

**UNRESTRICTED MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD
THURSDAY, 16 APRIL 2009**

Councillors Egan (Chair), Dogus (Vice-Chair), Hare, Oakes, Peacock, Williams and Stanton

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

Observer: Mr D. Liebeck

Also present:

**MINUTE
NO.**

SUBJECT/DECISION

APBO80.	APOLOGIES FOR ABSENCE Apologies for lateness were received on behalf of Cllr Dogus. There were no apologies for absence. NOTED
APBO81.	URGENT BUSINESS It being a special meeting of the Board, there were no new items of urgent business.
APBO82.	DECLARATIONS OF INTEREST There were no declarations of interest. NOTED
APBO83.	FURTHER INDEPENDENT REVIEW OF A LICENCE TO OPERATE GRANTED TO FIROKA AND THE LOSSES CAUSED TO THE CHARITY Julie Parker, Haringey Council's Director of Corporate Resources, introduced the report on the further independent review by Martin Walklate, which had been commissioned by the Trustees following the meeting of the Board on 28 September 2008, at which the first independent review had been received. The Board was advised that some of the information contained within the report was in the exempt part of the agenda, and would be discussed when the meeting moved into exempt session. Ms Parker advised that the first recommendation of the report was that the Board accept the findings of the further investigation, summarised in the report. Mr Walklate had concluded that there was little opportunity for the recovery of any losses, approximated to be £1.5m, and that the benefits would be exceeded by legal costs. Mr Walklate had also concluded that the Trust should now focus on developing good governance structures and moving forward.

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Cllr Dogus commented that the lack of paperwork identified in the review was of great concern, and that it was essential that this be addressed in the development of tightened governance structures. It was hoped that from this point on there would be an appropriate flow of information.

In response to a question from the Board, Ms Parker reported that Council officers were not aware of the existence of the licence until late October or early November 2007, and that by the end of November a copy of the licence had been made available to officers. Iain Harris, Trust Solicitor confirmed that he too had not been aware of the terms of the licence until that time.

In response to questions from Cllr Stanton regarding the proposed governance framework going forward, Ms Parker reported that an action plan based on the findings of the first review had been agreed at the meeting of the Board in September and that the Board was receiving regular progress reports against the action plan. The Council's Internal Audit service was also monitoring progress. It was reported that an away day to consider the draft code of governance was being planned for Summer 09. It was agreed that copies of the action plan, minutes of the previous two away days and other relevant documentation would be forwarded to Cllr Stanton.

Cllr Hare raised the question of why Mr Walklate's questionnaire had not been sent to any Liberal Democrat Members. Ms Parker responded that the former Chair of the Board had indicated that he had discussed the issue with Labour colleagues, and it was on this basis that the enquiries had focussed on Labour Members. Cllr Hare expressed concern that he had not had an opportunity to contribute to the investigation, as he had a large volume of correspondence between himself and the former Chair of the Board regarding the financial implications of the licence, which may have proved valuable to the investigation, particularly in respect of looking at the Council's role in monitoring the governance arrangements at the Palace. In response to a question from the Chair as to whether other Trustees had been copied into the correspondence referred to, Cllr Hare reported that different Members had been copied into different correspondence as appropriate at the time. Cllr Williams noted that the issues raised in the correspondence had also been raised at meetings, and so all Trustees were aware of the issues. It was suggested that Cllr Hare forward the correspondence in his possession to Mr Walklate for consideration.

Ms Parker reported that Mr Walklate was unavailable until mid-May but that, if Trustees wished to pursue the issue of the correspondence held by Cllr Hare after this time, Mr Walklate could be asked if he would be willing to consider any further information.

Cllr Williams expressed concern that only half the information had been investigated by not interviewing Liberal Democrat members of the Board, and that he was not confident that the further review adequately addressed all the issues. Cllr Williams suggested that an additional, third review might be necessary. Ms Parker responded that the terms of reference of the review focussed on the conduct of Mr Holder, and that Mr Walklate would have determined the actions necessary in order to address the terms of reference during the course of his investigation. Cllr Williams suggested that further investigation was needed of the

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systems and arrangements that enabled issues to go unaddressed at the time. Ms Parker responded that the governance framework and monitoring mechanisms would be key in addressing these issues in future.

The Board agreed that the issue of reports being tabled was of great concern to all Trustees, and welcomed the fact that this was addressed in the new governance arrangements. Cllr Hare stated that overall responsibility for governance issues lay with the Chief Executive, and expressed concern that the Chief Executive's role in monitoring the governance arrangements of the Trust had not been covered in the further review.

Cllr Williams asked whether Mr Walklate should have been present at the meeting to speak to his report, in response to which Ms Parker reported that it had not been in the terms of reference of the work that Mr Walklate would present the report to the Board in person, and that Mr Walklate was unavailable on the date of the meeting. In response to the length of time taken to produce the report, Ms Parker reported that no timescale had been established when the report was commissioned, and that the interviewing and sequence of research had taken a substantial amount of time. The Trust Solicitor advised that one of the concerns raised regarding the first review was that there had been no draft report. To meet that concern, a draft had been produced for the further review, and that this had extended the time taken.

Cllr Williams expressed concern that the terms of reference of the further review did not cover the period after the granting of the licence, and that it was important that this period also be investigated, particularly as it was during this period that significant losses were incurred. Ms Parker responded that this had been covered in the terms of reference and that the period following the issuing of the licence had been investigated as part of the review.

In response to concerns raised by Mr Liebeck that the further review did not cover the key period around the drafting and signing of the licence, Mr Harris reported that this had been covered in the first review. Mr Harris confirmed that the licence had been drafted by Mr Holder on a template basis, with no legal advice. Mr Liebeck asked how money was transferred to Firoka once the licence had been entered into, and who would have been aware of these arrangements. Ms Parker responded that the salaries of staff were being paid for by the trading company, and that Firoka was taking the income from events and the ice rink, and incurring the operational costs. As a result, Firoka was receiving income directly from the customers, and no money was being transferred from the company to Firoka. Ms Parker reported that contracts with clients had been novated, with the involvement of the Head of Finance.

Mr Tarpey emphasised the importance of good governance, and of Trustees acting only in the best interests of the Trust, independent of any political allegiance, as he felt that this had been the cause of difficulties in the past. Ms Paley felt that consistency of Board membership was essential, as it was important for all Trustees to have a good knowledge of the background information, and suggested that Trustees should be willing to commit to serve for a number of years. This view was endorsed by Cllr Hare. Cllr Stanton suggested, however, that the reality of the Councillors requiring election meant that this

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	<p>would be not be practical.</p> <p>The Chair emphasised the essential importance of good governance, and of all Trustees acting together for the future of the Palace. Cllr Dogus agreed that focussing on governance structures and ensuring that all relevant information was passed on to new Trustees were the best ways of addressing the issues, and that good progress was being made with the governance development.</p> <p>In response, Cllr Williams stated that governance structures had been in place at the time the licence was entered into, but that these had been disregarded, and that organisational culture was the fundamental issue, rather than governance. Cllr Dogus responded that the first review had demonstrated that the governance structures in place at the time had been very weak in themselves and that strengthening of the arrangements had been necessary.</p> <p>Regarding the issue of organisational culture, Cllr Stanton noted that in addition to the whistleblowing policy, other courses of action should be available to officers being asked to do something they disagree with, such as asking that the request be put in writing, so that they have a record of it. Cllr Williams noted that senior officers should have the capability to deal with such situations, and that appropriate training should be identified if this were not the case. Ms Parker reported that recruitment and training processes were in place to ensure that staff were equipped to deal with such situations.</p> <p>Concern was expressed that the recommendation to “accept” the “recommendations” of the review might suggested that the Trustees agreed fully with Mr Walklate’s view, and it was suggested that the wording of the recommendation be amended to reflect that the Board was receiving the report. On a motion by the Chair it was:</p> <p>RESOLVED</p> <p>That the Board of Trustees note the findings of the second independent review.</p>
APBO84.	<p>EXCLUSION OF THE PUBLIC AND PRESS</p> <p>RESOLVED</p> <p>That the press and public be excluded the from the meeting for consideration of Items 6 and 7 as they contain exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); namely information relating to any individual, information which is likely to reveal the identity of an individual and information relating to the business or financial affairs of any particular person (including the authority holding that information).</p>
APBO85.	<p>FURTHER INDEPENDENT REVIEW OF A LICENCE TO OPERATE GRANTED TO FIROKA AND THE LOSSES CAUSED TO THE CHARITY</p> <p>It was agreed that items 6 and 7 would be discussed concurrently, under the following item.</p>

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APBO86.	<p>FURTHER INDEPENDENT REVIEW OF A LICENCE TO OPERATE GRANTED TO FIROKA AND THE LOSSES CAUSED TO THE CHARITY</p> <p>The Board discussed the exempt information relating to the report of the Director of Corporate Resources and Chief Financial Officer on the further independent review of a licence to operate granted to Firoka and the losses caused to the Charity, and the report of the Trust Solicitor.</p> <p>The Board considered the legal advice provided, and amendments to the wording of the second recommendation in the report were agreed by the Board. On a motion by the Chair, it was:</p> <p>RESOLVED</p> <p>That the Board, having considered the report of the Trust Solicitor in the exempt part of the agenda, agreed to take no further action to recover losses, estimated to have been suffered by the charity, from Keith Holder.</p>

COUNCILLOR PAT EGAN

Chair