

CABINET MEMBER SIGNING

Friday, 28th May, 2021, 10.30 am

Members: Leader of the Council

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and

(ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

3. ALEXANDRA PALACE AND PARK EMERGENCY CAPITAL WORKS (PAGES 1 - 4)

Felicity Foley
Committees Manager
Tel – 020 8489 2919
Fax – 020 8881 5218
Email – felicity.foley@haringey.gov.uk

Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
River Park House, 225 High Road, Wood Green, N22 8HQ

Thursday, 20 May 2021

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Report for: Leader's Signing 28 May 2021

Title: Alexandra Palace and Park Emergency Capital Works

Report authorised by: Jon Warlow, Director of Finance

Lead Officer: John O'Keefe, Interim Head of Finance (Capital & Major Projects)
john.okeefe@haringey.gov.uk 020 8489 2410

Ward(s) affected: Alexandra

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

1.1 The Alexandra Park and Palace Charitable Trust (the Trust) has notified the Council, in its role as corporate trustee, that there are two urgent capital schemes that need to be undertaken within the palace. These works are required to enable the palace to operate safely, and their scale exceeds their financial capacity. One is the West Hall rewire project and the other is the replacement of the fire alarm system in the West Hall, the Great Hall, and Palm Court.

2. Cabinet Member Introduction

2.1 The Council is the corporate trustee for the Alexandra Park and Palace Charitable Trust. In that capacity the Council has a statutory duty "to uphold, maintain and repair" the park and palace. The Council has been informed that there is a requirement for certain urgent works to be undertaken and that the Trust is not able to undertake the works from its existing resources.

3. Recommendations

3.1 It is recommended that the Leader approves:

- i. An additional capital grant of £0.858m to Alexandra Park and Palace Charitable Trust;
- ii. That capital budget of £0.858m be vired from the General Fund approved capital programme 2021/22 Contingency to the Alexandra Palace grants budget for this purpose.

4. Reasons for decision

4.1 The Council is the corporate trustee for Alexandra Palace and in that capacity has obligations to maintain the park and palace.

4.2. The Trust advises that these urgent works cannot be met by the annual capital grant that the Council makes available in discharge of its obligations as set out in paragraph 6.1.

5. Alternative options considered

Not to fund the urgent fire alarm replacement works

- 5.1. The Council could decide to not fund these works. This is not recommended as the non-replacement of the fire alarm system would represent a health & safety issue that needs to be resolved.

Not to fund the urgent electrical works

- 5.2. The Council could decide to not fund these works. This is not recommended as the current system is over 20 years old, the manufacturer of the system no longer trades, the supply of spares is not guaranteed, and the position of key elements of the system presents a health and safety risk when they need to be maintained.

6. Background information

- 6.1. The Alexandra Park and Palace is a significant heritage asset held by the Council as statutory corporate trustee pursuant to the Alexandra Park and Palace Acts and Order 1900 to 1985. In that capacity it has a statutory duty to “uphold, maintain and repair” the Palace and Park so that it remains available “for the free use and recreation of the public forever”.
- 6.2. The Council discharges this duty through the Alexandra Palace and Park Charitable Trust Board (the Trust) and makes available an annual revenue grant of £1.755m and a capital grant of £0.47m.
- 6.3. The Palace is a large building with substantial backlog maintenance. The Trust has, through its fabric maintenance plan, been remediating some of these maintenance issues. Additionally, a number of significant projects (the theatre refurbishment and the west yard project) have contributed to the refurbishment of elements of the palace.
- 6.4. Notwithstanding these efforts, there is a considerable backlog maintenance issue in the palace. A recent review by the Trust’s insurer identified a number of issues with the fire alarm system in the West Hall, the Great Hall and Palm Court that need to be addressed to resolve health and safety issues. The estimated cost of these works is £0.417m including a contingency.
- 6.5. The Trust undertakes regular surveys of the palace to monitor its condition. One of these surveys identified that the wiring system in the West Hall, Great Hall and Palm Court had deteriorated significantly. The review concluded that should the system fail that it could not be guaranteed that it could be repaired given the systems age and the fact that the manufacturer no longer trades. In addition, due to the location of elements of the system there are health and safety issues when they need maintenance or repair. In addition, the Trust has a project to replace its inefficient lighting system (as part of the decarbonising the public sector initiative) and there are efficiencies and cost reductions in doing the projects at the same time. The estimated cost of the replacement wiring system is £0.441m including a contingency.

7. Statutory Officers comments (Chief Finance Officer (including procurement), Head of Legal & Governance (Monitoring Officer), Equalities)

Finance

- 7.1. Currently the Council has a capital budget of £0.47m pa in the approved general fund capital programme for the grant to Alexandra Palace for capital maintenance.
- 7.2. The recommendation of the report is to vire £0.858m from the approved General Fund capital programme 2021/22 Contingency budget to Alexandra Palace capital grant budget. If agreed the Alexandra Palace capital grant budget would be £1.328m for 2021/22.
- 7.3. The contingency budget for 2021/22 is £3.8m and there are no other identified calls on the budget at this time. If the recommendations are agreed the balance on the contingency budget would be £2.942m.

Procurement

- 7.4. There are no procurement comments required for this report.

Legal

- 7.3 The Head of Legal and Governance has been consulted in the preparation of this report, and makes the following comments.
- 7.4. Confirmation is given of the ambits of the statutory duty referred to at sub paragraph 6.1 above.
- 7.5. The procedure to be adopted to effect a capital virement is set out in the Council's Constitution under its Financial Regulations at Part Four, Section I as follows:

5.32. A policy change/re-prioritisation of resources between capital schemes relating to direct spend and excluding internal charges. These are to be approved as a virement in accordance with the below thresholds:

*(a) Up to £250,000 by the **Section 151 Officer** following referral from the relevant **Director(s)**;*

*(b) £250,000 and above, by the **Cabinet***

5.32A Any policy changes or re-prioritisation between service areas are to be approved by Cabinet and are a Key Decision in accordance with Part 5 Section C of the Constitution

- 7.6. In light of the above, coupled with the thresholds involved, there is no legal reason why Cabinet cannot agree the Recommendations contained in the report.

Equality

7.7 There are no equalities implications associated with the recommendations.

8 Use of Appendices

None

9 Local Government (Access to Information) Act 1985

Not applicable.