

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

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

1. Purpose

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

2. Recommendations

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

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

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

3. Executive Summary

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

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

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

5. Local Government (Access to Information) Act 1985

Reports referred to in preparing this paper:

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

6. Project Programme 09/10

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

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

7. Stakeholder Forum (24 October)

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

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

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

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

8. Communications Strategy

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

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

9. Legal Implications

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

10. Financial implications.

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

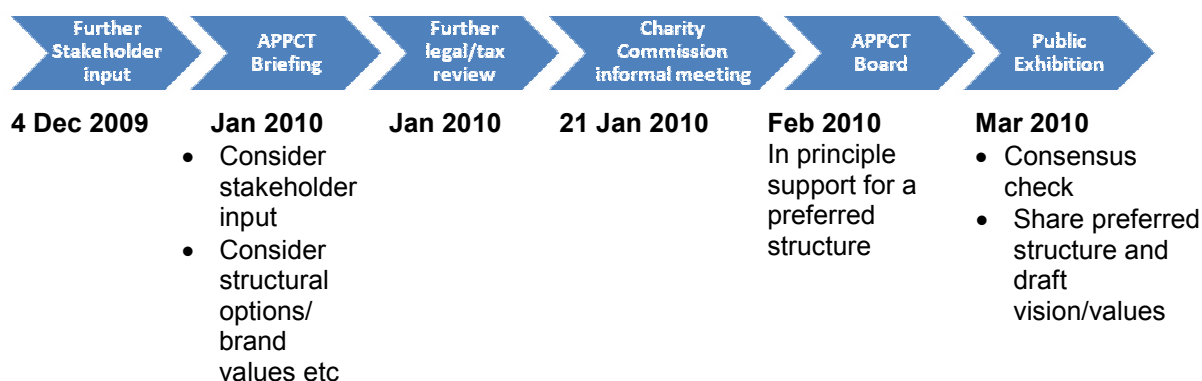
11. Use of Appendices / Tables / Photographs

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

Appendix 1

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

KEY MILESTONES: NOV '09 – MARCH '10



Appendix 2

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

1 Introduction

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

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

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

www.alexandrapalace.com/About_Us/Stakeholders_Reports.html
to view all the outputs from the Governance and Branding Review.

Additional feedback was received from the following individuals and organisations:

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

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

2 Objectives

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

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

4 Principles that Trustees will hold to in delivering the objectives

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

5 Processes that Trustees will adopt for good governance

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

6 Comments on Structural Options

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

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

7 Other Comments

Branding

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

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

Governance

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

General

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

8 Next Steps

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

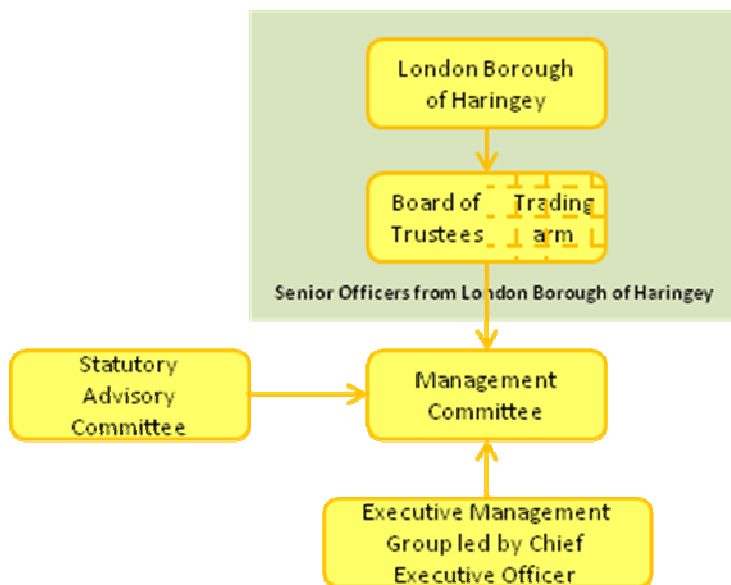
Stakeholders and the wider public will be consulted on the draft strategy early in 2010, by way of a public exhibition.

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

Appendix 3 - The structural options under further consideration by KPMG

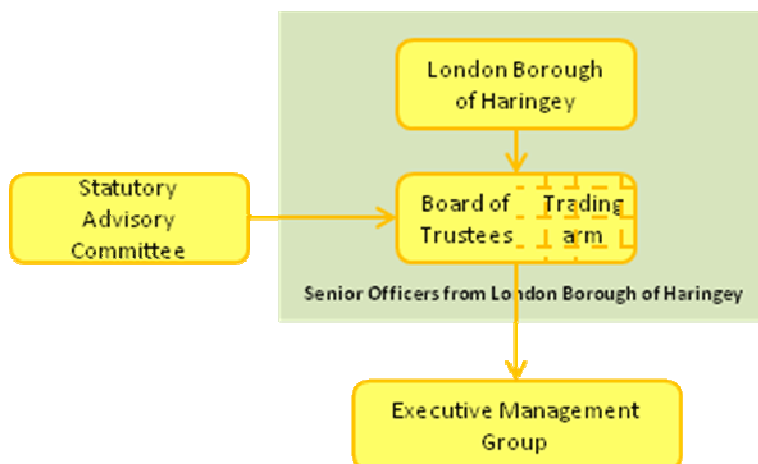
1. The Management Committee Model

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



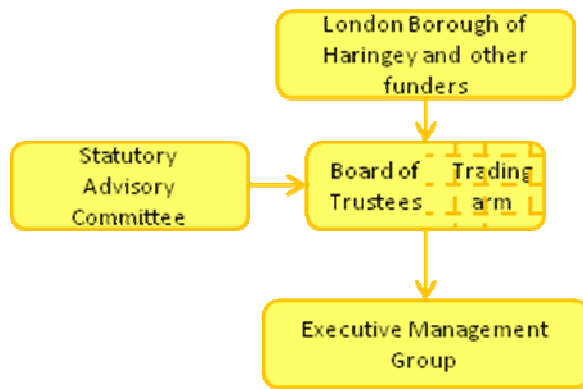
2a) The Streamlined Model

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



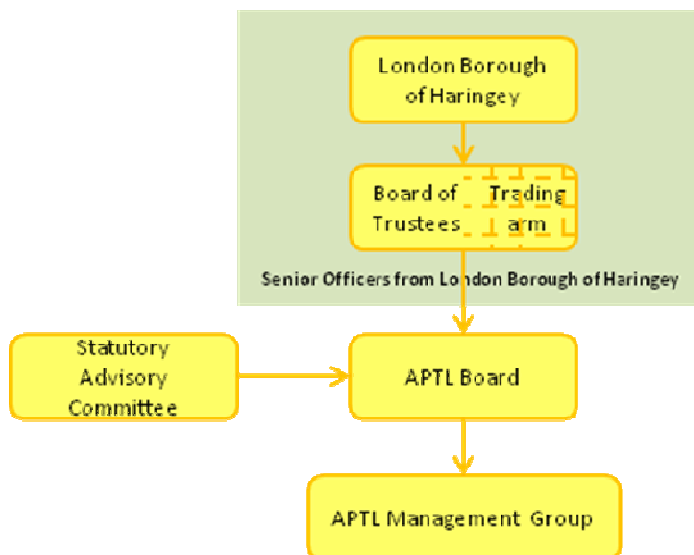
2b) The Commissioning Model

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



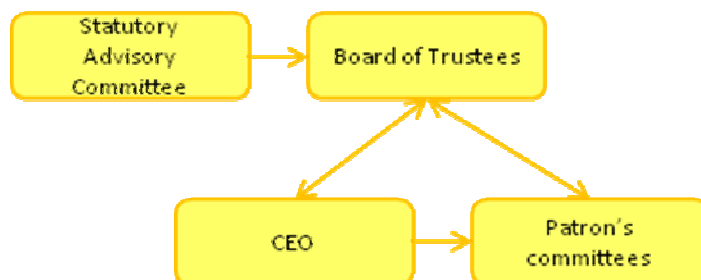
3. Delegation to APTL

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



4. Patron's model

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



5. The Beneficiaries Model

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

