

What contact did he have with Firoka?

Councillor Adje maintained infrequent contact with Firoka in keeping with his role as Chair of the Board. He attended meetings and had direct phone calls with Kassam and his staff. The initiative for such meetings or calls usually arose from Keith Holder or, more rarely, other staff at the Alexandra Palace or Kassam himself. When meetings took place these were usually attended by Keith Holder who would have been responsible for any actions which then arose.

Normal day to day contact was maintained by Keith Holder.

What led you to believe that Firoka wouldn't wait for the normal lease process to be completed?

March and April of 2007 were difficult months for the Board. The uncertainty surrounding the transfer had a detrimental effect on staff morale and this had led to resignations in some key posts. Individual Staff and the Trade Unions were expressing concern as to this uncertainty and the lack of resolution on issues such as TUPE and other related conditions of service. The staff also complained to me that they were never told what was happening within the organisation on a daily basis and the strategic direction of the organisation and felt isolated. They however did not want me to take action as they feared it may rebound on them. There were also issues between Sean Omrod who was brought in as part of the agreement before my arrival as Chair on how the business should be run. Even given the traditionally low trading situation at this time of year, the forthcoming months were presenting a very concerning picture and there remained a potential that the company would be trading insolvently.

Just less than two years had elapsed since the original submission of the tender from Firoka. Kassam was constantly expressing concern about the continued delays relating to the Charity Commission Order and the impact this delay had upon his predictions. Although he was aware of the relatively imminent signing of the order he remained concerned that the potential for a judicial review would prove another delay. There was no way of knowing whether his anxieties would actually lead to withdrawal but the financial consequences of this with its implications of having to go back to the market to seek another partner based upon an updated capital spend would have been very expensive and the prudent course of action was to seek to retain his full interest.

Who suggested a licence? Was this Firoka's idea

Councillor Adje wasn't involved in the detail of what mechanism should be used to bring about the strategy that was felt necessary. This was a matter for the Officers. He believed that the idea of a licence originated from the officers at Alexandra Palace. Firoka were keen to begin trading at the Palace site and the licence was one way of achieving this. This followed with a meeting initially at Kings Cross.

Who discussed the licence content and its development with Firoka?

Following the initial meeting, all further detailed discussions would have been held by Keith Holder. Councillor Adje was in contact with him during this period but this was mostly over small matters like what he (Keith Holder) felt the appropriate licence to

235

235

operate fee should be as he had in-depth knowledge of how things operate at the Palace. Although contacted in this way, He really didn't have any input into these matters. These were issues for officers to resolve.

Simply put, it would be good to know what Cllr. Adje's wanted to achieve and why the licence was a good way to achieve that strategy.

This is covered in earlier answers. Councillor Adje wanted to bring some certainty into the situation for the staff and those who represented them. He wanted to ensure that the agreed arrangements with Firoka would be maintained until the formal completion of the charity commission order and the subsequent period for challenge and he wanted to transfer the risk of a potentially failing operation in a way that would minimise the risk of any insolvent trading.

The date of the 15th May has been quoted as being important.

Councillor Adje believes the significance of this date is that it was the Group AGM and subsequent of the Council. It was potentially possible that he would change office at this time and this would have led to a lack of continuity at a particularly sensitive time if the licence arrangements had not been finalised. It was a cut off point.

I am interested to know who he received briefings from and whether he was informed of the financial and legal consequences of the licence.

Councillor Adje could not recall having any specific briefings. He was given a general awareness of the amounts involved in issues such as the staff secondment and recalled figures of the cost of the licence deal being around £400,000 although he was informed that most of these costs would have had to have been met by the Trust in any event. He regularly visited the Palace and his discussions and information would have been derived, informally, from these occasions. At no time was he offered any formal briefings from any other officer either from the Palace or the local Authority other than that given by Keith Holder.

Councillor Adje wanted it to be noted that although these sums are vague even at their most pessimistic they still represent a very small proportion of the costs to the Trust and the Authority should Firoka have withdrawn from the contract bearing in mind the size of the investment.

I would like to discuss with him the report to the Trustees of the 24th April which agreed the phased approach to transfer of business to Firoka.

Councillor Adje recalled the meeting and the subsequent resolution for the company to cease active trading.

I would like to know what he and his fellow trustees felt they were agreeing to and whether he/they felt that they had sufficient information to make the decision.

Councillor Adje knew that the report sought the authority for the Officers to conclude a licence with Firoka. It also gave agreement to the secondment of staff. The Trustees were given no more detail about the content of the new agreement. Indeed, he was surprised that further information was not provided at the time of seeking the resolution to cease trading.

Councillor Adje was unaware that there had been significant changes to the licence from the one utilised by APTL and was unaware that the licence had not been reviewed by any legal representative prior to its signature. He had at no time, either before or after the meeting on the 24th, been given any written statement or briefing of the effects of the changes to the licence. He expected legal to have at least been involved in the formulation of the licence agreement and was very surprised that neither the Trust solicitor/other legal advisers nor an accountant were involved.

What was meant by the assignment of the APTL licence?

Councillor Adje was not aware of the detail neither of the APTL licence nor given any indication of any major changes that may be necessary.

What was meant by a management contract for the Ice Rink?

Again, Councillor Adje was not aware of any detail nor could he suggest why these matters were separate resolutions when the final outcome was the inclusion of the ice rink into the licence. He was aware that the inclusion of the Ice Rink was a step that conformed to the proposed strategy of giving maximum responsibility for the site to Firoka as part of the licence. He was not informed of any financial consequence of such an inclusion or the detail that may have surrounded such a licence agreement.

I would like to understand Cllr. Adje's role with other Trustees.

Councillor Adje saw his role as Chair as being a proactive one which was intended to drive the officers to achieve the Trust's strategies. Like all Chairs he regarded an important element of his role to keep other Trustees generally aware of progress or any difficulties that were being faced. This either took place informally given his contact with the Trustees in their Council environment or through other means such as telephone calls. However, this 'accepted' role of a Chair did not and could not extend to holding responsibility for maintaining all contact between the Officers of the Trust and its Trustees or for ensuring that every issue or matter of detail was shared. This was the proper role of the General Manager and his staff. They were the Trust's advisors and they held the accountability for ensuring that all Trustees were appropriately briefed.

When informed that others making statements had indicated that they thought he was undertaking all liaisons with other Trustees and local authority staff Councillor Adje was very surprised, angered and disappointed that they should have made such a surprising suggestion given that the responsibility for ensuring that the Trustees were fully briefed had to be an accountability of the officers. Officers did however complain that where information had been provided, it would appear that such information gets to those who wish to undermine the transfer to Firoka.

Did he take on the responsibility to provide additional briefing to all trustees, just those in his political group, or not at all?

Councillor Adje didn't have this responsibility nor did he undertake such a task. He did ensure that all his Trustees of whichever party were aware of the major issues facing the Trust and the solutions that were being pursued. He was not involved or aware of the details and was not in a position to take any responsibility for passing these on to others.

Similarly, how did he feel liaison between the Local Authority and the Trust took place on this issue?

Councillor Adje was concerned about the lack of liaison that took place over Alexandra Palace matters. In part this was necessary given that the Trust had to show that it was not an organ of the Local Authority and acted independently both in its actions and how it sought advice. However, the lack of liaison extended beyond this and appeared to result from bad past experiences in both quarters. He was not aware; however, that the licence details had been compiled without any discussion with the Local Authority Officers and that there had been no opportunity for them to contribute to either the outcome or the method of achieving it.

I am particularly interested to understand whether he feels officers from both organisations were sufficiently proactive in ensuring a working relationship that would avoid inappropriate decision taking.

Councillor Adje felt that at the time of the licence development the relationship was not sufficiently proactive however, more recently, matters had improved considerably.

On the issue of pro-activity, Councillor Adje did wish to make the point that the opportunity to advise him on any issues surrounding this matter either before, on the night of, or after the board meeting, was fully available to all staff servicing the board. All the major officers of the Board were present at the meeting and if any had felt that the Trustees were making an incorrect decision or one based upon insufficient information then they had every opportunity to raise the matter. Equally, had the officers recognised that the actual licence that was developed was not really in keeping with the understanding of the board or its formal resolution then they had every opportunity to bring this to his notice. This did not occur.

I agree that the above notes represent a fair and accurate reflection of my involvement in the drawing up, execution and delivery of the licence to operate with Firoka (Alexandra Palace) Ltd as ascertained by interview and subsequent email correspondence

Signed

.....*Councillor Charles Adje*

Dated

238

238

APPENDIX 19

From: Cllr Meehan George <George.Meehan@haringey.gov.uk>
Subject: **Complaint against Councillor C.Adje.**
Date: 14 February 2010 19:58:45 GMT
To: "martin.walklate@ntlworld.com" <martin.walklate@ntlworld.com>

Dear Martin,

I am sorry for the delay in replying to your letter dated 27th January 2010. I totally disagree with Mr Carter's intimating that there is a connection between satisfactory concluding an arrangement between Firoka and Councillor Adje's getting the position of Cabinet member for Finance and Resources. I agree with Councillor Adje's view on this matter.

When Members are putting themselves forward for a position at the Labour group's Annual General Meeting, they are required to submit a statement setting out why they should be supported for that post. I have rechecked what Councillor Adje said in his statement in 2007 and he did not mention Alexandra Palace or his role as Chair of the Board in his statement. I believe he did not consider it would improve or hinder his chance by not mentioning it and I would agree with him.

I have no problem with you using my answers to your earlier questions and I have nothing to add.

Yours Sincerely,

George Meehan

This email and any files transmitted with it are confidential, may be subject to legal privilege and are intended only for the person(s) or organisation(s) to whom this email is addressed. Any unauthorised use, retention, distribution, copying or disclosure is strictly prohibited. If you have received this email in error, please notify the system administrator at Haringey Council immediately and delete this e-mail from your system. Although this e-mail and any attachments are believed to be free of any virus or other defect which might affect any computer or system into which they are received and opened, it is the responsibility of the recipient to ensure they are virus free and no responsibility is accepted for any loss or damage from receipt or use thereof. All communications sent to or from external third party organisations may be subject to recording and/or monitoring in accordance with relevant legislation.

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

243

243

APPENDIX 20

Mr. M. Walklate
C/O Dianna St Hilaire
PA to John Suddaby
Head of Legal Services & Monitoring Officer
Haringey Council
River Park House
225 High Road
Wood Green
London
N22 8HQ



02 March 2010

Dear Mr. Walklate,

Re: Code of Conduct Investigation – Cllr Charles Adje

Your letter dated 19th February 2010 refers.

My previous responses reflected the fact that you had said that many questions could be answered from the previous reports. I had previously answered many of the points raised in my correspondence which I handed to you when we met in the Civic Centre. I regret I cannot recall nor have a record of the date. Nevertheless I set out below my responses again in the order of your latest questions.

1. This was in a telephone call some time between the sending of my briefing paper and the writing of the Board report but I cannot be specific on when because of the passage of time.

At a meeting in the Civic Centre in November of 2007 attended by the then Leader of the Council and Chair of the Board; the Council's Chief Executive, Director of Corporate Resources, Head of Legal Services, Principal Solicitor and Head of Finance together with the charity's General Manager, the charity's Solicitor and myself, Cllr. Adje confirmed he gave the instructions to proceed with the 'licence' after discussion at a high political level. The then Leader confirmed in that meeting that the discussions had taken place but implied he hadn't been told all of the details when he was briefed in April 2007.

2. I did not withdraw the advice given in the briefing note.
3. This question is really an extension of the previous ones. I was told the arrangements which eventually became the 'licence' were agreed with the key politicians and were to be implemented because of the concerns that Firoka would withdraw. The timing was to be before the AGM of the Group. My advice would not and could not alter in the absence of any changed circumstances.

244

244

4. It was made clear in the telephone call referred to in 1. above that the political priority was to keep Firoka engaged until such time that the 125-year lease could be formally executed and the significant revenue and capital risks arising from Alexandra Palace were transferred. I had provided unequivocal advice that cut across that political direction. The Chair was adamant that Firoka should be in a position that mirrored the proposed lease arrangement and the report I had to prepare for the Board was the vehicle for achieving that aim. The assertion that I should have presented the report as directed and then refer to advice that diametrically opposes the report as given a few days earlier is preposterous in the extreme.

Yours sincerely,

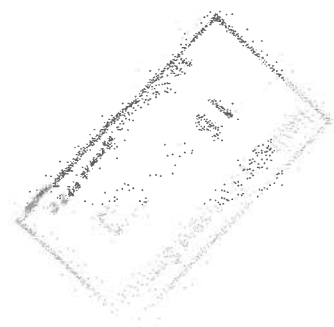


K.E. Holder

260

260

APPENDIX 21



Mr. M. Walklate
C/O Dianna St Hilaire
PA to John Suddaby
Head of Legal Services & Monitoring Officer
Haringey Council
River Park House
225 High Road
Wood Green
London
N22 8HQ

12 February 2010

Dear Mr. Walklate,

Re: Code of Conduct Investigation – Cllr Charles Adie

I attach my response to your letter dated 27 January 2010.

Please confirm my response will be used without amendment or omission. I would be obliged to received your confirmation by close of business on Friday 19 February 2010.

Yours faithfully,

K.E. Holder

261

(261)

Mr. M. Walklate
C/O Dianna St Hilaire
PA to John Suddaby
Head of Legal Services & Monitoring Officer
Haringey Council
River Park House
225 High Road
Wood Green
London
N22 8HQ

12 February 2010

Dear Mr. Walklate,

Re: Code of Conduct Investigation – Cllr Charles Adje

I am in receipt of your letter dated 27 January 2010.

Before responding on the substantive matters raised there is a need to consider a context for the actions that took place in April/May 2007. In setting out this context the following matters are pertinent:

- The issue occurred almost three years ago:
- I have not had contact with any employee of the charity or local authority since a request for information from the General Manager early in May 2009:
- I have no access to any documents or other information relating to this matter and any acts of omission are unintentional.

The Context

The policy of the Council both as trustee and local authority has since 1990 been one of holistic development of Alexandra Palace. That has remained the policy and gave strategic direction to all subsequent actions because of the high levels of investment, in 2005 measured as some £60 million, to bring the building back to effective use over its whole footprint. The Charity Commission agreed to promote a parliamentary scheme to widen the power of leasing within the Alexandra Park and Palace Act 1985 which gave legal force to the continuing strategy. The wider powers were finally granted by Parliament in January 2004.

An independent team of professional advisers were appointed by the charity. This team did not have any history of Alexandra Palace and its difficulties and were looking at the problem afresh. As part of this process the team considered alternatives to holistic development and in particular explored whether there were any different or additional benefits arising from the use of incremental development. The financial modelling showed that the greater the intervention into the fabric and services in the building as a consequence of sub-division the less financially viable the subsequent uses became. In addition the advice of the professional team was that unless a head lessee was appointed then operators potentially interested in a part or parts of the building would not engage and invest. These outcomes re-enforced the charity and local authority view that the correct strategy was being pursued.

In summary it was a clear that holistic development was the only viable option that would generate developer and operator interest; bring in the invest needed; relieve the council tax-

262

(262)

payer of its annual revenue burden and deal with the significant capital requirement "to uphold, maintain and repair" Alexandra Palace. It was against this backdrop that Firoka were appointed as preferred developer following the open and public development competition.

Responses to Questions

There was a clear concern amongst members that the development option would be lost through the continuing delays being experienced in executing the proposed lease. The local authority had devoted significant levels of funding to bring the Alexandra Palace issue to a conclusion in addition the revenue support. This funding would be lost; the opportunity to develop gone and future subsequent forays into the market tarnished.

- The principal of Firoka had signalled his dissatisfaction with progress on a number of occasions. After the granting of the Charity Commission Order the further delays were seen as not being helpful by Firoka and there was concern that their principal would withdraw his support and scheme. It was following the meeting between the Chair of the Trustee Board and the Firoka principal to discuss this discrete issue that my briefing note to the Chair was written.
- The circumstances surrounding the relationships and the proposed lease had not changed between the writing of my briefing note and the meeting of the trustee board a few days later and there can therefore be no basis upon which a change of that advice could be founded.
- The paper to the Board and its content was requested on the basis that:
 - a) it provided a statement of commitment to Firoka
 - b) showed the charity [and local authority] where robust in their desire to see the deal through

You previously confirmed after the first round of interviews that David and I both received the same instruction from the Chair that everything should be done to ensure Firoka's continued engagement.

Further it could be argued that Cllr Adje having been given the advice in the briefing note and knowing there were no change in circumstances reported to him should have questioned the change but chose not to.

- I cannot answer the question as to what David Loudfoot may or may not have felt. The description of the outcomes of discussions were previously reported and I have nothing to add to those comments. David as an employee of the charity should provide any further explanation required.
- There was never, either in my presence or to my knowledge, any question of hospitality beyond the tea/coffee/biscuits/buns courtesies associated with meetings.

I now turn to the penultimate paragraph in your letter. There were a number of potential driving forces such as the desire to reap the political kudos; the desire to see the project through to a positive conclusion or the "not on our watch" view expressed previously. I cannot comment on whether any, all or none of these applied.

Finally, I draw your attention to two issues which I do not believe have been previously considered.

263

263

2000 Payment Service
15 FEB 2007
19 Station Road, L22 1JZ

Firstly I was required to enter into a legally binding compromise agreement on the termination of my employment which places reciprocal responsibilities on the Council and me. Paragraph 7 of that agreement contains the confidentiality clauses which are relevant to these circumstances.

Secondly paragraph 8.2 of the compromise agreement unusually grants Firoka the same legal rights as Haringey Council to enforce its terms and conditions. The granting of these rights further underscores the concerns expressed that something may jeopardise the proposed arrangements.

Yours faithfully,



K.E. Holder