Management

Jackie Reason, Malcolm Leatherdale, Douglas Osborne, David Prescott, ICSA Publishing Ltd, 2005.

The Charity Trustee's Handbook

Mike Eastwood, Directory of Social Change, 2001.

Competence and Accountability 2004, Code of Governance

National Housing Federation, 2004.

Competence and Accountability: The Report of the Inquiry into Housing Association Governance

National Housing Federation in March 1995.

The Combined Code on Corporate Governance

DTI, 2003. The latest and comprehensive code for private sector organisations.

Governance codes from other countries

www.ecgi.org/codes/all_codes.htm.

Getting Ready for Quality: learning from experience

NCVO, 2004.

The Good Governance Action Plan

Sandy Adirondack, NCVO, 2002.

The Good Governance Standard for Public Services

Independent Commission on Good Governance in Public Services, 2005.

The Good Trustee Guide

Peter Dyer, ed. Liza Ramrayka, NCVO, 2004.

The Governance of Public and Non Profit Organisations. What do Boards do?

Chris Cornforth (Routledge Taylor & Francis Group) 2003.

Governance Stories

Shirley Otto and Jo Clifton, Russell House Publishing, 2005.

The Hallmarks of an Effective Charity

(CC60) Charity Commission.

The Higgs Review (2003)

together with full details of the research conducted for the Review and related information

www.dti.gov.uk/cld/non_exec_review.

The most recent private sector governance report.

The ICSA best practice guide to guarantee companies

ICSA, 2005.

Appendix 4: Selected further reading on the governance of the voluntary and community sector (cont.)

The ICSA best practice guide to the appointment and induction of charity trustees

ICSA, 2005.

The ICSA best practice guide to managing conflicts of interest in the not-for-profit sector

ICSA 2005.

Governance as Leadership: Reframing the work of Nonprofit boards

Taylor, Ryan and Chait (John Wiley & Sons) 2004.

Governing with Confidence

Trustee & Governance Team, NCVO, 2004.

In control: the manual for voluntary board members:

National Housing Federation, 2005.

Just About Managing: Effective management for voluntary organisations and community groups

Sandy Adirondack, London Voluntary Service Council, 3rd Edition 1998.

Leading the organisation – the relationship between Chair and Chief Executive

ACEVO, second edition 2002.

Losing your executive director without losing your way: The non-profit guide to executive turnover

Carol Wiseman and Richard Globaum, Jossey-Bass, 2004.

Living Policy: A complete guide to creating and implementing policy in voluntary organisations

Becky Forrester, Tesse Akpeki and Marta Maretich, NCVO, 2004.

Managing at the Leading Edge: New Challenges in Managing Nonprofit Organisations

Mike Hudson, Directory of Social Change, 2005.

Managing without Profit. The art of managing third sector organisations

Mike Hudson, Directory of Social Change, 2002.

Payment of Charity Trustees

(CC11), Charity Commission.

Recruiting a New Chief Executive: A guide for trustees and chairs

NCVO, 2005.

Recruiting and Supporting Black and Minority Ethnic Trustees

Tesse Akpeki, NCVO, 2001.

Responsibilities of Charity Trustees

(CC3), Charity Commission.

Rethinking Governance: The Results of the ACEVO Governance Inquiry

(ACEVO) 2003.

Review of the role and effectiveness of non-executive directors; the Higgs report on corporate governance

DTI, 2003.

To pay or not to pay? The principles and practicalities of board member payment.

National Housing Federation, 2003.

Users on Board: Beneficiaries who become trustees

(CC24): Charity Commission.

Voluntary but not amateur

Jacki Reason and Ruth Hayes, London Voluntary Service Council, 2004.

The voluntary sector legal handbook

Sandy Adirondack & James Sinclair Taylor, Directory of Social Change, 2001.

Appendix 5: The Nolan principles

Selflessness: Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.

Reproduced with thanks to the Committee on Standards in Public Life

Appendix 6: The principles of good governance from the Good Governance Standard for Public Services

1. Good governance means focusing on the organisation's purpose and outcomes for citizens and users

- 1.1 Being clear about the organisation's purpose and its intended outcomes for citizens and service users
- 1.2 Ensuring that users receive a high quality service
- 1.3 Ensuring that taxpayers receive value for money

2. Good governance means performing effectively in clearly defined functions and roles

- 2.1 Being clear about the functions of the governing body
- 2.2 Being clear about the responsibilities of non-executives and the executive and ensuring those responsibilities are carried out
- 2.3 Being clear about relationships between governors and the public

3. Good governance means promoting values that underpin good governance and upholding these through behaviour

- 3.1 Putting organisational values of good governance into practice
- 3.2 Individual governors behaving in ways that uphold and exemplify effective governance

4. Good governance means taking informed, transparent decisions within a framework of controls

- 4.1 Being rigorous and transparent about how decisions are taken
- 4.2 Having and using good quality information, advice and support
- 4.3 Having effective controls in place, including managing risk

5. Good governance means developing the capacity of the governance team to be effective

- 5.1 Ensuring that appointed and elected governors have the skills and experience they need to perform well
- 5.2 Developing the capacity of people with governance responsibilities and evaluating their performance
- 5.3 Striking a balance, in the membership of the governing body, between continuity and renewal

6. Good governance means engaging stakeholders and making accountability real

- 6.1 Understanding formal and informal accountability relationships
- 6.2 Taking an active and planned approach to accountability to the public
- 6.3 Taking an active and planned approach to responsibilities to staff
- 6.4 Engaging effectively with institutional stakeholders

Reproduced with thanks to The Independent Commission for Good Governance in Public Services

Appendix 7: The principles of good governance (from the National Housing Federation Code of Governance)

The foundation of good governance is that there should be a balanced, diverse and effective board which leads and controls the organisation. The board should ensure that the organisation upholds the following principles:

1. Standards

It operates according to high ethical standards, explicit values and the Federation's Code of Governance.

2. Accountability

There is proper accountability to, and involvement of, all the organisation's stakeholders, including its residents.

3. Openness

There is a spirit of openness, making full disclosure of governance matters and other information.

4. Equality and diversity

There is fairness and equality of opportunity in all aspects of the organisation's governance.

5. Review and renewal

There are formal and open processes for the periodic review of the board's own performance, and to ensure its renewal on an ongoing basis.

6. Clarity

There is clarity of roles and responsibilities between the organisation's board members, paid staff and shareholders.

7. Control

There are effective systems for internal delegation, audit and control.

8. Information

The board receives adequate and timely reports and advice to inform its decisions.

9. Structures

There are effective staffing and committee structures to support the board's work.

10. Audit

There are effective and proper relationships between the organisation and its external auditors and regulators.

Reproduced with thanks to the National Housing Federation.

Appendix 8: The Governing Body Cycle (from Co-operatives UK)



Reproduced with thanks to Cornforth, C.J. (2004) 'Governance: an overview', *Governance & Participation Development Toolkit*, Manchester: Co-operatives UK.

Appendix 9: How to comment on this Code

We invite all people and organisations who have used this Code to provide us with comments. This will help us to refine and develop the Code, as we move towards preparing a second revised edition.

Our intention is to start work on a second edition after the Code has been in operation for eighteen months, and we would thus aim to publish a second version towards summer 2007. To ensure an objective approach, we intend to set up a Review Panel with a largely different membership to that of the Steering Group responsible for production of this first edition.

We may decide that special versions of the Code for particular types of organisation are needed before the formal review, and will consult with relevant organisations before publishing such additional Codes.

All comments are welcome, but we would especially like to know:

- Your name, organisation and capacity in which you are writing;
- Did you find the Code helpful to improve the governance of your organisation?
- Was the tone and layout of the Code appropriate and easy to use?
- Was the Code too demanding in its requirements, not demanding enough, or about right?
- What specific changes would you find it helpful to see in the next edition?
- Should we prepare special versions of the Code for particular sizes or types of organisation? If so, how should they differ from the main Code?
- Is there any support or information that you or your organisation will need to comply with the Code? If so, who would you wish to see providing that support?

Please visit www.governancehub.org.uk to comment or write to:

The Good Governance Code
Governance Hub
c/o NCVO
Regent's Wharf
8 All Saints Street
London N1 9RL
E-mail: governance.code@ncvo-vol.org.uk

This publication can be made available in large print and alternative formats on request.

Please contact NCVO on 020 7713 6161 for more information.



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Agenda item:

ALEXANDRA PALACE & PARK BOARD**On 14th October 2010**

Report Title: **Final Consolidated statutory accounts for the year ending 31st March 2010**

Report of: **Head of Finance, Alexandra Park and Palace Charitable Trust**

1. Purpose

1.1 To approve the Annual Report and Consolidated Accounts of the Trust for the year ended 31st March 2010

2. Recommendations

2.1 The Board review the contents of the letter of representations and nominate the Chair to sign the letter on behalf of the charity.

2.2 The trustees complete the declarations of interest template included at Appendix 4. If no such declarations are required, each trustee must sign the declaration to that effect.

2.3 The Board formally considers whether it is appropriate to prepare the consolidated accounts on a going concern basis.

2.4 The Board approves the Annual Report and Consolidated Accounts for 2009/10 and nominates the Chair to sign them on behalf of the Trust for submission to the Charities Commission.

2.5 The Board notes the content of the report provided by Deloitte on the audit of the consolidated financial statements for the year ended 31st March 2010

2.6 The Board re-appoints Deloitte as auditors to Alexandra Park and Palace Charitable Trust for the financial year 2010/11.

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

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

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 audit of the Trust and its wholly owned trading subsidiary for the financial year ended 31st March 2010 is now complete and an unqualified audit opinion has been given. The Report and Accounts are attached as Appendix 1 to this report.
- 3.2 Prior to the signing of the accounts, the Board is asked to consider and approve the letter of representations to the auditors in relation to the accounts for the year ended 31st March 2010. This is included as Appendix 2 to this report.
- 3.3 When approving the Report and Accounts, the trustees should formally consider whether the Trust is able to continue as a going concern for at least twelve months from the date of signing the accounts.
- 3.4 Deloitte have produced a report to the Board on their findings relating to the audit of the accounts of the Trust and Trading Company and this is attached as Appendix 4 to this report.
- 3.5 The Board is also asked to formally re-appoint Deloitte as auditors to the Trust for the financial year ended 31st March 2011.

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. Report and Accounts for the year ended 31st March 2010

- 6.1 The draft results for the 2009/10 financial year were presented to the Board at their meeting of 7th June 2010. The net unrestricted deficit reported at that meeting, after a £400k gift aid payment from the trading company, was £2.326m. There have been no changes to that figure arising from the audit of the Trust or the trading company accounts.
- 6.2 The format of the Trustees' Report is largely unchanged from the previous year. The report has been updated to reflect progress on the review of the Trust's governance arrangements and future plans.
- 6.3 The Board's attention is drawn to the requirement to sign the letter of representation. A formal copy will be available for signature at the meeting once the Board has concluded its consideration of the Report and Accounts.
- 6.4 The Board's attention is also drawn to the requirement to declare related parties and related party transactions. The individual charity trustees comprising the Board are asked to formally consider whether they have engaged in transactions

covered by these definitions and if so, to declare this on the relevant forms, which will be provided at the meeting. If not, a declaration should be signed to that effect.

- 6.5 The auditors' report to the Board is attached at Appendix 4. The auditors have issued an unqualified audit opinion on the accounts.
- 6.6 The Board should note that the Directors' Report and Financial Statements of APTL for the year ended 31st March 2010 were approved by the Directors of the trading company at their meeting of 24th September 2010. In approving the accounts, the Board duly considered whether the trading company is able to continue as a going concern for a period of at least twelve months from the date of signing the accounts. On the basis of evidence provided at the meeting, the Directors concluded that it was appropriate to sign the accounts on a going concern basis.
- 6.7 In approving the consolidated accounts, the trustees are also required to consider whether the Trust is able to continue to trade as a going concern for at least twelve months from the date of signing the accounts. The trustees should consider that the Council is obliged to provide ongoing financial support to the Trust under statute and that a revenue budget of £2.199m has been allocated by the Council for the financial year 2010/11. A revenue bid to increase this allocation by 2.5% will be submitted to the Council for 2011/12. The Council's current policy is to ensure that funds are provided to maintain the Trust's bank balance at a pre-agreed level, thus financing the working capital of the Trust. On this basis, it would be reasonable to conclude that the Trust is able to continue as a going concern for at least 12 months from the date of signing the accounts.
- 6.8 The provision of external audit services to the Trust and trading company was put out to tender in 2009/10 and Deloitte successfully retained the audit. 2010/11 will be their second year of audit following the re-tender. The combined fee for the 2009/10 audit is £29,500, which will increase by inflation in subsequent years. This represents a 19% saving on the audit fee for 2008/09, mainly achieved through improved efficiency in the Finance department.

7. Consultation

7.1 N/A

8. Legal and Financial Comments

8.1 The Trust's Solicitor has been sent a copy of this report and has no comment.

The Head of Legal Services at LBH has been sent a copy of this report and has no comment.

The LBH CFO has been sent a copy of this report and notes the content of the report.

9. Equalities Implications

9.1 There are no perceived equalities implications in this report.

10. Use of Appendices / Tables / Photographs

10.1 Appendix I – Annual Report and Consolidated Financial Statements for the year ended 31st March 2010

10.2 Appendix 2 – Letter of representations

10.3 Appendix 3 – Declaration of interests

10.4 Appendix 4 – Report of the Auditors

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Appendix 1

TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL

STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

Charity Number: 281991

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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Trustees' Annual Report for the year ended 31 March 2010

1. INTRODUCTION

- 1.1 The trustees are pleased to present their annual report for Alexandra Park and Palace Charitable Trust ("the Trust"), together with the Trust's consolidated financial statements, for the year ended 31 March 2010, prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) and applicable UK accounting standards.

2. REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number	281991
Interim General Manager	Andrew Gill
Registered Office	Alexandra Palace Alexandra Palace Way Wood Green London, N22 7AY
Auditors	Deloitte LLP Chartered Accountants & Statutory Auditors 2 New Street Square London, EC4A 3EZ
Bankers	Royal Bank of Scotland Plc 280 Bishopsgate London EC2M 4RB
Solicitors	Howard Kennedy 19 Cavendish Square London, W1A 2AW

Trustees

The following were members of the Board of Trustees during the year and to the date of this report:

Councillor Patrick Egan (Chair of the Board)	
Councillor Alan Strickland (Vice-Chair)	(Appointed 24 May 2010,)
Councillor Dilek Dogus (Vice-Chair)	(Resigned 18 May 2009)
Councillor Bob Hare	
Councillor John Oakes	(Resigned 18 May 2009)
Councillor Sheila Peacock	
Councillor Sheik Thompson	(Appointed 18 May 2009, resigned 24 May 2010)
Councillor Alan Stanton	(Resigned 18 May 2009)
Councillor Neil Williams	
Councillor Nigel Scott	(Appointed 18 May 2009)
Councillor Catherine Harris	(Appointed 18 May 2009, resigned 24 May 2010)
Councillor James Stewart	(Appointed 24 May 2010,)

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Document

- 3.1 The Alexandra Park and Palace (Public Purposes) Act 1900 constituted a trustee body corporate to maintain and manage Alexandra Park and Palace. Subsequent Acts of Parliament in 1903, 1905 and 1913 conferred further powers on the trustees. In 1966, an order transferred the functions of the trustees to the now defunct G.L.C. Following a court case in 1967, the trusts declared by the 1900 Act were held to be valid charitable trusts, although they were not registered with the Charity Commission until March 1981. The trusts were transferred to the London Borough of Haringey which became the trustee on 1 January 1980. Subsequent to a major fire in July 1980 and a Public Inquiry which ended in 1983, the Alexandra Park and Palace Act 1985 amended the previous legislation in significant parts.
- 3.2 In February 2004, The Charities (Alexandra Park and Palace) Order 2004 came into force. This empowers the trustees to lease the whole or part or parts of the Palace and its immediate surrounding area for a term not exceeding 125 years subject to obtaining the consent by order made under the Charities Act 1993 of the Charity Commissioners. The Order does not amend the purposes for which either the Park or Palace are held in trust. The governing documents for the Trust are now collectively known as the Alexandra Park and Palace Acts and Orders 1900-2004.

The Governing Body and Appointment of Trustees

- 3.3 The Council of the London Borough of Haringey is trustee of the Trust. The Council delegates the entire function of trustee to the Alexandra Park and Palace Board. The Council annually elects individual members to sit on the Alexandra Park and Palace Board to act as the charity trustees. The appointments reflect the political balance of the Council. The Charity trustees are those persons having the general control and management of the administration of the Trust.
- 3.4 The charity trustees are members of the Council but must act exclusively in the best interests of the Trust when dealing with Trust matters. The Council may elect different charity trustees each municipal year. However, all charity trustees step down for the local government elections. Those re-elected may be re-appointed at the annual general meeting of the Council held in May of each year.
- 3.5 In addition, three members of the Consultative Committee sit on the Board each year but those appointed are not charity trustees and do not have any voting powers. For the year ended 31 March 2010 they were:
- Mrs Val Paley
Mr Mike Tarpey
Mr Nigel Willmott
- 3.6 The Chair of the Statutory Advisory Committee (see paragraph 3.12) also formally attends the Board meetings in an observer capacity. For the year ended 31 March 2010 it was Mr David Liebeck.
- 3.7 The London Borough of Haringey has been advised by Leading Counsel that the Trust 'is a function of the Council' as defined in Section 101 of the Local Government Act 1972. The Trust is therefore subject to the full range of local government legislation by virtue of this advice in addition to the specific charity legislation.

Trustee Induction and Training

- 3.8 At the beginning of each municipal year, a trustee induction meeting is arranged and takes place under the auspices of the charity's solicitors. The charity trustees are provided with the governing document together with key reports, minutes of previous meetings, budgets and audited accounts for the previous three financial years. Further training is considered on an individual basis.

Organisational Management

- 3.9 The Alexandra Park & Palace Board ("the Board") meet as charity trustees to consider matters of policy, strategy and objectives. The charity trustees hold a set programme of meetings each year. Other special meetings may be called from time to time. During the year ended 31 March 2010 the Board held 6 ordinary meetings together with 2 special meetings.

- 3.10 The Board conducts its business under the delegations provided from the corporate trustee as follows:

The Council has delegated to the Board all the functions of the Council as Trustee of Alexandra Park and Palace under the Alexandra Park and Palace Acts and Orders 1900 to (now) 2004 and, without prejudice to the generality of this, these functions include:

- a) The duty to uphold, maintain and repair the Palace and to maintain the Park and Palace as a place of public resort and recreation and for other public purposes;*
- b) Acting as the employing body for employees engaged in the working of the Trust at Alexandra Palace, and to be responsible for the setting of staffing policies, conditions of service and terms of employment of those employees; and*
- c) In relation to the Trust, being responsible for developing and monitoring the implementation of effective policies and practices to achieve equality of opportunity both for employment and service delivery.*

The Board also appoints a panel of members to consider matters of urgency. The panel met on 2 occasions during the financial year.

- 3.11 The day to day organisation and management of the charity is delegated to the Interim General Manager, Andrew Gill.

The Statutory Advisory Committee

- 3.12 The Alexandra Park and Palace Board receives advice from the Statutory Advisory Committee which was established under Section 9 of the Alexandra Park and Palace Act 1985. The role of the Advisory Committee is set out in Schedule 1, Part III Section 19 of that Act, which reads:

The powers and duties of the Advisory Committee shall be to promote the objects of the Trust and assist the trustees in fulfilling the trusts by considering and advising the trustees on the following matters:

- 1. The general policy relating to the activities and events arranged or permitted in the Park and Palace;*
- 2. The effects of such activities and events on the local inhabitants and local environment;*
- 3. The frequency of activities and events attracting more than 10,000 people at any one time and the maximum number to be permitted on such occasions;*
- 4. The adequacy of car parking arrangements within the Park and Palace so as to avoid overflow into adjoining residential streets;*
- 5. Any proposals which require planning permission;*
- 6. The establishment and maintenance of the Park as a Metropolitan Park; and*
- 7. The furtherance of recreation and leisure in Alexandra Park and Palace.*

The Consultative Committee

3.13 The trustees have established a Consultative Committee which does not have a statutory role but whose existence allows those organisations who have an interest in Alexandra Park and Palace to exchange views with and receive information from the Trust. The objects of the Consultative Committee are set out in its constitution as:

- 1) *To give representatives of appropriate local and national organisations the opportunity of full discussion on general matters affecting Alexandra Park and Palace;*
- 2) *To give the Board of Charity Trustees the opportunity of discussing and explaining to the organisations matters affecting the overall policy and efficient management of Alexandra Park and Palace;*
- 3) *To promote better understanding between the Board of Charity Trustees and local organisations;*
- 4) *To enable appropriate local (and national) organisations to participate in decisions of direct concern to them; and*
- 5) *To further Alexandra Park and Palace as a conservation area.*

Group Structure and Relationships

3.14 The charity has a wholly owned non-charitable trading subsidiary, Alexandra Palace Trading Ltd. whose objectives and performance are described in paragraphs 4.2 and 5.1 below.

Risk Management

3.15 The trustees have overall responsibility for ensuring that adequate systems of control, financial and otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other regularities and providing reasonable assurance that;

- The charity is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposal;
- Proper records are maintained and financial information is reliable; and
- The charity complies with relevant laws and regulations.

During the year, the Board adopted a formal risk register to identify and monitor the key risks facing the charity, supported by more detailed monitoring mechanisms for health and safety and compliance.

The Board of Trustees is fully committed to reviewing and improving its governance arrangements and a project steering group has been established to drive this forward. Input from key stakeholders has been sought via a Stakeholders' Forum, to include groups such as the Statutory Advisory and Consultative Committees. During the year, the Board resolved to adopt the NCVO Code of Good Governance and this will be implemented and embedded over the coming year.

3.16 The system of internal financial control is based on a framework of regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. The Trustees have a process to identify, review and manage the significant risks faced by the Trust, including:

- the development of a formal risk register, supported by a compliance matrix and health and safety risk register;
- the appointment of internal auditors, Mazars, and approval of a three year internal audit plan;
- comprehensive budgeting systems with an annual budget which is agreed by the Board;
- the adoption of a three year business plan by the Trust which is aligned to its budget setting process;
- regular monitoring by the trustees of periodic and annual financial reports which show performance against budget and forecast expenditure for the financial year;
- setting targets to measure financial and other performance; and
- the Board agreeing the expenditure on the building and park to ensure its appropriateness in meeting the basic objects of the charity.

The systems can only provide a reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Volunteers

3.17 The charity employs a number of volunteers in the conservation area and the Information Centre and plans to develop further volunteering opportunities over the coming years. The charity would like to thank all its volunteers for their very valuable contribution to Alexandra Palace during the year.

4. OBJECTS AND ACTIVITIES

Charitable Objects

4.1 The principal object of Alexandra Park and Palace Charitable Trust is the maintenance as an open space and provision of the Park and Palace for the free use and recreation of the public forever, as defined in the 1985 Act.

Activities

4.2 In shaping the Trust's objectives and planning its activities for the year, the trustees have considered the Charity Commission's guidance on public benefit. The Trust's core areas of activity include:

- a) The provision and maintenance of the park for free use by the public, including the establishment and replacement of park footpaths and trails, the provision of a nature/wildlife conservation area, the planting of arboreta, ornamental flowerbeds and rose gardens, upkeep and improvement to a boating lake, children's zoo, children's play area, a pitch and putt course, a skateboard park, cricket pitches, football fields and associated car parking;
- b) The provision of free outdoor events, including bonfire night fireworks display, school tours and other entertainment, a bicycle trail, children's funfairs and the provision of displays and mini exhibitions;
- c) The continued expenditure on the Victorian building, including the original theatre and organ; the original high definition television studios and the maintenance of areas within the Palace to provide a safe environment for the public; and

- d) The hiring of space and the provision of catering for a wide range of public and private events including conferences, banquets, weddings and exhibitions, the running of The Phoenix public house and the ice rink. These activities are carried out via the Trust's wholly owned trading subsidiary, Alexandra Palace Trading Limited. The company's profits are paid annually to the Trust via gift aid to contribute towards the fulfilment of the Trust's charitable objectives.

Achievements for the year

- 4.3 The 79 hectares of parkland continue to be a strong public attraction for both formal and informal recreation purposes. The park was awarded a Green Flag in 2008 and 2009 in recognition of the hard work of staff, contractors and volunteers towards creating an environment that is clean, well maintained and welcoming to visitors. The park also won a Silver Gilt 'London in Bloom' award in the Large Parks category.
- 4.4 In pursuance of its basic objects, the charity continued to provide a number of permanent facilities including a boating lake, children's play area, animal enclosures and cycle routes. Through its leaseholders, the park also offers a pitch and putt golf course, two café outlets and a soft play facility for young children in the form of 'Little Dinosaurs', a newcomer to the park in 2009/10.
- 4.5 Through its trading subsidiary, the charity also organised an annual fireworks display, which was attended by some 50,000 members of the public in November. The event included a German Beer Festival, live music, a funfair and family entertainment. The charity continues to work with other community and voluntary organisations to deliver low cost, high quality events, including a fortnightly farmers' market, children's funfair, circus, charity events and wildlife walks.
- 4.6 Alexandra Palace Trading Limited held 135 large events in 2009/10, ranging from weddings and exhibitions to concerts, award ceremonies and cultural festivals. The increased capacity of 10,400 for the Great Hall had an immediate impact in attracting high profile artists; tickets for the Jay-Z concert in November sold out within a record-breaking 15 seconds. The company continues to secure repeat and loyal business to Alexandra Palace, including the World Darts Championships, The Knitting and Stitching Show and the ACCA examinations.
- 4.7 The Trust has made significant progress in improving internal monitoring and controls, particularly in the areas of health and safety and risk management. The health and safety and fire management policies have been revised and re-issued to all staff; staff have received training on health and safety, fire safety and incident management procedures and a detailed compliance audit has been completed and an action plan implemented. Alexandra Palace was given full compliance approval by the fire authorities during the year.
- 4.8 The Trust has also taken some significant first steps to reduce its carbon footprint and improve the environmental sustainability of the site, including the development of a carbon footprint for the site and a full site survey via the Carbon Trust. The trading company adopted a Sustainability Policy during the year and a Sustainability Working Group has been established to identify and implement improvements in environmentally responsible working practices across the site.
- 4.9 The Trust worked closely with its trading subsidiary and London Borough of Haringey to secure some much needed investment for Alexandra Palace during the year. In June 2009, a £300,000 capital grant was secured from the Council for targeted capital purchases to assist with profit generation in the trading company. In February 2010, the Trust also secured £2m in prudential borrowing via the Council to refurbish the ice rink facility, a much loved, local sporting facility which was facing chronic risk of failure due to the age of the equipment and build up of frost beneath the ice. The Trust also secured a further £500,000 capital grant for 2010/11 to address critical buildings dilapidations on site, together with an uplift in its annual revenue budget to reflect current operating levels.

Other information

- 4.10 In Autumn 2005, the Board resolved to appoint an investment partner with the aim of securing sufficient investment to enhance and develop the charity's principal building (which is currently 40% derelict) and bring it into more effective use. Following an open selection process, the Firoka Group was appointed as preferred investment partner on 30 January 2006. On 24 July 2006, the Board formally resolved to seek an order from the Charity Commission consenting to the grant of a 125 year lease to the Firoka Group. The Charity Commission sealed the Order consenting to the lease on 4 May 2007. On 9 May 2007, a short-term licence was agreed between Alexandra Park and Palace Charitable Trust and the Firoka Group in order to facilitate the efficient transfer of the business and staff to the Firoka Group.
- 4.11 However, the Charity Commission Order of 4 May 2007 was subsequently challenged in proceedings seeking a judicial review. On 5 October 2007, the court declared that the Charity Commission Order of 4 May 2007 was unlawful. In the light of this decision, it became apparent that progress on the project would not be possible before the end of the financial year and the Board therefore resolved in early December 2007 to give 28 days notice determining the short-term licence arrangement in January 2009. On 18 August 2009, the Firoka Group gave notice that they were withdrawing their interest in the project.
- 4.12 On 25 March 2009, a pre action protocol letter of claim was submitted by solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd (Firoka) against the Council as trustee of Alexandra Park and Palace Charitable Trust. The letter asserted that the trustee was in breach of contract and intimated Firoka's intention to claim damages for breach of contract, specified as the failure of the trustee to complete the grant of a long lease of the Palace to Firoka and to enter into other related commercial agreements with Firoka. The value of this claim is £6.234 million.
- 4.13 On 26 May 2009, a detailed response was sent by solicitors acting for the Council as trustee denying any liability. No correspondence has been received on this matter since August 2009. No legal proceedings have been commenced and no provision has been made in the Trust's accounts for this claim. The information normally required under FRS12 is not disclosed on the basis that it can be expected to seriously prejudice the outcome of this matter.
- 4.14 On 12 January 2010, the Board formally resolved to abandon its previous strategy of pursuing holistic development of the site via a single developer. Since that date, the Board has received a number of reports on Governance and Future Vision has resolved to create a Regeneration Working Group to oversee the design, formulation and adoption of a sustainable regeneration strategy for Alexandra Park & Palace. This Working Group will act in an advisory capacity to the Board.

5. FINANCIAL REVIEW

- 5.1 The Trust continues to benefit from substantial funding from its corporate trustee, London Borough of Haringey. All the available net revenue income is directed toward the provision and maintenance of the assets, namely the 79 hectares of parkland and the Grade II listed Victorian property. The charity does not have any capital reserves or alternative sources of funding and has not therefore considered it appropriate to develop a formal reserves policy. Trust expenditure is guided by the basic objects of the Trust and aimed toward maximising public benefit from the provision of the Palace and Park. The decisions on items of expenditure are made with independent professional advice, where necessary, in the overall context of the available budget.

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing financial support of the corporate trustee. It is the Council's current policy to continue to provide funding to the Alexandra Park and Palace Charitable Trust until such time as the support of the Council is no longer required. The Council has confirmed in writing that it has considered and approved within its budgets funding,

including ongoing revenue support, for the Trust for a period of not less than twelve months from the date of signing the accounts.

The results of Alexandra Palace Trading Limited are shown in Note 14 of the accounts. 2009/10 was an exceptionally tough year for the Trading Company as the global economy was in crisis and the events industry was hit hard. The coldest winter on record for 30 years also had a significant impact on energy consumption due to the nature of the building, which is difficult to heat. Nonetheless, APTL secured 135 large events during the year and delivered a gift aid payment to the Trust of £400,000.

The Trust's running costs are calculated at £3.1 million and include substantial expenditure on repairs to the building and equipment, maintenance of the building and park and security. Total income generated of £1.1 million results in an overall funding shortfall of £2 million. This shortfall is met by the London Borough of Haringey.

- 5.2 In addition there is a cumulative sum of £41 million representing cumulative operating deficits of £24 million and associated accumulated interest charges of £17 million for the years 1989-2004.

The corporate trustee has previously made arrangements for the funding of the deficit on an annual basis but has now written off that sum in its accounts. However, as disclosed in the London Borough of Haringey accounts the Council has not discharged this debt on the basis that it will still collect should the Trust be in a position in the future to fully or partially repay. On this basis the trustees have continued to carry the liability in the Trust's accounts.

Statement of trustees' responsibilities

- 5.3 The trustees are responsible for preparing the Annual Report and the financial statements. The trustees have chosen to prepare the financial statements for the charity and the Group in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

United Kingdom charity law requires the trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the Group and of the financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the Group and which enable them to ensure that the financial statements comply with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). They are also responsible for safeguarding the assets of the charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future Plans

- 5.4 Work on the ice rink refurbishment project commenced on 5th May 2010 and it is anticipated that the facility will re-open in winter 2010/11. In addition to improved ice quality, the project will also deliver significant savings in utility costs and an improved carbon footprint for the site. The Trust has also tendered two key contracts in the year; security and buildings repairs and maintenance. Key areas of buildings dilapidations will also be addressed using the £500,000 capital grant from the Council.

- 5.5 The Board intends to further improve its governance arrangements during the coming year by fully embedding the principles of the NCVO Code of Good Governance, revising and updating key policies and continuing to review the work of the internal auditors and monitor the implementation of their recommendations. The Trustees also plan to consider the various strategic options available for dealing with the dereliction of the main building and decide on the future strategic direction of the Trust.

Whilst considering the long term need to address the condition of the building, the trustees intend that the delivery of the current charitable activities will continue and that delivery of commercial activities by the trading company will also continue and that wherever possible, both charitable and commercial activities will be expanded.

While the Board awaits the work being produced by the Regeneration Working Group, it has resolved;

- To adopt an aspirational strategy of reducing the Trust's reliance on the Council's revenue subsidy and strive towards achieving financial independence for Alexandra Park & Palace in the longer term;
- To adopt an 'interim' model for structural change, which includes a review of the Statutory Advisory Committee (SAC) and Consultative Committee (CC), as the most appropriate phased approach towards the longer term aspiration of legal/financial independence; and
- To appoint Independent Advisors with specific skills to join the Alexandra Palace and Park Board.

Related Parties

- 5.5 The Alexandra Park and Palace Charitable Trust does not have any formal links with other charities. It does, however, work closely with other charities through the facilities provided for community uses and the relationship with the Consultative Committee, whose membership comprises representatives of many local charitable organisations.
- 5.6 The "friends" group for the theatre was set up to promote activities to raise awareness of and funds for the refurbishment of the Victorian theatre. The theatre group has benefited from wide publicity and has attracted some high profile celebrities as patrons to support its work.
- 5.7 The other relevant body with whom the Trust has direct links is Haringey Council as corporate trustee. The registered address of the Council is Civic Centre, High Road, Wood Green, London N22 8LE.

Auditors

The Board of Alexandra Park and Palace Charitable Trust has resolved to re-appoint Deloitte LLP as auditors to the Trust for the financial year ended 31 March 2011.

This report was approved and authorised for issue by the Trust on 14th October 2010 and signed on its behalf by:

Councillor Patrick Egan
Chair of the Board of Trustees

Independent Auditors' Report to the Trustees of Alexandra Park and Palace Charitable Trust

We have audited the group and parent charity financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act and The Alexandra Park and Palace (Public Purposes) Act 1900. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act and The Alexandra Park and Palace (Public Purposes) Act 1900. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the Alexandra Park and Palace (Public Purposes) Act 1900. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Trustees of Alexandra Park and Palace Charitable Trust (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and the parent charity's affairs as at 31 March 2010 and of the group's incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993 and the Alexandra Park and Palace (Public Purposes) Act 1900.

Deloitte LLP

Chartered Accountants and Statutory Auditors
London

Consolidated Statement of Financial Activities for the year ended 31 March 2010

		Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
	Note	£	£	£	£
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	351	332,252	332,602	(27,940)
Activities for generating funds	4	5,323,348	-	5,323,348	5,494,857
Incoming resources from charitable activities	5	238,281	-	238,281	221,113
Investment income	6	3,013	-	3,013	59,958
Other incoming resources		535	-	535	741
Total incoming resources		5,565,527	332,252	5,897,779	5,748,729
Resources expended:					
Cost of generating funds					
Fundraising Trading cost of goods sold and other costs		4,757,433	-	4,757,433	4,960,933
Charitable activities		2,956,176	38,538	2,994,714	2,730,259
Governance costs		177,775	-	177,775	101,005
Total resources expended	7, 10	7,891,384	38,538	7,929,922	7,792,197
Net outgoing resources before other recognised losses and transfers					
Transfers		(2,325,857)	293,714	(2,032,143)	(2,043,468)
Actuarial loss on pension scheme		294,186	(294,186)	-	-
Net movement in funds		(669,000)	-	(669,000)	(275,000)
Opening deficit fund balance 1 April		(2,700,671)	(472)	(2,701,143)	(2,318,468)
Closing deficit fund balance	22	(41,419,600)	10,597	(41,409,003)	(38,707,860)

The notes on pages 16 to 34 form an integral part of these financial statements. All of the above amounts are derived from continuing activities.

Trust Statement of Financial Activities for the year ended 31 March 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	351	332,252	332,603	(27,940)
Activities for generating funds	4	549,928	-	549,928	617,934
Incoming resources from charitable activities	5	238,281	-	238,281	221,113
Other incoming resources		535	-	535	741
Total incoming resources		789,095	332,252	1,121,347	811,848
Resources expended:					
Charitable activities		2,956,176	38,538	2,994,714	2,730,259
Governance costs		158,775	-	158,775	92,405
Total Resources expended	7, 10	3,114,951	38,538	3,153,489	2,822,664
Net outgoing resources before transfers		(2,325,856)	293,714	(2,032,142)	(2,010,816)
Transfers		294,186	(294,186)	-	-
Opening deficit fund balance 1 April		(38,204,394)	11,069	(38,193,325)	(36,182,509)
Closing deficit fund balance as at 31 March	22	(40,236,064)	10,597	(40,225,467)	(38,193,325)

The notes on pages 16 to 34 form an integral part of these financial statements. All of the above amounts are derived from continuing activities. There were no other recognised gains or losses in either year except for those dealt with above.

Consolidated and Trust Balance Sheets as at 31 March 2010

	Note	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Fixed assets					
Tangible assets	13	622,990	429,827	618,229	425,571
Investments	14	-	-	2	2
		622,990	429,827	618,231	425,573
Current assets					
Stocks	15	100,327	71,666	-	-
Debtors	16	879,839	982,072	1,101,093	938,203
Cash at bank and in hand		943,643	1,254,555	67,040	182,119
		1,923,809	2,308,293	1,168,133	1,120,322
Creditors					
Amount falling due within one year	17	(1,655,030)	(1,929,331)	(689,058)	(621,571)
Net current assets		268,779	378,962	479,075	498,751
Total assets less current liabilities		891,769	808,789	1,097,306	924,324
Provisions for liabilities	19	(41,322,772)	(39,117,649)	(41,322,772)	(39,117,649)
Net liabilities excluding pension scheme liability		(40,431,003)	(38,308,860)	(40,225,466)	(38,193,325)
Defined benefit pension scheme liability	25	(978,000)	(399,000)	-	-
Net liabilities including pension scheme liability		(41,409,003)	(38,707,860)	(40,225,466)	(38,193,325)
Accumulated deficit					
Unrestricted deficit funds		(40,441,600)	(38,319,929)	(40,236,064)	(38,204,394)
Pension reserve		(978,000)	(399,000)	-	-
	20	(41,419,600)	(38,718,929)	(40,236,064)	(38,204,394)
Restricted Funds	21	10,597	11,069	10,597	11,069
Total deficit	22	(41,409,003)	(38,707,860)	(40,225,467)	(38,193,325)

Approved by the Board of Trustees on 14th October 2010 and signed on its behalf by:

Councillor Patrick Egan

The notes on pages 16 to 34 form an integral part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 March 2010

	Group 2010	Group 2009
	£	£
Net cash outflow from operating activities	(897)	(549,958)
Returns on investments		
Interest received	3,013	59,958
Capital expenditure		
Payments to acquire tangible fixed assets	(313,028)	(48,020)
Decrease in cash	(310,912)	(538,020)
Cash at 1 April	1,254,555	1,792,575
Cash at 31 March	943,643	1,254,555

Note to the consolidated cash flow statement

	Group 2010	Group 2009
	£	£
Reconciliation of net outgoing resources to net cash outflow from operating activities		
Net outgoing resources before other recognised losses and transfers	(2,032,143)	(2,043,468)
Depreciation	119,865	108,665
Charges (less than)/in excess of pension contributions	(90,000)	32,000
Interest receivable	(3,013)	(59,958)
Increase in stocks	(28,661)	(2,222)
Decrease/(Increase) in debtors	102,233	(162,982)
Decrease in creditors	(274,301)	(175,724)
Increase in provisions	2,205,123	1,753,731
Net cash outflow from operating activities	(897)	(549,958)

Notes to the Financial Statements for the year ended 31 March 2010

1. Basis of accounting

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), and applicable accounting standards.

2. Accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise those of the Trust and its wholly-owned subsidiary, Alexandra Palace Trading Limited. The results of the subsidiary are consolidated on a line by line basis.

(b) Fund accounting and permanent endowment

Under the terms of the Alexandra Park and Palace Act 1985, the freehold and fixed assets of the Trust cannot be permanently disposed of. Under the terms of the Charities Act 1993 and the SORP 2005, these are inalienable assets and may be considered a permanent endowment although capable of being leased.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

The unrestricted fund represents the accumulated surpluses and deficits of the Group. The funds generated by the Trust are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust.

(c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income, it is virtually certain that the incoming resource will be received and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Group but not received by the end of the year.

Funds received for the purchase of fixed assets are accounted for as restricted income. The treatment of the assets provided depends upon the restriction imposed by the grant and as the fixed assets' acquisition discharges the restriction then the assets will be held in the unrestricted funds. A corresponding transfer of the associated restricted income will be made to the unrestricted fund in the year of purchase.

Deferred income within creditors is made up of payments that have been received for events that will take place in future years. The bulk of this sum relates to the charity's trading company, Alexandra Palace Trading Limited.

(d) Resources expended and the allocation of expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to this category. Where costs cannot be attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Allocated costs have been allocated on the average of floor area basis and head count basis.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

Support costs are those costs incurred in support of the expenditure on the objects of the Trust.

2. Accounting policies (continued)

(d) Resources expended and the allocation of expenditure (continued)

These support costs are allocated across the categories of charitable expenditure, governance costs and the cost of generating funds.

(e) Investments

Fixed asset investments are shown at cost less provision for impairment in value in the Trust's accounts.

(f) Valuation of fixed assets

The Act that established the Trust and set down the framework within which it should operate places restrictions on asset disposal. It has been accepted that the Parliamentary Scheme was necessary before any redevelopment can take place. In the past no value has been put on the Park and Palace as this is deemed to be an inalienable asset as the Act of Parliament places restrictions on its disposal. With regard to assets brought forward at the beginning of the year this policy has continued as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved which may be onerous compared with the additional benefit derived by users of the accounts. For new assets the Trust has adopted a policy of capitalising improvements to the buildings and other assets purchased.

Tangible fixed assets are shown at cost, less accumulated depreciation to date. Depreciation is provided on all tangible fixed assets and is calculated at rates designed to write off the cost of fixed assets over their expected useful lives. The rates applied are as follows:

Improvements to the park:	-on a straight line basis over 10 years.
Plant & machinery:	-on a straight line basis over 10 years.
Office equipment, furniture and fittings:	-on a 25% reducing balance basis.

(g) Valuation of stock

Stock consists of purchased goods for resale. Stock is valued at the lower of cost and net realisable value.

(h) Bank account

The Alexandra Park and Palace bank account is included in the arrangements for the Council's pooled account. This amount is included in the balance sheet both as an asset and as an amount due to Haringey Council.

(i) Provisions for liabilities

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2009/2010. Haringey Council may also be entitled to indemnification for the years 1988/89 to 1990/91, and this amount has also been provided for in the accounts.

Both of these amounts include interest charged for the outstanding revenue deficits at the Council's Loan Pool Rate, up to 2004/05. No interest was charged between 2005/2006 and 2009/2010 as the Council has now written off that the debt in its accounts. However, as disclosed in the London Borough of Haringey accounts, the Council has not discharged this debt on the basis that it will still collect should the trust be in a position in the future to fully or partially repay. On this basis the trustees have continued to carry the liability in the Trust's accounts.

2. Accounting policies (continued)

(j) Related party transactions

Because of the close and unique relationship between Haringey Council and Alexandra Park and Palace, there are a significant number of transactions between the two parties. The extent of this relationship is detailed in Note 19 to the financial statements.

(k) Leased assets

All leases are operating leases and the annual rentals are charged to the Statement of Financial Activities over the period in which the cost is incurred.

(l) Pension contributions

The Group operates a defined benefit pension scheme on behalf of certain employees of Alexandra Palace Trading Limited ('APTL'). The scheme is administered by Haringey Council, although the pension funds relating to the APTL employees are held in a separately managed pool within the overall Haringey scheme. The deficit on the scheme is included within the balance sheet at 31 March 2010.

The difference between the fair value of the assets held in the defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension scheme asset or liability as appropriate.

Changes in the defined benefit pension scheme assets or liabilities arising from other factors than cash contributions by the Group are charged to the Statement of Financial Activities in accordance with FRS17.

The Group also operates a defined benefit pension scheme on behalf of certain employees of Alexandra Park and Palace Charitable Trust, also administered by Haringey. However, the pension funds relating to the APPCT employees are not included in a separate pool and as such, it is not practical for a full FRS 17 valuation for the Trust staff to be disaggregated from the London Borough of Haringey pension fund. Furthermore, a separate valuation would not be relevant as the Trust staff are treated as Council employees for the pension fund purposes. For this reason, the scheme has been treated as a defined contribution scheme for the purpose of the financial statements.

The Group also operates a defined contribution pension scheme on behalf of certain employees. For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

3. Voluntary income

Voluntary income represents unrestricted and restricted donations to the Trust and includes a £311,542 (2009: nil) restricted capital grant from London Borough of Haringey to purchase essential capital items to support the operations of the Trading company.

4. **Activities for generating funds**

	2010	2009
	£	£
Group		
Income from events	3,843,574	3,909,616
Income from the ice rink	1,033,327	1,121,342
Income from Phoenix public house	446,447	463,899
	5,323,348	5,494,857
Trust only		
Gift aid payment from subsidiary	399,928	468,234
Licence fee	150,000	149,700
	549,928	617,934

5. **Incoming resources from charitable activities**

	2010	2009
	£	£
Group and Trust		
Community events	68,803	41,895
Leases and concessions	169,478	179,218
	238,281	221,113

Community events income includes £26,995 (2009: £21,529) from public donations at the annual fireworks event.

6. **Investment income**

	2010	2009
	£	£
Group		
Bank interest	3,013	59,958
	3,013	59,958

7. Analysis of total resources expended

Group

	Direct costs	Support costs	2010 Total	2009 Total
	£	£	£	£
Costs of generating funds				
Expenditure of trading subsidiary	4,757,433	-	4,757,433	4,960,933
Charitable expenditure				
Community events	148,346	5,598	153,944	128,964
Leases and concessions	2,180	10,038	12,218	12,860
Park and Palace running costs	1,758,595	196,078	1,954,673	1,814,495
Security of building/park	646,429	227,450	873,879	773,940
	2,555,550	439,164	2,994,714	2,730,259
Governance costs				
Wages and salaries	-	37,838	37,838	14,624
Professional fees	70,437	40,000	110,437	49,881
Audit fee	29,500	-	29,500	36,500
	99,937	77,838	177,775	101,005
Total for Group	7,412,920	517,002	7,929,922	7,792,197

Trust Only

	Direct costs	Support costs	2010 Total	2009 Total
	£	£	£	£
Charitable expenditure				
Community events	148,346	5,598	153,944	128,964
Leases and concessions	2,180	10,038	12,218	12,860
Park and Palace running costs	1,758,595	196,078	1,954,673	1,814,495
Security of building/park	646,429	227,450	873,879	773,940
	2,555,550	439,164	2,994,714	2,730,259
Governance Costs				
Wages and salaries	-	37,838	37,838	14,624
Professional fees	65,937	40,000	105,937	59,531
Audit fee	15,000	-	15,000	18,250
	80,937	77,838	158,775	92,405
Total for Trust	2,636,487	517,002	3,153,489	2,822,664

8. Support costs

	2010	2009
	£	£
Group and Trust		
Wages and salaries	252,257	169,288
Overheads	264,745	413,868
	517,002	583,156

9. Net outgoing resources

Net outgoing resources is stated after charging:

Auditors' remuneration: audit fee	29,500	36,500
Auditors' remuneration: taxation	2,250	3,250
Operating lease rentals - land and buildings	26,922	42,092
Operating lease rentals - plant & machinery	8,650	-
Depreciation	119,865	108,665

The trustees received no remuneration from the charity (2009: £Nil) and were not reimbursed for any of their expenses by the charity during the year (2009: £Nil).

10. Analysis of costs by activity

GROUP

Costs directly allocated to activities	Basis of allocation	Cost of generating funds £	Security of building and park £	Community Events £	Leases and Concessions £	Park & Palace running costs £	Governance £	Total 2010 £	Total 2009 £
Expenditure of trading subsidiary	Direct	4,757,433						4,757,433	4,960,933
Salaries	Direct		641,339			773,306		1,414,645	1,193,961
Professional fees	Direct		5,090		2,180	26,841	10,807	44,918	52,155
Audit fees	Direct						34,000	34,000	36,500
Direct costs	Direct			148,346		958,448	55,130	1,161,924	965,492
Total direct costs		4,757,433	646,429	148,346	2,180	1,758,595	99,937	7,412,920	7,209,041
Support costs allocated to activities									
General office and finance support staff	Staff time & area average		123,788	2,060	5,605	113,170	37,838	282,461	163,808
Apportioned overhead cost	Staff time & area average		31,429	528	1,423	28,733	40,000	102,113	119,187
Apportioned support and overhead cost	Staff time & area average		72,233	3,010	3,010	54,175	-	132,428	300,161
Total support costs		-	227,450	5,598	10,038	196,078	77,838	517,002	583,156
Total for Group		4,757,433	873,879	153,944	12,218	1,954,673	177,775	7,929,922	7,792,197

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

10. Analysis of costs by activity (continued)
TRUST ONLY

Costs directly allocated to activities	Basis of allocation	Security of building and park £	Community Events £	Leases and Concessions £	Park & Palace running costs £	Governance £	Total 2010 £	Total 2009 £
Salaries	Direct	641,339			773,306		1,414,645	1,193,961
Professional fees	Direct	5,090		2,180	26,841	10,807	44,918	61,805
Audit fees	Direct					15,000	15,000	18,250
Direct costs	Direct		148,346		958,448	55,130	1,161,924	965,492
Total direct costs		646,429	148,346	2,180	1,758,595	80,937	2,636,487	2,239,508
Support costs allocated to activities								
General office and finance support staff	Staff time & area average	123,788	2,060	5,605	113,170	37,838	282,461	163,808
Apportioned overhead cost	Staff time & area average	31,429	528	1,423	28,733	40,000	102,113	119,187
Apportioned support and overhead cost	Staff time & area average	72,233	3,010	3,010	54,175	-	132,428	300,161
Total support costs		227,450	5,598	10,038	196,078	77,838	517,002	583,156
Total for Trust		873,879	153,944	12,218	1,954,673	158,775	3,153,489	2,822,664

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

11. Staff costs

	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Wages and salaries	1,588,619	1,270,711	234,897	178,116
Social security costs	134,045	108,324	18,349	14,640
Pension costs	132,393	106,866	39,806	35,042
Agency staff costs	674,987	776,095	134,185	5,225
	2,530,044	2,261,996	427,237	233,024

There were no employees whose emoluments as defined for taxation purposes amounted to over £60,000 in 2009 or 2010.

The average number of employees, analysed by function, including both permanent employees and casual staff calculated on a full-time equivalent basis (number of permanent employees only illustrated by the bracketed figures) was:

	Group 2010	Group 2009	Trust 2010	Trust 2009
	Number	Number	Number	Number
Ice rink	17 (6)	17 (5)	-	-
Repairs and maintenance including park	2 (2)	2 (2)	2 (2)	2 (2)
Cost of generating funds	22 (15)	23 (17)	-	-
Support costs	1 (1)	1 (1)	1 (1)	1 (1)
Management and administration	9 (8)	8 (8)	1 (0)	2 (2)
	51 (32)	51 (33)	4 (3)	5 (5)

Of the 17 staff working in the ice rink in 2010, 2 permanent employees and 3 casual staff were employed by the Trust but seconded to the trading company.

12. Taxation

Alexandra Park and Palace Charitable Trust is a registered charity. As such its sources of income and gains, received under Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992, are exempt from taxation to the extent that they are applied exclusively to its charitable objectives. The trading subsidiary donates the bulk of its taxable profits to the Trust under Gift Aid. No tax charge has arisen in the year.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

13. Tangible fixed assets

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
Group	£	£	£	£
Cost: At 1 April 2009	197,346	485,303	441,248	1,123,897
Additions	33,505	194,692	84,831	313,028
At 31 March 2010	230,851	679,995	526,079	1,436,925
Depreciation: At 1 April 2009	98,673	291,366	304,031	694,070
Charge for the year	19,735	57,479	42,651	119,865
At 31 March 2010	118,408	348,845	346,682	813,935
Net book value				
At 31 March 2010	112,443	331,150	179,397	622,990
At 31 March 2009	98,673	193,937	137,217	429,827

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
Trust only:	£	£	£	£
Cost: At 1 April 2009	197,346	485,303	407,164	1,089,813
Additions	33,505	194,692	83,346	311,542
At 31 March 2010	230,851	679,995	490,510	1,401,355
Depreciation: At 1 April 2009	98,673	291,366	274,203	664,242
Charge for the year	19,735	57,479	41,672	118,885
At 31 March 2010	118,407	348,844	315,875	783,126
Net Book Value				
At 31 March 2010	112,443	331,151	174,635	618,229
At 31 March 2009	98,673	193,937	132,961	425,571

14. Fixed asset investments

Trust only:	2010	2009
	£	£
Shares in trading subsidiary at 1 April and 31 March	2	2

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

14. Fixed asset investments (continued)

The Trust owns the entire share capital of its trading subsidiary Alexandra Palace Trading Limited, a company registered in England. Alexandra Palace Trading Limited raises funds for Alexandra Park & Palace Charitable Trust through the hiring of halls and catering for exhibitions, banquets, conferences, weddings and other events and the running of the Phoenix Public House and the ice rink.

Alexandra Palace Trading Limited paid £399,928 (2009: £468,234) gift aid to Alexandra Park & Palace Charitable Trust. The net income attributable to the group is consolidated on a line by line basis in the consolidated statement of financial activities. A summary of the results is shown below:

	2010	2009
	£	£
Turnover	5,323,348	5,494,857
Interest income	3,013	59,958
	5,326,361	5,554,815
Cost of sales	(4,120,364)	(4,447,363)
Administrative expenses	(806,069)	(671,870)
	(4,926,433)	(5,119,233)
Net income to the group	399,928	435,582
Gift Aid to the Trust	(399,928)	(468,234)
Retained loss	-	(32,652)
Retained deficit brought forward	(514,534)	(206,882)
Actuarial loss on pension fund	(669,000)	(275,000)
Retained deficit carried forward	(1,183,534)	(514,534)

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

15. Stock

	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Food and beverages	100,327	71,666	-	-
	100,327	71,666	-	-

16. Debtors

	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Trade debtors	535,899	799,964	64,248	17,085
Other amounts due from subsidiary undertaking	-	-	340,451	362,756
Gift aid due from subsidiary undertaking	-	-	399,928	468,234
Other debtors	15,315	5,816	158	4,198
Prepayments and accrued income	328,625	176,292	296,309	85,930
	879,839	982,072	1,101,093	938,203

17. Creditors: amount falling due within one year

	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Trade creditors	794,997	663,056	557,232	452,483
Other taxes and social security cost	124,452	292,049	-	-
Other creditors	-	5,686	-	2,750
Accruals	195,443	332,648	82,837	138,041
Deferred income	540,139	635,892	48,989	28,297
	1,655,030	1,929,331	689,058	621,571

Deferred income represents payments received for events that will take place in future years.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

18. Deferred income

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Reconciliation of movement:				
Balance brought forward	635,892	1,013,339	28,297	22,587
Amount released to SOFA during the year	(635,892)	(1,013,339)	(28,297)	(22,587)
Amount deferred during the year	540,139	635,892	48,989	28,297
Balance carried forward	<u>540,139</u>	<u>635,892</u>	<u>48,989</u>	<u>28,297</u>

19. Provisions for liabilities

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Haringey Council: Indemnification	<u>41,322,722</u>	<u>39,117,649</u>	<u>41,322,722</u>	<u>39,117,649</u>
Reconciliation of movement:				
Balance brought forward	39,117,649	37,363,918	39,117,649	37,363,918
Amount charged to SOFA	430,490	385,911	430,490	385,911
Transfer to bank less VAT debtor	1,774,633	1,367,820	1,774,633	1,367,820
Balance carried forward	<u>41,322,772</u>	<u>39,117,649</u>	<u>41,322,772</u>	<u>39,117,649</u>

The relationship between the Trust and the London Borough of Haringey:

The Council of the London Borough of Haringey is Trustee of the Trust. The Council delegates the entire function of trustee to the Alexandra Park and Palace Board. The Council elects individual members to sit on the Alexandra Park and Palace Board to act as the charity trustees. The charity trustees are those persons having the general control and management of the administration of the Trust. All employees of the Trust are employees of Haringey Council as trustee and are included in the Council's pension arrangements.

Due to the nature of the relationship between the Trust and Haringey Council there are a number of significant related party transactions. These amounts are consolidated into the Trust's financial statements. However, due to the unique nature and structure of the relationship it is thought appropriate to disclose these items: general rates of £48,500 (2009: £46,200); entertainment licences of £47,850 (2009: £47,850); public liability insurance £37,954 (2009: £37,210); APTL liability insurance of £18,977 (2009: £18,605); provision of park patrol service £nil (2009: £35,322); legal and professional fees £25,823 (2009: £5,018); printing and other sundry items of £2,406 (2009: £7,989).

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing support of the corporate Trustee, London Borough of Haringey. It is the Council's current policy to continue providing this support until such time as it is no longer required. The deficits incurred each year form part of the provision due to Haringey Council and are shown as a creditor on the balance sheet.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

19. Provisions for liabilities (continued)

The analysis of the current year's figure is as follows:

	Accumulated Balances	Interest	Total
	£'000	£'000	£'000
Indemnification 1991/92 to 1994/95 (1)	5,005	9,881	14,886
Indemnification 1995/96 to 2009/10(2)	18,187	4,854	23,041
Provision: 1988/89 to 1990/91 (3)	755	2,641	3,396
	<u>23,947</u>	<u>17,376</u>	<u>41,323</u>

1. This is the amount which the Attorney General has agreed that Haringey Council is entitled to, in respect of expenditure incurred from operational deficits in the financial years 1991/92 to 1994/95.
2. This is the amount relating to the operational deficits for 1995/96 to 2009/10 which the Attorney General has agreed in principle that Haringey Council is entitled to. The final value has yet to be formally agreed. (The operational deficit is calculated as the deficit for the year before interest, the increase in working capital in the year and the capital spend in the year).
3. Haringey Council may also be entitled to indemnification for the operational deficits from 1988/89 to 1990/91, so this amount has also been provided for.

20. Accumulated unrestricted funds

	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Trust deficit funds:				
Balance brought forward	38,718,929	36,428,766	38,204,394	36,221,883
Deficit in year	2,325,857	2,015,163	2,325,856	1,982,511
Transfers	(294,186)	-	(294,186)	-
Actuarial loss on defined benefit pension scheme	669,000	275,000	-	-
Balance carried forward	<u>41,419,600</u>	<u>38,718,929</u>	<u>40,236,064</u>	<u>38,204,394</u>

The above amounts represent the deficit equity of the Trust. The Group figure includes £1,183,534 (2009: £514,534) of the trading subsidiary retained losses carried forward.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

21. Restricted funds

	Balance 1 April 2009	Incoming Resources	Expenditure & transfers	Balance 31 Mar 2010
	£	£	£	£
Environment Agency Grant	1,168	13,283	(13,293)	1,158
Conservation Area Grant	-	4,750	(4,750)	-
Organ Appeal Fund	6,616	2,677	(3,139)	6,154
Theatre Fund	232	-	-	232
English Heritage	3,053	-	-	3,053
Restricted Capital Fund	-	311,542	(311,542)	-
	<u>11,069</u>	<u>332,252</u>	<u>(332,724)</u>	<u>10,597</u>

The restricted fund balance at 31 March 2010 are represented by cash at bank of £10,597

The Organ Appeal Fund relates to monies raised for restoration of the organ

The Theatre Fund and English Heritage Fund are monies raised to restore the stage machinery

The Environment Agency and Conservation Area grants are for works to the boating lake

The Restricted Capital Fund is a grant from London Borough of Haringey for targeted capital purchases to support the Trading Company. The restriction was satisfied on acquisition of the assets and therefore, a transfer has been made between restricted and general funds.

22. Total funds	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Balance brought forward	38,707,860	36,389,392	38,193,325	36,182,509
Deficit in year	2,032,143	2,043,468	2,032,142	2,010,816
Actuarial loss	669,000	275,000	-	-
Balance carried forward	<u>41,409,003</u>	<u>38,707,860</u>	<u>40,225,467</u>	<u>38,193,325</u>

23. Audit fees

The Charity Commission requires the Board to appoint an independent Registered Auditor to carry out a full statutory audit of the financial statements. The audit fee for the year was £29,500 (2009: £36,500).

The Local Authority external auditor, as part of the external audit of the Council's accounts, reviews the financial statements for Alexandra Park and Palace Charitable Trust. The Council meets the fee of this external auditor.

24 Commitments under operating leases	2010	2009
	£	£
Land and buildings		
Payments due within one year on leases expiring:		
Within 1 year	33,334	35,896
Within 2-5 years	6,300	-
	<u>39,634</u>	<u>35,896</u>

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

25. Pension scheme Trust:

(a) Defined benefit scheme

The Trust operates a defined benefit pension scheme for the benefit of its employees. The assets of the Scheme are in a fund independent from the Trust and are administered by Haringey Council under the provisions of the Local Government Superannuation Act of 12 June 2000. The pension fund assets and liabilities relating to the employees of the Trust are included within the overall Haringey fund and as such, it is not practical or relevant to produce a full FRS17 valuation at the balance sheet date. For this reason, the scheme is treated as a defined contribution scheme for the purposes of the Trust financial statements. This treatment is consistent with previous years.

The Fund is independently valued every three years by a firm of actuaries to assess the adequacy of the Fund's investments and contributions to meet its liability. The last triennial valuation took place as at 31 March 2007. The last triennial actuarial valuation was carried out in accordance with Guidelines GN9: Retirement Benefit Schemes - Actuarial reports published by the Institute of Actuaries and the Faculty of Actuaries. The valuation was carried out using the Projected Unit Method.

Economic and statistical assumptions were used. The assumptions which have the most significant effect on the results of the valuation are:

		Nominal % per annum
Rate of investment – equities	7.70%	per annum compound
Rate of investment – bonds	5.70%	per annum compound
Rate of investment – property	5.70%	per annum compound
Rate of investment – cash	4.80%	per annum compound
Rate of pensionable salary increases (excl. increments)	5.10%	per annum compound
Rate of price inflation/pensions increases	3.60%	per annum compound
Discount rate	6.90%	per annum compound

The Trust's contribution rate is determined by the Fund's Actuary based on triennial actuarial valuations, the last review being at 31st March 2007. Following this valuation, the Actuary agreed that the Trust's contribution would be 22.9% for the three years of the triennial period.

Trading company:

(b) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of scheme members who transferred to the trading company, from Alexandra Park and Palace Charitable Trust, on 1 November 1999. There are 6 (2009: 7) scheme members still in the employment of the trading company as at 31 March 2010. The assets of the Scheme are in a fund independent from the trading company and are administered by Haringey Council under the provisions of the Local Government Superannuation Act. The Scheme is accounted for in accordance with FRS 17.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

25. Pension scheme (continued)

The Fund is independently valued on a regular basis by a firm of actuaries. The purpose is to assess the adequacy of the Fund's investments and contributions. The last actuarial valuation was carried out using the Projected Unit Method.

Economic and statistical assumptions were used. The principal actuarial assumptions used were:

Nominal % per annum

Rate of investment - equities	-	7.7 % per annum compound
Rate of investment - bonds	-	5.7 % per annum compound
Rate of investment – property	-	5.7 % per annum compound
Rate of pensionable salary increases (excluding increments)	-	5.1 % per annum compound
Rate of price inflation/pensions increases-		3.6 % per annum compound
Discount rate	-	6.9 % per annum compound

The market value of the Fund at the time of the last valuation was £619 million for the whole of the scheme of which £1,737,000 was the share for Alexandra Palace Trading Limited. Alexandra Palace Trading Limited employer's contribution is 18.7% of salary. The pension contribution for the year was £35,223 (2009: £34,991).

The actuarial valuation described above has been updated at 31 March 2010 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value using the current bid price.

The major assumptions used for the actuarial valuation were:

	2010	2009
	%	%
Price increases	3.80	3.10
Rate of pensionable salary increases (excluding increments)	5.30	4.60
Rate of price inflation/pensions increases	3.80	3.10
Discount rate	5.50	6.90
Expected rate of return on assets	7.00	6.20

The expected rate of return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

Assumptions relating to the average future life expectancy of members at age 65 were as follows;

	Males	Females
Current pensioners	22.7 years	25.6 years
Future pensioners	24.7 years	27.8 years

For the year ended 31 March 2010, the expected return on the above assets was £81,000 (2009: £114,000) less the interest on pension scheme liabilities of £113,000 (2009: £118,000) gives a net return of £32,000 (2009: (£4,000)) as the amount debited to other finance income. Therefore overall the net cost to the profit and loss account for the year ended 31 March 2010 is £58,000 (2009: £49,000) after deduction of the past and current service cost.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

25. Pension scheme (continued)

Recognition in the profit and loss account	2010	2009
	£'000	£'000
Current Service Cost	26	31
Interest Cost	113	118
Expected Return on employer assets	(81)	(114)
Past service costs	0	14
	<u>58</u>	<u>49</u>

Reconciliation of defined benefit obligation	2010	2009
	£'000	£'000
Opening Defined Benefit Obligation	1,658	1,694
Current service cost	26	31
Interest cost	113	118
Contributions by members	15	15
Actuarial losses	1,041	(175)
Past service costs	-	14
Estimated benefits paid	(70)	(39)
	<u>2,783</u>	<u>1,658</u>

Reconciliation of fair value of employer assets	2010	2009
	£'000	£'000
Opening fair value of employer assets	1,259	1,602
Expected return on assets	81	114
Contributions by members	15	15
Contributions by the employer	148	17
Actuarial losses	372	(450)
Benefits paid	(70)	(39)
	<u>1,805</u>	<u>1,259</u>

Amounts for the current and four previous accounting periods are as follows:

	2010	2009	2008	2007	2006
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	1,805	1,259	1,602	1,737	1,484
Present value of defined benefit obligation	(2,783)	(1,658)	(1,694)	(2,039)	(2,028)
Deficit	(978)	(399)	(92)	(302)	(544)
Experience gains/(losses) on assets	372	(450)	(395)	(5)	194
Experience gains/(losses) on liabilities	-	-	122	(1)	(1)

None of the above liabilities derive from schemes that are wholly unfunded.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

25. Pension scheme (continued)

Fair value of employer assets	2010	2009
	£'000	£'000
Equities	1,246	755
Bonds	397	315
Property	126	88
Cash	36	101
Total	1,805	1,259

Analysis of amount recognised within net movement in funds in the SOFA:

	2010	2009
	£	£
Actuarial loss	(669,000)	(275,000)

Analysis of projected amount to be charged to operating profit for the year to 31st March 2010:

	31 March 2010	
	£'000	% of pay
Projected current service cost	54	28.8%
Interest on obligation	153	81.5%
Expected return on plan assets	(126)	(67.0%)
	81	43.2%

b) Stakeholder personal pension scheme

For new employees to the trading company since 1 September 1999, the trading company has established a stakeholder pension and contributes personal pension contributions into this scheme. The employer's contribution is 10% of salary and the pension contribution for the year was £45,050 (2009: £25,153). Prepaid employer contributions of £3,657 are included within prepayments.

26. Contingent Liability

On 25 March 2009, a pre action protocol letter of claim was submitted by solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd (Firoka) against the Council as trustee of Alexandra Park and Palace Charitable Trust. The letter asserted that the trustee was in breach of contract and intimated Firoka's intention to claim damages for breach of contract, specified as the failure of the trustee to complete the grant of a long lease of the Palace to Firoka and to enter into other related commercial agreements with Firoka. The value of this claim is £6.234 million.

On 26 May 2009, a detailed response was sent by solicitors acting for the Council as trustee denying any liability. No legal proceedings have yet been commenced by either party. No provision has been made in the Trust's accounts for this claim. The information normally required under FRS12 is not disclosed on the basis that it can be expected to seriously prejudice the outcome of this matter.

Appendix 2

Deloitte LLP
3 Victoria Square
Victoria Street
St Albans
AL1 3TF

14 October 2010

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Alexandra Park and Palace Charitable Trust and its consolidated financial statements for the year ended 31 March 2010 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of Alexandra Park and Palace Charitable Trust as of 31 March 2010 and of the results of its operations, other recognised gains and losses and its cash flows for the year then ended in accordance with applicable accounting framework and the Charities Act 1993.

We acknowledge as trustees our responsibilities under the Charities Act 1993 for preparing financial statements for the charity and its consolidated financial statements which give a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations.

1. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the group have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all trustee, management and member meetings, have been made available to you.
2. We acknowledge our responsibilities for the design, implementation and operation of internal control to prevent and detect fraud and error.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We are not aware of any significant facts relating to any frauds or suspected frauds affecting the charity or group involving:
 - (i). management;
 - (ii). employees who have significant roles in internal control; or
 - (iii). others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
6. We are not aware of any actual or possible instances of non-compliance with laws and regulations, the effects of which should be considered when preparing financial statements.
7. We have considered the uncorrected misstatements detailed in the appendix to this letter. We believe that no adjustment is required to be made in respect of any of these items as they are individually and in aggregate immaterial having regard to the financial statements taken as a whole.

Appendix 2

8. Where required, the value at which assets and liabilities are recorded in the balance sheet is, in the opinion of the trustees, the fair value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the group. Any significant changes in those values since the balance sheet date have been disclosed to you.
9. We confirm the completeness of the information provided regarding the identification of related parties, and the adequacy of related party disclosures in the financial statements.

We have made enquiries of any key managers or other individuals who are in a position to influence, or who are accountable for the stewardship of the reporting entity and confirm that we have disclosed in the financial statements all transactions relevant to the group and we are not aware of any other such matters required to be disclosed in the financial statements, whether under FRS8 "Related party disclosures" or other requirements.

10. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to liquidate the charity or cease trading as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the charity's ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
11. No claims in connection with litigation have been received. On 25 March 2009, a pre action protocol letter of claim was submitted by solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd (Firoka) against the Council as trustee of Alexandra Park and Palace Charitable Trust. The letter asserted that the trustee was in breach of contract and intimated Firoka's intention to claim damages for breach of contract, specified as the failure of the trustee to complete the grant of a long lease of the Palace to Firoka and to enter into other related commercial agreements with Firoka. The value of this claim is £6.234 million.

On 26 May 2009, a detailed response was sent by solicitors acting for the Council as trustee denying any liability. The matter remains the subject of ongoing correspondence. No legal proceedings have been commenced and no provision has been made in the Trust's accounts for this claim as we consider it only possible, and not probable, that there will be an outflow of economic benefit. The information normally required by FRS 12 is not disclosed in the financial statements on the basis that it can be expected to seriously prejudice the outcome of this matter.

No other claims in connection with litigation have been or are expected to be received.

12. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
13. There have been no events subsequent to 31 March 2010 which require adjustment of or disclosure in the financial statements or notes thereto.
14. Having considered our income streams and based on management's close monitoring of any donations we are satisfied that the total value of income as reported is not materially misstated.

Appendix 2

15. All grants, donations and other incoming resources, the receipt of which is subject to specific restrictions, terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
16. All constructive obligations for grants meeting the conditions set out in FRS 12 “Provisions, Contingent Liabilities and Contingent Assets” and the Charities SORP have been recognised in the financial statements.
17. We confirm that:
 - all retirement benefits and schemes, including UK, foreign, funded or unfunded, approved or unapproved, contractual or implicit have been identified and properly accounted for;
 - all settlements and curtailments have been identified and properly accounted for;
 - all events which relate to the determination of pension liabilities have been brought to the actuary’s attention;
 - the actuarial assumptions underlying the valuation of the scheme liabilities ((including the discount rate used) accord with the trustees’ best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the business;
 - the actuary’s calculations have been based on complete and up to date member data as far as appropriate regarding the adopted methodology; and
 - the amounts included in the financial statements derived from the work of the actuary are appropriate.
18. We have drawn to your attention all correspondence and notes of meetings with regulators, including any serious incident reports, where applicable.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed on behalf of the Board of Trustees

APPENDIX 1
SCHEDULE OF UNCORRECTED MISSTATEMENTS

Description	Assets DR / (CR) £	Liabilities DR / (CR) £	Statement Financial Activities DR / (CR) £	of
UNDERSTATEMENT OF ELECTRICITY RECHARGE INCOME	9,418		(9,418)	
POTENTIAL UNDERSTATEMENT OF WATER INVOICE		(7,031)	7,031	

APPENDIX 3

ALEXANDRA PALACE AND PARK - YEAR ENDED 31ST MARCH 2010.

Related Party Transactions

Definition of a Related Party:

- person who has direct or indirect control of the other party;
- the parties are subject to common control from the same source;
- one party has influence over the financial and operating policies of the other party.

The following parties are automatically considered to be related parties:

1. Trustees of Alexandra Palace and Park Charitable Trust.
2. Senior Management of the Trust
3. Member of the close family of 1 and 2 above.
4. Partnerships, companies, trusts or other entities in which 1 to 3 have a controlling interest.

What needs to be disclosed in the accounts?

- the name of the related party and the nature of the relationship;
- a description of the transaction;
- the amounts involved; and
- the amount owing or owed at the year-end.

Confirmation from the Trustees/Senior Managers

Are there any transactions that you are aware of, that due to your relationship with the Trust and the transacting party (as defined above), need to be disclosed in the financial statements for the year ended 31st March 2010.

NO YES

If YES please provide details of the transaction:

Signed:.....

Dated: 14th October 2010



Alexandra Park and Palace
Charitable Trust

Report to the Board of
Trustees on the 2010 Audit

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Key findings

We have pleasure in setting out in this document our report to the Board of Trustees ("the Board") of Alexandra Park and Palace Charitable Trust ("APPCT") for the year ended 31 March 2010 for discussion at the meeting scheduled for 14 October 2010. This report summarises the principal matters that have arisen from our audit for the year ended 31 March 2010.

This summary is not intended to be exhaustive but highlights the most significant matters to which we would like to bring your attention. It should, therefore, be read in conjunction with the report and the appendices thereto.

Audit status	<p>We are satisfied that the status of the audit is as expected at this stage of the timetable. The principal outstanding matters are:</p> <ul style="list-style-type: none"> • Receipt of signed representation letter; • Updating our work on the going concern review; and • Updating our work on post balance sheet events up to the date of approval of the financial statements by the Board. <p>We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise on completion of these matters. On satisfactory completion of the outstanding matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the UK GAAP financial statements.</p>
Identified misstatements	<p>Audit materiality was £122,000 (2009: £125,000).</p> <p>There were no uncorrected misstatements. There were two corrected misstatements: to make a transfer between restricted and unrestricted funds and a balance sheet reclassification between debtors and creditors. The amount of the transfer from restricted funds is equal to the capital spend funded by the grant from Haringey Council.</p>
Accounting and internal control systems	<p>We did not identify any significant deficiencies in the financial reporting systems. We have made some minor recommendations for improvements in Section 2.</p>

1. Key audit risks

The results of our audit work on key audit risks are set out below:

Legal matters

On 25 March 2009, a pre-action protocol letter of claim was submitted by solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd ("Firoka") against Haringey Council as trustee of APPCT. The letter asserted that the trustee was in breach of contract and intimated Firoka's intention to claim damages for breach of contract, specified as the failure of the trustee to complete the grant of a long lease of the Palace to Firoka and to enter into other related commercial agreements with Firoka. The value of this claim is £6.2 million.

On 26 May 2009, a detailed response was sent by solicitors acting for Haringey Council as trustee denying any liability.

No legal proceedings have yet been commenced by either party. No provision has been made in the APPCT's financial statements for either claim.

FRS 12 'Provisions, contingent liabilities and contingent assets' sets out three options of reflecting the claim in the financial statements depending upon whether it is considered to be: probable, possible or remote.

Management concluded for the 2009 financial statements that it was possible that there could be an outflow of economic benefit as a result of a past event. Accordingly, they disclosed the claim in note 26 to the financial statements. Since there have not been any changes in the situation reported in 2009, management have concluded that this treatment remains appropriate for the 2010 financial statements.

Deloitte response

We wrote to APPCT's legal advisors as part of our normal audit procedures. They have confirmed that there has not been any further action in respect of this matter during the current year. We have reviewed the disclosures made in the financial statements and concur that they meet the requirements of FRS 12.

1. Key audit risks (continued)

Going concern

The FRC published guidance applicable to directors of all UK companies for periods ending on or after 31 December 2009. The guidance focuses on three key principles. Directors should:

- make and document a rigorous assessment of whether the company is a going concern when preparing annual financial statements;
- carry out a review to cover a period of at least twelve months from the date of approval of the financial statements; and
- make balanced, proportionate and clear disclosures about going concern for the financial statements to give a true and fair view.

The guidance is explicit that the directors should document their assessment of going concern.

Management have undertaken and documented their assessment of whether APPCT is a going concern. They have concluded that the entity will remain a going concern due to the ongoing financial support which Haringey Council ("the Council") is legally obliged to provide. The Council's current policy is to ensure that funds are provided to APPCT to maintain its bank balance at a pre-agreed level. This mechanism funds operational deficits, working capital movements and capital spend and ensures that APPCT is in a position to settle its third party liabilities as they fall due.

Deloitte response

We have reviewed the assessment performed by management. We concluded that it meets the requirements of the FRC guidance. We concur with management's conclusion.

1. Key audit risks (continued)

Defined benefit pension scheme liability

Alexandra Palace Trading Limited ('APTL') operates a defined benefit pension scheme for the benefit of 22 scheme members who transferred to the company on 22 November 1999. There are 7 scheme members still in the employment of APTL. The assets of the scheme are administered by Haringey Council under the provisions of the Local Government Superannuation Act.

In accordance with FRS 17 'Retirement Benefits', the consolidated accounts of APPCT account for APTL's share of the underlying assets and liabilities of the scheme.

At 31 March 2010 the scheme had a deficit of £978,000.

Deloitte response

We have utilised our own in-house actuaries to review the assumptions used in the calculation of the FRS 17 deficit to ensure that they are within a reasonable range and in line with those used by other entities. These assumptions have been selected by management based on advice from the scheme actuary.

The assumptions selected by APTL are within the typical range of assumptions that are commonly used. Selecting appropriate assumptions is not an exact science; however it is important that the directors satisfy themselves that the assumptions used are reasonable and appropriate to the specific circumstances of the scheme. Due to the sensitivity of the assumptions, small changes can have a significant effect on the deficit.

We have discussed this with management in previous years and they believe that it is appropriate to use assumptions that are consistent with those used by Haringey Council. We have requested a specific representation from the directors that they have considered these assumptions and believe that they are appropriate.

Revenue recognition

International Standards on Auditing (UK and Ireland) require us to presume that there is an increased risk of fraud and / or error in relation to revenue recognition.

Deloitte response

We concluded that for APPCT there is an increased risk that revenue may be misstated through incorrect cut-off of rental income between different accounting periods and that for APTL there is an increased risk that revenue from cash-based sales may be incomplete.

We performed detailed sample testing on: income from the ice rink, food and beverage sales made in the Phoenix public house, and rental income. No misstatements were identified.

1. Key audit risks (continued)

Provision

At 31 March 2010 the total provision for Haringey Council indemnification was £41.3 million (2009: £39.1 million).

	Accumulated balance	Interest	Total
Indemnification 1991/92 to 1994/95	5,005	9,881	14,886
Indemnification 1995/96 to 2009/10	18,187	4,854	23,041
Provision: 1988/99 to 1990/91	755	2,641	3,396
	23,947	17,376	41,323

The increase on the prior year relates to the ongoing operational deficits, movements in working capital and capital spend of APPCT. No interest charges were levied by Haringey Council in the current year. Although Haringey Council have provided for this debt in full in their own financial statements, they have not discharged the debt and therefore retain their right to repayment. On this basis management have concluded that it remains appropriate to retain the provision.

FRS 12 sets out three criteria for the recognition of a provision. If these criteria are met, a provision must be made. The criteria are that:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that a transfer of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

Deloitte response

We have considered the accounting treatment against these criteria and concur that it is appropriate to retain the provision.

Capital grant from Haringey Council

APPCT received a grant of £312,000 from Haringey Council for capital works. This has been recognised as restricted voluntary income during 2010.

The grant has been fully utilised during the year to fund additions to tangible fixed assets. Management believe that the purchase of the assets fulfilled the requirements of the restriction, thus extinguishing it. A transfer from restricted funds to unrestricted funds has been recorded to reflect this.

Deloitte response

We concur with the accounting treatment adopted by management. We noted that the documentation provided by Haringey Council to support the restriction was limited. We have recommended in Section 2 that management should ensure that written documentation is in place for any future grants.

2. Accounting and internal control systems

Control observation

During the course of our audit we identified a number of control observations, the most significant of which are detailed below.

Update on prior year recommendations

Disaster recovery plan

Observation	We noted during the 2007/08 audit that a formal disaster recovery plan had not been prepared. In the absence of a documented plan the time taken to put in place arrangements to enable continuation of the company's operations in the event of a significant incident would be increased.
Recommendation	We recommended that a disaster recovery plan should be prepared. All members of the management team should be familiar with this plan and copies should be retained off-site to ensure that they are readily accessible if access to the premises is limited.
Update	A disaster recovery plan has now been prepared.

Journals

Observation	<p>We noted during the 2007/08 audit that journals were not independently authorised and reviewed. Due to the manual nature of journals, there was a greater risk that their use may give rise to fraud or error.</p> <p>During the 2008/09 audit we noted that this recommendation had not been fully implemented. We reviewed a sample of journals and noted that not all journals were signed off by a preparer and a reviewer. In addition, not all journals had supporting documentation attached.</p>
Recommendation	We recommended that journals should be reviewed and authorised by an individual independent of the preparer or initiator. Where resource constraints do not allow this to be undertaken on every journal, this should be performed at least on a sample basis.
Update	We noted that a number of journals were both prepared and reviewed by the Head of Finance. We recommend that management continue to develop the strength of the finance personnel to enable greater delegation of journal preparation by the Head of Finance.
Management response	It is not possible to implement this recommendation completely at present due to the size and skill set of the Finance team. Plans are in place to address this in the medium term. In the short term, the scrutiny of financial reports and monthly transactions by budget holders, together with the oversight provided by the Boards, Finance Committee and London Borough of Haringey, constitute important compensating controls.

2. Accounting and internal control systems (continued)

Current year recommendation

Formal documentation for grants and loans

Observation We noted that formal written documentation is not in place for all funding awarded to APPCT during 2009/10. In the absence of written documentation there is limited evidence of the restrictions imposed on the funding to enable the Board of APPCT to ensure that these restrictions have been properly discharged.

Recommendation We recommended that written documentation should be put in place for all grants and/or loans received by APPCT. These documents should be signed by both parties to the transaction to record agreement of the terms imposed. Management should review and document how these terms have been complied with.

Management response Agreed, we will endeavour to ensure that funders supply us with adequate documentation in the future.

Timeframe: Immediate

Owner: Head of Finance

3. Accounting policies and financial reporting

Upcoming financial reporting developments

For reference, the following developments in UK GAAP may impact the financial statements of APPCT.

The future of UK GAAP

Background

In August 2009, the Accounting Standards Board published a policy proposal 'The Future of UK GAAP'. This recommends a three tier approach to financial reporting in the United Kingdom, with publicly accountable entities applying IFRS as endorsed by the European Union, companies currently applying the FRSSE continuing to do so and other companies applying the IASB's 'IFRS for SMEs'. It is proposed that entities will have the option of moving up the tiers (i.e. a non-publicly accountable company could choose to apply IFRS in full).

Potential impact on APPCT

As a charity APPCT would not meet the proposed definition of a publicly accountable entity and would be expected to prepare its financial statements (which are currently presented under UK GAAP) under IFRS for SMEs (although the option of applying full IFRS would be available). The significant changes resulting from a move to IFRS for SMEs would include:

- Defined benefit pension schemes – a net liability approach based on present value of future obligations would be required. There would be simplification of the calculation allowed by omitting certain variables, e.g. future salary increases.

Effective date

The timetable for transition is yet to be finalised. However, under the ASB's current proposals the changes to UK reporting will be effective for APPCT's financial year ending 31 March 2013.

4. Other matters for communication

As part of our obligations under International Standards on Auditing (UK & Ireland) and the Companies Act, we are required to report to you on the matters listed below.

Independence	We consider that we comply with APB Revised Ethical Standards for Auditors and that, in our professional judgement, we are independent and the objectivity of the audit engagement partner and audit staff is not compromised.
Non-audit services	We are not aware of any inconsistencies between APB Revised Ethical Standards for Auditors and the company's policy for the supply of non audit services or of any apparent breach of that policy. An analysis of professional fees earned by Deloitte in the period from 1 April 2009 to 31 March 2010 is included in Appendix 1.
International Standards on Auditing (UK and Ireland)	We consider that there are no additional matters in respect of those items highlighted in our publication "Briefing on audit matters" to bring to your attention that have not been raised elsewhere in this report or our audit plan.
Liaison with internal audit	The audit team, following an assessment of the independence and competence of the internal audit department, reviewed the findings of internal audit and adjusted our audit approach as deemed appropriate.
Written representations	A copy of the representation letter to be signed on behalf of the board has been circulated separately. Non-standard representations have been highlighted.

5. Responsibility statement

This report should be read in conjunction with the "Briefing on audit matters" circulated to you previously and sets out those audit matters of governance interest which came to our attention during the audit. Our audit was not designed to identify all matters that may be relevant to the board and this report is not necessarily a comprehensive statement of all deficiencies which may exist in internal control or of all improvements which may be made.

We would be happy to consider a request to perform a more extensive study of these matters and, where compatible with our independence as auditors, assist you with implementing any improvements. As you will appreciate, such an exercise would be a separate engagement to our audit appointment, since the scope and context of our audit work in these areas is necessarily limited.

This report has been prepared for the Board of Trustees, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

Deloitte LLP

Chartered Accountants

St Albans

30 September 2010

Appendix 1: Analysis of professional fees

The professional fees earned by Deloitte in the period from 1 April 2009 to 31 March 2010 are as follows:

	2010 £	2009 £
Fees payable to the Trust's auditors for the audit of the Trust's annual accounts	14,750	18,250
Fees payable to the Trust's auditors for the audit of the Trust's subsidiary pursuant to legislation	14,750	18,250
Audit services provided to all group entities	<u>29,500</u>	<u>36,500</u>
Taxation services	3,250	3,250
All other services	<u>3,250</u>	<u>3,250</u>
Total	<u>32,750</u>	<u>39,750</u>

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Member of Deloitte Touche Tohmatsu

**UNRESTRICTED MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD
MONDAY, 6 SEPTEMBER 2010**

*Denotes attendance

** for part of the meeting only

Councillors Egan** (Chair), Strickland** (Vice-Chair), Hare**, Peacock*, Scott**, Stewart*, and Williams **

Non-Voting Representatives: Val Paley*, Mike Tarpey, Nigel Willmott*

Observer: David 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

*Mr J. Barnett – Interim Facilities Manager - Alexandra Palace

**Ms J. Parker – Director of Corporate Resources – LB Haringey

*Mr G. Oliver – Financial Manager – LB Haringey

*Mr T. Mitchison – Legal Services – LB Haringey

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

**MINUTE
NO.**

SUBJECT/DECISION

<p>APBO40.</p>	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence.</p> <p>NOTED</p>
<p>APBO41.</p>	<p>URGENT BUSINESS</p> <p>The Chair advised that there were no items of urgent business relating to the agenda, and confirmed with the Clerk to the Board that as this was a special meeting only those items listed on the agenda sheet would be considered.</p> <p>NOTED</p>
<p>APBO42.</p>	<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 item 8 – Approval of written resolutions of the Board of APTL and to leave the proceedings for Item 8.</p> <p>Councillors Egan, Hare, Scott and Strickland respectively declared a personal</p>

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	<p>interest and prejudicial interest with regard agenda item 8 - as Directors to the Board of Alexandra Palace Trading Limited .</p> <p>Ms Parker – Director of Corporate Resources – LB Haringey also declared an interest in Exempt Item 8 as Director of Alexandra Palace Trading Limited., and employee of LB Haringey.</p> <p>NOTED</p>
<p>APBO43.</p>	<p>GOVERNANCE UPDATE</p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Managing Director of Alexandra Palace Trading Limited, in her capacity as Project Manager for the Governance and Future Vision informed the Board that the purpose of the report was to report back on progress, following the decisions taken at Board on 29 June, and the subsequent actions arising for Project Steering Group (PSG) in the following areas:</p> <ol style="list-style-type: none"> a) Financial Independence b) Structural changes to streamline processes and systems c) Timeframe and process mapping d) Master planning and the future of AP <p>The report also sought endorsement of the financial focus recommended by PSG across Alexandra Palace, together with a proposed ‘interim’ model proposed by PSG for structural change and seeking the Board’s guidance on the terms of engagement, job description and recruitment process for the Independent Advisors. Ms Kane also referred to the reported updated key milestones for governance reform and those changes requiring Full Council of LB Haringey for approval.</p> <p>Ms Kane also advised that following the Board’s decision to create a “master planning” working group, it was necessary to seek the Board’s approval for the terms of reference and membership of the Alexandra Park & Palace Regeneration Working Group. A revised version of pages 9-12 had been re-circulated and should be referred to during discussion of the item.</p> <p>Ms Kane also tabled the notes of the question and answer session that was held on 24 August 2010 with stakeholders on the issues outlined as ease of reference. (A copy will be interleaved within the minutes)</p> <p>Ms Kane commented that in terms of the three areas for discussion, the first was Financial Independence and this had been agreed as a longer term aspiration of the Board. In the meantime, the following immediate focus was recommended by PSG:</p> <ul style="list-style-type: none"> • APTL: increase profit and drive commercial activity • APPCT: fundraise • Master Plan: identify untapped investment sources/funding (to include

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quick wins as well as longer term investment)

The Chair felt that each section should be commented upon separately and asked that Members comment.

Ms Kane referred to the Question and Answer Session of 24 August 2010 Q.s 1 & 2 which stated:

Question 1: Does this really represent real progress? The 'interim' model, due to be considered by Trustees on 6 Sept, is almost identical to the model tabled at the Stakeholder Forum in October 2009. Have the trustees gone far enough?

Question 2: What is the timeline for SAC and CC reform?

Councillor Stewart asked how many attended on 24 August and Ms Kane responded that the session had been attended by 15/16 individuals.

Members raised the following points of clarification

- Concerns of the attendees at the Stakeholder Forum at the length of time the whole issue of the future of the Palace was taking and the need for the Board to look itself at this as detailed in question 1. Ms Kane responded that the reason given had been it was hoped that stakeholders would take comfort from the fact that the interim model being considered by Trustees was almost identical to the one mooted in the autumn of 2009 and therefore reflected that the Board had listened to stakeholders and not created totally different models. There had been a lot of work behind the scenes and further engagement with stakeholders, plus bringing newly appointed trustees up to speed with the changes to ensure 100% support and understanding. The Board had also adopted an aspiration of total independence in the longer term which was what the majority of stakeholders requested.
- the issue of governance and future vision did not only centre on changing the function and capability of the current Alexandra Palace and Park Board and that by changing the Board set up this did not automatically alter how the palace would be run. The issue of the function of the Alexandra Park and Palace Advisory Committee (APPA), and Alexandra Palace and Park Consultative Committee (APPC) also required review as to whether there could some form of merging. The Stakeholders Forum had been informed that the reform would commence once the APPA and APPC had held forthcoming meetings (7 and 14 Sept respectively) and agreed the process for reviewing themselves. An update to the Board was expected on 5 October 2010 but not anticipating the work will have been completed at this stage.

Independent Advisors

Reference to question 5 from the Stakeholders Forum asking how Independent Advisors would be recruited. The question had been 'How will the independent advisors be selected? What skills will they have? They must be appointed with

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ability to challenge/lead the Trustees rather than just do their bidding’.

Ms Kane advised that the response given was to the effect that there would be a clear recruitment and selection process, and that the Advisers would not be the same as paid consultants and would be chosen for their relevant skills sets to assist the delivery of a new vision. Ms Kane advised that it had been further suggested that the Independent Advisors should be “Shadow Trustees”. Stakeholders had been invited to send suggestions for recruitment to the Interim General Manager.

Discussions then centred on the issue and role of the Independent Advisors – the main points being:

- Clarification was sought as to how to attract the Independent Advisors and the criteria for expertise and skills;
- possible advice from the Charity Commission as to how other Charities had progressed the recruitment of specialist advisors
- attracting advisers with particular historic interest or ability to fund raise and an understanding of commerciality/fund raising, or high profile notoriety
- the need to not limit the number of advisors but this be dependent on the specific criteria and skill set e.g. advisers similar to those used for the development of St Pancras or Tate Modern or other such large scale development
- that the criteria for expertise could fall into 3 main categories – fund raising, heritage, hospitality
- that the Independent Advisors would not receive any monetary stipend for the role but would be able to claim reasonable expenses
- the possible interest as a museum site and attracting notable persons in the museum world
- the overriding need to ensure that any recruitment drive pitched itself to ensure that it attracted a sufficient level of interest and that there were concerns that in attracting expertise it then hopefully did not turn out that overall there is no achievement
- that whether the strategy for the future of the Palace and Park needed to be clearly defined in order to attract the most suitable advisors and rather than create a role this would naturally develop by the skills and expertise brought by those recruited
- that the Independent Advisors would be seen in an ambassadorial role with a whole range of abilities and that their function be a meaningful one
- the need to re-approach the BBC given the site’s historic position as the birth of television and their support for a Museum/TV Heritage site
- the recruitment process be along the lines similar to that used the previous year for the recruitment of NED’s of APTL by using external agencies for the purpose
- the need for obtaining the view of current employees at the palace as to their views as to the future development and expertise required

(Ms Downie arrived at 18.59hrs)

Structural Changes to streamline processes and systems

Ms Kane referred to the structural changes as detailed in the report which had been recommended by the PSG with an 'interim' model proposed for adoption by the Board. The main features of the model were:

- Combined and more effective stakeholder forum: SAC and CC
- Appointment of independent advisors to the Board

Ms Kane advised that the PSG had concluded that the organisation was too far removed from the ultimate solution of legal and financial independence but that both should remain longer term aspirations of the Board. It was recommended that the 'interim' model would provide a phased approach in the meantime.

Ms Kane referred to the meeting that took place with the Chair of the Board, the Chair of the APPAC, Mr Liebeck, Mr Gill and herself where proposals were explored and the following agreed:

- APPAC and APPCC to be requested to hold an inaugural joint meeting at which both groups to agree a process for 'holding a mirror to themselves', as the Board had done, and identify actions to streamline their processes and improve effectiveness; including consideration of the necessity of having two separate groups. Pending approval by the APPB to the 'interim' model proposed, this action would be tabled for approval at both the APPAC (7 Sept) and the APPC (14 Sept) forthcoming meetings.
- It was recognised that whilst APPAC was constituted by an Act of Parliament, like the APPB, there could be means of enhancing its current remit/membership and that this should not be ruled out without thorough investigation.
- The SAC would also be asked, via the Park Manager for APPCT, to undertake a review of the AP byelaws.

Ms Kane referred to the questions 6 & 7 raised at the Stakeholders meeting on 24 August 2010 and the responses given as follows:

With regard to question 6 'How will the SAC / CC review be conducted and will it provide an opportunity for other interested parties to suggest new members etc?' Ms Kane commented that the response given had been similar to her earlier comments in that the SAC and CC needed to consider at their forthcoming meetings the process and methodology for conducting the review. Officers would feed back to both chairs that others (currently not members of either) would like to have an input. It was also important to note that the comment had been that the concept of the People's Palace remained a strong tenet of the future of AP&P.

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With regard to question 7 'How can we be certain that the Trustees will listen to stakeholders in the future? In the past the SAC and CC have been ignored on many occasions' Ms Kane advised that the response had been along the lines that one of the main reasons the Board had asked that the APPAC and APPCC reviewed themselves was to ensure that the stakeholder forum become as efficient and effective as possible. This was a clear objective that emerged from both the trustee and the stakeholder forum sessions held in the autumn 2009. This would hopefully aid better communications and a constructive dialogue in the future. The Board had also committed, by virtue of the NCVO code that they had adopted, to open and transparent processes and effective engagement of a myriad of stakeholders. Ms Kane also advised that several present at the meeting had commented that the relationships and communications between the respective committees had improved recently.

The Chair asked if there were any particular comments or views.

Councillor Hare commented that in his view it was an effective process, given that the Board had examined its Governance and had considered the NCVO model it was only fair that it ask the APPAC & APPCC to look at their functionality and effectiveness in accordance with the NCVO guidelines. Councillor hare asked if officers would support this proposal. Mr Gill responded that officers would provide support to this process. Ms Kane advised that it should be acknowledged that a considerable amount of work had been progressed by the Board through consultation with stakeholders and that this was an on-going process.

At this point there was an interruption from a Member of the public present in the public seating area. The Chair advised that whilst the meeting was a public one, it was not for public participation and therefore advised that questions or clarification from the public was not allowed, and ask that such interruptions desist.

Time Frame and Process mapping

Ms Kane referred to the adopting of the interim model and the timetable as detailed in para 6.3 of the report and asked if there were any points of clarification. Ms Kane referred to the political group meetings of the LB Haringey in early October and the need to firm up the likely dates.

The Chair commented that the timetable was aspirational and likely to encounter some slippage in the coming weeks, and suggested some further discussion outside of this meeting.

Master Planning and the future of Alexandra Palace and Park

Ms Kane referred to the appendices circulated (as amended for pages 9-12 of the report) in respect of the draft terms of reference of the Alexandra Palace and Park Regeneration Working Group which set out the key activities of the body. As outlined in the report the primary purpose of the Working Group would be to develop, manage and co-ordinate an integrated regeneration strategy and master plan for the palace and surrounding park.

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Ms Kane referred to questions 4 and 8 at the Stakeholders Forum and the responses given:-

With regard to question 4 'Will anything happen whilst LBH is in charge? The LBH councillors have no vision, as evidenced at Hornsey Town Hall. Another 5 years could be spent talking about plans and delivering nothing', Ms Kane advised that the response to the question had been that the Board had been considering their vision for Alexandra Palace and Park and had abandoned the previous strategy of finding a single developer for the site. Stakeholders had been involved in that process, with draft brand values created to underpin that vision, and the suggestion of some independent advisors being invited onto the APPB to swell the skills sets and experience to be drawn upon. The stakeholders were also advised that the proposed Regeneration Working Group would formulate ideas and recommendations for the Trustees and draw on a wide range of expertise. The building was driving the timescales, and there no time for lengthy debate and procrastination. The building would not survive if action was not swift.

With regard to question 8 'Can we be assured that there is no hotel coming into the main building? And that the trustees won't lease parts of the building?', Ms Kane advised that the response to the question had advised that nothing would be ruled in or out at this stage. The role of the Regeneration Working Group would be to assess the best use of the building and make recommendations to the APPB. It was further advised that a hotel had long been viewed by many as a necessity for Alexandra Palace and Park and planning permission had been granted in the past for the site. The APPB had committed to not seeking to grant a long lease to a sole operator, though the Chair of APPB did not rule out that if a body like English Heritage wished to manage the Palace that might be appropriate.

Ms Kane then referred to the draft terms of reference of the Alexandra Palace and Park Regeneration Working Group as detailed and stated that the role of the Chair of the Working Group and the actions of the group were clearly defined.

The Chair referred to the revised terms of reference as drafted by the Interim General Manager – Mr Gill and asked that he give a brief explanation of those proposed revisions.

Mr Gill responded that he had not been in attendance at the PSG meeting when the draft had been agreed due to being on annual leave. As the amendments showed in bold in the addendum to the circulated report it was a fact that the role of the Regeneration Working Group was in an advisory capacity and this body was not empowered to take decisions on behalf of the Alexandra Palace and Park Board. Therefore the terms of reference required amendment to reflect this, with the amendments clearly showing that the Working Group would not be responsible for taking any decisions. Mr Gill explained to the Board the rationale and implications of each his proposed amendments.

The Trust Solicitor – Mr Harris also referred the Board to his circulated note regarding the proposed original terms of reference as agreed by the PSG. Mr Harris advised that the further Terms of Reference circulated on 1 September

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2010 by the Clerk to the Board on behalf of Ms Kane appeared to give decision making power to the group, with its stated role being “delivery of a strategic master plan which will provide an integrated framework for future commercial and development delivery.” Mr Harris commented that his advice to the Board was that it should ensure amendments to the proposed terms of reference were made so that it was convened as an advisory group; with the Board retaining the ultimate decision making function. The legal rationale behind this advice was that it was for the Alexandra Palace and Park Board alone to make key decisions about the charity. The Board was able to delegate matters but not such a key one as this, and to seek to delegate such a matter would be contrary to charity law and also in breach of the recently adopted Code of Governance.

The Chair thanked Mr Gill, Mr Harris and Ms Kane for their comments and asked if there were any comments from the Board.

Councillor Hare commented that his concern regarding the amendments to the terms of reference of the Regeneration Working Group could mean that the working group may feel hampered or held back by the need to refer all matters to the Board for decision. He also sought clarification as to if there was a budget allocation to progress this work. In response Mr Gill advised that £50K had specifically been allocated for this purpose – held by the LB Haringey.

Councillor Hare referred to the scope of work that the Working Group would undertake and the likely slowing of the timetable given the small number of scheduled Alexandra Palace and Park Board meetings. He felt that if the amendments to the terms of reference were agreed there would be a need for special Board meetings to be convened at regular intervals to take required decisions. Councillor Hare expressed his concerns at the issue of timescales and the need for additional Board meetings as and when required and asked that these concerns be noted.

Councillor Scott commented that in terms of the Working Group it should clearly be established in a non decision making capacity and in his view the working group’s main tasks would be to draw up the strategy and master plan for adoption by the Board and that the Board would meet on a regular basis in order to consider issues as and when required.

Councillor Hare referred to the role of the Interim General Manager in that issues for consideration by the Board from the Working Group would be passed to the Board following consideration/vetting by the Interim General Manager, and subject to the Interim General Manager’s agreement or rejection of matters to be considered by the Board. Councillor Hare felt that when this was the case, the Board be given the opportunity to see the original proposals from the Working Group referred to the General Manager for consideration in order to ensure that the Board was aware of any issues being blocked (for any reason) by the Interim General Manager.

The Chair asked Mr Gill if he had any response to give in respect of Councillor Hare’s suggestion. Mr Gill advised the Board that in his opinion Councillor Hare’s suggestions did not warrant a response.

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Councillor Stewart sought clarification from Ms Kane as to whether she was broadly in support of Mr Gill's proposed amendments.

In response Ms Kane commented that the Working Group would need to move fast in order to expedite and drive through the development, management and co-ordination of an integrated regeneration strategy and master plan for the palace and surrounding park. In terms of the time line the Working Group needed to have the ability to progress effectively and the amendments would in her view hamper this. Ms Kane commented that the original terms of reference did have enough clauses to protect the position of the Alexandra Palace and Park Board and there were reassurances of this protection within those un-amended terms of reference.

Councillor Stewart asked if in Ms Kane's views, the amendments could limit the function of the Working Group, and Ms Kane responded that that potentially yes the amendments would do so.

The Chair referred to the membership of the Regeneration Working Group and expressed his concern that there was only one representative of the Trust on the Working Group and asked whether the Board felt that it was sufficient or whether there should be some Board representation.

Mr Willmott commented that in his view as it was a working group of officers and as there were built in processes for reporting to the Alexandra Palace and Park Board he felt that whilst the Working Group was officer lead, should there be some Board members sitting on the Group.

In response to further clarification from the Chair and Councillor Hare as to the Working Group's membership, the Director of Corporate Resources LB Haringey – Ms Parker advised that once the Group was established its membership could be varied if it was felt necessary, and the membership could be reviewed as time progressed.

Ms Kane sought clarification as to the £14K spent on the previous NED's recruitment to APTL and given this amount spent would there be sufficient funds available for the recruitment of Independent Advisers. Mr Gill responded that there was a budget allocation for this purpose and there would be no need to seek Board approval on this point.

The Chair then summarised the discussion and it was:

RESOLVED

- i. That support be given to the financial focus in the short term for APPCT, APTL and the Regeneration Working Group;
- ii. That the proposed 'interim' model for structural change, including a review of the Alexandra Park and Palace Advisory Committee and Alexandra Palace and Park Consultative Committee as the most appropriate phased approach towards the longer term aspiration of legal/financial independence be endorsed.

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	<p>iii. That the terms of engagement, job description and recruitment process for the Independent Advisors be endorsed based on the steer outlined during discussion of the item and in the following terms:</p> <ul style="list-style-type: none"> • attracting advisers with particular historic interest or ability to fund raise and an understanding of commerciality/fund raising, or high profile notoriety • the need to not limit the number of advisors but this be dependent on the specific criteria and skill set e.g. advisers similar to those used for the development of St Pancras or Tate Modern or other such large scale development • that the criteria for expertise could fall into 3 main categories – fund raising, heritage, hospitality • that the Independent Advisors would not receive any monetary stipend for the role but would be able to claim reasonable expenses • that the Independent Advisors would be seen in an ambassadorial role with a whole range of abilities and that their function be a meaningful one <p>iv. That the key milestones be noted and it be agreed that the Board Trustees will act as champions for these, in a bid to help secure Full Council approval;</p> <p>v. That approval be given to the amended draft terms of reference and proposed membership of the Alexandra Park & Palace Regeneration Working Group as shown in pages 13-15 of the report;</p> <p>vi. That in respect of the recommendations arising from the work of the Alexandra Park & Palace Regeneration Working Group requiring consideration by the Alexandra Palace and Park Board it be noted that special meetings of the Alexandra Palace and Park Board will be convened as and when required to consider such issues; and</p> <p>vii. That the full Council of LB Haringey be requested to delegate to the Alexandra Palace and Park Board the recruitment, selection and appointment of the independent advisers to the Board.</p> <p>(Ms Parker left the proceedings at 19.30hrs due to her attendance at another meeting at the LB Haringey)</p>
<p>APBO44.</p>	<p>PARK AND PALACE BYE-LAWS</p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Park Manager – Alexandra Palace – Mr Evison advised the Board that the purpose of the report was to seek approval to commencing the process of</p>

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considering whether the byelaws for Alexandra Park and Palace were fit for purpose and up to date. The Board, if minded to do so, were also asked to agree to a consultation exercise so relevant stakeholders could input into the review process.

Mr Evison commented that the existing Byelaws had been made on 31 May 1929 under what was then Section 18 of the 1900 Act, subsequently repealed by the 1966 Order which effectively transferred Alexandra Palace to the Greater London Council (GLC) with Paragraph 8 of the 1966 Order stipulating that any Byelaws in force shall have effect as if they had been made by the GLC. That particular paragraph survived the 1985 change and appears in schedule 3 to the 1985 Act, which sets out the provisions from the earlier legislation that remain in force

Mr Evison advised that the Board was not asked at this point to consider the particular details of the existing byelaws but to decide whether or not the 1929 Byelaws should be reviewed and possibly updated in view of both the change of circumstances over the last 80 odd years and perhaps more particularly the change in language. Mr Evison further advised that a review of the byelaws could include relevant details relating to traffic and car parking in light of the potential to enact a car park charging scheme in the future. Mr Evison concluded that the Board would retain the final decision making power and in essence what was being sought from the Alexandra Park and Palace Advisory Committee and Alexandra Palace and Park Consultative Committee was advice though the Board may or may not accept that advice.

The Chair thanked Mr Evison for his succinct summary and asked if the LB Haringey's Legal representative – Mr Mitchison had any comment to add.

Mr Mitchison responded that whilst it was appropriate to review existing byelaws it was the case that there were no guarantees of them actually being revised. Though it would be for the Board to agree any such changes it was ultimately a decision of Central Government though he could not see any major issue arising that would cause difficulty.

In response to clarification of points from Councillor Scott the Trust Solicitor Mr Harris advised the Board were Trustees appointed by the Council and although the Board were in the position to review the byelaws these were actually byelaws belonging to the LB Haringey.

There being no further points of clarification the Chair summarised and it was:

RESOLVED

- i. That approval be given to review the palace and park byelaws;
- ii. That the Alexandra Park and Palace Advisory Committee and the Alexandra Palace and Park Consultative Committee and other stakeholders be requested to consider the byelaws and give their advice on updates or amendments; and
- iii. That the advice of the Alexandra Park and Palace Advisory Committee and the Alexandra Palace and Park Consultative Committee and other

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	stakeholders be reported to the Board at a future meeting.
APBO45.	<p>EXCLUSION OF THE PUBLIC AND PRESS</p> <p>That the press and public be excluded the from the meeting for consideration of Items 7 - 9 as they contain exempt information as defined in para 3 of Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); namely information relating to the business or financial affairs of any particular person (including the authority holding that information).</p> <p>At this point in the proceedings (19.35hrs) the Chair moved an adjournment for a period of 5 minutes which was agreed nemine contradicente.</p> <p>The Board adjourned at 19.35hrs and reconvened at 19.40hrs.</p> <p>The Chair announced that the order of business would be varied to consider agenda item 9 after agenda item 7.</p> <p>NOTED</p> <p style="text-align: center;"><u>SUMMARY OF EXEMPT/CONFIDENTIAL PROCEEDINGS</u></p>
APBO46.	<p>THE LEASE FOR THE OLD STATION BUILDING</p> <p>AGREED RECOMMENDATIONS</p> <p>At this point in the proceedings the Chair reminded the Board that it would next consider agenda item 9.</p>
APBO47.	<p>INTEGRATED FACILITIES MANAGEMENT CONTRACT</p> <p>AGREED RECOMMENDATIONS</p> <p>At this point in the proceedings (20.10hrs) Councillors Egan, Hare, Scott and Strickland withdrew from the proceedings having declared a personal and prejudicial interest in agenda item 8 – Approval of written resolutions of the Board of APTL Accounts. The Managing Director of APTL did not leave the proceedings.</p> <p>NOTED</p>
APBO48.	<p>APPROVAL OF WRITTEN RESOLUTIONS OF THE BOARD OF APTL ACCOUNTS</p> <p>The Clerk to the Board – Mr Hart advised the Board that as the Chair and Vice-Chair had withdrawn from the proceedings it would be necessary to elect a Chair for the remainder of the proceedings. Mr Hart sought nominations for the Chair.</p>

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Councillor Peacock nominated Councillor Stewart as Chair for the remainder of the proceedings. Councillor Williams seconded the nomination.

There being no other nominations it was resolved nemine contradicente that Councillor Stewart take the Chair for the remainder of the proceedings.

COUNCILLOR STEWART IN THE CHAIR

AGREED RECOMMENDATIONS

There being no further business to discuss the meeting ended at 20.33hrs.

COUNCILLOR PAT EGAN

Chair

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