

Alexandra Palace & Park Board on 6th September 2010

Report Title: **The Way Ahead – Governance and the Future Vision**

Report of: **Rebecca Kane, Project Manager for the above**

1. Purpose

- 1.1 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:
- a) Financial Independence
 - b) Structural changes to streamline processes and systems
 - c) Timeframe and process mapping
 - d) Master planning and the future of AP
- 1.2 (A) To seek endorsement of the financial focus recommended by PSG across AP&P.
- 1.3 (B) To seek endorsement of the ‘interim’ model proposed by PSG for structural change and seek the Board’s guidance on the terms of engagement, job description and recruitment process for the Independent Advisors.
- 1.4 (C) To present updated key milestones for governance reform and highlight those changes requiring Full Council approval.
- 1.5 (D) Following the Board’s decision to create a “master planning” working group, to seek the Board’s approval for the terms of reference and membership of the Alexandra Park & Palace Regeneration Working Group.

PLEASE NOTE: a verbal update will also be provided at the meeting following a Q&A session to be held (24.8.10) with stakeholders on these proposals.

2. Recommendations

- 2.1 That the Board supports the financial focus in the short term for APPCT, APTL and the Regeneration Working Group.
- 2.2 That the Board endorses the ‘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.
- 2.3 That the Board considers the terms of engagement, job description and recruitment process for the Independent Advisors and provides guidance to officers on its preferences thereon.
- 2.4 That the Board notes the key milestones and that each Trustee agrees to act as a champion for these, in a bid to help secure Full Council approval.
- 2.5 That the Board considers the draft terms of reference and proposed membership of the Alexandra Park & Palace Regeneration Working Group.

- 2.6 That the Board either approves the draft terms of reference and proposed membership of the Alexandra Park & Palace Regeneration Working Group or provides guidance to officers to amend them according to the wishes of the Board.
- 2.7 That the Board recommends the full Council to delegate to the Board the recruitment, selection and appointment of the independent advisers to the Board

Report Authorised by: **Rebecca Kane, Managing Director, APTL on behalf of Andrew Gill, Interim General Manager for APPCT**

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 (PSG) for Governance and Future Vision met on 26 July 2010 and it considered the actions arising from the Board meeting on 29 June 2010.
- 3.2 PSG now recommends key actions and decisions relating to the governance and future vision project which include: defined areas for financial focus and an 'interim' model of governance which provides a phased approach to total independence in the longer term.
- 3.3 It is recommended that the SAC and CC undertake a review of their own function and effectiveness as part of the governance reform.
- 3.4 A Q&A session with key stakeholders will be held on 24.8.10 where the changes outlined in this paper will be presented and comments sought which will be relayed to Trustees at their Board meeting.
- 3.5 The Board has decided to appoint Independent Advisors and the Board is now asked to provide guidance to the Interim General Manager regarding the role, terms of engagement and recruitment of Independent Advisors to the Board.
- 3.6 The key milestones for securing the required support for undertaking changes to the governance of AP&P include presentations to member groups, briefings for the Leader/Opposition Leader of LBH, ongoing stakeholder engagement, terms for appointing the independent advisers to the Board and Full Council approval by year end.
- 3.7 The decision to appoint independent advisers to the Board of Trustees requires Full Council approval. Full Council will be asked to delegate the recruitment and selection of the advisors to the Board of Trustees.
- 3.8 The Board has decided to create a Master Planning working group and the PSG has recommended that this group be called the Alexandra Park & Palace Regeneration Working Group (APPRWG).
- 3.9 This report details the proposed terms of reference as approved by PSG, membership and reporting lines for the APPRWG.

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

- 4.1 Decisions taken by the Board on 29 June 2010.

5. Local Government (Access to Information) Act 1985

5.1 N/A

6. Description

6.1 The Project Steering Group (PSG) for Governance and Future Vision met on 26 July 2010 and it considered the actions arising from the Board meeting on 29 June 2010.

6.2 **A) Financial independence** has been agreed as a longer term aspiration of the Trustees. In the meantime the following immediate focus is recommended by PSG:

APTL:	increase profit and drive commercial activity
APPCT:	fundraise
Master Plan:	identify untapped investment sources/funding (to include quick wins as well as longer term investment)

6.2.1 **B) Structural changes to streamline processes and systems** – PSG recommends that an 'interim' model is adopted by the Trustees. The main features of this model are proposed as follows:

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

See diagram at Appendix 1

6.2.2 PSG concluded that the organisation is too far removed from the ultimate solution of legal and financial independence but that both should remain longer term aspirations of the Board. It is recommended that the 'interim' model provides a phased approach in the meantime.

6.2.3 The Chair, Interim GM and the MD met with the Chair of the SAC to explore these proposals and agreed the following: SAC and CC to be requested to hold 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. Pending approval by the Board of Trustees to the 'interim' model proposed, this action will be tabled for approval at both the SAC (7 Sept) and the CC's (14 Sept) forthcoming meetings.

6.2.4 It was recognised that whilst the SAC is constituted by an Act of Parliament, like the Board of Trustees, there could be means of enhancing its current remit/membership and that this should not be ruled out without thorough investigation.

6.2.5 The SAC will also be asked, via the Park Manager for APPCT, to undertake a review of the AP byelaws.

6.2.6 In an effort to continue the positive and transparent dialogue between Trustees and stakeholders, a Q&A session will be held on 24 August where a governance update will be presented and stakeholders will have an opportunity to ask questions and provide feedback to the Trustees on the 'interim' model and next steps contained within this paper. A verbal update will be provided to trustees at Board.

6.2.7 With regard to the role of Independent Advisors to the Board, the PSG agreed that the Interim General Manager would be asked to identify the skills required and to draft a suitable Job Description, terms of engagement and the recruitment process.

6.2.8 The Interim General Manager requests further guidance from the Board regarding its preferences for the Independent Advisors, including;

- The terms of engagement (it is suggested that the role is unpaid but that reclaiming of reasonable expenses is allowed),
- The Job Description, in terms of what the Board expects an Independent Advisor to actually do in support of the Board’s strategies and objectives.
- The recruitment process, in terms of how many Independent Advisors the Board wishes to appoint, where and how the Board wishes to advertise the posts and the membership of the Appointment Panel.

6.3 C) Time frame and process mapping

6.3.1 At PSG it was agreed that a detailed note regarding the historic background to AP&P was required. This will be circulated to both Lib Dem and Labour group members before face to face presentations are made in September (dates TBA). The aim of these sessions is to ensure groups are aware of the challenges faced at AP&P and understand the governance changes and regeneration work to be undertaken in advance of Full Council approval.

6.3.2 The decision to appoint independent advisors to the Board of Trustees requires Full Council approval. Full Council will be asked to delegate the recruitment and selection of the advisors to the Board of Trustees.

6.3.3 The table below highlights the key milestones and time frame for the next steps:

JULY	
	Examine best practice from other trusts e.g. Eden and Bexley
AUGUST	
24 August	Feedback to stakeholders / seek input
SEPTEMBER	
6 Sept.	APPCT Board Trustees to approve ‘interim’ model Input into TOR/JDs for Independent Advisors
7 and 14 Sept.	Engage SAC and CC 1. Review: streamline processes, improve efficiencies, joint meetings 2. Approach to undertake review of AP byelaws
Date TBA	Present overarching strategy for change to: Lib Dem Group Labour Group
Throughout period	Leader of Council and Opposition Leader briefings – ongoing Cabinet made aware of Trust decision re structural change and SAC/CC work Charity Commission and stakeholders updated
OCTOBER	
5 Oct	APPCT Board

	Approval of JDs, TOR and recruitment of Independent Advisors Update from SAC/CC review
18 Oct	FULL COUNCIL approval sought: <ul style="list-style-type: none"> - delegation of recruitment, selection and appointment of independent advisers to Board of Trustees - Inform re creation of the AP&P Regeneration Working Group

6.4 D) Master planning and the future of AP&P:

- 6.4.1 With regard to the Alexandra Park & Palace Regeneration Working Group (APPRWG), the PSG considered a draft Terms of Reference document which sets out;
- the context for the creation of the APPRWG
 - the role and responsibilities of the APPRWG and its Chair
 - the reporting arrangements for the APPRWG
 - the arrangements for meetings of the APPRWG
 - the process for decision making and recommendations to APPB
 - membership of the APPRWG
- 6.4.2 The primary purpose of the APPRWG is to develop, manage and coordinate an integrated regeneration strategy and master plan for the Palace and surrounding park.
- 6.4.3 The governance structure of the Trust allows for the creation of Working Groups to focus on specific issues and to advise the Board accordingly e.g. the Theatre Working Group which was created some years ago.
- 6.4.4 Given that the Trustees are solely accountable for strategic decisions affecting the Charity, the role of a Working Group is limited by its terms of reference and the need to refer decisions for approval by the Board.
- 6.4.5 The process for referring matters from a Working Group to the Board is via the Trust's Chief Officer, currently the Interim General Manager.
- 6.4.6 Board members will note that the Chair of the APPRWG will be required to report to the Council's Regeneration Stream Board (and CEO's Management Board if appropriate).
- 6.4.7 The matter of master planning for Alexandra Park & Palace is clearly of utmost importance to the Trust and it is also a spatial planning matter for the Council, which is currently holding the sum of £50K on behalf of the Trust in order to 'pump prime' the master planning process.
- 6.4.8 Alexandra Palace has liaised with the Council's Planning & Regeneration service in preparing for the creation of the APPRWG and it is hoped that the link between the Trust and the Council's Planning & Regeneration service via the APPRWG should enable the Council to assist the Trust by deploying the Council's resources as necessary.
- 6.4.9 The APPRWG's initial priorities will be to devise an outline plan for its work including key milestones etc. and to address any 'quick wins' which could generate income without hindering the longer term delivery of the eventual master plan.

6.5 Consultation

6.5.1 Extensive consultation has taken place between the Board of Trustees and a myriad of local and business stakeholders regarding the work to date on both governance and the need to formulate a future vision for AP&P.

6.5.2 This consultation includes:

OCTOBER 2009	Stakeholder Forum
DEC 2009	Feedback invited from groups on outputs
MARCH 2010	Exhibition Road Show
MAY 2010	Open Day

6.5.3 A Q&A for stakeholders is planned for 24 August 2010 where attendees will be presented with an update on this project and have a chance to ask questions. Feedback from the session will be presented to trustees by way of a verbal update when this paper is presented.

7 Recommendations

7.1 That the Board supports the financial focus in the short term for APPCT, APTL and the Regeneration Working Group.

7.2 That the Board endorses the '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.

7.3 That the Board considers the terms of engagement, job description and recruitment process for the Independent Advisors and provides guidance to officers on its preferences thereon.

7.4 That the Board notes the key milestones and that each Trustee agrees to act as a champion for these, in a bid to help secure Full Council approval.

7.5 That the Board considers the draft terms of reference and proposed membership of the Alexandra Park & Palace Regeneration Working Group.

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7.8 That the Board recommends the full Council to delegate to the Board the recruitment, selection and appointment of the independent advisers to the Board

8 Legal Implications

8.1 The Trust Solicitors comments are as follows:

Change to remit and membership of the SAC

8.1.1 Paragraph 6.2.1 refers to "a combined and more effective stakeholder forum : SAC and CC. Paragraph 6.2.4 recognises the fact that the SAC is constituted by an Act of Parliament and that enhancing its current remit and membership should not be ruled out without thorough investigation. The Alexandra Park and Palace Act 1985 does contain provisions at Schedule 1 which enable certain amendments to be made, subject to the approval of the Charity Commission or the High Court. The amendments relate to membership.

Amendment to the remit may be more difficult but can be given further consideration if appropriate.

Appointment of independent advisers to APP Board

8.1.2 As recognised at paragraph 6.3.2 the appointment of independent advisors to the Board requires full Council approval. The relevant provision is in Part Four Section B of the Council's constitution which provides as follows:

"The Council may resolve that non-voting members, assessors and advisers shall also be appointed to any such committee or other body, and shall hold office until the annual meeting in the year following their appointment or for so long as the Council deem appropriate, whichever is the earlier; and if they resolve to make such appointments, shall specify the number of appointments to be made and the functions in relation to the body that each person so appointed may exercise."

8.1.2 Board members will need to have this provision in mind, particularly the functions in relation to the Board that each independent adviser is to exercise, when they formulate the guidance requested by the Interim General Manager at paragraph 6.2.8 of the Report.

Master Planning

8.1.4 The issue of master planning is bound in with the issue of the charity's strategy and objective. They are inextricably linked in the sense that without knowing what can be done in a planning context the trustees cannot decide upon and adopt an amended strategy and objective. Board members should bear in mind that the master planning debate will inform their further deliberations upon strategy and objective. It may be helpful for the Board to be reminded that on 12 January 2010, at Resolution APBO008 (iv) they resolved:

"that it be agreed that the current strategic objective to granting a long lease to a single developer no longer be the Board's primary objective and that this strategic objective be abandoned, pending agreement on and the adoption of a new objective by the Board."

8.1.5 Within this context the Board should be clear that the role of the working group is to bring forward recommendations upon a planning and regeneration strategy rather than on the strategy and objective of the charity. Further the role of the group is an advisory one; it is not a decision making group and the Board must ensure that it retains the decision making role and does not seek to delegate it. In due course once the Board has received recommendations upon the planning and regeneration strategy it will need to consider and decide upon its future strategy and objective.

9 Financial Implications

9.1 In 2010/11 a budget allocation of £30,000 was approved by the Trustees to complete this work. Actual spend YTD is £14k. No additional budget is anticipated at this stage. If additional funding were required, Trustees would be asked to redirect funds from other revenue budgets.

9.2 The LB Haringey CFO comments are as follows:

The Council has set aside £50k as a contribution towards the cost of Master Planning and it is intended that this money is used to lever in additional funds for this exercise. The review of the governance arrangements is an important piece of work and the Council notes the work to date that has been achieved in this and that the momentum is being maintained. Any proposals that are taken forward, including costs arising from changes to the board, new advisors etc. must be contained within the overall budget for AP&P Trust.

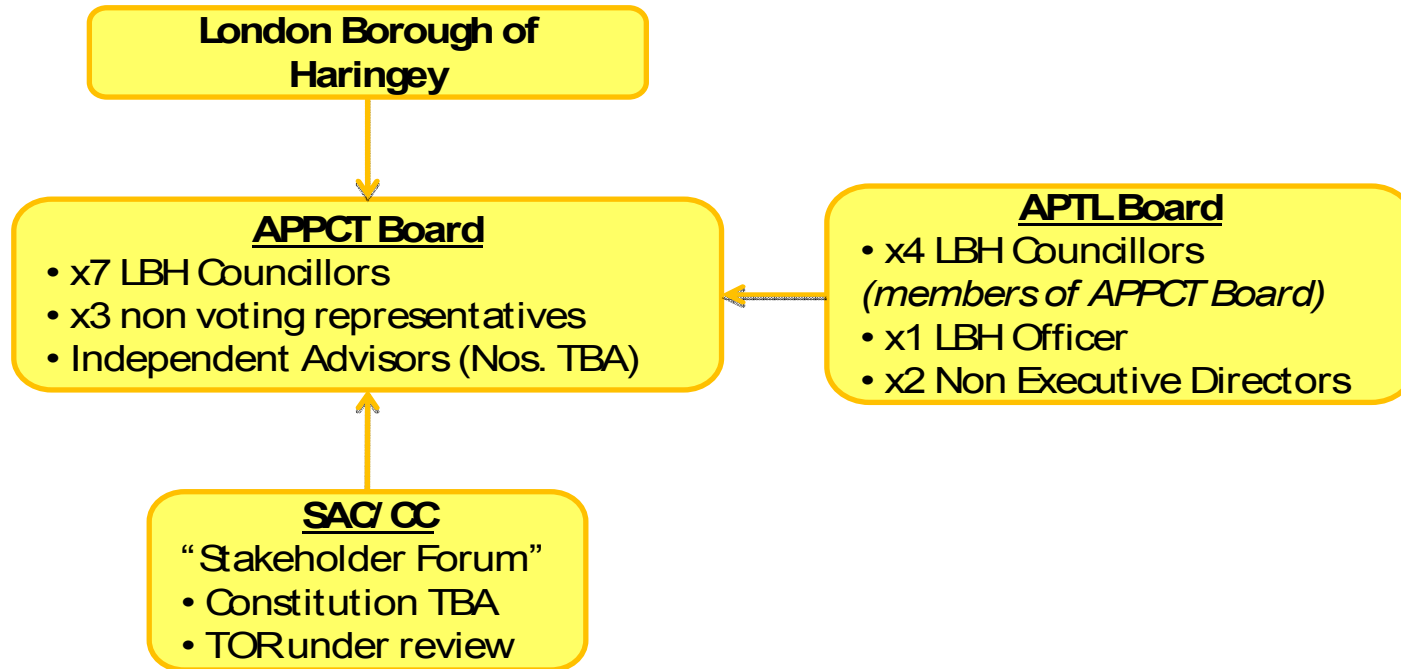
10 Use of Appendices/Tables/Photographs

11.1 Appendix 1 – Interim model

11.2 Appendix 2 - Draft Terms of Reference for Alexandra Park & Palace
Regeneration Working Group

Interim Model

APPENDIX ONE



Alexandra Park & Palace Regeneration Working Group

Terms of Reference

Context

Alexandra Park & Palace is an iconic, cultural and leisure destination for domestic and international visitors. Its' rich historic background and unique setting have resulted in both the palace and grounds being protected by heritage listings and parliamentary acts, preserving the status of this important Haringey landmark.

Haringey Council currently provides an annual funding packaging of £2 million to the Trust. Additionally, approximately £500,000 is raised by Alexandra Palace Trading Limited (APTL) through commercial activities. It is estimated that the annual maintenance costs for the building (if 100% operational) is approximately £4 million per annum.

A sizable portion of the Palace is in a poor state of disrepair and it is estimated that within 12 to 24 months major failings are likely to occur to the fabric of the building. This will have a further detrimental impact on the cultural, commercial and community activities that take place within the building and grounds.

The 196 acre Park benefitted recently from HLF funding and has won the Green Flag award for several consecutive years.

At present approximately 50% of the available space within the Palace building itself is in use. The remaining areas including the Theatre, basement area and former BBC studios are either underused, derelict, or in need of significant investment in order to bring them back into a usable condition.

Role

The role of the Working Group will to oversee and give direction to the design, formulation and adoption of a sustainable regeneration strategy for Alexandra Park & Palace. This will include the delivery of a strategic master plan which will provide an integrated framework for future commercial and development delivery.

APPRWG Responsibilities

- To be responsible for overall management, co-ordination and delivery of an integrated regeneration strategy and master plan for the Palace and surrounding park.
- To approve and commission work and/or agencies to undertake work as required in order to deliver the overall objectives.

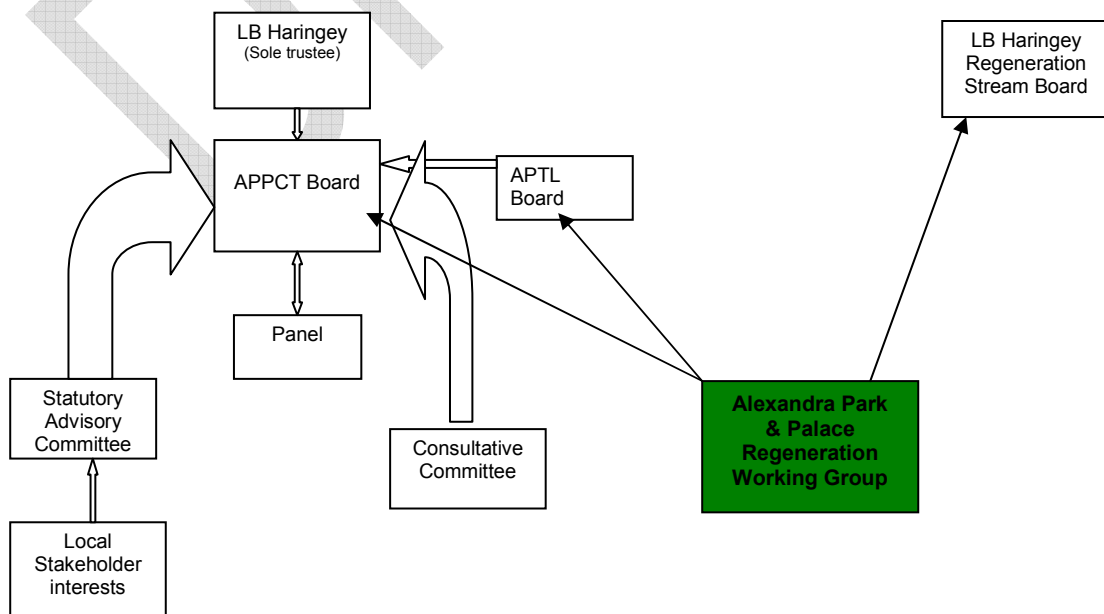
- To support and challenge key work streams within the programme and monitor agreed outputs via a common project management framework approach.
- To resolve risks and issues as identified by either members or related project/steering groups
- To agree change requests escalated to the board. Significant change requests must be discussed and approved by the chair before requesting approval from the board
- To promote, disseminate and showcase the project to potential strategic partners
- To seek endorsement from and lobby external agencies for technical, resource and funding support
- To provide strategic insight, manage dependencies and ensure coherence between strategic partners and stakeholders
- To commit resources across as appropriate to enable the delivery of project elements or work streams
- To be accountable for the overall budgetary control of the project, including funding raised, and associated work .

Role of the Chair

- To oversee and direct the strategic objectives of the working group.
- To report to the Alexandra Park & Palace Board of Trustees via the General Manager.
- To report to the LB Haringey's Regeneration Stream Board (and CEO's Management Board if appropriate).

Reporting arrangements

Alexandra Palace Regeneration Project Board Reporting Lines



Meetings

- The Working Group will meet once a month.
- The agenda papers will be sent out prior to the meeting and agreed at each meeting.

Decision Making and Recommendations

- Wherever possible, decisions will be made on the basis of consensus. However, to make decisions, the agreement of the chair or vice chair must be given.
- The working group will make recommendations to the APPB where decisions by trustees are made.
- The working group has the authority to escalate any relevant issues for discussion where it feels necessary.
- Ultimate authority for the working group is derived from the APPB who have created this working group.

Membership

The Membership of the Working Group is agreed and confirmed by the group as set out below. The Group may, as and when appropriate, agree to invite new members if appropriate and beneficial to achieve the strategic objectives of the project.

Name	Position	BHPB Role
Niall Bolger	Director of Urban Environment	Chair and Council Sponsor
Julie Parker	Director of Corporate Resources	Member
Rebecca Kane	Managing Director - Alexandra Palace Trading Ltd	Member
Andrew Gill	Interim General Manager - Alexandra Park & Palace Charitable Trust	Member
Rick Wills	Non Executive Director – Alexandra Palace Trading Ltd	Vice Chair and Member
Kumar Muthalagappan	Non Executive Director – Alexandra Palace Trading Ltd	Member
Mark Hopson	Physical Regeneration – Planning and Regeneration	Member
External Rep (TBC as and when required)		
TBA	Independent Advisors to APPB to be invited once appointed by the Trust	