

Alexandra Park and Palace Board

On 10 June 2014

Report Title: Chief Executive's report

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

1. Purpose

- **1.1.** To report to the Board on a number of matters as follows:
 - Update on regeneration project and consultation plan for the rest of 2014
 - Fundraising and sponsorship
 - Trading and Events update
 - Annual review 2013/14
 - Ten year Business Plan parameters
 - · Learning and community update

2. Recommendations

- 2.1. That the Board notes progress in a number of areas, in particular the budget and consultation plan for the HLF scheme (Appendix 1);
- 2.2. That the Board approves the new Sponsorship Policy at Appendix 2, noting the SAC and CC's advice reported in the minutes;

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Duran Alvika

- 3. Contact Officer: Duncan Wilson, Chief Executive Alexandra Palace and Park 020 8365 4340
- **4.** Reasons for any change in policy or for new policy development (if applicable) N/A
- 5. Local Government (Access to Information) Act 1985 N/A

6.0 Background

6.1 Regeneration project

Overall design progress and cost plan

The design development of the HLF project is now on course for completion of RIBA stage 2 (Concept design) and associated cost plan by 5 July, which should allow us to present it at the next Board meeting on 22 July, after discussion at the Statutory Advisory and Consultative Committees on 8 July. After allowing for an estimated increase of building cost inflation to 11% (amounting to £699k, which would need to be reflected in our Round 2 HLF bid) we are close to our HLF Round 1 budget, with construction cost of the current design estimated at £16.37m as against £16.33m in the bid.

The professional fees and consultancy provision in the HLF project budget has been increased to £4.81m from £4.42m. This additional allocation is covered by the Trust's existing regeneration budget agreed by the Borough, and has been necessary to provide for additional requirements such as specialist measured surveys and a strategic transport assessment, not originally provided for when the HLF project budget was set in 2013.

The cost consultant's summary of the total (ie 2013-2017) HLF scheme budget to date is as follows:

Cost heading	Current estimate (£m)	HLF Round 1 submission (£m)	Difference (£m,%)
Building works	16.370	16.333	+0.037 (+0.23%)
Design and other fees	4.806	4.420	+0.386 (+8.73%)
Risk allowance	1.952	2.058	-0.106(-5.15%)
Inflation provision assuming completion 2017	1.805	1.107	+0.698 (+63.1%)
TOTAL	24.933	23.918	+1.015 (+4.2%)

The assumption is that our Round 2 bid to the HLF will include an uplift for inflation. The extra allowance for design and other fees is already provided for.

It is worth reiterating that this cost plan would cover only a "basic" scheme, and provides a limited allowance for the interpretation plan for the TV studios and the theatre fit-out plan. The team is developing designs for a more ambitious scheme for both the television studios and the theatre should more funds become available.

A more detailed report is given by Kerri Farnsworth later on the agenda

6.2 Consultation plan for 2014

During the rest of 2014 we have to develop an Activity Plan, covering how the new spaces will be used and run, and detailed and costed designs which can then be put to HLF with our round 2 bid. If successful they will form the basis of a competitive tender to appoint a building contractor later in 2015, for completion and opening during 2017.

The public consultation during 2014 will be critical not just to the HLF's view of the bid and the outcome of our planning and Listed Building Consent applications, but also to how successful the scheme is when it opens. It concerns both audience research and public approval. A chart covering the process is attached at Appendix 1, incorporating key dates for SAC/CC consultation and Board decisions. This will be explained further at the meeting.

Trustees will be invited to consider and approve this approach to the consultation process, and to note the budgetary position on the HLF project.

7.0 Fundraising and sponsorship progress

Fundraising

- 7.1 Emma Dagnes is taking the operational lead on both these initiatives, and her job title has been changed to "Commercial and Development Director" to reflect this.
- 7.2 We have appointed our fundraising strategy consultants Wonderbird to provide interim support to initiate the fundraising programme. This will allow us to build momentum pending the appointment of a fundraising manager. It has proved difficult to identify suitably high calibre candidates for this role, but we intend to re-advertise later in the summer once further progress has been made.
- 7.3 We now have a target list of up to ten high priority trusts and foundations and we are opening up discussions with them prior to making formal applications later this year.
- 7.4 Bob Kidby has offered to help in identifying particular well connected individuals to act as "fundraising ambassadors" for the Trust. Bob has served on a number of fundraising bodies himself and is familiar with the type of individual we might need. Candidates will be presented to the Board for approval once identified.

Sponsorship

- 7.5 We have developed a draft Sponsorship Strategy covering both the Trust and the Trading Company. The Sponsorship Strategy addresses how we can realise the potential in commercial partnerships with corporates; although it is not charitable giving (fundraising) it needs to be pursued alongside a separate fundraising strategy, so that the Trust and Trading Company speak with a single voice to sponsors and donors.
- 7.6 The sponsorship Strategy at Appendix 2 was put to the SAC and CC for discussion and advice to the Board at their meeting on 8 April, and the minutes reflect that discussion. The SAC and CC were broadly content, although there was sensitivity over naming rights associated with certain historic spaces which we acknowledge. **Board approval of the strategy is requested.**

8.0 <u>Trading and Events update (Emma Dagnes Commercial and Development Director)</u>

8.1 Events calendar

These are the main highlights from the first quarter events business

Live Music

- Jake Bugg has launched and initial ticket sales are looking promising
- Vans Warped Tour have moved to February 2015

Filming

- Alexandra Palace & Park was Film London's location of the month
- John Lewis recently filmed their 150th advert in the Park
- Coca Cola commercial is confirmed for September in the Great Hall

Public Events

- The Knitting and Stitching show have confirmed an extra day so this is now a 5 day event
- Edible Garden are staying in their contracted March dates in 2015
- Big Burn have struggled with ticket sales and have had to cancel their event

Conferences

 Tesco have confirmed 2 additional events and are growing as a new corporate client

8.2 Fireworks

The Fireworks will return on Saturday 1st November and the Safety Advisory Group is due to meet Monday 23rd June. Until that meeting has happened none of the proposed plans for the event will be confirmed. However specific proposed changes to the 2014 event include using contractors who already work at Alexandra Palace including but not limited to security, and health and safety and traffic management. The Beer Festival will become a separately ticketed event similar to the successful Ice Skating sessions last year and this will allow improved control on numbers. Furthermore the beer festival bars will be run by our live music out- sourced bar provider who has the infrastructure to manage large numbers of people within short spaces of time. Significant improvements will also be made to the funfair offer including a children's funfair with more traditional rides in the lower half of the site. Complaints from last year are regularly referenced as part of the planning process for 2014.

A detailed report regarding the plans for the fireworks will be brought to the July APPCT meeting.

8.3 APTL 2013/14 and focus for 2014/15

APTL's objectives were challenging in 13/14 and highlighted the need for resources to be assigned to ensure objectives were measured and monitored consistently throughout the year. Based on the projected outturn of financial year 13/14 the trading company has delivered against its financial targets.

Significant improvements have been made to customer service approaches and strategies but the year has presented challenges which have demonstrated that there is more work to be done in this area.

The capital challenge fund (which allowed staff to put forward ideas for investment in projects with a quick commercial pay back) was successful with investments having a significant impact on both P&L profit margins and the improved presentation of the venue to prospective clients. We know for example that without the investment in minor upgrades including painting works, the Pret a Manger event would not have gone to contract.

The work undertaken to Invest in Our People highlighted the need for further integration of the Trust and Trading Company (internally) as we grow our businesses. Blue Rubicon have been commissioned to undertake a review of the current status and develop a roadmap for improvement. This project will be developed and integrated over a period of 12 months. Specifically it deals with HR matters such as a holistic induction plan that can be used for all staff and in greater detail key messages and values which staff should work to on a daily, monthly and yearly basis.

2013/14 has been the first full trading year of the new APTL Senior Management Team. There have been many highlights and successes to celebrate and the year has presented its fair share of challenges including the fireworks. Lessons have been learnt and developed into improvements for the future. For example 2014/15 will see key strategic projects such as a Sponsorship, Visions & Values Strategy and a Staff Engagement Strategy embedded to continue to strengthen the organisation internally whilst presenting an ambitious and forward focused organisation externally. APTL will continue to challenge itself to improve its offer in a competitive market place but is confident that it can reach its 14/15 targets.

9.0 **Annual Review 2013/14**

- 9.1 The intention is that for 2013/14 we follow the format established last year for the publication of the Annual Review. This was the first such publication to contemporary design standards and worked well throughout the year as a publicity vehicle for both Trust and Trading Company.
- 9.2 The theme this year will be "Facing the Future" and we will be showcasing our Heritage Lottery Fund project and related learning, community and volunteering programmes.
- 9.3 The aim is to have the final text considered by the Board on 22 July subject to final clearance by the auditors and approval by the Chair. The aim would be for publication in August. We have budgeted £5k for production and design costs, in line with last year.

10.0 Ten year Business plan parameters

- 10.1 We are also aiming to bring a high level ten year look at our financial situation to the Board in July. We are targeting greater financial sustainability of the Trust, on the following assumptions:
 - (i) That the long term aim is that running of the Palace is paid for by commercial activities within our charitable remit to provide public recreation
 - (ii) That the net running cost of the Park as a free public Park continues to be met by the Borough
 - (iii) That any other learning and community programmes are financed by grant or external funding eg from Trusts and foundations
 - (iv) That capital is raised to meet the cost of backlog repairs to the fabric and investment in replacing outdated and redundant equipment and services
 - (v) That private/public investment is also sought in income generating projects to develop new facilities yielding appositive return
- The challenge is that the cost of raising, repaying and servicing the debt at (iv) may mean that our financial sustainability target at (i) is unrealistic, especially given the condition and sheer scale of the fabric, and the age of the infrastructure.

- 10.3 Our draft may highlight some of these issues, and we will attempt at least to assess the size of the challenge on the basis of Purcell's Fabric Maintenance Review which we are now translating into a (modest) annual programme of fabric repairs. **Trustees are invited to note and comment on this approach**
- **11.0** Learning, community and volunteering update (Isobel Aptaker Learning Officer, Mel Tettey Head of Learning and Community)

11.1 History Tours – 12th & 13th April

Alexandra Park and Palace Charitable Trust (APPCT) welcomed 480 people on History Tours of the Palace on Saturday 12th and Sunday 13th April. Tickets went on sale first to people on the waiting list followed 48 hours later by an e-shot to people signed up to our newsletter. The 2 days of tours sold out within 48 hours and a new waiting list of 214 people has already been created for the next tours. Over the two days a team of over 20 volunteers assisted with the delivery of the event, their feedback has been collated and will be used when planning future events.

Over 300 evaluation forms were completed, 99% of those attending enjoyed their visit with only 10% saying the History Tours were their first visit to the Park or Palace.

This financial year the Palace has welcomed 1,100 people on 5 days of tours.

11.2 **Lifelong Learners**

For groups of up to 30 Alexandra Palace offers a 45 minute talk exploring 150 years of Park and Palace history (including archive photos and footage from the BBC) in the Transmitter Hall followed by a 1 hour tour of the building. The tour route changes depending on events booked in the diary.

This financial year the palace has welcomed 4 groups with 129 people in total.

11.3 Schools

Interest in our core learning programme of 3 workshops remains high, since March 2013 we have engaged with 440 pupils from 11 local schools. Information about the learning programme will be included in the July Haringey Schools bulletin to raise awareness of our learning programme and promote our workshops.

To encourage schools using the ice rink as an end of year activity we have created a discounted price for skating for groups who taking part in the learning programme. 2 schools have already booked this package and a number of other schools are looking into available dates.

The new primary national curriculum will be implemented from September, to assist with the development of new workshops APPCT is creating a volunteer opportunity for a PGCE student or NQT to investigate how the changes will affect school visits and brainstorm ideas for new workshops linking the history of the Palace to the new History, Citizenship and English syllabus. We are looking for this work to be completed by July to ensure time to pilot and promote the new workshops for schools at the start of the academic year.

A number of projects are being developed to pilot with local secondary schools including a Victorian STEM (Science, Technology, Engineering and Maths) workshop, BBC workshop alongside our 2014 learning programme.

11.4 Alexandra Palace: War on the Home Front

All refurbishment work to the Transmitter Hall has now been completed, furniture has been purchased for use by school groups and an interactive white board has been installed.

The research team of 6 volunteers has been visiting local and national archives creating a catalogue and transcribing material relating to the Park and Palace as a refugee and enemy internee camp. At a team meeting on April 4 themes were identified for the interpretation panels "The Palace", "Refugees", "Internees" and "significant individuals". Detailed research noting where information about each theme is situated is expected to have been completed by the last week in May. Work will then commence writing the interpretation panels and accompanying booklet, programming the yearly schedule of events and developing the learning programme.

The 2014 learning programme will be presented to the Primary Head Teachers Forum on 11th June and information sent via email to the Secondary Forum.

Dr Johnson's House in Gough square has offered us two display cases free of charge for the temporary exhibition in the Transmitter Hall. The Curator and I are working on a plan to move the cases in July once their temporary exhibition has finished. A MA UCL student will be starting at the Trust two days a week from Tuesday, 27^{th} May – she will be assisting with the documentation to be sent to the private collectors who are loaning objects.

Work has commenced exploring the possibility of borrowing two George Kenner paintings from Bruce Castle for the first six months of the exhibition (September 2014 – March 2015) followed by one painting from the Imperial War Museum for the second half (March – September 2015). The exhibition will open with a private view on Monday, 15th September which marks 100 years since the Belgian refugees arrived at the palace.

11.5 Events

During meetings with new clients the Trading Company now promote the learning opportunity to explore the possibility of add-ons to contracts. A school workshop has been offered to Heartlands High with the theatre company rehearsing Macbeth and a stall has been offered at the Big Bang Exhibition in July to promote our programmes for schools.

11.6 **Community Update**

For the second year running as part of a community engagement programme on 4th June Alexandra Palace will be hosting Haringey Metropolitan Police's Volunteer Recognition Event in conjunction with National Volunteer Week. VIP's from across the Borough alongside members of the force and volunteers will be arriving for a series of presentations, awards and a formal dinner with a bespoke tour of the Palace.

11.7 Volunteer Update

Currently the Palace has 40 active volunteers supporting the Learning and Community Team in a variety of roles these include WW1 Researchers (see 11.4), History Tours Volunteers, History of the Palace Researchers, Volunteer Co-ordinator and Learning Administrator Volunteers. Since September 2013 volunteers have donated an

estimated 1035 hours, and as a thank you for their contribution in conjunction with National Volunteer Recognition Week a joint social event has been organised for volunteers and AP staff.

Trustees are invited to note progress and activity on our Learning and Community programmes

12.0 Legal Implications

The Council's Assistant Director, Corporate Governance has been consulted in the preparation of this report, and has no comments save to note that as regards the Sponsorship Policy, account has been taken of the Council's current Advertising and Sponsorship Policy at the drafting stage, and that legal advice will be sought prior to entering into any form of sponsorship agreement".

13 Financial Implications

13.1 The Council's Chief Financial Officer notes the contents of this report. The Boards attention is drawn to the challenges facing the Trust in appointing a suitable fundraising manager (para 7.2). This is a critical post in ensuring the successful delivery of the regeneration schemes. The Chief Finance Officer supports the extension of the current business plan to cover a longer 10 year period which will be presented to the Board in July.

14 Use of Appendices

14.1 Appendix 1 HLF project consultation plan

We are now entering another phase of public consultation in respect of the Heritage Lottery Fund scheme. We will also need to decide in the autumn on our market testing programme.

We have concentrated the programme on June/July and September/October 2014, assuming people will be more difficult to reach in August. There are several different aspects to the consultation:

- (i) Activity Plan. The Activity Plan is a very important part of our HLF project. We have appointed consultants Tricolor to help us develop the plan, together with the HLF design team, in particular Barker Langham who are developing the Interpretation Strategy and Business Plan. The end product of this work will be a detailed plan for the design and operation of the visitor experience in the TV studios and the day to day running of the theatre and East Court. To feed into this process it is important that we talk to the public our potential customers and users about their expectations to see how we can meet them, within the constraints of design and financial feasibility. This phase of the consultation which will reach the general public, community groups and schools, and our established stakeholders, will last until the beginning of July at which time our "Concept Design" phase will be complete. The Activity Plan itself will be complete at the beginning of September.
- (ii) Concept Design (RIBA stage 2). The design team are working to completion of the Concept Design by the second week in July, in time for a presentation to SAC/CC and Board. This will outline the basic design proposals for the TV studios, the theatre and the East Court. The proposals will be fully costed, so any options and choices can be considered in that light and before detailed design progresses very far.
- (iii) Developed design (RIBA stage 3). This will be the basis of the HLF Round 2 submission in December 2014. Firm choices as to the details of the scheme we will be procuring, subject to the outcome of our HLF submission (March 2015) need to be made at this stage. This scheme will be fully costed by our consultants— although of course the actual cost (and therefore scope, given fixed budgets) will depend on responses to our invitation to tender in 2015.
- (iv) **Planning and Listed Building Consent.** A formal application to the Borough will need to be made in the first week in November 2014 so that the decision, which may take three months, will be known before the HLF decision on our Round 2 bid. A decision will be made in the light of any advice from English Heritage.

(v) Market testing of hotel: Pre-Qualification Questionnaire and Invitation to Tender. At this stage the SACX/CC's advice will be sought for a Board decision on the text of the PQQ and ITT, which will be issued subject to Board decision under European Union public procurement (OJEU) rules

The principal periods of consultation over the rest of 2014 are shown on the spreadsheet below.

(Excel spreadsheet)

14.2 Appendix 2 Proposed Sponsorship policy

Alexandra Park and Palace Sponsorship Policy

EXECUTIVE SUMMARY

Most events venues, including many run by local authorities, now see sponsorship and naming rights as an essential income stream. If Alexandra Palace is to compete with other venues as it must, and generate sufficient funds to invest in restoring and updating its fabric and facilities, this issue now needs to be addressed.

This policy does not deal with individual event sponsorship, e.g. for the darts or Red Bull's outdoor events, which is already handled by event promoters and is part of their package.

The proposed policy below addresses the parameters which we should adopt in considering proposals for sponsorship, including those associated with naming rights. It also articulates the definitions of sponsorship including category sponsors and partners. We have suggested below some ways of approaching this which would protect Alexandra Palace's values whilst allowing us to raise significant sums from associations with companies or brands whose image would reinforce our own.

The policy also outlines the approval structures for sponsorship opportunities by the Board of Trustees

SPONSORSHIP POLICY

Introduction

The purpose of this sponsorship policy is to outline the framework which Alexandra Park and Palace employees, agencies and consultants will work to when investigating, negotiating and securing sponsorships and partnerships on behalf of Alexandra Park and Palace. The policy also outlines the approval structure which any opportunity would need to undergo to achieve final approval.

Disclaimer

Due to the nature of the business at Alexandra Park and Palace, there needs to be proper demarcation between sponsorships and partnerships entered into on behalf of the organisation and those sponsorships and partnerships which are brought to Alexandra Park and Palace by event organisers, promoters and other clients. This policy is only relevant to those agreements which require Trustee Board Approval and do not refer, restrict or constrain those sponsorships and partnership entered into by our clients. For the avoidance of doubt examples would be, Ladbrokes sponsorship of Darts, Holland Heineken House, Redbull Soap Box Derby, partners who support or sponsor exhibitions and all other events at Alexandra Palace and Park (this is not an exhaustive list).

Objectives i

- To ensure that our position and reputation are adequately protected
- To ensure that we adopt a consistent and professional approach

- To ensure best value is obtained and provided in sponsorship and partner arrangements – including any arrangements made where we receive either money or a benefit in kind
- To protect the Trustees, Members and employees of the organisation from allegations of inappropriate dealings or relationships with sponsors

We will actively seek opportunities to work with both local and national organisations by identifying sponsorship opportunities of mutual benefit and which are in keeping with our strategic priorities and core values.

We welcome all opportunities to work in such partnerships. We will not, however, put ourselves in a position where it might be said that such a partnership has or might have or may be thought to have:

- Aligned Alexandra Park and Palace with any organisation which conducts itself in a manner which conflicts with our values
- We retain the right to decline sponsorship approaches from organisations or individuals or in respect of particular products which we, in our sole discretion, consider inappropriate
- We will agree with the sponsor the nature and content of the publicity and will retain the right to approve all advertising material

Alexandra Park and Palace considers certain product and services prohibited in relation to sponsorship and partnerships specifically relating to the organisation Alexandra Park and Palace. They include the following:

- Adult services i.e. sexually orientated products or services
- Tobaccoⁱⁱⁱ
- · Weapons, violence or anti-social behaviour of any description

In addition, we will not accept sponsorships and/or partnerships that:

- Conflicts with the core values or policies of the organisation
- Discriminate on the grounds of age, race, colour, national origin, religion or belief, sex, sexual orientation, gender reassignment or disability
- Do not comply with the law or incites someone to break the law
- Do not comply with the British Code of Advertising, Sales Promotion and Direct Marketing
- Depicts men, women or children in a sexual manner, or displays nude or semi-nude figures in an overtly sexual context
- · Depicts or refers to indecency or obscenity, or uses obscene or distasteful language
- Contain images or messages which relate to matters of public controversy and sensitivity

Structure of Sponsorships and Partnerships

Sponsorships

The term "sponsorship" refers to any commercial agreement by which a sponsor, for the mutual benefit of the sponsor and sponsored party, contractually provides financing or other support in order to establish an association between the sponsor's image, brands or products and a sponsorship property, in return for rights to promote this association and/or for the granting of certain agreed direct or indirect benefits.^{iv}

In the case of Alexandra Park and Palace sponsorship would breakdown into three possible structures (not mutually exclusive):

- 1. Naming rights
- 2. Sponsorship categories
- 3. Partnerships

1. Naming Rights

Recent examples of naming rights include Wembley Stadium connected by EE, 02 Arena Greenwich, Phones 4 U Manchester Arena, SSE Hydro and Echo Arena Liverpool.

Allowing brands to position their name prior to the name of the asset achieves maximum financial benefit. However due to the iconic standing of the name "Alexandra Palace" the policy recommends a commitment to holding the name Alexandra Palace first with the following examples of how it might be positioned.

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Alexandra Palace powered by.....
Alexandra Palace connected by.....
Alexandra Palace partnered by.....
Alexandra Palace supported by.....
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2. Sponsorship Categories

Opportunities will be sought to achieve "lifestyle" sponsors: examples could be car manufactures, electronics, technology, and travel companies. These sponsors would be a second tier with activation of their brands taking place through presence at events, on our website, on social media, and signage and branding within the building (for example around the Ice Rink). There is an acceptance within this policy that areas under the HLF scheme, BBC Studios, Theatre, East Foyer would have particular sensitivity due to associations already in place for example "BBC" and historic value.

3. Partnerships

Brands enter into partnerships with Alexandra Palace as official providers of a product or service. For example Heineken is Alexandra Palace's official beer provider and their brands are sold at all events. There may be further opportunity for partnerships within the Food and Beverage sector in particular that would relate to products being sold in the Bar & Kitchen and Ice Rink Café.

There can be a number of variations on the above but the policy is outlining the options which can be investigated on behalf of the organisation under the title of "sponsorship".

4. Procedures and Approval Structures

Employees, consultants and agents working on behalf of Alexandra Park and Palace must consider this policy when entering into discussions with potential sponsors and partners. Any discussions with potential sponsors which develop further than the initial stages of interest will be referred to the Executive for further investigation, due diligence and development.

Sponsorship opportunities which have moved into negotiation terms will be presented to the Trustees for discussion, challenge and approval. It is accepted that in certain

circumstances extraordinary meetings may have to be held so opportunities or important milestones within a negotiation timeframe are not missed.

Legal advice will be obtained in advance prior to completion of sponsorship agreements. It is recommended that all potential sponsors are referred to this policy. Before agreeing to any sponsorship opportunity all financial costs and benefits must be identified, including the sponsorship equivalent value of any sponsorship in kind. Vi

Variation on Haringey Council's sponsorship policy

Haringey Council Advertising and Sponsorship Policy 2013
International Chamber of Commerce consolidated code of Advertising and Marketing
BBC advertising and sponsorship guidelines 2013
London Legacy Development Corporation Procurement Code 2012

relating only to sponsorship on behalf of Alexandra Park and Palace and not to sponsorships or partnerships undertaken by our clients

ii This does not include electronic cigarettes

iv ICC consolidated code of Advertising and Marketing

^v This is not an exhaustive list

Policies and Documents referenced in development of the Alexandra Park and Palace Sponsorship Police: