

Petition

**House of Lords
Session 2022-23
Royal Albert Hall Bill**

Please do not include any images or graphics in your petition. There will be an opportunity to present these later if you give evidence to the committee.

Your bill petition does not need to be signed.

Expand the size of the text boxes as you need.

1. Petitioner information

In the box below, give the name and address of each individual, business or organisation(s) submitting the petition.

- (1) The Hon. Richard Lyttelton; 5 Queens Gate Place Mews, London, SW7 5BG.
- (2) The FanFair Alliance; 7 Bell Yard, London, WC2A 2JR.
- (3) The Court of the Worshipful Company of Musicians; 1 Speed Highwalk, Barbican, London, EC2Y 8DX.

In the box below, give a description of the petitioners. For example, “we are the owners/tenants of the addresses above”; “my company has offices at the address above”; “our organisation represents the interests of...”; “we are the parish council of...”.

Please see the information set out in the petition dated 30 January 2023 **attached** to this document.

2. Objections to the Bill

In the box below, write your objections to the Bill and why your property or other interests are directly and specially affected. Please number each paragraph.

Only objections outlined in this petition can be presented when giving evidence to the Committee. You will not be entitled to be heard on new matters.

Please see the information set out in the petition dated 30 January 2023 **attached** to this document.

3. What do you want to be done in response?

In the box below, tell us what you think should be done in response to your objections. You do not have to complete this box if you do not want to.

You can include this information in your response to section 2 'Objections to the Bill' if you prefer. Please number each paragraph.

Please see the information set out in the petition dated 30 January 2023 **attached** to this document.

Next steps

Once you have completed your petition template, save it and either email it to hlprivatebills@parliament.uk, post to the Private Bill Office, House of Lords, London, SW1A 0PW, or call 020 7219 3231 to arrange a time to deliver it in person.

Petitioner's details

Organisation/group name (if relevant)

- (1) The Hon. Richard Lyttelton.
- (2) The FanFair Alliance.
- (3) The Court of the Worshipful Company of Musicians.

First name(s)

- (1) The Hon. Richard Lyttelton,
- (2) For the FanFair Alliance: Mr Adam Webb,
- (3) For the Court of the Worshipful Company of Musicians: Mr Hugh Lloyd,

Last name

As above.

Address line 1

As above.

Address line 2

As above.

Post code

As above.

County

As above.

Email

As above.

Phone

As above.

Who should be contacted about this petition?

Individual above

Another contact (for example, Roll A Agent or other representative)

If another contact, complete the 'main contact's details' section.

Main contact's details

First name(s)

The Hon. Richard Lyttelton,
5 Queens Gate Place Mews, London, SW7 5BG

Last name

As above.

Address line 1

As above.

Address line 2

As above.

Post Code

As above.

County

As above.

Email

As above.

Phone

As above.

Terms and conditions

Personal information

A copy of this petition and information provided in the online form will be:

- kept in the Private Bill Office and as a record in the Parliamentary Archives.
- sent to the Bill's Promoter after the petition has been received by the Private Bill Office.

We will publish your petition on UK Parliament's website. This will include your name and address.

The personal information you have provided may be kept in a database by both Private Bill Offices.

Communications

Private Bill Office staff may call or email any of the people named in the petition to verify the information provided.

Communications may be stored in databases to keep track of information you have given or received. This information may be shared between the Private Bill Offices.

Consent and confirmation

The information you have provided in the petition and online form is accurate.

If you have completed the form on behalf of an individual, a group of individuals, an organisation, or a group of organisations, you have been authorised to do so.

Check this box if you agree to the terms and conditions

Petition in Opposition to the Royal Albert Hall Bill

**(1) The Hon. Richard Lyttelton; (2) The FanFair Alliance; (3) The Court of the
Worshipful Company of Musicians**

Dated 30 January 2023

PAYNE HICKS BEACH

10 New Square

Lincoln's Inn

London

WC2A 3QG

Tel: 020 7465 4300

Introduction

1. We act for the Hon. Richard Lyttelton. Mr Lyttelton has a long-standing commitment to the arts and to music related charities including the Royal Albert Hall.
2. Mr Lyttelton is joined in this petition by the FanFair Alliance and the Court of the Worshipful Company of Musicians. The purpose of this petition is to set out their shared objections to the Royal Albert Hall Bill in its present form and to propose certain amendments.

Summary

3. It is the clear view of Mr Lyttelton that the Bill is flawed and should be amended to (i) remove the ability of seat-owners ("**Members**") to sell tickets on the open market for a profit; and (ii) ensure that the interests of the charity take precedence over those of Members in any sale of new Grand Tier box seats.
4. As presently framed, the Bill is misdirected. While the Corporation of the Hall of Arts and Sciences (the "**Corporation**" or the "**Hall**") will benefit from the Bill to the extent it will enable it to secure more commercially attractive performances¹, it leaves long-standing weaknesses in the Hall's governance entirely unresolved. In Mr Lyttelton's view, those weaknesses have:-
 - (a) Caused the Hall to act for many years in excess of its powers and in contravention of section 14 of the Royal Albert Hall Act 1966 first by letting the Hall for performances in excess of the relevant statutory restrictions and subsequently by illegitimately purporting to vary those restrictions; and
 - (b) Enabled certain Members to re-sell their tickets on the open market for significant profits by failing to update byelaws (introduced in 1967 and unaltered since) that were intended to severely restrict the practice.

¹ See specifically clause 4(2) which provides the Hall with greater flexibility to exclude Members from the Hall, thereby enhancing its commercial appeal to promoters who naturally prefer to sell tickets to the entire Hall rather than part of it.

5. The Bill should be amended to restore the reputation and advance the purposes and charitable objectives of the Corporation, the maintenance of which in recent years has been the subject of sustained public criticism:-

(a) *"Warning as members 'tout' tickets", The Times, 13 January 2012.*

(b) *"Trustees sell charity tickets for profit", The Times, 27 March 2012.*

(c) *"The Albert Hall is being exploited by trustees, at the nation's expense", The Times, 28 March 2012;*

(d) *"Royal Albert Hall called a 'national disgrace' over members' ticket resales", The Guardian, 18 January 2017.*

6. Narrow amendments to the Bill to remove the ability of Members to sell their tickets on the open market for a profit (save for through the Hall's Ticket Return Scheme) and ensuring new Grand Tier box seats are sold at prevailing market rates would achieve this aim.

7. Such amendments would not only be simple to introduce and manage, they would also be consistent with the Hall's charitable objectives and enhance public confidence in the governance of the Corporation, whilst not derogating from the need to ensure the Corporation remains on a sure financial footing fit for the practical realities of the 21st century.

Structure

8. In the paragraphs which follow this petition sets out:-

(a) **Section A**: Standing to object.

(b) **Section B**: Mr Lyttelton's objections to the Bill, understood by reference to:-

i. **Section B1**: The present governance arrangements for the Corporation.

ii. **Section B2**: The weaknesses of those governance arrangements, and in particular, their unsuitability in light of the tension between:-

i. the commercial self-interest of a narrow class of Members on the one hand, (and in particular those on the Council who own significant numbers of seats and therefore exercise disproportionate voting rights); and

ii. the original purpose and charitable objectives of the Corporation on the other.

(c) **Section C**: Mr Lyttelton's proposals to address his objections. These are that amendments be made to the Bill to remove the ability of Members to sell tickets for performances in the Hall on the open market for a profit (unless done through the Hall's Ticket Return Scheme) and ensuring new Grand Tier box seats are sold at prevailing market rates.

9. Each is addressed in turn below.

Section A: Standing

10. Mr Lyttelton has a long-standing respect for the Albert Hall and its founding principles. In short Mr Lyttelton is:-

(a) An honorary member of the Royal College of Music, having served on its council and audit committee for 10 years; trustee of Queen Alexandra's House (another Albertopolis institution); trustee of the EMI Archive Trust; former Chairman of the English touring Opera and Musician's Benevolent Fund; and former President of Classics and Jazz Worldwide at EMI for some 18 years.

(b) A Member of the Corporation and the owner of two seats in the Hall. He was President of the Council (the role and functions of the Council are described further at paragraphs 21 to 22 below) of the Corporation from 2010 to 2011.

11. Mr Lyttelton resigned from the presidency because he had serious concerns about the way the Hall was being run. In particular, Mr Lyttelton believed:-
 - (a) That the Corporation was acting in breach of the Royal Albert Hall Act 1966; and, more damagingly
 - (b) That trustees were enhancing the personal benefit they derived from the commercial sale of tickets in breach of the private benefit restrictions on them under the Charities Act.
12. In this petition Mr Lyttelton enjoys the support of the FanFair Alliance and the Court of the Worshipful Company of Musicians of which he is a member. The FanFair Alliance is a music industry body set up by representatives of major international artists (Arctic Monkeys, Mumford and Sons, Keane, Travis, Little Mix, Alison Moyet and many others of similar standing) to prevent their fans being exploited on secondary ticketing sites. The Worshipful Company of Musicians is the only City of London Livery Company dedicated to the performing arts, it aims to nurture talent and share music through its concerns, outreach, awards and young artists' programme.
13. Mr Lyttelton submits that the Bill will, if enacted in its present form, allow the circumstances which gave rise to his resignation to continue to the detriment of the Hall and most of its ordinary members, the creative community (including the FanFair Alliance and the Court of the Worshipful Company of Musicians) and the public more generally for whose benefit the Hall was originally conceived. Further, by failing to specify that new Grand Tier box seats must be sold in the best interests of the charity and at prevailing market rates the Bill also risks the further agglomeration of seats by major investors.
14. It is submitted that Mr Lyttelton's membership of the Corporation and the impact of the Bill on him in that capacity as outlined above, together with his position as past President of the Corporation, and his current and previous positions within the music industry, are such that he has a unique understanding of the governance issues facing the Corporation and is directly and specially affected by the Bill and therefore has, together with the FanFair Alliance and the Court of the Worshipful Company of Musicians, sufficient standing to deliver this petition in opposition.

Section B: Mr Lyttelton's Objections to the Bill

Section B1: The Governance Framework

15. To understand the flaws inherent in the Bill it is essential to describe the Corporation's governance framework and its inherent weaknesses.
16. The governance framework is described in this Section B1, which summarises the purposes and powers of the Corporation, followed by the rights and restrictions on Members. The weaknesses of this framework are described in Section B2.

The Corporation

Legal framework and origins

17. The Corporation was incorporated by Royal Charter dated 8 April 1866 (the "**Original Charter**"). In addition to the Original Charter, the Corporation is regulated by:-
 - (a) Supplemental charters dated 25 October 1887 (the "**1887 Charter**") and 7 December 1928 (the "**1928 Charter**").
 - (b) The Royal Albert Hall Acts 1876 to 1966, Schedule 2 of the latter contains the Constitution for the Corporation.
 - (c) The British Museum (Transitional Provisions) Order 1965.
 - (d) The Charities (Corporation of the Hall of Arts and Sciences) Order 2000 (SI. 2000 No. 891).
18. Much of the aims and historical context in which these instruments were introduced are described in the report prepared by the Hon. Sir Robert Owen dated 25 March 2014 (the "**Owen Review**"). A copy of the Owen Review, referred to throughout this petition, can be made available in evidence.

Purposes of the Corporation

19. The Original Charter set out the purposes of the Corporation, together with the rights of Members (the latter are described further at paragraphs 27 to 31 below). The purposes and powers of the Corporation are set out in Articles 3 to 6 of the Original Charter:-

(a) Article 3 provides that the purposes of the Corporation were the construction and maintenance of the Hall and its use to further the objectives of the arts and sciences identified in Article 3.

(b) Article 3 then goes onto provide:

“power for the Corporation to furnish the Hall in such manner, and with such works and objects of scientific and artistic interest as they think fit, and generally to do all such acts and things, whether such acts and things are or are not of the same character or nature as the acts and things before enumerated, as they think conducive to the purposes of the Corporation, or for the benefit of the Members thereof, having regard to the purposes aforesaid.”

[Underlined emphasis added].

20. The Original Charter is supplemented² by the Constitution of the Corporation, which may be altered in accordance with Article 24 of the Original Charter by passing a special resolution in general meeting. The power to alter the Constitution was made *“Subject to such provisions of this Our Charter as define the purposes of the Corporation and the rights of Members”* (underlined emphasis added). As such, the power to change the Constitution cannot be used to change either the Corporation's purposes or Members' rights. The Original Charter and the Constitution therefore form the foundations of the Corporation's governance framework, with the purposes of the Corporation and the rights of Members at its heart.

² Paragraph 35 of the Constitution provides that it is *“supplemental to, and not in derogation of, the Charter of the Corporation; and such Charter shall remain in full force, and this Constitution may be altered in manner provided by the said Charter”*.

Management of the Corporation: the Council

21. Management of the Corporation is vested in the Council. This arises under paragraph 11 of the Constitution, which sets out the general powers of the Council and provides that the Council's ability to let the Hall is subject to the rights reserved to Members:

"11. The Council may exercise all such powers of the Corporation as are not by the said Charter or by this Constitution required to be exercised by the Corporation in General Meeting, subject nevertheless to the provisions of the said Charter and of this Constitution, and to such regulations (not being inconsistent with the said Charter and Constitution) as may be prescribed by the Corporation in General Meeting; but no regulation made by the Corporation in General Meeting shall invalidate any prior act of the Council which would have been valid if such regulation had not been passed.

In particular the Council shall have power to do all or any of the following things, that is to say:-

...

(2) They may, subject to the rights reserved to the Members of the Corporation, let the use of the Hall for a limited period, either wholly or partially, exclusively, or reserving certain rights of entry to any persons for any purposes for which the Corporation might themselves use the Hall..."

[Underlined emphasis added].

22. The Council originally consisted of a President and 18 ordinary Members elected by the Members. Those 18 Members were later supplemented by five Appointed Council Members (who are not required to be Members of the Corporation) appointed by external bodies under the 1928 Charter, namely:-

- (a) One by the Trustees of the British Museum (Natural History);
- (b) One by the President of the Board of Education (since delegated to a representative of DCMS);
- (c) One by the Governors of the Imperial College of Science and Technology;

(d) One by the Council of the Royal College of Music; and

(e) One by the Royal Commissioners of the Exhibition of 1851.

Charitable status

23. In addition to acting in accordance with its own governance framework, the Corporation is also a charity and subject to charities law in the usual way, having applied for and been granted registration as a charity in 1967. As a charitable institution the Corporation has as its objects:

“to maintain the Royal Albert Hall, a Grade 1 listed building of historical and cultural significance and, through its use, to promote the understanding, appreciation and enjoyment of the Arts and Sciences.”³

24. As observed at paragraph 15 of the Owen Review, as a consequence of the Corporation's charitable status, and in addition to the Council's role under the Constitution (as to which, more below):

“the Council assumed the responsibilities of the governing body of Trustees of the Corporation as a charity, and became subject to charity law and to the requirements and guidance of the Charities Commission”.

25. The 18 Member-elected Councillors therefore have several (potentially competing) layers of rights and responsibilities, being at the same time:-

(a) **Trustees of the charity:** with all of the attendant responsibilities of that position under charities law to act in the interests of the charity to enable it to carry out its purposes;

(b) **Members of the Council:** with responsibilities to direct the affairs of the Corporation in accordance with its governance framework by doing: *“all such acts*

³ Charity Commission for England and Wales, Register of Charities, the Hall, Charity Overview.

and things...as they think conducive to the purposes of the Corporation, or for the benefit of the Members thereof, having regard to the purposes aforesaid”⁴; and

- (c) **Private property owners:** in respect of their seat(s), with all of the usual rights and incentives created by such a position.

26. The rights of Members are discussed in the next section of this petition.

The rights of Members

Origins and legal nature of Members’ rights

27. The origin of the rights of Members is explained in the recital to the Original Charter which provides, amongst other things, that:

“And whereas the persons hereinafter named, with many others, have subscribed towards the funds for the erection of the Hall, in consideration of having granted to them in return for their subscriptions, permanent seats in the Hall in manner appearing in the Schedule annexed hereto; And whereas provision is made in the said Schedule for registering as Members of the Corporation established by this Our Charter,”

28. Consistent with the position under paragraph 11(2) of the Constitution (see paragraph 21 above), Article 5 of the Original Charter provides that the Council’s power to let the Hall is subject to the proprietary rights of Members:

“Subject to the rights reserved to the Members of the Corporation, the Corporation may let the use of the Hall, for a limited period, either wholly or partially, exclusively, or reserving certain rights of entry to any persons for any purposes for which the Corporation might themselves use the Hall”

[Underlined emphasis added].

⁴ Article 3 of the Original Charter.

29. While Members' proprietary rights are protected by the governance framework for the Corporation, Members have no interest in any profits generated by the Corporation from the use of the Hall.

30. That is consistent with the charitable status of the Corporation and reflected in the text of Article 6 of the Original Charter, which states that no dividend is payable to a Member of the Corporation and that all profits made by the Corporation from the use of the Hall:

“shall be applied in carrying into effect the purposes of the Corporation in such manner as the Corporation think fit”.

31. Further detail on the rights of Members is provided in the Schedule⁵ to the Original Charter, which provides that:-

(a) Members' rights to occupy their seats in the Hall continue for the whole term for which the site of the Hall is granted (paragraph 7);

(b) Members' interests in the Hall shall be personal estate and not in the nature of real estate (paragraph 8); and

(c) Every Member shall have one vote for every seat for which s/he is a registered holder (paragraph 31).

Alteration of Members' rights

32. The rights of Members can be changed in three ways:-

⁵ Deemed to be part of the Original Charter by Article 2 of the Original Charter.

- (a) First, under the Corporation's Constitution by the Council applying for a new charter, or for any modification of the Original Charter in accordance with Article 26⁶.
- (b) Second, by Act of Parliament. This was the procedure adopted to exclude Members from the Hall so that their seats could be used by the Council for the purposes for which the Corporation was established through:-
- i. Sections 17 and 18 of the Royal Albert Hall Act 1927;
 - ii. Section 9 of the Royal Albert Hall Act 1951; and
 - iii. Section 14 of the Royal Albert Hall Act 1966
- (c) Third, by a scheme pursuant section 73(1) of the Charities Act 2011, formerly section 17(1) of the Charities Act 1993. The Charity Commission, on the application of the Council, can use the powers contained in section 73(1) to settle a scheme altering the statutory provisions of the Corporation, provided it does not alter any statutory provision contained in or having effect under any public general Act of Parliament. The 1927, 1951, and 1966 Acts referred to above are private rather than public general Acts of Parliament.⁷

33. It is not possible therefore for Members by either simple majority in a general meeting or by unanimous agreement amongst themselves to change their proprietary rights to occupy their permanent seats in the Hall. Members can of course sell (or elect not to use) tickets for performances they do not wish to attend (as to which, see paragraphs 35 to 39 below), and there can be no issue with Members selling their seats to others or their passing on the death or insolvency of a Member. No such power exists

⁶ Article 26 provides as follows: *"The governing body, for the time being, of the Corporation, may apply for a new Charter, or for any modification of this Charter, but such application shall not be made after the opening of the Hall, without the consent of the Corporation, testified by a Special Resolution.* The requirements of a Special Resolution are set out in Article 25 of the Original Charter. In accordance with that power the Original Charter was modified by supplemental charters dated 25 October 1887 and 7 December 1928.

⁷ It is possible to tell that the 1927, 1951, and 1966 Acts are private Acts because they are numbered in a separate series using lower case roman figures and they contain a preamble, which is always present in a private Act.

however which would permit Members at a general meeting to agree to modify the rights of Members to occupy their seats.

34. We observe that the Owen Review considered at paragraph 93 that it “*would appear to be valid*” for Members to agree to modify the rights of Members to occupy their seats at a general meeting. The general power relied on by the Owen Review to justify this (admittedly tentatively drawn⁸) conclusion is the power under the Original Charter for the Corporation to “...do all such acts and things as they think conducive to the purposes of the Corporation”. It is difficult to accept this conclusion. To do so would render those sections of the 1927, 1951, and 1966 Acts that exclude Members from the Hall entirely redundant, which runs contrary to the text of the final recital to each of those Acts which records that “*the purposes of this Act cannot be effected without the authority of Parliament*”.

Members’ right to sell unused tickets

35. In addition to Members’ right to occupy their seats in the Hall in accordance with the governance framework outlined above, Members also have a right to sell unused tickets.
36. They can do so either by returning them to the box office for sale at face value (the Corporation’s Ticket Return Scheme or TRS) or on the open market. Members’ rights of sale are regulated by section 15(1) of the 1966 Act which provides as follows:

“(1) Byelaws made by the council...may include byelaws prohibiting the sale by or on behalf of members in the hall or in the vicinity thereof of tickets for seats.

(2) Byelaws made pursuant to this section may provide for imposing upon any member a fine not exceeding twenty-five pounds for the breach or non-observance of such byelaws.

⁸ Paragraph 93 of the Owen Review went on to observe that while the conclusion that it “*would appear to be valid*” for Members to agree to modify the rights of Members to occupy their seats at a general meeting, “*I would simply add that it will be for the Council and Members to decide whether it is desirable, for the avoidance of doubt, to seek a definitive opinion from Chancery counsel on the point, alternatively to seek an amending Act of Parliament...*”.

...

(4) If any member refuses, or for one month after demand made by the council for payment thereof neglects, to pay a fine imposed by the council under any byelaw made pursuant to this section such member shall not be entitled to use any seat of which he is the registered holder or to vote at any general meeting of the Corporation or in any poll of the members until the full amount of such fine for which he is liable to be paid.”

37. The Byelaws passed by the Council in February 1967 reflect the text of section 15(1) above and provide in relevant part that:-

“No person being a member or acting on behalf of a member shall sell or attempt to sell in the hall or in the vicinity thereof any ticket for a seat (or seats).

Breach or non-observance of this Bye-Law shall render the member liable to pay to the council a fine of £25.”

[Underlined emphasis added].

38. As discussed further at paragraph 44(c) below and noted at paragraph 5 above, the underlined text above has been a source of sustained public criticism of the administration of the Hall.

39. As noted at paragraph 16 of the Owen Review, the Council published guidelines which we subsequently adopted by Members at an Annual General Meeting on 25 May 2006 on ticket re-sales:

“(i) In addition to their proprietary rights as seat-holders, the Members have a key role within the Hall’s constitution. In broad terms, that role might be described as seeking to achieve, through the Council, the purposes of the Corporation as a charity.

...

(iii) In all matters relating to the use of their seats the Members should take full account of the overriding requirement to maintain and uphold the good standing of the Hall as a charitable institution. For example, Members should be discouraged from disposing of their tickets in ways that could attract understandable criticism by Hall promoters and performers and the public more generally”.

40. Despite the existence of these guidelines, the media headlines from 2012-2017 referred to at paragraph 5 above (the substance of which can be expanded upon in evidence) suggest their adoption remains far from universal. The next section of this petition describes the weaknesses in the Corporation's governance framework and why Mr Lyttelton's amendments are required to ensure the Corporation's original purposes are upheld, rather than diminished, by the Bill.

Section B2: Weaknesses in the Governance Framework

41. Properly understood, the guiding principle of the Corporation's governance framework is that the rights of Members must remain entirely incidental to the charitable purposes of the Corporation.

42. Weighed against this principle is the modern reality and practices of the Corporation and the commercial interests of Members and indeed the needs of the Corporation itself.

43. For the reasons given below the Corporation's governance framework has proven insufficiently robust to meet these challenges and has given rise to sustained public criticism. The Bill does not improve on the status quo. It should. The paragraphs below describe how.

Structural weaknesses

44. It is apparent from the survey of the Corporation's governance framework described earlier in this petition that there are a number of significant weaknesses in the Corporation's governance framework:-

(a) **Voting Rights:** Members' voting rights are set according to the number of seats owned, rather than by the traditional democratic basis of one-Member-one-vote. There is an argument that this undermines appropriate checks and balances on the influence of those Members who own large numbers of seats, thereby arguably distorting the proper governance of the Council and ultimately the Corporation.

(b) **Council Control:** Control of the Council, which directs the affairs of the Corporation, is dominated by Member-elected Councillors as opposed to non-Member appointments (18 Member elected Councillors to 5 non-Member appointees). The 18 Member-elected Councillors are either appointed by other Councillors or elected by other Members which, for the reasons noted above, places disproportionate power in the hands of those who own the most seats, and who have in turn the greatest personal financial interest in the way the Corporation is run. There is an argument that this arrangement distorts and dilutes the objectivity of the Council and inhibits its freedom to act in accordance with the Corporation's governance framework.

(c) **Ticket selling:** Restrictions applicable to the sale of unused tickets by Members on the open market are minimal and out-of-step with 21st century commercial practices:-

- i. The restrictions only apply, in accordance with the language used in the 1967 Byelaws, to sales taking place "*in the hall or in the vicinity therefore*". We are instructed that in practice this has been interpreted to exclude any sales which occur on the internet, and that some Members have established their own website through which tickets are sold sometimes at significantly inflated prices.
- ii. The maximum fine for breach of the restrictions where they do apply is £25. While that may have been an appropriate figure when the restriction was

introduced in 1967, it could hardly be described as adequate deterrent in 2023.

(d) **Exclusion of Members from the Hall:** The limited means by which the Council can revise arrangements to exclude Members from the Hall to facilitate commercially more attractive events, the promoters of which prefer (understandably) to let the whole Hall (see paragraphs 62 to 71 of the Owen Review). A better balance needs to be struck on how this can be achieved given the Hall's unique history and ongoing funding requirements. We observe that the Bill goes some way towards addressing this issue (specifically through clause 4(2)) and to that extent it is to be welcomed.

45. These weaknesses when combined with pressures exerted on performance venues by 21st century commercial practices arguably gave rise to both the very public criticism of the management of the Hall referred to elsewhere in this petition, and the so-called 'interim arrangements' which we are instructed continue today. The latter are discussed below.

The "Interim Arrangements"

46. It is evident from the Owen Review that the Corporation has acted at variance with the requirements of its governance framework for some time, specifically, section 14 of the Royal Albert Hall Act 1966. It continues to do so. To explain:-

(a) As noted at paragraph 32(b)(iii) above, section 14 of the 1966 Act is one of the few items of legislation which empowers the Corporation through the Council to exclude Members from the Hall in specific and limited circumstances.

(b) As described at paragraphs 37 to 47 of the Owen Review, the Corporation has let the Hall on an exclusive basis in excess of the limits set out in section 14 on various occasions from around 2008. We are instructed that the Corporation continues to act in excess of the powers conferred upon it by section 14.

(c) The Council and Members through the processes described at paragraphs 37-47 of the Owen Review have sought to validate the Council's approach to exclusive

lettings (the “**Interim Arrangements**”). In so doing the Interim Arrangements illegitimately purport to vary the text of section 14 of the 1966 Act.

- (d) For the reasons given at paragraph 32 above it is Mr Lyttelton's clear view that the Members and the Corporation are and were not permitted to amend the text of the 1966 Act and Members' rights in this way. Although not mentioned in the preamble, the purpose of the Bill is at least in part to correct this anomaly.

47. While a complete assessment of the commercial or charitable benefits derived by the Corporation from the Interim Arrangements are beyond the scope of this petition, we observe that:-

- (a) The existence of the Interim Arrangements is indicative of a serious weakness in the present governance framework.

- (b) Had the governance framework been effective, the Interim Arrangements would not have been introduced and an alternative path would have been followed that was consistent with the governance framework outlined at paragraph 32 above.

- (c) While other commercial benefits to the Corporation no doubt arise from the Interim Arrangements as a result of the increased commercial attractiveness of exclusive lets to promoters, the incidental benefits to Members cannot be ignored (as noted at paragraph 87 of the Owen Review) namely:-

- i. Reduced prospects of the Corporation calling for greater contributions from Members;
- ii. Rebates payable to Members for each exclusive let; and
- iii. Enhanced capital value of the seats owned by Members and the sale value of tickets to performances.

48. None of the weaknesses in the governance framework identified earlier in this petition which gave rise to Mr Lyttelton's criticism of its direction and ultimate resignation will

be mitigated by the Bill. It is submitted therefore that the Bill should be amended as described in the next section of this petition.

Section C: Proposed Amendments to the Bill

49. Rather than resolving the lacuna at the centre of the Corporation's governance arrangements, namely the potential conflict between the commercial interests of Members who vote for and control the Council on the one hand, and the charitable objectives and original purposes of the Corporation on the other, the Bill instead prioritises:-

(a) The reinforcement of the Interim Arrangements introduced in contravention of section 14 of the 1966 Act (i.e. clause 4 of the Bill); and

(b) Enhancing the commercial interests of certain Members including parties related to trustees by enabling them to acquire all of the rights and privileges of ownership of additional seats in Grand Tier boxes (i.e. clause 5 of the Bill).

50. The founding Members of the Hall may find those legislative priorities difficult to reconcile with the original ambitions for the Corporation and out of step with public expectations. It is worth recalling that Members:-

(a) Include according to the Owen Review (at paragraphs 50-52) those perceived to be "*a new wave of aggressively commercial Members looking for a precise return on their investment*".

(b) Have significant influence over the strategic direction of the Corporation through both:-

i. The division of the Council between those 18 Council Members elected by Members or appointed by Councillors against the 5 Council Members appointed by non-Member third party institutions; and

ii. In some instances, as a result of the weighting and allocation of votes to Members on the basis of seats owned as opposed to a more conventional

one-Member-one-vote system, a disproportionate and arguably inappropriate ability to influence the direction of the Council;

(c) Have received increasingly significant financial benefits in recent years⁹, both in terms of the returns received through the Corporation's Ticket Return Scheme and the capital value of the seats themselves.

51. In Mr Lyttelton's view, unless appropriately balanced, the influence and commercial interests of Members (and in particular those who are also on the Council and/or own large numbers of seats and therefore exercise disproportionate voting rights) risk overwhelming the original purpose and charitable objectives of the Corporation and may be taken as legitimising the Council's modification of section 14.

52. In its present form, the Bill does nothing to mitigate that risk. It should. If the Bill becomes law in its present form it risks causing further reputational damage to the Hall and Members by enabling the Corporation to drift away from its guiding principles, to the detriment of the interests of audiences, the charity, the creative community and the public interest more generally.

53. For these reasons it is submitted that the Bill should be amended to include the following changes to clause 5 and a new clause 6:

"5 As to seats in Grand Tier Boxes

(1) In subsection 1, after the words "sell or let to any persons" add the words "other than existing Members" and after the words "any lesser period," add the words "for a sale price set by reference to current market prices and".

...

"6 Restriction of ticket sales by members otherwise than through the hall or its agents

⁹ See the analysis set out at paragraph 90 of the Owen Review.

(2) *Section 15 (power for council to prohibit sale of tickets in hall or in vicinity thereof) of the 1966 Act is amended as follows.*

(3) *In subsection 1, after the words "on or behalf of members", omit the words "in the hall or in the vicinity thereof", and after the words "of tickets for seats" add the words ", save where such sales are made through a ticket return scheme operated or approved by those members of the council appointed in accordance with clause 2 of the Supplemental Charter of 7 December 1928".*

(4) *In subsection 2, after the words "upon any member", omit the words "a fine not exceeding twenty-five pounds", and add the words "a suspension of their rights to their seat(s) in the hall for a period of up to 6 months for breach or non-observance of such byelaws".*

54. There can be no reasonable objection to the sale of Grand Tier box seats at prevailing market prices set by reference to appropriate professional advice. Nor can there be any credible objection to the new clause 6 which would correct the anomalous and outdated limitation on the re-sale of tickets by Members under clause 15 of the 1966 Act to only those sales that take place *"in the hall or in the vicinity thereof"*. Clause 6 would also update and enhance the penalty for breach, moving away from the fine set at £25 in 1967 to provide for a temporary restriction on Members' rights to their seats for a period of up to 6 months. Such amendments would be easy to implement and operate; the Hall manages and distributes tickets already through its Ticket Return Scheme.

55. The rights of Members and the sale of tickets are within the scope of the Bill as presently framed. This much is clear from the text of the preamble and clauses 4 and 5. Such rights must remain entirely incidental to the charitable purposes of the Corporation. The limits on Members' rights inherent in the new clause 6 are proportionate and consistent with this principle, which is central to the Corporation's governance framework. The Corporation is not a limited liability company, and Members on the Council are not majority shareholder-appointed directors, set in their position to advance the interests of those who appoint them or their own. The Corporation is a charity and the Council may only act:-

(a) To further the purposes of the Corporation; or

(b) To the benefit of Members while having regard to the Corporation's purposes.

56. The proposed amendments to the Bill return the Council to these guiding principles. It is respectfully submitted that the Bill should be amended accordingly.

Petition in Opposition to the Royal Albert Hall Bill

**(1) The Hon. Richard Lyttelton; (2) The FanFair Alliance; (3) The Court of the
Worshipful Company of Musicians**

Dated 30 January 2023

PAYNE HICKS BEACH

10 New Square

Lincoln's Inn

London

WC2A 3QG

Tel: 020 7465 4300