



# The UNITED KINGDOM PARLIAMENT



House of Commons

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## Draft Charities (Alexandra Park and Palace) Order 2003

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**First Standing Committee on Delegated Legislation**

**Wednesday 14 January 2004**

**[Mr. Frank Cook in the Chair]**

**Draft Charities (Alexandra Park and Palace) Order 2003**

**2.30 pm**

**Mr. Don Foster** (Bath) (LD): I beg to move,

That the Committee has considered the draft Charities (Alexandra Park and Palace) Order 2003.

I am pleased to serve under your chairmanship, Mr. Cook, for this important debate on the future of Alexandra palace. It may help members of the Committee if I set out, in the context of the history of Alexandra palace, why I object to the order.

The Committee will be aware that Alexandra palace was designed by the architects Alfred Meeson and John Johnson and was opened by Queen Victoria on 24 May 1873. It is significant that it was opened as the people's palace and was intended to provide, for Victorians from London and further afield, a wonderful environment and recreational centre. Tragically, it was ruined 16 days later by a great fire, but it was rebuilt and reopened two years later.

The rebuilt Alexandra palace covered, as it does now, some 8 acres. It included a great hall, a roller-skating rink, a theatre, a palm court, an open courtyard, a further exhibition hall and numerous other large rooms, some of which are still in use. The ambitiousness of that project, which again is so relevant to our debate, was immense. The great hall alone could seat 12,000 people, with nearly 2,000 in the orchestra stalls. It was equipped then with the country's largest organ, developed by Henry Willis, who also built the organs for Gloucester cathedral, the Royal Albert hall and Blenheim palace.

The Alexandra Park and Palace Act 1900 put the palace into the ownership of a charity. It is important to understand that a charitable trust was established. At that time the trustees were Middlesex council, the three local authorities that subsequently became the London borough of Haringey, and three other local authorities at that time, Islington, Finchley and Friern and Barnet. In 1936 the BBC began the world's first public television broadcasts from studios created in the south-east wing, a use that continued until 1980. The mast, which is still there, was designed and built by the Marconi brothers.

In 1966 ownership passed to the Greater London Council and, on its abolition in 1980, ownership passed to Haringey council through a trust established for that purpose. Tragically

for Haringey and all those concerned about Alexandra palace, a second fire damaged about half the buildings just six months after Haringey's trust took over responsibility. Nevertheless, the TV studios and much of the Victorian theatre survived undamaged. Today, although the TV studios remain unused, the theatre has been restored, the iconic mast is still there and the

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shell remains as it was? a world-class heritage for us all. The great hall and the smaller hall have been rebuilt and are currently used for exhibitions and pop concerts, the palm court has been magnificently restored and an ice-skating rink has been built in the east hall. There is a pub, a large corporate function restaurant, a grand room used for large receptions and some other rooms.

I do not want to discuss the way in which Haringey council has looked after Alexandra palace. I acknowledge that it has had extreme difficulties with, for example, the cost of rebuilding after the fire. Some would argue that there has been mismanagement by the council and that unfair costings have been charged against the palace. I understand, although I cannot confirm, that in 1996 the council charged the trust £40,000 for clerking committees, which works out at about £10,000 for a two-hour sitting. Given the intention that Alexandra palace should be a people's palace, it seems inappropriate that responsibility for it should in the first instance have been given to a single local authority. It is quite wrong that the council should be both the trustee of the building and a council in its own right, with clear responsibilities for planning and other matters. There is a clear conflict of interest.

**Mr. Dominic Grieve** (Beaconsfield) (Con): I appreciate the hon. Gentleman's point, but I am sure he is aware that it is commonplace throughout the country for local authorities to act as the trustee as well as the local planning authority. If he takes that argument to its logical conclusion, hundreds, if not thousands, of trusts around the country would be removed from local authority control on that basis.

**Mr. Foster:** I am grateful for the hon. Gentleman's intervention, because he is absolutely right. He will be aware, however, because he will have done his homework, that the charity commissioners are currently investigating many of the existing situations. I am particularly expert in this matter, because there is a similar example in my own constituency, relating to the recreation ground and its management by the council as trustee. That matter has now become the subject of High Court discussions. In this instance, given that the original purpose of Alexandra palace and its park was the extensive use by the people of London and further afield, the current position definitely goes beyond the remit of what can be carried out sensibly and properly by an individual local authority. However, we should be clear what the order does and why some of us oppose it.

The order renders section 6(3) of the Alexandra Park and Palace Act 1985 invalid. As a result, if we agree to the order, the trustees may, subject to the charity commissioners, grant a lease of 125 years for the whole of the building and the immediate surrounding area, whereas, currently, every part of the building can be leased for only 22 years, except for a few small parts that can already be leased for 125 years.

**Peter Bottomley** (Worthing, West) (Con): I do not say this as a point of order, but I was wondering how many copies of the Act there are in the Room, so that,

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if a discussion takes place, people can refer to it. The Minister has one.

**Mr. Foster:** I am not sure whether that intervention was aimed at me or you, Mr. Cook, but I assure the hon. Gentleman that I have studied the wording of the 1985 Act closely. I understand that the Minister has a copy, we have a copy and now it would appear that he has a copy. I urge him to turn to section 6(3), which he will know, because he will have studied the order, which specifically refers to that part of the 1985 Act.

To recap, the point is simple: were we to agree to the order, the trustees could lease the whole building for 125 years, whereas at present they can lease only a small part of it for 125 years. For most of the building, the maximum possible length of lease is 22 years.

We must also bear in mind the local authority's planning position. In 1983, following a public

inquiry after the 1980 fire, planning permission was granted for restoration of the palace. The plans included a hotel, a TV museum and a car park. None of them have been built, but, in the case of the TV museum, the original mast and studios remain. Granting a wholesale lease of 125 years, with approval of the Charity Commission, would not enable the areas to be used for anything other than the 1983 proposals unless Haringey council grants planning permission for alternative use. However, it will be clear to everyone that the council will undoubtedly give planning permission for alternative uses if that meets its objectives, which do not necessarily serve Londoners well.

We do not oppose the fundamental idea of a radical overhaul of the management of Alexandra palace, which the statutory instrument would permit. Our objection is to the particular proposed overhaul that is contained within it. Given the use that was intended for Alexandra palace, it is not appropriate that it should continue to be run by a single council.

We also know from newspaper reports?whether they are accurate, I do not know?that Haringey has made an agreement with a private contractor, Pillar Contractors. In the event of the statutory instrument being approved, the council will no doubt go back into detailed negotiations with that contractor, which proposed the particular scheme. We understand from newspaper reports, but again do not know whether it is correct, that the contractor is likely to pay £5 million, a fee that was agreed eight years ago. Many people would argue that the property market today suggests that a much higher figure would be more appropriate.

The current scheme may, with the council's assistance, allow the proposed contractor to do whatever it wants. After all, the council will give planning permission for what is proposed. In doing that, there will be no safeguards for the community or for the historical nature of the building. It is worth reflecting what we understand the current proposals to be. Subject to the council granting planning permission, they include a bingo hall, an arcade of restaurants, a themed restaurant and disco in the wing of the building preserved for the TV museum and from where the first TV broadcast was made. In other

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words, we will establish a run-of-the-mill arcade of which, frankly, London already has many.

**Mr. Grieve:** The hon. Gentleman has clearly made a careful study of the subject. Is it not the case that, apart from planning permission, any scheme that were to be embarked on, subsequent to the change brought about by the statutory instrument, would still have to be allowed by the Charity Commission?

**Mr. Foster:** The hon. Gentleman is right. I have stressed several times that the scheme would be subject to the approval of the charity commissioners. He will be well aware that the commissioners have become increasingly concerned not only about one council acting as trustee, especially in circumstances in which the purpose of the trust serves a much wider area than the single council area, but to ensure that increased revenues go into trusts serving that type of charitable purpose. There might be some arguments to suggest that the Charity Commission would be more likely to accede to the proposals in the current climate than a few years ago.

As I said, we are worried about the council remaining the one trustee and having sole responsibility for running Alexandra park and the pressure that that will put on it in its planning role. Based on what I have read in the newspapers, I do not believe that the trust will receive the best possible deal that it could obtain in future. As the hon. Member for Beaconsfield (Mr. Grieve) said, the Charity Commission has an important role to play and we hope that it will re-examine closely the deal that is being proposed by the local council before it approves the pre-arranged deal with the developer.

There has been a lot of talk, and we understand that the Charity Commission has been persuaded to support the move on the grounds that?this has been argued by the council?it is not possible for Alexandra palace to run at a profit. However, as little as 10 years ago it was balancing its books, discounting the problem of the upkeep of the grounds. We have seen how some of the financing may have looked a bit dodgy because of the way the council charged the trust for the upkeep of its books and so on. It is worth bearing in mind that the palace generated nearly £1 million last year alone, despite its fairly depleted and neglected state.

A 125-year lease would be too long. To lease it out for more than a century with no check on the contractors shows complete disregard for the history of the building and the community that it seeks to serve. It means that the council wants to be shot of a problem and it thinks that that is the most effective way of doing it. It is possible for the palace to run at a profit if an appropriate trust were put together. A far better deal could be achieved for Londoners and the rest of the country if a different trust was formed and it examined a wide range of possibilities.

It worries me that under the deal that would emerge as a result of approving the statutory instrument, people in greater London would have no say in what happens. I hope that the Minister picks up the fact that the statutory instrument would mean that the current advisory committee, which was established by statute,

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would no longer have a remit. It was set up by the 1985 Act to allow people to express views on the activities undertaken by the trustees and involved representation from the residents association and many others.

Agreeing to the order would be extremely dangerous for the future of Alexandra palace. That move is promoted by the council, which has found it difficult to manage its responsibilities in respect of Alexandra palace. We understand the council's difficulties and are slightly sympathetic to them. We believe that it is better to expand the base of membership of the trust?in effect, to establish a new trust that has far wider membership.

It is worth reflecting that 12 years ago, at a meeting of the trustees, Haringey borough council agreed to that proposal. Unfortunately, the council as a whole did not accept the advice of its own trustees. Twelve years ago, Haringey's own trust members proposed a widening of the trust's base. We believe that that is the appropriate way forward. We should not accept the order and we should find ways with the charity commissioners to widen the base of the trust. The new trust should be allowed to examine the most appropriate ways to safeguard Alexandra palace and its use for the wider interests of the people of London and the surrounding area. It is for those reasons that we oppose the instrument.

**2.49 pm**

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**Mr. Derek Wyatt** (Sittingbourne and Sheppey) (Lab): I should declare that from 1994 to 1996 I was chairman of Alexandra Palace and Park Trust, as well as a borough councillor. Part of the case that has been put by the hon. Member for Bath (Mr. Foster) is therefore well known to me. For two years, I spent probably every day, or every other day, trying to work out a solution for the park that would resolve the problem that has bedevilled it for 30 or 40 years?it simply cannot make a profit. It has never made a profit and never will make a profit, and it is Haringey ratepayers who pay the cost.

I cannot remember how many times we tried make progress. I was party to the millennium bid, and while I was chairman at least half a dozen other approaches were made, but we never could make progress because everything was in the way. I do not know about the rest of Britain, but the east of the borough is one of the poorest areas in London?it is incredibly poor. It is wrong to levy a tax on such people to make Alexandra palace work, because it will never work. Apart from the ice rink, which is a very local matter, the palace does not attract people other than those in the vicinity. It might originally have been given to the people, but it has never worked as a people's palace, bless it. Perhaps it was 100 years too late in that respect, but then I might have said that in 1997.

Some new way has to be found if we are to make progress, and the proposed scheme is the best way that I can see. We struggled and spent a great deal of money on legal advice trying to make the palace work, but it cannot.

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I accept the point that the hon. Member for Bath about the 125-year lease. I suspect that the Charity Commission should impose some reservations. I will be interested to hear what the Minister says about that. Most contractors and businesses might last one generation, but not three?at least 70 years?and to reach 125 years would take a few years more than that. The conditions imposed on the developer by the Charity Commission would be important, because the original developer might not be there for 30 or 40 years. Would the developer have the right to sell the development on, or would the matter go back to the Charity Commission?

One thing is for sure: Alexandra palace needs a breather and a break, and the ratepayers of Haringey should not be saddled with debt to achieve that. I hope that hon. Members will support the proposal.

**Mr. Foster:** I welcome the hon. Gentleman's contribution and his expertise. Given what he has said about the unfairness of placing the debt on one local authority and the people it serves, does he agree that it would be more appropriate for a trust to be formed with a brief ranging wider than one local authority, and that ownership should be passed to such a new trust with that wider brief?

**Mr. Wyatt:** That would set the process back. Setting up the trust would take another two years, an objection would probably be lodged, and then there would be two more years of purchase and ledger for poor old Haringey. We need to move on; we have been stuck for so long.

The palace needs a new owner to take it off the Haringey books. However, the Charity Commission must set strict rules. I am sure that it is aware that Haringey is both the planning authority and the trustee, and that it will be tougher as a result. Appeals are possible and the planning rules are changing?the situation is not as inflexible as it is made out to be. However, we are in the last-chance saloon, and we need to make progress.

**2.53 pm**

**Mr. Grieve:** I listened carefully to what the hon. Member for Bath had to say. As a Londoner, I appreciate that the topic is emotive. As he correctly said, Alexandra palace has a long history, and people in Haringey and the vicinity are attached to it and concerned about its future. All those things I understand.

Where I differ slightly from the hon. Gentleman is that I believe, as I thought the Liberal Democrats believed, in local government. That must mean that responsibility for making decisions on local matters should be taken locally. The hon. Gentleman said that it would be better if there were a new trust and if Haringey were not trustee and planning authority at the same time. I respect his point of view?these are stories with which I am familiar in other contexts. Nevertheless, I suspect that there are thousands of trusts in respect of which local authorities are both trustee and planning authority. That fact should exercise the charity commissioners, it should be kept under close scrutiny and there should be the potential for judicial proceedings in the event of a conflict of

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interest. Nevertheless, one has to face the fact that in England and Wales, despite those drawbacks, in many cases such a system works quite well.

What is being asked for today is not Parliament's sanction for or agreement to the leasing of Alexandra palace, but an alteration of the powers in the trust Acts that might enable leasing to happen if the charity commissioners see fit. In those circumstances, if the Committee were to stand in the way of a change to the trust Acts that has been approved by the charity commissioners, our action could on one level be described as meddling, as we would be exercising power with absolutely no responsibility. Also, we would be likely to be standing in the way of a scheme that might prove highly desirable and for the benefit of the Haringey ratepayers and residents, as was said by the hon. Member for Sittingbourne and Sheppey (Mr. Wyatt), as well as the local community.

I hasten to add that I am in no position to judge such matters. Indeed, within the strict remit of the Committee, we cannot possibly make such a judgment, because we do not know what the eventual agreement, if any, will be; nor do we know what view the charity commissioners will take.

**Simon Hughes** (Southwark, North and Bermondsey) (LD): We know what the current intention is because we know the heads of agreement between Haringey and the would-be developer, and we know that it is a condition of that agreement that the scheme be brought forward. That means that we have an idea of the preferred option, even though it may not come to much in the end.

**Mr. Grieve:** The problem comes back to this: first, as I understand it?the hon. Gentleman may correct me if I have got it wrong; I confess that I came to the problem rather late in the day?the charity commissioners have not yet approved a specific scheme. It is very much in the responsibility of the charity commissioners to provide such approval, as they can provide the scrutiny and decide whether the scheme is beneficial to the charity. I would expect them in so doing to have particular regard?if they did not, they would not be doing their job properly?to the original terms of the trust Acts and the long-term interests of the local community in continuing to have access both to the palace, and of course the park, although that is not what the order is all about. The park remains the responsibility of the trustees.

**Mr. Foster** *indicated assent.*

**Mr. Grieve:** I am grateful to the hon. Gentleman for confirming what I have already checked up on, because I can see that that, too, might well be a live issue.

The charity commissioners clearly have to make a decision about the matter. Although at times in the course of my parliamentary career people have written to me complaining about the charity commissioners, and no human organisation is perfect, on the whole there appears to be reasonable confidence in the commissioners' ability to make decisions to protect the beneficiaries of the charity?in this case, the local community. That is my first point, although I fully

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appreciate what the hon. Member for Southwark, North and Bermondsey (Simon Hughes) is saying.

Secondly, those involved in the decision-making process are answerable to the local community in Haringey by virtue of local democracy. I hesitate to come back to that point, especially with the Liberal Democrats, because I feel like I am teaching my grandmothers to suck eggs. Again and again in the course of my career in politics, I have been told that one of the problems that we face is the centralising tendency of the Government, who are taking power into their hands and interfering with local government decision making.

I cannot get away from the fact that the trust Acts place the onus on Haringey borough council. If the council is indeed not acting in accordance with the interests of the local community, there is a clear way in which the local community can express their anxiety if they are unhappy with the decision.

**Mr. Foster:** I am delighted to be told how to suck eggs by the hon. Gentleman; he has a great deal of experience. Does he not accept that he is rather missing the point? Haringey council wants shot of Ally Pally; it does not want, nor does it think it appropriate, to have continued responsibility for it. We are therefore discussing different ways in which it can, in effect, be shot of it. One way is simply to give it over to a developer together with a very long lease, which local people will have no opportunity to determine. The other way is to form a new trust that removes the overall responsibility from the council. That is the key issue.

**Mr. Grieve:** I appreciate what the hon. Gentleman is saying. From a local political point of view, I can see that the matter is a hot potato that is likely to be debated at great length with vigorous views expressed on both sides. That is what local democracy is all about.

The hon. Gentleman may simply have been taking advantage of this opportunity to debate the future of Alexandra palace, which is perfectly legitimate. However, I would be troubled by being asked to make a decision on the statutory instrument if, when it comes to the crunch, he is saying that the Committee should not facilitate the possibility of the charity commissioners approving a scheme along the lines of a 125-year lease issued by a local authority that is answerable to its local electorate. If I may say so to the hon. Gentleman, I would almost prefer not to have been dragged into the problem. As a lawyer and as a parliamentarian, I am most reluctant to be seen to be doing that. I hope that he understands why I am saying that.





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**Simon Hughes:** I put it to the hon. Gentleman that the reason why the matter does not involve the usual division of responsibility between local and central Government is that an Act of Parliament sets out the purpose of Alexandra palace. My hon. Friend the Member for Bath and myself contend that the proposal before us fundamentally contradicts the Act. We therefore have a responsibility, just as we do in other walks of life such as Church business, to say, "This goes beyond what you ought to be doing."

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**Mr. Grieve:** I understand the hon. Gentleman's point. The difficulty I find with it is that changing charitable deeds or statutes is a commonplace. I am sure that, as a lawyer, he is aware that it happens all the time. The key question is whether the desire for change has the sanction and approval of the charity commissioners. If Parliament is constantly second-guessing them, the system that we have set up to regulate charities will be brought to a halt. That is the difficulty.

I note that the Charity Commission has said that it is prepared to sanction the change to the trust Acts. I hope that the Minister will reassure the Committee about that. I am sympathetic to the anxieties of the hon. Gentleman, but I am most reluctant to stand in the way of such a change.

**Mr. Foster:** I appreciate that we have similar views on what we would like to happen. For the reasons that my hon. Friend the Member for Southwark, North and Bermondsey has given, and because there is a specific Act of Parliament, I remind the hon. Gentleman that in this case, the decision on whether to approve the 125-year lease is not for the charity commissioners; it is a matter to which, quite rightly, the Committee will agree or disagree.

**Mr. Grieve:** I understand the hon. Gentleman's point, nevertheless I return to my earlier point: having examined the objectives of the trust Acts, the charity commissioners consider?I assume?that the possibility of granting a 125-year lease is compatible with those aims. That seems to be the nub of the issue. Whether the 125-year lease should be granted is a separate matter.

I accept and understand that the hon. Gentleman has come to a perfectly rational conclusion, on which I cannot comment because I do not know enough about the subject. On no account does he wish a 125-year lease on the building to be granted to anyone, and he therefore wants to stop it in its tracks at the earliest possible opportunity. In reality, simply looking across the Committee, I fear that he is unlikely to succeed. The point that has exercised me is whether I should join him or listen to the Minister, which I shall do.

With the charity commissioners having approved the possibility, and with myself having seen the respective duties of local authority, Parliament and charity commissioners carried out, I am loath to be seen to be standing in their way as an issue of principle. That is not to prejudge what the ultimate outcome ought to be. With that in mind, and with a desire to hear from the Minister?although I suspect I shall hear from the hon. Member for Southwark, North and Bermondsey before I hear from her?I shall continue listening to the debate and I am grateful for those interventions that have helped clarify certain matters.

### 3.5 pm

**Simon Hughes:** I, like many others, knew about Alexandra palace long before I was aware of the legal issues surrounding it. It had always struck me that Alexandra palace was one of those

London buildings that people historically associated with this great city. There are very few such buildings: if one were to ask

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people from all over Britain to list famous London sites, they would probably mention Crystal palace, the dome? a recent example that I shall not dwell on today? and famous buildings in the middle of the capital city. People see Alexandra palace as one of London's great buildings because of its birth at the end of the Victorian age, its prominent position in north London, its relationship to the birth of television and the start of the BBC, and because of the fire. I start from the premise that we are considering one of London's great sites.

I have visited Alexandra palace many times, and it is a great site in a great position, which certainly needs something doing to it. I shall not be critical. I come to this debate not in a partisan, party political spirit, but as one who has been to lots of events at Alexandra palace, and wants the best outcome. I hope that we can bring colleagues from all parties with us as we try to persuade the Committee that the order represents an inappropriate move at this stage. That is not because there does not have to be some movement? I agree absolutely with the hon. Member for Sittingbourne and Sheppey that movement is necessary.

First, let me make a substantive procedural point that has not yet been made, principally to deal with the concerns of the hon. Member for Beaconsfield. I start, as he does, from a position examining the difference between central and local government. I drew a parallel with the Church in my intervention because one of the arguments advanced? as a supporter of disestablishment I do not subscribe to it? for the retention of parliamentary powers over Church business is that the interests of Church members affected by Church business should not be prejudiced by something that did not take into account the wider national interest. When there was a debate about pensions for clergy, people such as the right hon. Member for Birkenhead (Mr. Field) and others intervened to ensure that we did natural justice by people and prevented the Church from doing something that might have been decidedly disadvantageous. In this Committee, we are discussing the same sort of process.

I have two substantive points to make. First, as the Minister will know from her previous existence, the Charities Act 1993 made changes to charity law that allow schemes that deal with small changes to be brought forward under section 17? I am using lay, not legal, language. There is serious concern that the order before us does not provide for a small change. It is presented as a small change because it is a change to one subsection of one section of one of the Acts governing Alexandra park and palace, but in fact it fundamentally changes what may happen. The Charity Commission was wrong to allow the scheme to come to the Committee by this route?

**Mr. Wyatt:** There has been legal advice.

**Simon Hughes:** I know that there has been lots of legal advice, but my understanding, based on the best information that I have been able to gather, is that the commission acted on the basis of inaccurate factual advice. The information it was given about the financial viability of Alexandra palace was, to put it bluntly, wrong. Had the commission been accurately

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apprised of the position, it would not have allowed the scheme to be introduced. After today my hon. Friend the Member for Bath and I will take up the matter with the Charity Commission, and I assure the Committee that, as all colleagues have noted, this is not the last step. I intend to retain an interest in the remaining issues, because a lot appears to have gone wrong so far and I am anxious to ensure that other things do not go wrong in future.

My second point is as follows. The hon. Member for Worthing, West (Peter Bottomley) asked whether there were copies of the relevant Acts in the Room. I obtained copies of all the Acts that I thought I needed. The first Act is one of those brilliant pieces of Victorian legislation with a long title. It reads:

"An Act to constitute a body of Trustees for the purpose A.D. 1900. of acquiring the

Alexandra Park Palace and other lands in the county of Middlesex and to empower them to hold and manage the same as a place of public resort and recreation and for other public purposes and to make all provisions necessary or proper in that behalf."

The beginning of the preamble states:

"WHEREAS it would be of great local and public advantage if the lands and buildings known as the Alexandra Park and Palace situate in the county of Middlesex were vested in a representative body of Trustees to be maintained and managed by them as a place of public resort and recreation and for other public purposes."

Alexandra park and palace was set up by Act of Parliament as a public site, and it is our duty is to ensure that it stays one. I did not choose that; it came to the Department and has now come to the Committee. My job is to ensure that Alexandra park and palace is as much a public site when it leaves the Committee as it was when it came to us. I suggest that it will not if this very short order is approved, because the amendment to the scheme?found in paragraph 3, which starts "Power to lease?replaces the provisions of section 6(3) of the 1985 Act with a superficially similarly worded provision, but describes a different portion of the site. The 1985 Act refers to a map with delineated boundaries, as many such schemes do. The hon. Member for Sittingbourne and Sheppey said that that would have allowed the very long lease of a relatively small part of the site. It would, in fact, have allowed a very long lease on the parts of the site that are likely to be the most appealing, such as the BBC studios on the right-hand side?I forget whether that is in the north, west, east or south.

In effect, the scheme allows a 125-year lease of the bulk of the site and building, which, interestingly, excludes the two bits that it would cost any developer the most to put right. The developer therefore gets the bit that it can most easily deal with and the trustees, whoever they are, are left with the old theatre at the back on the right-hand side and the most derelict bits, also on the right-hand side.

**Peter Bottomley:** Just so that everyone understands the point, is the hon. Gentleman saying that the amendment to the scheme does that, or that the agreement between the council and the proposed developer does that? I believe that he has already explained that the power to develop the existing parts is allowed under the 125-year lease allowed under the Acts.

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**Simon Hughes:** The answer is the change to the scheme. Without the order, the site plan could not be changed to allow any developer to develop the site and building. The order was drafted because the trustees asked for a change as a result of commercial discussions which, I understand, ended in 1996. The hon. Member for Sittingbourne and Sheppey may have been involved in those discussions with the developer, who, incidentally, has no track record of doing anything like this, let alone doing anything like this well.

The order will therefore result in the bulk of Alexandra palace as we know it being given over to the developers if the scheme is approved. That is significantly disadvantageous. My hon. Friend the Member for Bath referred to a central great hall with an organ at the back. It is used for big events?motor shows, great exhibitions and expos. The left-hand side, which is the palm court side, has a caf , bar, restaurant and exhibition hall. I have been there for great Diwali youth festivals?very good events. I went there recently for a boxing evening, which was televised live. Some excellent London boxing matches, including the European title fight, have been hosted at the palace.

The last time I was there, I picked up a programme from the stand?although I was disappointed to see that it showed what was on from July 2003, not from January 2004. The events listed included an antiques and collections fair; Britain's country food fair; the big stamp and scrapbooking show; the knitting and stitching show; Ghana Expo 2003; the London dolls' house and miniatures fair; the London teddy bear fair; board-x, presented by The Daily Telegraph; another antiques and collections fair; and the Christmas craft fair and festive table. The programme also shows events for 2004 including a dinghy sailing show, an international craft exhibition, and so on. When I was there, there was an exhibition in which people from the tourist industry were invited to come and learn about sights in south-east England.

Such events are very commercially viable, but sadly I understand that the developer wants to convert the palace into 12 restaurants, and the BBC studios into a disco. I must say that the place where the BBC started to broadcast could do better for Britain and the world?let alone for Haringey and north London?than being converted into a disco.

**Mr. Wyatt:** It is the birth of television that exercises us most. First, however, the BBC completely refused ever again to invest in the palace. Shame on the BBC! That is a terrible burden on the trust. Secondly, the British film industry shut the Museum of the Moving Image, just down the road from this place, which shows that a museum of television cannot be commercially run, much though MPs might want one. The fact is that the palace is a huge problem?an albatross?to which there will not be a solution. It never made any money. As well as the fire, we have had 15 years of debt. During those 15 years, people could have come forward with an alternative, but there is only one proposal on the table. Will the hon. Gentleman accept that?

### Column Number: 015

**Simon Hughes:** The honest and short answer is that, if I were a trustee or a councillor of any party, I would not get involved, because the scheme does not reach an acceptable standard. We all understand that councils get lumbered with really difficult, big sites: Battersea power station is not council-owned, but the issues are the same. I have said that I shall not discuss the dome. I was very much involved in the south bank centre and the Museum of the Moving Image. I notice that in today's London Standard there is another instalment of the list of London's richest 100 people: I think we have reached the 25th to 40th rankings. I am not saying that people have not tried, so I am not being judgmental, but I cannot believe that with the right philanthropic input?even though the BBC has not done right by Alexandra palace?

**Mr. Wyatt:** No one has come forward.

**Simon Hughes:** No one has, but that is why the case for broadening the basis of management is overwhelming. The GLC, before its abolition, did not want to carry on with Alexandra palace, and it should never have ended up the responsibility of a single local authority: it was not at the beginning, nor was it from 1900 to 1965, and it should not have been after 1980. Responsibility should have been shared, unless a body such as the City of London had been willing to take it?

**Mr. Wyatt:** We tried.

**Simon Hughes:** I know. That responsibility should have been shared before, it should be shared now, and it needs to be shared in future.

I shall make two final, brief points. Alexandra palace is a national asset; it is an asset for London and for north London in particular. If we permit the order to go ahead, we will in effect permitting the sale of what is meant to be a public asset into a very ordinary private, profitable institution. First, we shall privatise Alexandra palace, or permit its privatisation, for 125 years?in other words, sell it off, as no public control will be retained. Secondly, we will privatise it to become a completely unimpressive substitute events location. We get neither a great, aspirational future for north London, nor any public control?whichever party or council controls the trust, whether it is shared by Haringey, or if the trustees are changed.

Finally, the evidence that I have seen shows that the palace can be economically viable. It is not as if Haringey council will pull away from the area: it will keep an interest in the park, which is well used. It seems that we would not be here had there not been a combination of tragedy?the fire?and mismanagement. We all know that sometimes the state, local government, or regional government has to bail things out, to tide them over so that they reach the other side.

I make a plea on behalf of those who were not born in the London borough of Haringey or its predecessors. I have seen that building throughout my life, every time that I have been in north London. I make a plea that we hold back the proposal and that colleagues vote against the order. That would create the possibility of forming a coalition of those of us in the Committee, on the trusts, on the advisory body

**Column Number: 016**

that will be disfranchised, and in the other interested bodies such as those looking after the studios, and would give us the opportunity to do what we are in sight of doing, but that we may lose if we go down this road. It would be another London tragedy if Ally Pally was lost to Londoners for 125 years in exchange for a cheapjack commercial option with no safety and public interest guarantee.

**3.21 pm**

**Peter Bottomley:** I have found the debate interesting, and I shall try to ensure that the Minister has enough time not only to say what she wants to say, but perhaps also to answer one or two questions.

As my hon. Friend the Member for Beaconsfield and other hon. Members said, the saving grace is that the charity commissioners are unlikely to approve a scheme that is clearly wrong. The consequence of the order before the Committee is that one has to trust that the council will make an agreement with the developers that both makes sense and is the best agreement possible. I always get slightly worried if I hear that an agreement that was made some years ago is likely to be fulfilled by some parliamentary allowance.

The explanatory note?I am sorry that it is not more comprehensive?states:

"The Scheme does not amend the purposes for which either the Park or the Palace are held on trust."

Existing amendments to the Act allow for leases of up to 125 years, and one must acknowledge that the proposal is an extension of that. It would not have been appropriate, but it would have been better, if the scheme had been subject to a private Bill procedure, because objectors

would have had a better chance of being heard and there would have been a better chance of a discussion. Rather than a Committee such as this just saying, "Yes" or "No", people could have had their objections considered, and there would have been a far larger degree of compromise in the agreement. People would not have had to abandon what they hold dear, but would have been able to make proposals based on the things that they hold dear. That process would also have taken rather longer than the hour and a half that we are allowed in the Committee.

I would have liked to have had the chance to listen to the views of the local Member of Parliament, the hon. Member for Hornsey and Wood Green (Mrs. Roche). I know that her responsibilities do not allow her to take part in a Committee such as this, but it would have been useful to have heard how the different views of the trustees and the people of the local area could have been considered.

Had the objectors, and the minority of the trustees, been part of the Committee they would have said something like this: the scheme is based on poor financial performance and prospects, but the analysis of the accounts shows that even in a half-operational state the trust is generating enough money to balance the books. I shall not make a judgment on that. It is clear that there is not enough money to develop the site in the way in which it needs to be developed. The argument is not about whether there is a deficit, but about whether it is possible to generate the funds that

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will allow development consistent with the original purposes and with the wishes of both local people and those further afield.

I wish that it had been possible?I hope that it may still be possible?to hold meetings with the minority of the trustees who are unhappy about the scheme. Even if, as expected, the order is passed, the question of the scheme being approved by the charity commissioners is important. I hope that the charity commissioners will pay significant attention to the views of those who are still unhappy about the scheme.

The maintenance of the 200-acre park is important, as is the maintenance of the public road. I shall not comment on the way in which the council has run the building for the past decade?I could, but I am sure that the Committee can guess the type of things that I would say.

There is also the question of whether the agreement with the developers is on sub-market terms and whether it is possible to introduce an element of competition, both in ideas and in financial arrangements. I believe that competition matters a lot and that having alternative providers leads to a better service. No one should ever leave a room thinking that the price agreed is suitable, because it probably is not. The objectors would say that the problem is not the involvement of the private developer, but the excessive powers, as they would see it, concerning the lease of such an important part of an asset. They would argue that a shorter period might work.

The situation is unsatisfactory and the statutory instrument may make it better for those who have the responsibility. My experience of the charity commissioners?I have been a trustee of a number of charities that have been involved with the Charity Commission?tells me that they are usually sensible and occasionally pernickety. They have taken time and shown an interest and if they believe that the proposal should be allowed, we should trust them as the scheme advanced?but that should not be taken for granted. The objectors have done a service in ensuring that the House considers the matter. I hope that if similar statutory instruments are introduced there will be a full explanatory memorandum with a history so that we can have a better debate on what will happen in future, rather than need to be briefed on how we got into the present situation.

**3.26 pm**

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*Prepared 14 January 2004*



# The UNITED KINGDOM PARLIAMENT

## Draft Charities (Alexandra Park and Palace) Order 2003

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**Fiona Mactaggart:** It is a pleasure to serve under your chairmanship, Mr. Cook, for the first time as Minister with responsibility for charities. I am glad to follow the tradition that the Committee has set of recalling personal experience of Alexandra palace. I attended pop concerts there many years ago and, more recently, a very special event: the memorial service for my former hon. Friend the Member for Brent, East, who died in office.

I am glad to have this opportunity of answering the concerns raised by hon. Members and hope that I will succeed. The palace and park are held in trust by Haringey council as a place of public resort and recreation and for other public purposes. It is a site of

### Column Number: 018

significant historical interest, and we heard some examples of that. It is a concern of all of us to ensure that every reasonable step is taken to protect its future. The problem is that for many years the site has been deteriorating. We, as parliamentarians, as well as the Charity Commission and trustees, have a responsibility to ensure that the aims of the 1985 Act and the trust are properly fulfilled.

Let us be clear: the financial situation is serious and getting worse. That is not new, as my hon. Friend the Member for Sittingbourne and Sheppey said, and has been building up over time. The trustees and the Charity Commission believe that the proposals are in the best interests of the charity to enable the future finances of the trust to be more secure.

**Simon Hughes:** Does the Minister agree that the current income of the trust is about £900,000 a year and that it is currently meeting its expenses? Is that her understanding of the situation?

**Fiona Mactaggart:** My understanding is that that is a classic example of Liberal Democrat economics. I was trying hard not to descend to party politicking. Moneys in and moneys out may balance, but the park and the palace are in a grotesque state and declining, and resources are not available to bring them into a reasonable state. Current expenditure and income, with a bit of cross-eyedness, may seem to balance, but even with the wildest imagination the trust cannot be described as a going concern. That is serious. The situation could continue for a short time, but not for ever. The inevitable consequence would be that the palace, which is after all at the centre of the trust and for the benefit of the people of London, would not be available for their benefit because it would fall down. The "this is a going concern" line is unhelpful.

**Simon Hughes:** The Minister is entitled to give that answer, but what is her understanding of the situation from her briefing: what money is needed annually to keep the trust going?

**Fiona Mactaggart:** That is a question of how long is a piece of string. We have to decide what we are going to do about the problem. If we do not want the building to fall down tomorrow, we have to pay a price.

**Simon Hughes:** It is listed.

**Fiona Mactaggart:** This is a serious point. If all we do is discuss how much it costs to come in and out of the palace, and if we do not retain the building's fabric and deal with other fixed costs relating to it, we are not conducting our responsibilities properly. However, we are getting off the point. We all accept that the situation is unacceptable and that substantial resources are needed to resolve it. That is not in question. A side question is not relevant because we

have to find substantial resources if we are to make the asset available to the public.

The trustees' current powers are to lease various parts of the site for specified purposes?limited parts are leased for a limited time. The aim, which is very important, is to permit, not to produce, a scheme that includes the whole of the palace. Reflecting on previous attempts to deal with the problem, one of

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the reasons for the trustees' failure is that a particular scheme was proposed, and then another scheme, which would make that scheme possible, was developed. We are granting a broader permission, which allows enough space for a particular scheme to be developed. That is the only way to proceed: as long as the ensuing proposal is in the beneficial interests of the charity, it is right to create sufficient room to manoeuvre to obtain the best possible deal. That is what the provision does.

The aim is to make a wide range of options available to the trustees. The power is necessary because 40 per cent.?nearly half of the palace?is unavailable for public use. We need to ensure that we obtain public use as far as possible. We have spoken about the possibilities created by the proposal as if they would inevitably reduce the resource available to the public, but it is possible that the outcome of this process will increase it. There are substantial accumulated deficits and we need to secure the future of the palace and park. This is not a proposal to enable Haringey council to be shot of Alexandra palace. It does not amend the charity's purposes and the trustees remain responsible for ensuring that they are achieved.

The hon. Member for Bath asked who were the proper trustees and whether the proposal should extend beyond the council. There have been incidents in his constituency in which the issue of the council as trustee has been raised. The Charity Commission would be willing to speak to him about that case.

There is no concern about the generality. The Charity Commission has produced advice in a publication called "Charities and local authorities", which addresses the advantages and disadvantages, potential conflicts of interest and how to deal with those effectively. However, there is no widespread investigation of such cases.

**Mr. Foster:** I referred to my local authority's situation because it faces one of the difficulties that we have debated. The key difference that I sought to draw to the Minister's attention, and will perhaps try to again, related to the land that is the trust's responsibility in Bath and north-east Somerset, which is for the specific purposes of local people. However, the land and the trust property at Alexandra palace is intended for the benefit of people from a much wider area than that covered by one local authority. There is a big difference between the two cases.

**Fiona Mactaggart:** Absolutely. That pertains to the question that the hon. Gentleman asked about whether it would be proper, or possible, for there to be a wider basis of trusteeship. The fundamental problem is who should be involved. No credible candidate for wider trusteeship has come forward?nor are they likely to unless a scheme is available that provides the prospect of the trust being a going concern.

We cannot put the cart before the horse. We should not be over-eager. My hon. Friend the Member for Sittingbourne and Sheppey knows the history of the

**Column Number: 020**

changes. We must ensure that candidates for trusteeship are of a sufficient and suitable nature to deal with things and that people want to come forward as trustees.

The scheme does not amend the charity's purposes. The trustees have a legal responsibility to ensure that those purposes are achieved, and the charity commissioners, as the regulatory body, will hold them to that. The scheme does not provide for the palace to be sold for commercial development; it provides the power to lease it and the immediate surrounding area for 125 years. It does not relate to the entirety of the park.

My hon. Friend the Member for Sittingbourne and Sheppey asked what would happen beyond the 125-year period. Again, in the interests of giving a maximum power, which is sensible, and

not necessarily expecting it to be imposed, that period is up to 125 years. The details of a lease would have to be agreed with the Charity Commission, thus providing another stop to ensure that the beneficial interests will be protected. Those details would include the use, the rent premium, the role of the advisory committee, power of assignment, what happens in case of the insolvency of the lessee, any changes of use and so on. The overall outcome must be expedient in the interests of the charity. The Charity Commission has the power to ensure that that happens.

At the end of the term of up to 125 years, the lease?the asset?returns to the charity, which would then have options to re-grant or administer the palace itself. The trustees are under a statutory duty to act in the interest of the charity. Their view, and that of the Charity Commission, is that our scheme is the best way to produce that. There is also the question of whether the consultation on, and general approach to, a scheme that makes small changes should have been done through a private Bill.

I have questioned why things have taken so long. The subject has not been under-debated. There has been much opportunity for local residents to comment and there is a range of comments in the 136 representations on the draft order. As with hon. Members' comments today, many of the remarks were not about matters directly relating to the order, but concerned things that could result from its approval. I recognise that residents are worried about development. However, it is necessary to understand that the charity is an amenity for the wider public. An overwhelming number of the representations came from local residents. They were all considered by the Charity Commission, which remains of the view that the proposal is in the best interests of the charity.

**Simon Hughes:** The Minister said that she had asked why the process had taken so long. I am interested in the official answer given to her. Did she take advice, independent of the Charity Commission, about whether proper use is being made of a section 17 application? What was that advice?

**Fiona Mactaggart:** The Charity Commission is a very odd structure as a non-Departmental body, so I have spoken to Home Office lawyers as well. I have

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not sought legal advice from outside the Government and I do not think that it is necessary for me to do that. I have read independent advice given to the trustees, and the advice that I have read from several different sources concurs on the matter.





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**Simon Hughes:** What about the length of time?

**Fiona Mactaggart:** On the issue of the length of time?

**Peter Bottomley:** It got bogged down in Sheppey.

**Fiona Mactaggart:** I did not hear that.

My impression, although I do not have an answer that completely makes sense, is that the time taken resulted from an attempt to find consensus, to get people to agree, to ensure that everything was done properly and to deal with former over-optimism about the finances. All those things have been part of the process.

I hope that by providing a broad power we may avoid those things that have interrupted delivery. The next part of the process provides space for there to be proper negotiation and a result. However, people will want to know what safeguards there are. To date, the safeguards have contributed to the process taking a long time. Nevertheless, safeguards are important. The Committee is not approving a 125-year lease of the palace.

**Simon Hughes:** No, just the possibility of a long lease.

**Fiona Mactaggart:** Exactly, and it is going to take even more time now.

We are attending to a series of safeguards. For example, this is a listed building and there will be listed building consent and other matters, many of which have been articulated in the process so far.

**Peter Bottomley:** Mr. Cook, I should have said that I think my wife may have listed the building.

**Fiona Mactaggart:** There are other important safeguards connected to issues raised by hon. Members. First, there will be consultation on many proposals. The Charity Commission must authorise the grant of any lease, and it will be possible to raise concerns with the commission. One of the commission's roles is to safeguard the interests of the charity's beneficiaries, as well as to ensure that the trustees maintain their duties under the trust. I am quite certain that the lengthy procedure will continue in that regard.

However, it is important that there is an opportunity to have specific consultation on the beneficial interest, as well as on issues connected with established procedures such as planning. I therefore asked the commission for an undertaking, which I have now received, to publish the draft of any order that it might make authorising a lease under the scheme, and to invite and consider any representations that it may receive.

In view of the time that it has taken, it seems right that there should be consultation on how beneficial interests should be protected and to ensure that they are so protected. I urge those commenting on the order to focus on those issues rather than on those that relate

**Column Number: 022**

to planning or other matters. The Charity Commission will authorise a specific lease only if the trustees can demonstrate that it is expedient and in the interest of the charity.

Secondly, the power to lease is not connected to a specific proposal. Some of those who have

objected implied that it is, but there is no legal obligation on councillors or trustees to agree to a particular development. In my view, that broad power will strengthen the trustees' negotiating position so that they will be able to discover whether a better proposal more accurately meets the needs of the trust, in terms of its beneficial interests and its financial demands.

The concern was raised? I think by the hon. Member for Southwark, North and Bermondsey, but when I write notes during debates, I do not always put a name against them? about individual trustees who are unhappy with a proposal, and whether the commission would be prepared to meet with all or some of the trustees who are worried about any scheme that comes before it. The commission is happy to agree to meet all or some of the trustees about the scheme or any other future development if a lease is requested.

**Mr. Wyatt:** If the would-be new owners went into receivership, would the lease revert to the trust? Would the new owners not be able to sell on the rights for any part of the time left on the lease?

**Fiona Mactaggart:** The precise terms have to be agreed with the Charity Commission, but that would have to be dealt with as there is a lock on the issue. It could not be given away without the commission having tried to protect the beneficial interest in the process, and it will ensure that that happens.

**Simon Hughes:** The hon. Member for Sittingbourne and Sheppey asked what would happen if preferred developers went into receivership. I have a similar question. If the preferred developers were minded to sell on to another company or individual, would the same lock come into operation?

**Fiona Mactaggart:** The hon. Gentleman will see from the record of our debate that the terms include use, rental premium, the role of the advisory committee under the lease, the power of assignment? his point? insolvency of lessee, change of use, extra planning consent, sub-letting and so on. The power is comprehensive. I said that the process has taken a long time, but I fear that it will now take longer.

The scope of the power is appropriate, because the interests of the public in Alexandra park and palace must be properly protected. We are the beneficiaries. The trustees have a responsibility to ensure that the aims of the trust are properly fulfilled, and the Charity Commission, as the regulator, guarantees that. I hope that by approving the order we put the charity in a position from which, instead of presiding over a wonderful but crumbling asset, it produces the people's palace for the people of London once again.

**3.51 pm**

**Mr. Foster:** I am conscious of the time, but with your permission, Mr. Cook, I begin by singing the

**Column Number: 023**

Minister's praises, which I hope will echo to the rooftops. I am delighted that she has had a significant influence over the Charity Commission and that she has reached an agreement for it to meet small groups of trustees who might have different views from the majority of trustees. I am also delighted that she has persuaded the Charity Commission to ensure that there is widespread consultation, which picks up on the point that the hon. Member for Worthing, West properly raised and will mean that the views of those who continue to be concerned will be heard. This is the first time that I have heard of any Minister having such an influence on the Charity Commission, so I congratulate her wholeheartedly on that demonstration of her abilities.

I tell the Minister, as gently as I can, that she will also achieve such success with the Charity Commission by being nice to it, but she should not go too far in her praise. That is particularly so, given that she said in her closing remarks that the Charity Commission will act as the guardian. However, the 1985 Act and the provisions in the order give the opportunity to make a decision to a democratically elected body rather than to the Charity Commission. In this case, it is we in Parliament who are the guardians. In that respect the Minister was wrong: we have

the opportunity to make the decision today, and rightly so.

**Peter Bottomley:** This is the ghost that did not walk in the debate. We must recognise that Haringey council, which had responsibility, received the palace with £8 million. It then received £17 million in compensation, managed to overspend by £28 million, incurred debts of £60 million and, by the time it had written the whole thing off, overspent by £100 million. I hope that we do better with our financial responsibilities.

**Mr. Foster:** The hon. Gentleman rightly mentions the dog that did not bark in the night?he did not put it that way, but I do. I said in my opening remarks that it was not the purpose of the debate to comment on the trusteeship that Haringey council had exercised. Of all the comments made on that, the Minister's were perhaps the most condemnatory, because she fully described what happened to Alexandra palace when Haringey council had responsibility. I shall not go down that route, because that is not the Committee's purpose, although I would not like to think how members of Haringey council will feel when they read the headlines in their local newspapers over the next few days, with the Minister condemning the council's trusteeship.

**Fiona Mactaggart:** At no point did I condemn the council's trusteeship. I said that the building is not being maintained to the standards that we have a right to expect and that the reason for that is a lack of resources, and that if we agree the order, it will ensure that the resources become available so that the building can be so maintained.

**Mr. Foster:** The Minister tempts me to go down paths that I should not go down. It is interesting that the Government are quick to condemn particular local authorities for their actions, and if those local

#### **Column Number: 024**

authorities claim that it is because they lack resources, the Government usually respond by saying that they have given huge increases in funding to local authorities and that that excuse cannot be used. I am sure that the Minister will acknowledge that it is not always a matter of a lack of resources. A lack of competent management may have some part to play. However, I am desperately trying to avoid that debate, Mr. Cook.

**The Chairman:** Please do.

**Mr. Foster:** I know that you would get cross otherwise, and that is something that I do not want to see.

I thank the hon. Member for Sittingbourne and Sheppey for his honest contribution. He told the Committee that the issue has been around for a long time and the Minister also made that point. He said that there were real concerns and that nobody was able to come up with a solution. Woe is me! Alack and alas! Here, at long last, we have these saviours: a firm of developers that nobody has ever heard of, that has no track record and that is not going to pay very much money. But at least the developers have a scheme, and a bird in the hand is better than two in the bush. Let us grab the opportunity now and get on with things, because Haringey is desperate to get rid of the responsibility, and here is a way of getting out of it as quickly as possible. The hon. Gentleman was honest, at least, to portray the situation in that way.

Those of us, however, who believe that the issue is much bigger than the concerns of Haringey council and its financial difficulties?as the Ministers says, there are responsibilities that should be exercised far more widely?are looking to see whether there is an alternative. The Minister told us that we have this particular trust, that everybody was happy with it and that there was not a real problem because there were lots of situations in which individual councils were trusts as well. As the Minister knows, because of her responsibilities, the reality is that the Charity Commission has made it clear that it will never allow that situation to occur again: there will never be a local authority acting as a single trusteeship again. It has also said that, in future, when a scheme is proposed, that particular trusteeship will have to be reviewed.

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**Fiona Mactaggart:** The charity commissioner has done no such thing, as far as I am aware. If the hon. Gentleman has evidence to the contrary, I would be interested to know about it.

**Mr. Foster:** I am grateful to the Minister for telling me that that is the case. She and I might correspond on that point over the next couple of days. Whether or not what I said is the case, the situation remains that back in 1991?[Interruption.] Will the Minister at least acknowledge that back in 1991, on receiving legal advice, the then members of the trust recommended that it should be widened? That recommendation went to the advisory group and the group agreed that it was in the interests of the pursuance of the trust's purposes that it be widened. I hope that the Minister will now accept that the proposal before us would basically

### Column Number: 025

mean handing over the palace to a developer for 125 years? She says that it is not a sale and that it is merely a lease; frankly, with a lease of 125 years, it amounts to the same thing. There is an alternative: a wider trust bringing in wider interest. We could then consider other options.

**Fiona Mactaggart:** That alternative is as accurate as the remarks that the hon. Gentleman made about the charity commissioner and single trustees. I have in my hand a booklet published in 1999. It asks:

"Can a local authority be the trustee of a charity?"

The answer is, "Yes." It goes on to discuss advantages and disadvantages. Advantages include instances in which the local authority is willing to subsidise the operation of the charity, and that is happening in this case?

**The Chairman:** Order. Time is up.

### Column Number: 026

Question put:?

The Committee divided: Ayes 10, Noes 2

Division No. 1]

AYES

Drown, Julia Gardiner, Mr. Barry Heppell, Mr. John KcKenna, Rosemary Mactaggart, Fiona Murphy, Mr. Denis Naysmith, Dr. Doug Sarwar, Mr. Mohammad Watkinson, Angela Wyatt, Derek

NOES

Foster, Mr. Don  
Hughes, Simon

Question accordingly agreed to.

Resolved,

That the Committee has considered the draft Charities (Alexandra Park and Palace)  
Order 2003.

Committee rose at Four o'clock.

The following Members attended the Committee:

Cook, Mr. Frank (Chairman)

Bottomley, Peter

Drown, Ms

Foster, Mr. Don

Gardiner, Mr.

Grieve, Mr.

Heppell, Mr.

Hughes, Simon

McKenna, Rosemary

Mactaggart, Fiona

Murphy, Mr. Denis

Naysmith, Dr.

Sarwar, Mr.

Watkinson, Angela

Wyatt, Mr.

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