

Report Title: **Chief Executive Report**

Report of: **Louise Stewart, Chief Executive, Alexandra Palace Charitable Trust**

1. Purpose

- 1.1 To provide the Board with an overview of the Chief Executive's priorities
- 1.2 To update the Board on Commercial activity throughout the Park and Palace
- 1.3 To brief the Board on the approach to responding to the Cross Rail 2 consultation

2. Recommendations

- 2.1 That the Board notes the contents of this report

Report Authorised by:

Contact Officer: **Louise Stewart, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 4380**

3. Executive Summary

- 3.1 The Chief Executive has been in post for three weeks and has identified a number of areas which need to be addressed in order to increase performance levels and future proof the organisation
- 3.2 The commercial team continues to perform well - delivering both public and private events across all business segments

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. CEO PRIORITIES

At the time of writing the new CEO has been in post for almost three weeks. It is recognised and acknowledged that in the last few years the Trust and the Executive have achieved a significant amount. However, there is more work to do to take the Trust and its operations to the next level of performance, to place the organisation in a state of readiness for the future and in preparation for changes to the trading company's operational remit.

Key areas identified are;

- **Strategic Vision**
- **Shaping the organisation for the future**

- Governance
- Trust Strategy
- Long term financial planning
- **Organisational Development**
 - Financial and business planning
 - Performance management
 - Communications

6.1 Strategic Vision

There is a need to create a coherent long term vision for the Park and Palace. A review of the Farrell Masterplan for the Palace and completion of the Vision for the Park, which is currently underway, will be necessary to create a single Strategic Vision for the Park and Palace. Testing needs to be undertaken for each element of the Farrell Masterplan with a clear rationale, business case and the interdependencies between the different elements clearly identified. This will enable us to look afresh at the hotel development opportunity and revisit the rationale, to ensure all stakeholders are engaged and to assess and understand the opportunity cost of developing the identified location for this potential development opportunity.

6.2 Shaping the organisation for the future

The current restoration programme significantly changes the type and style of operation within the Trading Company. It places new and increased demands on the Trust, the skills and capabilities of the Trust Board, the Board of the Trading Company, and on operational elements such as, back office functions, technology, customer service, marketing and communications.

I. Governance

Good governance is essential for the Trust in managing the organisation to deliver its purpose in a way that enhances public trust and support. It is high on the agenda in all sectors public, private and voluntary. The Governance arrangements for Alexandra Palace and Park were last looked at in 2011/12. However the size of the Trusts operation, its operating environment, governance standards and levels of public scrutiny has changed in the last three years. It would be advisable, especially with the anticipated changes, to assess the fitness for purpose of the Trusts governance arrangements to deliver its current and future expanded operation.

II. Trust Strategy

In addition to the Strategic Vision for the Park and Palace there needs to be a clear strategy for the Trust itself, reiterating its long term purpose, priorities and detailing its objectives over the next five to ten years. The development of such a document will enable clearer communications with stakeholders and potential funders as well as setting the context and direction for financial and business planning, and performance measurement.

III. Long Term Financial Planning

There have been exercises in the past to establish a 5 and 10 year business plan for the organisation. These need to be re-examined in conjunction with the development of the strategic vision and the Trust Strategy. This work will review the projection of future income streams from the existing operation, the expanded operations following on from the East Wing restoration programme, and where possible elements of the future vision. This will assist in calculating the financial health of the trust and its ability to fund its charitable purposes in the future. It will also identify future investment requirements to

achieve the vision. This work is also important to reassure stakeholders and funders that the trust is actively planning for future financial sustainability.

6.3 Organisational Development

A defined Trust Strategy and improved financial and business planning and reporting are essential if the Trust is to provide robust governance and report on progress towards its main purpose. There are several areas of the organisations operation in need of improvement. Work on these areas will need to take into account the additional operational requirements of the new areas of business resulting from the restoration programme.

I. Performance Management

The Trust needs to more formally measure performance against each of its stated priorities over a longer period of time to show stakeholders and funders how the Trust performs in achieving its purpose, to build understanding, trust and overall reputation.

Understandably the focus has been primarily on the financial performance of the Trading Company and its role to provide essential income to the Trust to enable it to fund its main purpose, but this is too narrow. A performance framework needs to be developed, in conjunction with the Trust Strategy, which reflects the full contribution of the Park and Palace in the economic and social wellbeing of the area. The framework will also need to demonstrate how effective and efficient the Trust is at delivering its purpose and objectives. It is important that this reporting is cumulative each year so that the full contribution of the Trust over time is acknowledged, recognised and valued.

II. Communications

There is a large gap in the organisations capability in the area of communications and additional capacity is required. Addressing this will ensure all communications from the Trust and trading activities are aligned and are mutually supportive to build a single consumer facing brand.

A more structured approach will enable the Trust to communicate its work proactively, increase awareness of the whole of the offer of the Palace and Park and support the restoration fundraising activity.

III. Financial and Business Planning

A stronger process of annual financial and business planning is required. The organisation needs to plan and manage resources against priorities more effectively, provide robust information to the board and funders, and provide clearer direction internally to staff.

IV. Other areas

In addition to the above areas the organisation needs to identify its current and future IT and technology requirements, review its processes for risk management and reporting, and review its organisational policies and procedures.

It is proposed that the Executive prepare and implement an action plan to address these issues and report on progress at the next meeting.

7. COMMERCIAL UPDATE

I. Commercial Highlights: July - September

July and August are usually quieter months for the trading business however this summer was our busiest ever and served as a showcase for both the Park and Palace. Events included: a series of craft beer festivals, Drive in Cinema, a Summer Festival celebrating 125 years of the Park, the Redbull Soapbox race, Foodies Festival, Legends of Gaming, Antiques and Big Stamp. Live music included Brand New and four sold out nights of Florence + The Machine. In addition to these public events we also hosted private film shoots, an annual corporate conference, and over 20 weddings.

II. Future events

From September to November the Palace will host 17 nights of music, six major exhibitions and our Firework Festival. We will also welcome back the William Hill World Darts Championship on 17th December for 22 sessions running until 4th January 2016. January is also an incredible busy month with regular shows taking place including World Snooker, Model Engineering, Ping Pong Championship and Excursions.

III. Sales Update

The Commercial team have been proactively driving new business and have secured 30 nights of music, numerous corporate events, film shoots and 20 exhibitions for the 2015-16 financial year.

In terms of footfall, by way of comparison in September 2011 we welcomed a total of 16,500 visitors to events. This past September we welcomed over 65,000 visitors. A strong commercial strategy has positively impacted overall trading figures and consequently the Trading team is expected to deliver gift aid targets.

IV. Event Operations Update

- **License Variation**

The application to vary our license was confirmed in September and changes to the conditions were made to bring them in line with accepted events management practice.

- **Outdoor event Strategy**

Due to the successful summer programme the commercial team is currently looking at developing the outdoor event strategy to ensure we maximise Park opportunities throughout 2016.

- **Bedford Road**

The Palace was made aware that residents on Bedford Road had concerns regarding the increase in events. A meeting was held on the 2nd November with the resident representative, LBH Licensing Manager, Cllr McShane, Emma Dagnes (AP) and Simon Fell (AP). The resident representative outlined four main concerns:

- Heavy footfall after 11pm with people walking to the train station
- Increased traffic causing traffic jams
- Increased buses
- Noise from the Tannoy announcement from Alexandra Palace Train Station

The AP team described mitigation measures which had been put in place since these concerns were brought to our attention. Although the resident acknowledged that some improvements had been noted, the concerns still remained. It was agreed in the meeting that Emma Dagnes and Simon Fell would continue to liaise with the residents.

V. Marketing Update

The events held at the Palace over the summer attracted increased media coverage and were listed in Time Out several times, often in the top ten things to do this summer. Furthermore a photo of Florence Welch (of Florence + the Machine) on stage also appeared on the front page of the Evening Standard with the headline “In Full Flo at Ally Pally”.

Facebook followers are currently (42,000), Instagram (3,200), and we have just recently launched Alexandra Palace on Snap Chat.

The team have designed and installed new signage for concerts and exhibitions to improve the dated directional signage and bar frontage.

VI. Ticketing

The contract with See Tickets will be extended for one year as per the current terms and conditions. The commercial team continue to manage this agreement closely to obtain maximum value. A re-tendering exercise will need to be undertaken in November 2016.

VII. The Bar & Kitchen

Following the recent Board meeting of the Alexandra Palace Trading Ltd it has been confirmed that the Bar & Kitchen will now be called The Phoenix Bar & Kitchen in response to a number of customer comments.

VIII. The Ice Rink

The ice hockey season has just begun and the ice rink team are currently working towards producing the annual Pantomime on Ice. The Cinderella On Ice pantomime runs from 14th – 21st December 2016.

Club de Fromage successfully launched its monthly event on 25th September and has received a positive response from customers.

8. Cross Rail 2

The Transport for London (TfL) consultation process on Cross Rail 2 is currently underway. The executive have met with TfL to discuss the plans and intend to respond to the consultation following an internal exercise to assess the advantages and disadvantages of the proposals from the perspective of the Park and Palace. The deadline is at the end of January 2016, before the next Board meeting.

9. LEGAL IMPLICATIONS

9.1 The council's Assistant Director of Corporate Governance has been consulted in preparation of this report, and has no comments save to say that his Service remains available to assist in taking forward the new Chief Executive's vision for the Palace and Park.

10. FINANCIAL IMPLICATION

10.1 The Council's Chief Financial Officer has been consulted on this report; there are no direct financial implications arising from it although the identification of the need to strengthen the long term financial planning process is welcomed.

11. USE OF APPENDICES

None