

Report Title: **Governance Issues**

Report of: Duncan Wilson, Chief Executive Alexandra Palace and Park

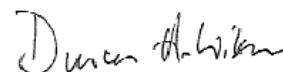
**1. Purpose**

To review the options and make recommendations for improvements to governance arrangements for the Alexandra Palace and Park Trust and note the position in respect of its Statutory Advisory and Consultative Committees

**2. Recommendations**

- 2.1 That advisory non-voting appointments to the Board in certain specialist areas of expertise are progressed now, in line with earlier decisions
- 2.2 That the Board agrees to enact its decision of May 2011 in relation to the setting up of an informal Finance, Resource and Audit informal Working Group to follow the APTL Finance Resources and Audit Committee, and appoints a representative to succeed Cllr Anne Waters
- 2.3 That the Board confirms its agreement in principle to the Chief Executive of the Trust becoming the Chief Executive of the Trading Company, to integrate more closely the operations of the two bodies

Report Authorised by: **Duncan Wilson, Chief Executive Alexandra Palace and Park**



Contact Officer: Duncan Wilson, Chief Executive Alexandra Palace and Park

**3. Executive Summary**

- 3.1 This paper picks up on a good deal of work carried out in 2011 and ratified by the Board on taking forward some practical governance improvements, which could be implemented without major and time consuming statutory changes.

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

- 4.1 N/A

**5. Local Government (Access to Information) Act 1985**

- 5.1 N/A

## **6. Background – APPCT Board**

- 6.1 Board membership of APPCT stems from the Borough's (Mayor and Burgess') role as corporate Trustee. Members of the APPCT Board are appointed annually by the Borough from amongst the pool of elected Members, in proportion to political control of the Borough. There are also four non-voting Board members representing the Statutory Advisory Committee, the Consultative Committee, the Friends of the Theatre and the Friends of the Park.
- 6.2 The Board and its members must act in relation to the best interests of the Trust. Members cannot be "cabinet" members of LBH as this would be deemed to constitute a conflict of interest in relation to the decision-making processes of LBH, e.g. in the context of the annual budget allocation from LBH to APPCT.
- 6.3 There has been criticism that this membership is too narrow and too "political". There is also the need to strengthen the Board's capacity to make well-informed decisions in the context of the regen. project. However given the Borough's role as corporate Trustee it is arguable that the membership of the Board should follow the way the Borough itself is democratically run. Independent charities without a mass membership mainly have self-appointed Boards, which tends to be a less open and democratic system than the APPCT one.
- 6.4 Running the APPCT Board as a Council Committee in this way also provides direct public access to all "non-exempt" business. This practice is much more open than customary in other independent charity Boards.
- 6.5 A clearer separation from the Borough might be possible if and when APPCT became financially viable and independent. But until that time independent Trustees would be taking on personal financial risk which most would be likely to find unacceptable.
- 6.6 There is also the issue that to change the system of Board appointments in respect of voting members would require an Act of Parliament. Non-voting members could be appointed by resolution of the Board.
- 6.7 The problem remains that as we approach what is potentially a very important decision-making moment in relation to engagement with commercial operators of events and/or a hotel, we need experts on the Board who can provide advice on the basis of experience of the sectors concerned, or expertise in design, finance and business.
- 6.8 The recommendation is that this would be best achieved through the appointment of non-voting advisers with particular expertise in these fields, as follows:
  - (i) extending existing Trust design/conservation advice appointments. This is unlikely to have a significant financial implication in the context of their wider brief;
  - (ii) asking one of the non-executive private sector appointees to the Trading Company Board also to sit on the Trust Board in an advisory capacity. Again this could be wound into existing financial arrangements, in respect of existing APTL appointments;
  - (iii) searching again for volunteer advisory members of suitable calibre and expertise. Particular areas on which expert advice and guidance would be helpful are hotel development and the live events business. The difficulty will be finding those suitably well-connected who have no conflict of interest

in relation to potential bids. Any potential candidate names would be brought back to the Board for consideration.

- 6.9 A draft Job Description has already been agreed for the volunteer advisory roles at (iii) (May 2011 Board papers). (i) and (ii) could be dealt with by extending existing appointments.

## **7. Background - SAC and CC**

- 7.1 The Statutory Advisory Committee's membership is determined by Act of Parliament (the 1985 Alexandra Palace Act). The Consultative Committee was set up with broader membership criteria to include representatives of local and relevant national interest groups and stakeholders.
- 7.2 The main Board had originally hoped that membership of the SAC could be extended to include members of the Consultative Committee, to make a single more broadly-based source of independent advice to the Board.
- 7.3 However the original intention to merge the two bodies was deemed to be practically unachievable as it would have involved statutory amendments of the constitution of the SAC. This question was thoroughly explored and the Board ratified the conclusion of the CC in July 2011 that the best that could be achieved was for the CC and the SAC to meet on the same evening, the CC to be followed by the SAC. For the present, this system undoubtedly promotes more efficient operation and better co-ordinated (and therefore more effective) advice to the Board.
- 7.4 The CC has recently decided to appoint an annual chair rather than appointing a chair *ad hoc* at each meeting, in line with the SAC and the Trust Board.

## **8. Background – APTL Finance, Resources and Admin. Committee role**

- 8.1 The Board agreed at its meeting of 9 May 2011 that it would set up a Finance, Audit and HR Working Group to provide advice via the Chief Executive and any Members in common on these technical issues.
- 8.2 The Trading Company has a Finance Resources and Admin. Committee, again advisory, on which the two Non Executive APTL Directors sit as well as Cllrs. Cooke, Scott, and Waters and officers of the Trust and the Borough. Cllr Waters will therefore now need to be replaced.
- 8.3 It is suggested that the APPCT Working Group has the same composition as the APTL Committee and sits immediately after it, to consider any matters of particular significance to the Trust in accordance with the Terms of Reference previously agreed and attached here for reference. The Working Group and its proceedings would be entirely informal, but would provide time for discussion of technical issues not available at the main Board.

## **9. Background – Chief Executive of Trust and Trading Company**

- 9.1 The intention of the Trust has been to integrate the operations of the Trust and the Trading Company more fully over time, to improve the efficiency and effectiveness of both bodies.
- 9.2 With the departure of the MD of the Trading Company it is now recommended that the Board formally approves that the role of CE of the Trust and Trading Company be

combined, and that Duncan Wilson as CE of the Trust assumes the new combined role. A new JD will be agreed with the Borough and approved by the Chairman. The post will be supported by a Commercial Director role handling the day to day business of the Trading Company.

**10. Legal Implications**

10.1 The Council's Head of Legal Services has no comments on this report

10.2 The Trust's solicitor's advice has been taken into account in the preparation of this report.

**11. Financial Implications**

11.1 The London Borough of Haringey CFO notes the contents of this report.

**12. Use of Appendices/Tables/Photographs**

N/A