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Royal Albert Hall Bill [HL]

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Second Reading

(1) 11.52am

Moved by

Lord Harrington of Watford >

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That the Bill be now read a second time.

Lord Harrington of Watford >

(Con)

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My Lords, I felt I was reasonably experienced at doing Bills from my career in the Commons and my experience here. I have taken through quite a few Government Bills, usually with consensus, and I have done a Private Member's Bill, which became law. I was not aware of the existence of a Private Bill, so this a new procedure for me. I beg to move that this Bill now be read a second time.

I declare my interest as a trustee of the Royal Albert Hall. I was appointed by the DCMS which, under the constitution, is entitled to a trustee. Without a doubt, most people—even the detractors of the Bill—would say that the Corporation of the Hall of Arts and Sciences, which everyone calls the Royal Albert Hall, is one of the nation's great cultural institutions. Under the constitution, there a number of appointed trustees from other institutions such as the Royal College of Music—usually those geographically surrounding the hall. This stems from the original constitution of the hall and how it was built. Most people know and see the hall as part of the UK's social and cultural fabric. Everybody knows the big, televised things like the Last Night of the Proms, the Royal Variety Performance and the Festival of Remembrance. However, not everybody knows—I did not know myself before I became a trustee—of its unique contribution to this country. As with many things in the United Kingdom, there are institutions that exist which perhaps would not be designed in the same way if they started now, but they do exist and do a very good job. It is fair to say that our parliamentary system is the classic example of that.

The hall itself was the brainchild of Prince Albert, who died quite shortly afterwards, and the corporation was established to enact his vision. The hall was opened in 1871 and became a charity in 1967. It has about 450 employees, and there are 400 events a year which attract close to 2 million visitors a year. It has an engagement programme that reaches out to more than 180,000 people of all ages and backgrounds. It was Prince Albert's vision that the hall should serve all people in promoting the arts and sciences. From the beginning, the hall was part-owned by people who funded it by a form of public subscription where people paid to become seat-holders. In return for their purchase, seat-holders where able to attend and enjoy the performances and were given the full responsibility of running the hall, and they are an integral part of it. It is a unique model called a "hybrid model" and has been the core of the hall's constitution and governance since its origin. I reiterate my view that it is a system that actually works because, after all these years—one and a half centuries—the hall exists and does a pretty good job representing this country with all the people who are involved in it.

The hall is governed by a council of 23 trustees and an elected president. Unlike myself, the majority of trustees are elected seat-holders, and are elected from the seat-holders. There are 319 seat-holders who together hold 1,268 of the hall's 5,272 seats. Under the constitution, the seat-holders are members of the corporation, and they range from big companies to charities to individuals, some of whom have family ownership going back to the beginning. It is the long-term nature of their ownership that has created this unusual tie; it is the bond between the hall and its members that is its cornerstone today.

There are two ways in which all members support the hall financially, on an equal basis. First, they pay an annual levy, or "seat rate", and, secondly, by forgoing their tickets for a certain number of days so there are more that the hall can sell commercially to non-seat-holders, and these are known as "exclusions" or "exclusivities". The average seat rate is £1,900 plus VAT and the exclusion is for about 100 days per year of performances, which obviously brings significant revenue to the hall and increases accessibility to all.

This leads me to the substance of the debate which, following a periodic review of the constitution, seeks to amend the terms of the seat rate and exclusions. The Bill itself contains three substantive clauses. Clause 3 seeks to remove the provision of the cap to the seat rate which, under the constitution, is set by the members every six years. As a quid pro quo, the voting threshold for agreeing the annual seat rate is being changed in the Bill from 66% to 75%, which is the threshold now for the six-year cap. Members were restricted by the six-year cap in how much they could contribute, and recent unexpected inflation has demonstrated the artificiality and the difficulty in forecasting a six-year cap. The restriction on how much the members may agree to contribute will no longer apply. Clause 4 provides a mechanism for members to agree to exclusions over and above, and of a different form from, those permitted by the Act of 1966. The current process by which members do this is of doubtful validity, but it is well intentioned. It leaves the hall exposed to the risk of challenge of acting unlawfully, and the clause will put this on a proper legal footing. It has been a long-running problem for the hall, which we hope can be resolved through the Bill. Administratively and legally, there is a pressing need for this clause.

Clause 5 enables the hall to sell, with membership, two extra seats in the grand tier boxes with the consent of the existing seat-holders in those boxes, and to sell membership to a few existing seat-holders in grand tier boxes who do not have membership. Doing so will enable the hall to raise substantial new capital for the hall's charitable purposes.

We are debating this Bill in Parliament as a private Act is needed, as I explained before, because the intended changes affect the private rights of members. There is no other way to achieve these means; I promise that, if there were, I would not be standing here today.

When I took on the trusteeship, I was not aware of the acknowledged conflict of interest between seat-holders legally profiting from their seats and the charitable purpose of the hall. I am very well versed in these matters, and they have been there for 150 years without any harm to the hall. In nearly all instances, the conflict of interest is in fact a shared interest, because in so many cases the interests of the hall and the interests of members are aligned. On the few occasions they are not fully aligned, there is a system of managing this. It has processes in place, including an independent conflicts of interest committee that scrutinises at close quarters the decisions of the trustees. We have to remember that in UK law it is the private property of seat-holders and it always has been. Their ownership is separate and legally stands apart from the hall; they do not form part of the charity, and their use within the rules does not deprive the charity of anything. Indeed, neither the charity nor the hall could exist without seat-holders.

When this Bill came up, I was asked to put my name to it on the basis that these were small changes that were legally necessary to ensure that the hall could continue operating in a legal manner. It was not my intention or my expectation that the Bill's opponents would use this process as an opportunity to put forward their well-known objections to these conflicts in the governance of the hall. I pay tribute to all the people I have met, in particular my noble friend Lord Hodgson for his continued and good-natured engagement. I must confess that before my first conversation with him I was quite naive about these other issues, which I am now fully briefed on and aware of.

I have discussed this with nearly everybody who has put their name down to speak in this debate, and the Charity Commission has also contacted me. I will listen to all contributions to the debate with interest and an open ear, to inform my role as a trustee. I believe that in its intent and extent the Bill is a relatively modest measure and can only benefit the hall. I also believe it would be wrong to allow the critics of the hall—on significant wider constitutional matters—to stand in the way of this small piece of legislation. Whatever the merits of what they say, this small piece of legislation is needed.

At the Bill's future stages there will be plenty of opportunity for its opponents to say exactly what they think, because it is the custom and practice of the House in relation to private Bills to give the promoter the opportunity in Committee to prove the need for it. I hope that those points are without the scope of the Bill and can be discussed on another occasion, because I believe in the Bill.

Nevertheless, the onus of proof is on the promoter, and when it comes to Committee they will no doubt put the hall to proof in the usual way. I beg to move.

Lord Winston >

(Lab)

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Before the noble Lord sits down, might I ask him, because I do not know, what income a seat-holder might make from a year's lease of his seat to people who want to sit in it? As a person who has tried to book seats for a charity, I have the impression that it has been very difficult to do that in the Albert Hall. I would be grateful to know what profit margin a member might have.

Lord Harrington of Watford >

(Con)

Share

I thank the noble Lord for his question. I am embarrassed to say that I do not know the answer, because these are their seats and they are entitled to sell them as they think fit. I am afraid I cannot answer that question. I have also been involved in a number of charities, which have used and booked the hall. There are lots of seats available that do not belong to the seat-holders, and I know that many seat-holders give some of their seats to charities to help them.

(12.04pm)

Viscount Chandos >

(Lab)

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My Lords, I am very pleased to be the first speaker able to thank the noble Lord, Lord Harrington, for his clear introduction to the Second Reading of the Bill, and for the work he has done as the DCMS-nominated independent trustee of the hall. If I raise in my remarks today any concerns about the governance of the Royal Albert Hall and issues around its operations, I make it clear from the outset that these are not criticisms of the noble Lord, who has the unenviable position as one of the minority independent trustees who do not have the conflicts to which I will refer.

When I look at the next business in the House, to take note of the long-term strategic challenge posed by China, I feel momentarily that we are focused in this debate on something of relative insignificance. But, as the noble Lord, Lord Harrington, set out so well, the Royal Albert Hall plays an iconic part in our national life, not least as the central venue for the annual BBC Proms, the largest music festival in the world. The hall, as he explained, transcends this headline association by hosting events ranging from top-level sport to film and television premières and awards ceremonies, from Cirque du Soleil to Eric Clapton— 200 performances since 1964.

I think back nostalgically to attending, 40 years ago, an evening with that great figure in public life, the Australian cultural attaché, Sir Les Patterson, created by the much-missed and brilliant Barry Humphries. Most recently, I attended the concert of the National Youth Choirs, with nearly 1,000 young people performing to an audience crammed with their families and friends. Each of your Lordships will have their own memories and connections with the hall—evidence of the huge importance it has in our lives. With that importance goes a responsibility on the part of the trustees who oversee the hall's operations; that is the focus of my remarks.

I have no direct interest to declare but flag two things. First, I am a trustee of a number of charities, both operating and grant-making, and I will comment on the Albert Hall's position within the wider charitable context. Secondly, I have followed the relentless attempts to address the governance issues by the former chair, Richard Lyttelton, who is a friend and distant relative. I always follow the principle of the writer Hugh Kingsmill, who said that friends are God's apology for relations—I think of him more as the former than the latter.

The Corporation of the Hall of Arts and Sciences, the formal name of the Royal Albert Hall, as explained by the noble Lord, Lord Harrington, is a uniquely constituted organisation. Long-term seat-holders comprise a clear majority of trustees. The rights and values of the seat-holder's position are not unlike those of a debenture holder for Wimbledon, but the All England Lawn Tennis and Croquet Club is not a charity, whereas the Royal Albert Hall is. Not only do seat-holders benefit from the use of seats at events they attend but they are able to sell tickets on the open market for the most popular events, at very high prices in many cases. In doing this they are behaving perfectly legally but, as the Charity Commission has said, this is a clear conflict of interest. The conflict of interest and the trustees' reluctance to address the resulting governance issues, such as by requiring a majority of their council to

comprise independent trustees who do not own seats, not only harm the reputation of the Royal Albert Hall but damage the charitable sector as a whole, providing an uncomfortable example of private benefit being embedded in the position of seat-holding trustees.

I have never been a great fan of the explanation of somebody's charitable commitments as "giving something back" as, from my own experience, involvement with a charity as a trustee is hugely rewarding in every sense, except—critically—financial. But, to break my habit of avoiding the phrase, the constitution of the Royal Albert Hall and its unaddressed conflict of interests risks giving the appearance of trustees not so much giving something back as taking something out.

The clear concern of the Charity Commission over many years has not prompted any changes by the trustees of the Royal Albert Hall on a voluntary basis—the majority of those whose conflict is self-evident. The commission's attempt to refer the issue to the charity tribunal was inexplicably refused by the Attorney-General at that time. Can the Minister explain why the Attorney-General concluded that such an obvious conflict did not justify referral? Will he undertake to raise the issue again with his right honourable friend the current Attorney-General?

Although the Bill, as currently drafted, is disappointing in not providing for the governance changes that the Charity Commission and so many independent parties desire, it provides the opportunity for the issues of conflict and poor governance to be raised and, within the constraints of a private Bill's procedures, debated in detail and prospectively amended at the later stages of its passage.

In conclusion, at a time when the performing arts, not least music, are under huge funding pressure from the severe cuts to Arts Council England's budget and the freezing of the BBC licence fee, it is unedifying that trustees of such an important venue who are seat owners can make almost unlimited financial gain. It is deeply disappointing that this Private Member's Bill makes no attempt to address the conflicts inherent in this unique hybrid constitution. However, I welcome the opportunity it presents for this issue to be addressed by Members of your Lordships' House and the other place during the passage of the Bill.

(12.11pm)

Baroness Stowell of Beeston >

(Con)

Share

My Lords, it is a great pleasure to follow the noble Viscount, Lord Chandos, and I echo his remarks about my noble friend Lord Harrington and the way he introduced this Second Reading debate. Like the noble Viscount and my noble friend, I too am a great admirer of the Royal Albert Hall in terms of its importance as a cultural and national institution. It has formed part of my own past too; in fact, only the second time I visited London was to go to the Royal Albert Hall as a teenager, so it is something of which I too have fond memories.

I also recognise, as my noble friend made clear, that he is one of the minority group of five appointed trustees and not one of the 18 majority seat-holders. So I reassure him that my criticisms are not directed at him—but I will have a question or two for him as a member of the hall's trustee board.

I am grateful to my noble friend Lord Hodgson for ensuring that the debate is happening today and for his tireless pursuit of addressing the current shortcomings of governance at the Royal Albert Hall. I look forward to his and other speeches today, and any proposed remedies that they may wish to suggest that we look at during later stages.

I am not an opponent of the Bill, as I think my noble friend is categorising those of us speaking today, but it takes some audacity for the trustees of the Royal Albert Hall to submit a Bill requesting more decision-making powers without addressing their unacceptable conflicts of interest policy. To be clear, as the noble Viscount said, the fundamental problem with the Royal Albert Hall's governance regime is that, contrary to standard charity law, its trustees can benefit privately from the decisions that they make about how the hall is run. Noble Lords familiar with charity law will spot immediately that this flies in the face of standard legal practice, which prevents private benefit for trustees. While the Royal Albert Hall's set-up is perfectly legal, it is none the less unique.

To be fair, a combination of previous Acts of Parliament and the hall's historic constitution does not render the situation illegal. But in today's modern world—where public trust in institutions is low and expectations of accountability high; boxes and seats at the Royal Albert Hall are bought and sold for hundreds of thousands, if not millions, of pounds; and trustees of a charity can sell their tickets for concerts at prices at least 10 times their face value—the situation at the Royal Albert Hall seems, to me at least, to be completely unacceptable.

I remind your Lordships that I chaired the Charity Commission from March 2018 to February 2021, but I have no interest to declare and no ongoing involvement in this case, so I speak today in a purely personal capacity. I will come back later to the general practice of private seat-holders and ticket sales at the hall, as there is some connection to some of the general points I want to make, but I must emphasise that what private seat-holders at the Royal Albert Hall do with their own private property is their business and not mine—I well understand that. My concern and focus are on the trustees of a charity, not those who are not responsible for the charity itself, and my concern is that the board of trustees has failed to modernise the hall's governance to protect its interests and reputation as a charity.

The Charity Commission was engaged in this matter long before I was appointed its chair. At the time of my arrival in post, the then Attorney-General had recently given permission for the regulator to refer the matter to the charity tribunal to clarify some legal questions about its charitable status. That was necessary because the hall had resisted dealing with the trustees' conflicts of interest. As my noble friend said, they have an existing policy; it would be unfair to say that there is no policy. There is a policy—it exists and is there for anybody to read on its website—but it is a policy, in the minds of the Charity Commission, that is inadequate for the conflicts that exist by virtue of their dual interest. Unfortunately, it seems that, threatened with a judicial review, the Attorney-General withdrew permission and requested that the Charity Commission revise the questions and resubmit its application for the Attorney-General's approval again.

While that was ongoing, I held several meetings with the then president and his successor to see whether we could resolve the matter without referral to the courts. Originally, the Charity Commission proposed changing the composition of the board so that the majority of trustees were not seat-holders and to introduce a regime so that decisions that might benefit trustees could be made by a quorum of non-seat-holders. Unfortunately, that was rejected. Failing to get the hall's agreement to that, the Charity Commission proposed a new formulation of members—but that too was rejected. The board of trustees has even, as I understand it, resisted making any internal changes to guarantee that seat-holding trustees cannot sell seat tickets for anything other than face value or via the hall's ticket office during their time sitting on the board. These are simple, straightforward measures that, I think, most people would expect as reasonable of trustees responsible for a charity.

When it comes to the benefits that private seat-holders who are trustees gain during their time on the board, the annual report of the Royal Albert Hall does not even declare how many seats the trustees or their close family members own or the income that they have derived from them. Ultimately, referring the case to the tribunal seemed to be the only way to find a resolution; but, as noble Lords have already heard, successive Attorney-Generals dodged the decision until, eventually, one of them rejected the Charity Commission's request.

The hall has always maintained that what it wanted was a new Act of Parliament to modernise its governance and that there were outstanding issues that needed to be addressed. That is clear, as my noble friend has laid out, in the Bill that it has put forward, but the Bill fails to address the fundamental flaw in its model and any of the issues that have been of concern to the Charity Commission for the last 13 years.

As I said, it is important not to conflate the private property rights of seat-holders with the responsibility of the charity's trustees, but that is what the trustees' failure to act is doing. Increasingly, artists are objecting to the sale of tickets to their concerts at inflated prices. The hall argues that there is a difference between sale and resale because of their private property rights, but that kind of argument does not wash with fans when the effect on their pockets between resale and sale is the same. It is also worth reminding ourselves that the BBC Proms, the world's largest classical music festival, is funded by licence fee payers. Yet that does not deter the sale of seats at massively inflated prices and for all we know—we do not know—some of those inflated tickets may be being sold by seat-holding trustees. We just do not know.

Retaining charitable status is clearly important to the hall's trustees. Losing it was a big concern if the matter of this conflict got as far as a tribunal. It is also worth reminding ourselves, as my noble friend said at the start, that the Royal Albert Hall has not always been a charity, but if that is what it wants to remain, the hall's trustees need to make some choices. Now is the time for them to modernise their governance and bring it in line with the rest of those charities on the register. I think it is as simple as that.

Just before I close, I have two questions. I ask my noble friend the Minister whether the Government set out any expectations of the hall in terms of modernising its governance at the time of its £20 million recovery loan during Covid. If they did not take that opportunity then, could he explain why not? Could my noble friend Lord Harrington tell us when the board last discussed how to deal with the conflict of interests of its seat-holding trustees and why it chose not to put that in the Bill? Also, has there been any recent discussion about what internal changes trustees could make to their own policies to bring them in line—something as straightforward as saying that for the period that somebody sits on the board, they must resist, or be refused the option of, selling their tickets for anything other than at face value via the ticket office? Clearly, the procedure for this private Bill makes amendments difficult, but I very much hope that as it proceeds to its later stages, that is something we are able to secure.

(12.23pm)

Lord Hodgson of Astley Abbotts >

(Con)

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My Lords, I begin by adding my thanks to my noble friend Lord Harrington. He has been infinitely patient in dealing with us gadflies, and I am grateful to him for that. I also share his view that the hall itself is one of the great cultural institutions, and nothing I say in the next few minutes should be seen as in any way criticising the hall as a structure or as a business or an activity—it is a wonderful activity; nor would I wish to be seen to be criticising my noble friend, who is in an unenviable position, as several noble Lords have pointed out, as one of the nominated trustees, nominated by no less than the DCMS, so no doubt my noble friend the Minister, from whom we shall have the pleasure of hearing in a few minutes, had some part in the decision on that appointment.

The noble Viscount, Lord Chandos, referred to Mr Richard Lyttelton. I want to put it on record that in my youth, in my teens and 20s, I was a friend of Mr Lyttelton's elder brother, sadly no longer with us. I think that should go on the record. Do I agree with everything he says? I do not. Do I agree with some of what he says? I do. Am I his mouthpiece? I most certainly am not. Having cleared those points out of the way, I share the view that as regards the governance of the hall, there is at its heart a major, in my view irreconcilable, conflict of interest. This is an issue that has been of interest to many people: journalists, sector publications and, indeed, as my noble friend Lady Stowell said, the Charity Commission itself. Today, we have before us this Bill promoted by the governing body of the hall that does nothing to address this inherent conflict. Indeed, in some respects, it makes it worse.

I apologise for diving into the detail but we have no Committee stage so I have to take this opportunity to make one or two quite detailed points about the nature of the Bill. Just to summarise the history—not to go over the ground that has been well ploughed already—the Royal Albert Hall was established in Victorian times by public subscription, and in return for your dosh, you got seats in perpetuity. Because not every seat-holder is going to want to go to every concert on every occasion, the hall set up the TRS, the ticket return scheme, which, as many noble Lords have pointed out, enables you to hand your tickets back for the face value, less 10%—for a £100 ticket, you get £90 back.

However, a few years ago a group of trustees decided there was a much more profitable way of doing this by reselling them not through the Albert Hall box office but through third-party websites. Here I address some of the questions asked by the noble Lord, Lord Winston, of my noble friend. If you wish to go to hear Ed Sheeran on Sunday 19 November, you have a ticket with a face value of £200. I have here a screenshot from viagogo offering that ticket for £5,899—£6,000 for a £200 ticket. I also have a screenshot of a letter that Mr Sheeran and his promoters have asked to be circulated, saying that they deplore this practice. Mr Sheeran's fans are being squeezed out of the hall because they cannot afford to pay £6,000 a pop. This is an extreme example, but a £100 ticket for the last night of the Proms was selling for £1,218, so this has clearly become a very profitable enterprise. The rumour was—and here I address the noble Lord, Lord Winston, again—that before the pandemic, seats were earning between £10,000 and £20,000 a year and were selling for £150,000. That was the rumour. Today, we have had a rush and the market in seats has been very good. I have here a flyer from Harrods Estates offering five seats in the second tier at the Royal Albert Hall for £1.5 million—£300,000 each.

My noble friend Lady Stowell made the point that there is a distinction to be made between those who are trustees who sit on the governing body and those who have private property. The right to enjoy your private property is of course an important cornerstone of our civil society. But the operation of the hall as a commercial business, as it was originally seen, changed when in 1967 it decided to become a registered charity, which has, as many noble Lords have pointed out, a public benefit objective, tax advantages and the regulation of the Charity Commission. I am not going to repeat the point that of the 25 members of the governing body, 19—75%—of them have to be elected from other seat-holders by the seat-holders themselves. There must be a concern, or at least the possibility, that the idea of selling Ed Sheeran seats is more important than an equally worthy but less prestigious concert, such as a school choir competition.

If we summarise the situation now and go to the detail of the Bill, my noble friend Lord Harrington said that it was a hybrid model. My goodness me, he is right. Within the shell of a registered charity, the trustees are running what appears to be a personally highly profitable operation and, by the way, along the way they have managed to get a £20 million loan from the culture recovery fund, which is apparently going to be paid back at £1 million a year over 20 years.

How do these issues play through into the Bill? There are four points. First, the Bill empowers the corporation to create and sell or let two further seats in grand tier boxes. There will be 72 of these. That in itself is a good proposal, because more seats means that there are more seats to be sold, making it more attractive to promoters, who are therefore more interested in hiring the hall. But on what terms are these seats to be sold or let? Clause 5(1) says that they are to be sold or let on such terms—including as to their price—as

the hall thinks fit. As I said, the hall is controlled by the council, 75% of whose members are seat-holders, some of whom will be looking to buy seats. They will therefore be deciding the terms on which they award themselves the new seats. As I also said, some seats are on offer at £300,000, so the amounts at stake are far from trivial. This surely cannot be right. At the very least, the terms on which the seats are to be sold or let need to be set by an external valuer approved by the Charity Commission. After all, the hall is a charity.

Secondly, there is a concern, or at least a possibility, that some of those seats have already been allocated and so are already being used profitably by seat-holders. If true, this would mean that the trustees are now trying to give statutory protection through Clause 5(4) to an action they have already taken. Can my noble friend explain whether this is true? If it is, when were these seats allocated and what price was paid for them?

Thirdly, as I have explained, the hall has an outstanding loan of £20 million from the culture recovery fund—that is, effectively, the taxpayer. The Bill proposes the sale of 72 new seats. If they were sold for £300,000 each, that would be £22 million, which would enable that loan to be paid off immediately. Since these are capital items, not income items, priority should go towards paying off that loan, thereby relieving the long-suffering taxpayer of a burden.

Fourthly and finally, as my noble friend Lady Stowell pointed out, there is a need to disentangle the position regarding the resale of tickets by seat-holders who are trustees and so play a significant role in the operation of the hall from that of seat-holders who are not trustees.

It is absolutely clear that the hall has discouraged the resale of tickets in or around the hall. Section 15 of the Royal Albert Hall Act 1966 gave specific powers to prevent what in an earlier age was called ticket touting. Members of your Lordships' House of a certain age will recall being approached at big sporting or cultural events by gentlemen in grubby macs offering to buy or sell tickets. It is quite understandable that the hall wanted to discourage that sort of activity in or around the hall. Ticket touting still goes on but nowadays rather more discreetly. It is no longer done via gentlemen in grubby macs but happens on the internet, but this does not disguise the fact that this is still ticket touting and damages the hall's reputation—witness the Ed Sheeran promoter's letter to every seat-holder. There are various ways in which this could be sorted. My noble friend Lady Stowell made the point that if you became a trustee, you could usefully be required only to use the ticket return scheme, which would show exactly what your return could be.

To conclude, I hope that the promoters of the Bill will be prepared to let some sunshine into this murky business and address some of the points that I and other Members of your Lordships' House have made. If not, I hope that the Opposed Private Bill Committee will look closely at the implications. I am far from convinced that the House should allow this Bill to proceed further without at least some amendment.

(1) 12.34pm

Lord Etherton >

(CB)

Share

My Lords, I am very grateful to all Members who have spoken before me, particularly the noble Lord, Lord Harrington, for his introduction. I pay tribute to the noble Lord, Lord Hodgson, who has pursued the issues relating to the constitution of the Albert Hall for many years. One way or another, they have covered virtually all the issues, so I can be relatively brief. I want to concentrate on what, from a legal perspective, are the very simple issues involved in this matter. I do not want to enter into a close analysis of the merits of this private Bill. That is the task of the Opposed Private Bill Committee, which will hear detailed submissions and receive evidence I have not seen, and no doubt will have the benefit of legal advice. However, it is important to make two general points that are relevant to the context of the Bill and that the Opposed Private Bill Committee will undoubtedly wish to bear in mind when it considers the merits of the Bill and the petition against it.

As has been said, the Albert Hall, called the corporation, is in legal terms a most unusual entity—unique, in fact. It was registered as a charity in 1967. It has all the usual financial benefits of a charity and has received large sums of public money for refurbishment and improvement. There are two fundamental legal principles of charity law that are relevant to any consideration of the Bill and of any other decisions made by the council of the corporation. First, an entity can be charitable only if it is wholly and exclusively charitable. This does not prevent a charity having a trading arm, the profits of which are applied exclusively for the purposes of the charity. However, in the case of the Albert Hall, the seat-owners, who are the members of the corporation and form a majority on the

governing council, are able to—and many do—treat their seats as investments, generating a profit by selling tickets on the open market for events the seat-owners do not wish to attend. In this way, this charitable corporation provides the means by which the members of the charity can make a purely private profit.

This leads directly on to the second very basic principle, which has been mentioned a number of times. It is a basic principle of trust law that the trustees, whatever they are called—board members, council members or whatever—must not place themselves in a position in which their private interests may conflict with their overriding obligation to further the interest of the charity. This is usually expressed in the pithy statement that trustees must not place themselves in a position where there is a conflict between interest and duty. Plainly, as we have heard, there is a real issue in relation to that point. The power to run the Albert Hall is vested in its members. The members are the seat-holders. The council of the corporation comprises 18 members and five appointed non-members. On the face of it, the presence of members on the council who have profited, intend to profit or wish to profit from their seats by selling tickets for them on the open market involves a clear potential conflict between personal interest and their duty to act solely in the interests of the charity.

This is, on any footing, an extraordinary legal situation. How has it arisen? As has been referred to, the first reason is historical: the building of the Albert Hall, which opened in 1871, was funded by subscribers in consideration of being granted permanent seats. As has been said, 329 members hold over 1,200 seats. The second reason, which was referred to by the noble Baroness, Lady Stowell of Beeston, concerns the limited oversight of the Charity Commissioners over the corporation. The Charity Commission does have power to create schemes to make alterations to the management or other terms of a charity. In the case of the Albert Hall, it can under the statutory constitution relating to the corporation—in Schedule 2 to the Royal Albert Hall Act 1966—only do so on the application of the council.

As the noble Baroness mentioned, the Charity Commissioners wanted to make a reference to the charity tribunal, but under the Charities Act 2011 they could do so only with the consent of the Attorney-General. Permission has been sought in the past, but on the last occasion relating to the Albert Hall, after a number of years without any response whatever, permission was refused by the Attorney-General without any explanation at all. This was really quite a scandalous approach to a serious issue.

I hope that I have said enough—together with everything everybody else has said—to explain why I respectfully recommend that, when considering the present Bill and the opposing petition, the Opposed Bill Committee should be careful to ensure that the charitable objects of the corporation will always have priority over the actual or potential private financial interests of members.

(12.41pm)

Baroness Fraser of Craigmaddie >

(Con)

Share

My Lords, I approach this Bill from two angles: the first is from my experience of charity law, as I am the chief executive of a charity and was on the board of OSCR, which is the Office of the Scottish Charity Regulator; and the second is my experience in, and love of, the arts. When I worked at English National Ballet, we staged wonderful in-the-round performances at the Royal Albert Hall. I am delighted to see that these productions are still being staged; the very first one, Derek Deane's "Swan Lake", which I was involved in when it was first produced in 1997, is coming back in June 2024. It is an unforgettable experience, and I urge noble Lords to book a ticket if they can get one.

Arts and heritage is a tough sector to operate in, particularly in the current climate. It is also an incredibly tough time for charities and, as other noble Lords have said, the Corporation of the Hall of Arts and Sciences, known as the Royal Albert Hall, is a charity and it has chosen to be a charity. In the latest annual report and accounts it declares that its purpose—and I always go back to a charity's purpose—is to:

"promote the Arts and Sciences as well as to maintain our Grade I listed building, held in trust for the nation".

I recognise that its royal charter and the various subsequent Royal Albert Hall Acts mean that it is not like other charities, but it is still a charity.

Public benefit is what makes charities different from any other organisation, so surely we should judge any Bill pertaining to the Royal Albert Hall through the lens of whether or not it supports public benefit and enables the corporation to fulfil its purpose to promote the arts and sciences and preserve its building for the nation. Given that, I believe the Royal Albert Hall does need a Bill; I just do not believe that it needs this one.

At the heart of the governance of the hall, as other noble Lords have said, there are huge and unresolved conflicts of interest. As matters currently stand, I do not see that the council, as the noble and learned Lord pointed out, is bound under the current constitution to always act in the interests of the charity, and nor do I see that it properly recognises and manages its conflicts of interest. Both of these are legal requirements for any trustee in any other charitable organisation. I acknowledge, as my noble friend Lady Stowell mentioned, that the council has a conflict of interest policy that is regularly updated—it was last updated in December 2022—and there is a conflicts committee, but in terms of good governance, and on the urging of the Charity Commission, this still reads as though it is marking its own homework.

I also pay tribute to my noble friend Lord Hodgson for his work in trying to resolve these matters, but this Bill seems to be another missed opportunity. We have already mentioned the membership of the council and how those who are not seat-holders will always be outvoted. That constitution has come about because of a historical anomaly, and the scale of influence of seat-holders on decision-making relating to their own private interests is out of step with modern standards of any other charity's governance.

When the hall was first conceived and built, the model of seat-holders' contributions was perfectly good. As the hall has developed over the years, it should be congratulated on offering many more performances and hugely expanding its programme. As my noble friend Lord Hodgson mentioned, the 1966 Act recognised the threats posed by ticket touts and banned the sale of tickets within the environs of the hall, but the world has changed since 1871 and since 1966. No one then could have conceived of online ticket sites such as viagogo and there is no way the original seat-holders could have set up a ticket resale site such as hoorahtickets.com or a Facebook group, with over 50,000 members, to maximise profit on their investment.

I have also been checking ticket sites; everybody is obviously having a go at the moment. Apparently, the Last Night of the Proms is indeed going for over £1,000 each. Last week, I could have got a ticket to Ed Sheeran for 650 quid, which sounds like a bargain when there is a report in today's *Telegraph* saying that they are going for almost £6,000. These are tickets with a face value of £125 or £200.

People are reselling their tickets in this way when there is a perfectly good official mechanism in place: the ticket-holder return scheme was launched in 1983 to provide a means for seat-holders to resell their tickets back to the hall and give the public the best possible access.

Who does this benefit? The public have to pay more than the face value of the ticket; the organisation loses out on a booking fee and, more concerningly, control of the data of who is in the hall and who they can market to in the future; or the seat-holders, some of whom—not all—seek to maximise financial return for private profit and their right to sell a commercially popular show. As far as I am aware, and I am happy to be corrected, no seat-holder loses money in any year. They receive more from the payment the hall makes to them than the annual contribution they make for the maintenance and enhancement of the hall. Owning the right to use a seat is therefore a very sound financial investment.

I agree with my noble friend Lady Stowell: I am not looking for a Bill that deprives seat-holders of their rights. I have no objection to seat-holders being members of the council or making a profit from their investment, but trustees who have a personal financial interest in the running of any organisation should not be allowed majority sway over that organisation to the extent that we see here, where, I believe, public benefit is compromised. I am not saying that it has been, but its charitable purpose and the maintenance of the building could be neglected.

My issue with the Bill is that, instead of tackling these issues, it just muddies the waters further. It exposes the corporation to significant future risk. I am sorry for going into detail, but I hope your Lordships will forgive me, since we will not have a Committee stage as other Bills do. Specifically, Clause 3 sets the seat-holders' annual contribution and Clause 4 enables a resolution to be proposed by

"the council; or ... not less than twenty members".

If there is more than one resolution, Clause 4 allows for just

"the resolution with the highest number of votes in favour"

to be valid. For me, this Bill not only fails to deal with issues of conflict of interest but enables greater influence for the seat-holders of the organisation.

As my noble friend mentioned, Clause 5 seeks to increase members' numbers, with powers to add seats to the boxes. This adds to my impression—which may not be backed up by evidence, but in charity governance the impression given is what is important—that the seat-holders are manipulating the legislation for their own benefit, not necessarily that of the hall or the public.

As for most other arts organisations, the financial reserves of the organisation have already been used up and are in deficit thanks to Covid and higher maintenance bills. The members, while an important source of income, do not keep the hall running on their own: the corporation relies on fundraising from major donors, trust foundations, corporates and individuals, just like any other charity. I accept that it receives no regular public subsidy, but, as others have mentioned, it received a £20 million Covid loan through the culture recovery fund, and its accounts show that it receives other grants from time to time. I do not know how the executive can confidently plan for and run an organisation for public benefit when a minority of members can change the rules at any point to suit their own financial interests.

Finally, I hope that your Lordships will look at amendments to the Bill to address some of these issues. It does no good for public trust and confidence in the charity sector, nor for the authority of the Charity Commission, for these issues to remain unaddressed. But I am aware of the little time we have left in this Session. I am also chilled by the comments that I read by the president of the council, who has written to members to state that the charity would

"resist changes that we think would be detrimental to the"

private "interests of members", and that the charity could withdraw the Bill

"if its terms become unacceptable to us".

I add my thanks to my noble friend Lord Harrington of Watford, not only for the time that he has given to all us gadflies, as I think we are now termed, but for his service on the board of the hall. However, I hope that he and the Minister will agree that it would not be to the benefit of the public—nor, I believe, true to the original vision of the founders of the hall—if the Bill were to pass as it stands and we were to miss yet another opportunity to deal with the conflicts of interest arising out of the current governance arrangements of the hall.

① 12.52pm

Baroness Barker >

(LD)

Share

My Lords, I too thank the noble Lord, Lord Harrington, for the clear way in which he introduced the Bill today. I also thank him for taking the time to talk with me yesterday about it. After I met him, I subsequently went off and did what I should have done from the very start of my preparation: I went to look at the annual report, not of the Royal Albert Hall charity, which somebody going to the Charity Commission would automatically do, but of the Corporation of the Hall of Arts and Sciences, which is the charitable body that we are talking about. On doing so, you can see how our Victorian forefathers have given us a problem of a really difficult technical nature. However, through the discussion that we have had in this debate, the issues are becoming quite clear and simple. This is about a fundamental flaw in the structure of the organisation, which runs counter to the basic precepts of charity law. That is what is happening today and what we must address.

It is a frustrating moment for Members of this House. We do this sort of legislation rather well, and we cannot give it our best shot on this occasion because those of us such as the noble Lord, Lord Hodgson, and the noble and learned Lord, Lord Etherton, who have looked at this issue over several years, will not be able to take part in the Opposed Bill Committee because that body must come to the matter in a state of complete neutrality. All we can do is to do as we have today: to set out the issues as we understand them as clearly as we can and to hope that members of that committee will note what we say. I would also advise them—if I were able to, but I am not—to go back and look at the accounts and the annual reports of not just the Hall of Arts and Sciences but its related companies. I will come back to that point later in my speech.

Annual reports and accounts of charities are always fascinating—I am sorry: I am a person whose happy place is the Charity Commission register. If you look at a charity's accounts, they always tell you not just the bare, legal things you need to know but an awful lot about what is going on there by the way they are written and what they say and do not. I hand it to the trustees: their report is full, their explanation is detailed, they have a clear exposition of the governance, and they talk about the existence and the operation of their many committees. They have a standing conflicts committee—does that not speak volumes? They also have a governance and ethics committee. The problem is not that they do not have them—they clearly pay a lot of attention to what are almost unique problems—but that those committees are all filled by people for whom the conflict of interest is that of their personal benefit versus the charitable interest.

Looking at the report and listening to the debate, there are three key points on this. One was made by the noble Baroness, Lady Stowell, on the dual role of seat-holders as members of the council and therefore as trustees. I think that it is impossible to do that dual role: when you are a trustee of a charity, you are duty-bound by charity law to make decisions in the best interest of the charity. It is impossible for somebody who is a seat-holder to do that without simultaneously making decisions that have a direct benefit on what may be their business. The noble Baroness said that she had no interest in harming or damaging legitimate businesses and assets which people hold in any way, but the point is that those businesses exist entirely within the charity—physically within it. It is impossible to separate decisions from one entity to the other. Therefore, what I understood to be the second point was that the Charity Commission was trying to find a way to unpick or analyse that conflict of interest in terms of decision-making and benefit. If noble Lords go back and look at this report, which covers the period for 2022, they will see that the charity has made minuscule attempts to deal with some of the criticisms: it has put in one independent person as chair of a committee, and the chair of the council no longer has to be a seat-holder. It is very small and grudging, but it ought to be an indicator of hope to those people who have toiled in the trenches for some time trying to raise this issue that it is possible to bring about some influence.

The second thing that emerges from the accounts is that the purpose of the Bill is unclear. There is a long section in which the charity talks about that. It says that it is a small piece of legislation whose purpose is, as the noble Lord, Lord Harrington, put it earlier, to deal with small issues such as enabling the organisation to generate capital. But we are potentially making a long-term decision about the revenue-generating capacity not just of the charity but of those businesses.

The final thing I would say on this is that the nature of the accounts and the annual report is such that it tells us one clear thing: we cannot make an informed decision on this matter. That was eloquently brought out by the question from the noble Lord, Lord Winston, which nobody can answer: how much money is made by those private seat-holders—businesses, charities, whatever they are? The accounts are incomplete.

It is technically true that those are separate businesses and therefore do not fall within the charity's accounts, but, as the noble and learned Lord, Lord Etherton, and the noble Baronesses said, many arts charities have operating subsidiary companies that are purely commercial arms and whose profits are covenanted back to the original charity. Many large arts organisations could not exist without those commercial entities generating income for them. The crucial difference is that there is transparent accounting between the two entities and it is always possible to see how the commercial entity and the charity work together, not least so that the charities can demonstrate that they are not doing something they are not allowed to do under charity law, which is to make investments that are beneficial to their trading arms but harmful to the charity. It is not possible to determine that from these accounts.

Yet these accounts mention the other trading companies: the Royal Albert Hall Developments Ltd, which is a separate company, and Royal Albert Hall Concerts Ltd. It is absolutely reasonable that a large charitable entity should seek to contain some of its potential losses and risks by forming separate companies, but there must be clear accountability between the two.

The Bill is a flawed in many ways. It certainly does not address the key issue we have raised. Nor does it do something quite important, which is to help the trustees of the charity counteract assertions that they are not acting with full probity. They might be, but we do not know, and we will never know. The fundamental point, for me, having sat with lots of wet towels around my head as I worked my way through all of it, is that the Bill's key purpose is the creation of those extra seats, which will in the long term, putting to one side the need to generate capital redevelopment, generate revenue. In permitting that, are we benefiting the charitable purposes of this organisation or are we merely opening up further business opportunities for the businesses that exist within its shell? Unless and until we can answer that correctly and definitively, we ought to say to the trustees that they should not do that.

My final point is on a matter that is not peculiar to this organisation or this case. The role of the Attorney-General in frustrating the Charity Commission's ability to refer matters to the charity tribunal is a matter of ongoing concern. Those of us who took part in the review of charity law said so at the time. That matter certainly will not be resolved by this Bill, but it is one of the outstanding big issues in charity law that we need to seize on and address.

① 1.04pm

Lord Bassam of Brighton >

(Lab)

Share

My Lords, as all other Peers have said this lunchtime, we are enormously grateful to the noble Lord, Lord Harrington of Watford, for facilitating this Second Reading debate. As I understand it, it is something of a rarity for private Bills of this kind.

We should also be grateful to the noble Lord for the transparent way in which he described and set out the Bill, and his particular role and interest. I thought I heard him say at some stage during his peroration that the Bill seeks to put questionable practices on a legal footing. We have heard the noble Baronesses, Lady Stowell and Lady Fraser, my noble friend Lord Chandos, the noble and learned Lord, Lord Etherton, and in particular the noble Lord, Lord Hodgson, set out their concerns with great eloquence and a very fine understanding of the legislation that underpins them. I also pay tribute to the noble Baroness, Lady Barker, for putting her finger on one of the major problems. We face something of a difficulty here, frankly, and we should face it honestly. We need to say at the end of all of this that the trustees need to reconsider their position.

That said, the Royal Albert Hall is a treasured cultural institution. These Benches recognise that. We recognise its value, its history and, very importantly, the need to safeguard its future for future generations. Indeed, as a charitable organisation—I declare an interest as an employee of a charity—one of its core missions is to preserve and enhance the wonderful grade 1 listed building that we are all very familiar with. Whether you attend the Proms—I was fortunate in the summer to listen to some fine examples of northern soul—go to a comedy show such as Les Patterson, for whom my noble friend Lord Chandos explained his love, or have a tour of the building, anyone who has visited there will have fond memories and stories to tell. Mine is from 1969, when I witnessed a fine performance by Jethro Tull, with Ian Anderson standing on one leg playing the flute—a sight to behold. I was 16 at the time; I must have escaped my mother's clutches to get there. It was a memorable concert.

We recognise that, to safeguard the Royal Albert Hall's future, its trustees must be able to generate new interest in it, and new income, and that this will largely focus on fundraising. However, as with everything in life, this is about balance. The charity's other key mission is to promote the arts and sciences—its founding purpose, as set out by Prince Albert. We must never see that cause become secondary to the interests of fee-paying members.

Noble Lords will know, as many have expressed, that the past few years have not been an easy time for the arts. During the pandemic the Royal Albert Hall and other venues were forced to close their doors, with all the consequences that brought for venues, performers and others across the cultural industries. Although the Royal Albert Hall does not directly receive taxpayer funding, it does get grants. As others have said, the realities of the pandemic meant it got a sizeable loan from the culture recovery fund, of some £20 million.

Beyond Covid, changes to our relationship with the EU and other domestic schemes that support the arts have created other problems in the field. Although today is not the day to go into the specifics or to debate the rights and wrongs of certain policy decisions, we must consider this legislation in that wider context, and remember that the world around us is changing. Yes, venues and cultural institutions must adapt to changes in how people consume and participate in the arts, but they must also reflect other changes in consumer preferences, including an increased interest in fairness and transparency. The noble Baroness, Lady Fraser, expressed that rather well by drawing on charitable purpose as the basis of her argument.

That said, I can see why the Royal Albert Hall has brought forward these proposals. But they are too narrow. The provisions around additional seats in grand tier boxes would enable the corporation to raise money, while sparing the blushes of those who have already installed seats ultra vires.

This Bill goes into the Opposed Private Bill Committee process, and I can well understand, because of that, why noble Lords have been as forthright as they have in today's debate. We owe a debt of thanks to the noble Lord, Lord Hodgson of Astley Abbotts, for his forensic take on the Bill and its impact.

Others will have noted the tabling of a petition against the Bill by Mr Lyttelton, in co-operation with the FanFair Alliance and the Court of the Worshipful Company of Musicians. That petition quite rightly raises the questions that have been raised today relating to the institution's governance, the rights of its members, and the extent to which the proposed changes will impact on ordinary people's ability to access the arts at an affordable price.

No doubt these topics will also be the subject of detailed discussion in the forthcoming Committee hearings, perhaps informed by the tabling of the amendments which the noble Lord, Lord Hodgson of Astley Abbotts, has drawn our attention to. For our part, we see merit in those amendments; we think they will begin to set this piece of legislation in the right direction, but we do need to get this right. We value the Royal Albert Hall and the work it has done to broaden its appeal and open its doors to new visitors. But we should not lose sight of the need for it to act quite properly as a charity.

As others have highlighted, the proposals raise questions about the charity's aims, how they are delivered and whether the number of seat-owning members on the organisation's council gives rise to clear conflicts of interest. I have read the Charity Commission briefing on this, and it is very clear. It says:

"These conflicts of interest are allowed under the charity's governing documents. However, the situation has regularly attracted criticism and threatens to undermine public confidence in the charity".

We should take that as a very clear warning. The Charity Commission has put on record its

"longstanding concerns about these inherent conflicts of interest".

This Bill needs to tackle that issue. The Charity Commission suggests that

"the board of trustees should have enough independent members to enable it to be quorate without the participation of seat-holders or those appointed by seat-holders. The Private Bill does not make provision for these improvements",

but they could be addressed either in the constitution or in legislation.

Previous attempts to get clarity on this have been blocked by the Attorney-General, and one wonders why that might be the case. This Bill does not deal with the core issues regarding those conflicts, and until those issues are properly dealt with, it is a piece of legislation which it is very hard to see our side of the House supporting.

I spoke earlier of balance; I am convinced that there could be a way forward that will support the future of the Royal Albert Hall in a manner that delivers fairer access to the arts that it hosts. But that cannot be as a profitable sideline for those seat-holders who get a benefit from the Royal Albert Hall acting as a charity in the way in which they do. So I too am drawn to the conclusion echoed by the noble Baroness, Lady Fraser, that this piece of legislation is a missed opportunity, and these Benches will not support it in its current form.

(1.14pm)

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport > (Lord Parkinson of Whitley Bay) (Con)

Share

I am very grateful to my noble friend Lord Harrington of Watford for introducing his Bill so clearly and, indeed, for the work that he, his fellow trustees, and all the Royal Albert Hall's staff and supporters do to protect and champion this cherished institution.

Noble Lords have highlighted many ways in which the hall has played an important part in their lives, and in the life of our nation. I know that if my noble friend Lord Lexden had been a participant in the debate, rather than being on the Woolsack for the previous hour of it, he would have mentioned the many historic events to which it has played host. For many years, the Conservative Women's Organisation held packed-out meetings there. Winston Churchill spoke there on 30 occasions; the first was as a member of the Liberal Government in 1909. The noble Baroness, Lady Barker, may be dismayed to hear that his 10,000-strong audience were all men, the Liberal Party having banned women for fear that suffragettes might interrupt and campaign for votes for women. But, reflecting the long-standing and important neutrality of the hall, it had in fact played host to a meeting of the Women's Social and Political Union the evening before, some members of which attempted to hide overnight in order to disrupt the meeting. Sadly, they were discovered in the small hours.

As Minister for Arts and Heritage, I have the pleasure of visiting the hall very regularly, from the Proms to the Olivier Awards, and most recently on Monday evening for a delightful concert hosted by Classic FM Live. Like other noble Lords, I would not hesitate to call the hall a true icon in our cultural life. It is for this reason I am not surprised to see so many noble Lords taking an interest in this Bill and in the governance of the hall.

As noble Lords will know, in relation to private Bills, the Government do not generally adopt a position unless the Bill contains provisions which are considered to be contrary to public policy. We take the view that the Bill does not contain any such provisions; therefore, as is the usual form with private Bills, the Government neither support nor oppose it.

Noble Lords have taken the opportunity to ask a number of questions. The noble Viscount, Lord Chandos, referred to what he called cuts by the Arts Council. As he will recall from the excellent debate we had at his instigation earlier this year, the amount distributed by the Arts Council in the new portfolio is higher than in the previous one. It benefits from an additional £43 million of grant in aid secured by my department at the spending review. Thanks to that, and increases from the National Lottery—

Viscount Chandos >

(Lab)

Share

My Lords—

Lord Parkinson of Whitley Bay >

(Con)

Share

I will give way in a moment, but—

Viscount Chandos >

(Lab)

Share

The cuts in real terms since 2010 of the Arts Council's grant in aid are, I believe, about 40%.

Lord Parkinson of Whitley Bay >

(Con)

Share

Thanks to increases from the National Lottery as well, the Arts Council is spending £30 million a year additionally in this portfolio than in the last. The challenges of inflation certainly do beset many cultural institutions, and I speak to them about it, but I did want to correct what the noble Viscount said there.

More pertinently, the noble Viscount mentioned the decisions by previous Attorneys-General not to refer the matter to the tribunal. I cannot speak for decisions made by previous Attorneys-General, but the Attorney-General, as parens patriae, is the constitutional defender of charity and charitable property. She is required to prepare a report for the other place on certain private Bills affecting charitable interests. If she is asked to report on this Bill in another place, she will of course make her views known.

My noble friend Lady Stowell of Beeston and others referred to the loan which the Royal Albert Hall got through the unprecedented culture recovery fund. That £1.5 billion of funding provided assistance to more than 5,000 cultural institutions across the country during the challenging period of the pandemic. It was emergency support to help them through those difficult months, and no conditions were imposed upon it other than to make sure that where there were loans, they would be repaid. It was not designed as an instrument of wider policy, but as an instrument of assistance to organisations that needed it.

Other noble Lords have—

Baroness Barker >

(LD)

Share

I wonder whether the Minister would agree with me on this point. All that he said about that loan is absolutely true, and the loan is repayable, I believe, at 2%. Does he not understand the point that some of us are trying to make that, for a member of the council of the Royal Albert Hall, which has to take decisions about the repayment of that loan, it is also possible for that same person to be the owner of a business which is conducted within the Royal Albert Hall, and that therefore they might well take the view that paying back to the Government at a low rate of 2% is better than having to pay back other loans at a higher rate? Therefore, what is actually happening is that something that was proposed for a particular public institution is actually benefiting private companies in a way that was not envisaged.

Lord Parkinson of Whitley Bay >

(Con)

Share

The cultural recovery fund assisted more than 5,000 organisations across the country of different sizes, constitutions and setups. Some were given grants, while others were given loans, as the noble Baroness said, at a favourable rate to try to assist them at a time when the pandemic made the running of those businesses difficult. Where there are loans, the Government are clear that they must be repaid, but it is for institutions to make the decisions about how they run themselves in the light of that.

Noble Lords took the opportunity to raise a number of broader issues, which I am sure my noble friend Lord Harrington will want to reflect on when he concludes in a moment. Indeed, he may wish to reflect on them as the Bill proceeds to the Private Bill Committee.

(1.21pm)

Lord Harrington of Watford >

(Con)

Share

My Lords, I have never been in a debate where I have been complimented so much at the beginning of everyone's speech and then had almost everything I said disagreed with afterwards. I thank noble Lords for their contributions. The noble Baroness, Lady Fraser, referred to the people who spoke as "gadflies"—I believe that was the expression. With due deference to my noble friend Lord Hodgson, Robin Hodgson and his merry men comes to mind, although I do not think he would quite articulate this Bill in terms of taking from the rich and giving to the poor. I will leave that for him to consider.

In all seriousness, the core point, as far as I can tell, is that the hall's perspective of the conflict point—which has been brought up by nearly all speakers—is that the existing arrangements with the majority of what would be perceived as conflicted trustees are not really enough for a charity to progress itself in a charitable manner.

My noble friend Lady Stowell asked me when the conflict rules were last changed—that was in 2022—and what discussions there have been about conflicts. There is an independent conflicts committee, none of whose members are trustees. That meets routinely after every council meeting, so there is a process. I accept the argument that it may not be enough and that it does not deal with conflicts properly. That argument can be made, but it is not taken lightly.

Baroness Stowell of Beeston >

(Con)

Share

Just to clarify, that conflicts committee meets after the decisions have been made by members who are conflicted.

Lord Harrington of Watford >

(Con)

Share

Other than the fact that ongoing conflicts are discussed—it is not the conflicts that have come out in that council meeting, it is future conflicts. However, I accept there is an argument. I would argue, of course, that it is nothing whatever to do with the Bill. It is an argument, and it was very well articulated by other noble Lords.

I was impressed, as ever, by my noble friend Lord Hodgson's and other noble Lords' screenshots—I do not know how to do them—and technical knowledge, and by my noble friend's serious point about tickets for Ed Sheeran and others going for large amounts of money. However, that implies that the people who own those seats have done something wrong by selling them. They own them and they are selling the seats that belong to them on the market, however crazy the market might be. I am pleased to see present Sharon Hodgson, the chairman of the APPG on such matters. She and I have discussed viagogo, for example, but I do not believe that that issue is relevant because those people own those seats.

Lord Hodgson of Astley Abbotts >

(Con)

Share

My noble friend really cannot be allowed to get away with that statement. The fact is that we have made a distinction between trustees who are seat-holders and are therefore deciding which concerts seat-holders can offer seats for, and those who are not. People who have no conflict of interest are free to sell seats they do not they want, but once you become a trustee, the name of the game changes. With great respect to my noble friend, I do not think the way he is putting it makes that distinction clear enough.

Lord Harrington of Watford >

(Con)

Share

My noble friend makes his point clearly and with great lucidity, as ever.

Quite a few points were made about the Covid loan—as has been said, it was given according to the decision of an independent committee that DCMS, I presume, appointed for all the loans that took place—and whether surplus money should be used to pay back the loan early to the Government. Any charitable body which has a loan that it can pay back at 2% would not be doing its duty for charitable purposes if it did not invest it in something that would perhaps pay back at 4%. I do not believe that that point is relevant to the conflict of interest issue.

The valuation of seats was raised. My noble friend Lord Hodgson believes that seats should be valued by an independent evaluator nominated by the Charity Commission, or put through the Charity Commission. I remind him that, although the clause says that the trustees should take professional advice, all trustees, whether they are appointed, like me, or are seat-holders, are subject to the duties of trustees under the Charities Act, which means that they would be in breach of that duty if they sold them at less than the available market price. One noble Lord told me that some of these seats have already been allocated and sold. I am not aware of that, but I intend to find out. I would disapprove most strongly if that were the case, but I do not believe it is.

The noble and learned Lord, Lord Etherton, made, as one would expect, a very significant contribution regarding the legal aspect. He made a point about charities having separate commercial entities. I have some experience of that, having been chairman of a charity that had a separate commercial entity. That happens all the time. However, that is different because the commercial entity of the charity is set up for that purpose. In the case of the hall, the commercial interests are owned by the seat-holders. From that perspective, they are there in two capacities: because they are selling their seats and because they are trustees of the hall, trying to enforce its charitable purposes.

Lord Bassam of Brighton >

(Lab)

Share

There is a point which we need to reflect on. In putting his argument, the noble Lord is seeking to protect those who have a conflict of interest. He is right that the hall can have a commercial side to its charitable practice, but it cannot surely be right that seat-holders be able to exploit its being a charity. Those seats are sold by seat-holders at a vastly inflated commercial rate that reveals no benefit to the hall itself. That is one of the fundamental objections we have voiced clearly today. Until this legislation answers that question, I cannot see the merit in having it before us.

Lord Harrington of Watford >

(Con)

Share

I thank the noble Lord for that. He made it clear that he felt that his Benches would not be able to support the Bill in its current form, but I do not think that is particularly important today, because I think the last time a Private Bill such as this was divided on was in the 1930s. If I remember correctly, it was a railways Bill.

It has been my duty and pleasure to propose this Bill—perhaps a masochistic form of pleasure, given what has been said in the past couple of hours. The serious point is that I am proud to be a trustee of this charity, and I believe that the trustees act in a manner commensurate with its interests. If I had experienced any conflict of interest or if any decision of the council had been taken that was in conflict with the hall's charitable purposes, I would not only have resigned but publicised the reasons for doing so. However, I have not found that up to now.

Lord Winston >

(Lab)

Share

Perhaps the noble Lord can tell the House what he feels about the following. At the moment, London is under massive pressure for performance space, and a number of theatres may be at risk of being closed. The Coliseum, for example, which is occupied by the ENO, will clearly be under pressure as well. The great point about this wonderful institution, the Royal Albert Hall, is that it is a monument to culture—in fact, it is said that it is for science as well, although I must say that I cannot remember the last time there was a science meeting there, it was so long ago. There is surely a duty for the trustees to recognise the importance of the Albert Hall, particularly at this time, when the arts are under such pressure.

Lord Harrington of Watford >

(Con)

Share

The trustees recognise that. The noble Lord's point is one for any cultural institution of any sort. They are conscious of that point, and the number of performances that are put on effectively by the charity which would not be financially viable to be put on commercially shows their commitment on that point. However, he makes a specific point about financial pressures on the hall. I argue that it is a very well-run institution. Obviously, any surplus goes back to the charity. We had very difficult times during Covid, like all cultural institutions, and we are grateful for the Government's loan. However, we are very conscious of that issue.

It is traditional with private Bills for the House to wait for a Third Reading when it considers the Bill as amended, admittedly by a different form of Committee to that we are normally used to in the Commons and the Lords. The House will then make its judgment as a result of the Committee and the Third Reading debate. In the meantime, I hope that I have answered some of the questions that were put forward. I argue that some of them are certainly without the scope of the Bill. It is my duty to ask the House to give the Bill a Second Reading.

Bill read a second time and referred to the Examiners.

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Royal Albert Hall called a 'national disgrace' over members' ticket resales

Pamphlet distributed to members who own 1,276 permanent seats offers advice on maximising resale profits on ticketing sites



About 330 Royal Albert Hall members own 1,267 permanent seats in the 5,272 venue. Photograph: Mark Allan for the Guardian

Rob Davies

Wednesday 18 January 2017 14.05 GMT

Royal Albert Hall members have exchanged detailed advice on how to sell their seats on ticket touting sites, prompting the venue's former president to label its stewardship a "national disgrace".

The members, about 330 individuals who own 1,276 permanent seats in the 5,272 capacity venue, were sent a document offering tips on how to use online resale sites. The pamphlet tells members they can eschew the RAH's official ticket return system and use controversial "secondary" ticketing sites such as Viagogo and StubHub to make more money.

The hall has come under the spotlight in recent months after tickets for in-demand acts such as Phil Collins and Dave Gilmour appeared on resale sites at huge markups. Tickets to this year's Last Night of the Proms are listed on Viagogo for more than £1,500, even though tickets for the event have yet to go on sale.

The advice to owners of permanent seats, seen by the Guardian, is that they can "significantly improve income from unwanted tickets" by using secondary sites, which have become a haven for touts exploiting the most in-demand events.

The author of the document, a seat owner who asked to remain anonymous, said: "Seat owners are entitled to optimise their returns.

"The [official] ticket return scheme is good, but what I do is sell some of my tickets online and get a slightly better return. It's simply a question of arithmetic."

He added that the vast majority of members donate their time and money to the hall and do not exploit their position for personal gain.



Tickets for David Gilmour's Royal Albert Hall concerts appeared on ticketing sites at huge markups. Photograph: Sarah Lee for the Guardian

The document brands concert promoters as "greedy" and says the hall's ticket return scheme results in a "direct, unfair and unnecessary cost to members by paying significantly less than can be achieved in the open market".

But the former Royal Albert Hall president Richard Lyttelton said members who spurn the ticket return scheme in search of higher profits risk tarnishing the venue's reputation by turning seats into investment assets.

He added that trustees in charge of the hall's policy, some of whom own multiple seats, should also disclose the financial benefit they can get from them.

"Members of the hall's council [trustees] own 145 seats worth conservatively £14.5m," he said.

"This interest is largely undeclared and as trustees of the charity, their position of privilege and the advantages afforded by the hall's charitable status puts them in a position to profit personally.

"For this to have been unregulated, despite being in the public domain for so long, is a national disgrace."

He urged the Charity Commission to apply more pressure on the hall to reform its governance.

"It's time for the commission to show that that it is not a toothless tiger and ensure that the the hall is run to the high standards of governance expected both of a national charity and a royal charter corporation."

Regulations governing charity accounting demand that trustees detail any financial benefit they might receive from their position.

While the RAH's annual report revealed for the first time this year that trustees own 145 seats, no information was given about their value or the potential income from selling access to them.

A source close to the hall said trustees typically do not sell their seats but the Charity Commission is understood to be considering whether they have made proper financial disclosures about their value.

A spokesperson for the Royal Albert Hall said trustees were "satisfied" that the charity had met disclosure requirements.

The charities regulator has also raised concerns about the potential for a conflict of interest affecting the way policy at the hall is set.

It has warned the Royal Albert Hall to examine its leadership structure as part of an ongoing governance review, highlighting that 19 of 25 members of the governing council are also seat owners with something to gain from permitting seat sales.

"The commission has made clear that the issue of conflicts of interest and the independence of the council from the seat owners should be dealt with as part of this review," said a spokesperson.

Most trustees are elected by members, the owners of permanent seats at the venue, some of which have been valued at £200,000.

These permanent seats were initially sold in 1867 to raise funds to build the hall and are considered private property.



Tickets for the 2017 Last Night of the Proms are listed on ticketing websites even though they are not yet on sale. Photograph: Justin Tallis/AFP/Getty Images

Some have since changed hands for far less than their modern-day value or were simply passed down through families.

If members do not want use the allocation of tickets that seat ownership confers, they can send them back to the hall and receive a payment in exchange.

But while the ticket return system ensures tickets go back to the box office for sale at face value, using secondary sites means they can be sold for much more.

Lyttelton estimates that members, including trustees, can make £5,000 a year from selling seats via the RAH's official ticket returns scheme but that returns from using secondary sites could be thousands of pounds higher.

Viagogo is already advertising tickets for the 2017 Last Night of the Proms for more than £1,500. Tickets for the popular annual concert are not yet on official sale, suggesting some are being advertised by members. The group of members includes private individuals but also professional ticket agencies.

Viagogo does not list any information about who is selling the tickets or their contact details, even though under the Consumer Rights Act 2015 that is information which anyone selling a ticket must publish.

The Labour MP Sharon Hodgson, who has campaigned for reform of secondary ticketing, said: "Members of the Royal Albert Hall are in a position of privilege when they have access to the best tickets in the hall and they shouldn't forget that.

"Sadly, the abuse that has been uncovered shows that this privilege is being abused for the sake of greed.

"This is an ongoing issue which must be addressed. The Charity Commission needs to get to the bottom of this and ensure that fans are not ripped off and members do not abuse their position to profiteer."

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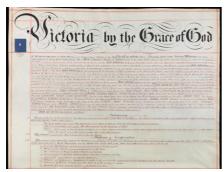
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GOVERNANCE

The Corporation of the Hall of Arts and Sciences (known as the Royal Albert Hall) is a unique and successful charity incorporated by Royal Charter. It is a Grade I listed building, and receives no public funding for its running costs, partly owing to the way the building was originally funded by the sale of rights of access to seats to Members who subsequently volunteered to financially support the Hall's charitable objectives by agreeing to pay an annual contribution, or "seat rate".



The original Royal Charter

Originally part of Prince Albert's vision for the South Kensington estate which became known as 'Albertopolis', the Hall is one of Britain's best-loved and busiest venues with around 400 events in the auditorium and 1000 in other spaces each year.

The Hall's charitable purposes, following in the footsteps of Prince Albert, are the maintenance of the Hall for the nation and the advancement of the Arts and Sciences. Its governing documents are the original charter dated 8 April 1867, two further charters and four Acts of Parliament.

The Hall is governed by a Council (or board) of 23 Trustees and a President. The Trustees meet five times a year.

The Trustees delegate many of their functions to committees of Council members who report to the Trustees on their work. The committees cover subjects such as finance, the maintenance and improvement of the building, programming, marketing, human resources and fundraising.

Council meetings and the committees are serviced by the Secretary and Assistant Secretary to the Corporation.

The Hall has some 525 employees, led by a Chief Executive and an Executive team, who are accountable to the Trustees for running the Hall in accordance with the Hall's charitable purposes and the strategy and policies approved by the Trustees.

An integral part of the Hall are its 'Members'. They are today's successors to those who subscribed to the building of the Hall. Originally, a 'Provisional Committee', chaired by the then Prince of Wales, was established to procure the design, financing and building of the Hall. When the Provisional Committee could not raise enough money for this, they invited 'subscribers' to invest in the project in return for access to seats in the Hall once built. These investors were granted rights to use or access to their seats for the term of the Hall's lease, 999 years. Today some 1268 seats, out of the Hall's total possible capacity of 5,272, remain in private ownership. Their owners are the 'Members'. Some of individual Members can trace their ownership directly back to the original family subscriber. Their primary role in our governance is to elect from among themselves 19 of the 24 Trustees (including the President).

Member Trustees are elected for a term of three years. They may stand for re-election.

The Members elect annually the President from among their number, who represents the Hall and chairs all Council meetings of the Trustees.

The Secretary of State for Culture, Media and Sport, the Royal Commission for the Exhibition of 1851, Imperial College, the Natural History Museum and the Royal College of Music each appoints one of the remaining five Trustees.

All Trustees are fully briefed on their duties as Trustees, including relevant Charity Commission guidance for charity trustees.

None of the Trustees, including the President, is remunerated for their services to the Hall.

Any surplus made by the Hall is retained and applied to fulfilling the Hall's charitable purposes. The Members do not share in any surplus.

The Hall operates two subsidiary companies through which it undertakes its non-charity trading activities such as catering, merchandising and letting the Hall for private events. A charity event may sometimes also be promoted through a subsidiary company in order to mitigate risk to the charity. The subsidiaries' profits are covenanted to the Hall.

The Hall is financed primarily by the events that take place in the building, by philanthropic giving and by financial support from the members.

The Members contribute by paying an annual 'seat rate' (currently £1,399 per seat plus a supplementary seat rate for 2022 of £415). In order to ensure the financial viability of the Hall, the Members have, in addition, foregone their right to attend over 100 events each year. The Members also act as a financial backstop. They have been called upon to support the Hall on several occasions, particularly at times of special need.

Members are free to do as they please with the tickets allocated to them for their seats, as access to the seats is their personal property. They may dispose of the tickets privately or return them for sale through the box office. By these means, they receive an income from their seats, the amount of which depends upon which tickets they choose to sell and how, and at what price, they choose to sell them. For those Members who are also Trustees, this gives rise to an authorised conflict of interest. To ensure complete probity at all times, the conflict of interest is managed by the operation of a Conflicts of Interest Policy, a copy of which can be found here (https://dlbr04p5jdm344.cloudfront.net/file/24/BGMrX.GBG2439DcBGjstBVrbT5z/RAH%20Conflicts%20of%20Interest%20Policy%20December%202022.pdf)

Further information about our governance and how the Hall operates in practice is published each year in our Annual Report and Accounts, the latest of which can be viewed here.

FREQUENTLY ASKED QUESTIONS

1. How many seats do Seatholders own access rights to?

There are 1,268 seats in private ownership.

2. How many Seatholders are there?

There are currently 329 Seatholders.



3. What is the total audience capacity of the Hall?

The Hall can accommodate up to 5,900 when specific areas of the Hall are used as standing capacity.

4. What is the ratio of Seatholder tickets to promoter tickets for events (on an annual basis)?

Seatholders do not access all of the events which are staged in the Hall's main auditorium. As such, their tickets account for 14% of all auditorium show tickets in the Hall

5. What is the composition of the Hall's Council?

There are up to 18 Elected Members (voted for by the Seatholders) and five Appointed Members, plus an elected President. The President and the Elected Members are themselves Seatholders – this gives them a unique perspective and a personal link to the Hall.

The five Appointed Members come from the Department of Culture, Media and Sport; Imperial College; the Natural History Museum; the Royal College of Music; and the Commission for the Exhibition of 1851 (which is still the Hall's landlord).

6. Can I become a Seatholder?

Yes. From time to time, Seatholders may choose to sell their seats on the open market and do so either privately, or with the use of a property agent to manage the sale. The Hall plays no role in the sale of seats and any transaction is private to the individual Member.

7. What happens to the tickets that Seatholders return to the Hall's Box Office if they do not wish to attend an event?

A large number of Seatholder tickets are returned to the Hall's Box Office each year and are sold to the public in the same way as promoter tickets are sold. These tickets account for around 60% of the total number of tickets issued to Seatholders.

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Charity Review 2022 (https://d1br04p5jdm344.cloudfront.net/file/24/sjZw3.jsj9Ax54FsjXkKsjL.Kds/Charity%20Review%202022.pdf)

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RELATED LINKS

Charity Commission (https://www.gov.uk/government/organisations/charity-commission)

Support the Hall (/support/)

Find out why the show cannot go on without you and how you can support the Royal Albert Hall.

Apology from The Sunday Telegraph: 14 May 2017 (/about-the-hall/the-charity/about-the-charity/apology-from-ipso-may-2017/)

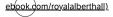
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Registered Charit Number 254543

Royal Albert Hall Conflicts of Interest Policy

Background and purpose

- The Corporation of the Hall of Arts and Sciences (in this document referred to as the 'Hall') was incorporated by Royal Charter in 1866. The constitution of the Hall and its governing documents, (compiled into 'the Blue Book' and including the Royal Charter of 1866; Supplemental Charters of 1887 and 1928; and the Royal Albert Hall Acts 1876 to 1966), have not substantially changed since 1966. The Hall was registered as a charity in December 1967.
- 2. The purpose of this Policy is:
 - a) to protect and promote the integrity of the Hall's decision making process;
 - b) to protect and promote the integrity of the Hall and its decision makers; and
 - c) to protect and promote public confidence in the governance of the Hall.

Scope

- 3. This Policy applies to:
 - a) Trustees:
 - b) Members of Committees of Council (including co-opted members); and
 - c) Directors of the Hall's subsidiary companies.

There will be a separate policy for employees of the Hall.

- 4. This Policy is supplemental to and should be read in conjunction with the constitution of the Hall. Where there is any conflict between this Policy and the constitution, the constitution shall prevail. The constitution does not explicitly refer to conflicts of interest or conflicts of loyalty, but charity law requires the Trustees to identify and properly address any which arise. This Policy sets out how the Trustees will do that in practice.
- 5. This Policy is intended to supplement good judgement, and those to whom this Policy applies should respect its spirit as well as its wording. It is a working, not a constitutional, document.
- 6. All references to the Hall in this Policy include, where the context permits, any company in which the Hall holds more than 50% of the shares, controls more than 50% of the voting rights connected to the shares or has the right to appoint one or more directors to that company's board.

Duties of the Secretary

- 7. The Secretary to the Corporation shall include advice on this Policy as part of the induction process that is carried out before or within one month of appointment for all of those to whom this Policy applies. The Secretary shall make this Policy available to:
 - a) all members of Council and the Hall's Committees, including co-opted members;
 - b) Members of the Hall;
 - c) employees of the Hall; and
 - d) any others as directed by the Trustees, and

- e) others at his/her discretion.
- 8. The Secretary shall ensure that there will be a note in the 'Declarations' item on each agenda reminding Council and Committee members that they should notify to the Secretary any changes in their interests and to update their Declarations of Interest form accordingly.

Identifying a conflict

- 9. A conflict of interest includes any situation in which your personal interests or loyalties could, or could be seen to, prevent you from making a decision only in the best interests of the Hall (or, in the case of a director of a subsidiary company, in the best interests of that company). Conflicts of interest may be financial or not, and direct or indirect. An indirect interest is a connected person's interest, a grouping that includes your family, and businesses owned or influenced by you or a member or members or your family.
- 10. A conflict of loyalty usually arises where a Trustee has overlapping roles. Although the affected Trustee may not stand to gain any personal benefit, the Trustee's decision-making on behalf of the Hall could be influenced by other interests he or she has. For example, a Trustee's loyalty to the Hall could conflict with his or her loyalty or duty to:
 - a) another organisation, such as his or her employer;
 - b) another charity of which he or she is a trustee; or
 - c) a member of his or her family or some other connected person or organisation.
- 11. An affirmative to any of the questions below may indicate a conflict:
 - a) Could your interest in a matter under discussion inhibit debate?
 - b) Could it distort the decision to the detriment of the charity?
 - c) Could it create the reasonable perception of inhibition, distortion or impropriety?
 - d) Would it be likely to divert financial or other resources away from the Hall?
- 12. In seeking to identify a conflict of interest or a conflict of loyalty you should take into account your personal circumstances in any areas that you consider of relevance, including, but not limited to, the list below (a to o).

Collective Conflicts

- a) You hold a seat in the Hall
- b) You are entitled as a seat-holder to exercise the rights of a Member of the Hall
- c) You sell or give away tickets for your seat in the Hall
- d) You sell, purchase or otherwise deal with a seat in the Hall
- e) Any of the circumstances in (a) to (d) above applies to a person connected to you

Individual Conflicts

- Posts held in the course of your employment or practice, including partnerships and directorships
- g) Any contract for goods, services or works between the Hall and you
- h) Any office held by you in a public or professional body
- i) Your trusteeship of a registered or unregistered charity
- j) Any position held by you in an organisation which might be affected by decisions taken by the Hall
- k) Any position held by you in an organisation whose decisions may significantly affect the Hall

- Your membership of a body whose purposes include influencing public opinion or policy in areas relevant to the Hall's work
- m) Any financial interest you have which is relevant to any areas of the Hall's work
- n) Your membership of, or clear public association with, a private society, club, or other organisation (other than a religious body) whose activities are likely to be relevant to the activities of the Hall
- o) Any of the circumstances in (f) to (n) above applies to a person connected to you.

Declaration of Conflicts

- 13. You are deemed to have declared any Collective Conflicts that apply to you. If you are an Appointed Trustee, you are deemed to have declared your connection with the organisation that appointed you whether as an Individual Conflict or a Collective Conflict.
- 14. Subject to paragraph 11, you have a personal responsibility to declare the nature and extent of any conflict of interest or conflict of loyalty, direct or indirect, which you have not previously declared. Where appropriate, you may refer to previous declarations to avoid repeating details.
- 15. Subject to paragraph 11, at the start of all Trustee, committee and subsidiary company board meetings to which you have been invited, or in advance to the Secretary, you must declare any interests that you have in relation to any agenda item. You should also make a declaration of any conflicts as and when they arise in the course of meetings.
- 16. Additionally, if you are a Trustee you should review your interests annually, declaring any identified conflicts in writing to the Secretary in advance of the formal Trustee meeting preceding the AGM. The declarations will be circulated to all Trustees at the subsequent Trustee meeting. When changing circumstances create new conflicts, you should notify the Secretary as soon as reasonably practicable and in any event before the next Trustee, committee or subsidiary company board meeting.
- 17. If you are aware of an undeclared conflict arising in relation to an agenda item for another attendee of the meeting, you should raise it at the meeting or with the Secretary.

After Declaration of an Individual Conflict

- 18. If you declare, or are deemed to have declared, an Individual Conflict in accordance with this Policy then you may choose to withdraw from the meeting for the relevant agenda item. If you are the chair, the meeting must appoint a replacement chair for the purposes of dealing with the potential conflict, and you may not participate in the election of that chair. When deciding how to manage the conflict, the chair may ask you questions about the nature or extent of your conflict, request that you (and any other conflicted attendees) leave the meeting, discuss the matter with the remaining attendees and if required put the matter to a vote by the remaining attendees. Likely outcomes are set out below for guidance but these are not exhaustive:
 - a) The chair or the meeting may decide that there is no material conflict or reasonable possibility of a perception of a conflict and continue as before.
 - b) The meeting may decide that there is a conflict but it is not capable of influencing or being seen to influence your decision making, in which case the detailed

justification for that conclusion shall be fully minuted and for the part of the meeting dealing with the relevant business you may be invited to fully participate, to contribute to the debate but not vote or to attend as an observer only.

- C) The meeting may decide that there is a material conflict in which case the relevant business can only proceed if:
 - (1) you are absent from the part of the meeting at which there is discussion of that business; and
 - (2) you do not vote on any resolution arising from such business, and are not counted when considering whether a quorum is present at that part of the meeting.

Failure to comply with the chair's ruling may lead to sanctions under the constitution or in extremis reference to the Charity Commission who have the power to remove Trustees.

After Declaration of a Collective Conflict

- 19. The Hall's constitution requires that a Trustee be either (a) a seatholder elected by the Members, (b) a member or director or other officer of any corporation or society holding not less than five seats elected by the Members, or (c) an Appointed Trustee. In the case of (a) and (b), this creates an innate conflict of interest on all issues relating to (but not restricted to) seatholding and potentially a conflict of loyalty. These are the Collective Conflicts¹. In the case of (c), this also creates a Collective Conflict if the appointing body is a seatholder (and there would also already be a Collective Conflict under (a), if the appointee happens to be a seatholder). The Hall's constitution implicitly authorises and requires the Trustees to manage these conflicts.
- 20. The chair of a meeting shall periodically remind you of the importance of recognising a Collective Conflict and taking particular care when one exists. If you have a Collective Conflict you may take part in both discussions and decisions but in doing so you are obliged to subordinate your private interests to those of the charity. Where such a Collective Conflict exists you must always:
 - a) act in the best interests of the Hall:
 - b) protect the charity's reputation and be aware of the impression that your actions and decisions may have on those outside the Hall; and
 - c) be able to demonstrate that you have made decisions in the best interests of the Hall and independently of any competing interest.
- 21. a) Where a Designated Collective Conflict exists in relation to an issue that requires a decision to be taken, the deciding body (i.e. Council) shall, after discussing the issue, but before taking the decision, refer its 'minded to' decision to the Conflicts Committee.
 - b) The Conflicts Committee shall review whether the 'minded to' decision might not be in the best interests of the Hall by virtue of the Designated Collective Conflict.
 - c) The deciding body shall provide the Conflicts Committee with such information as it requires in order to consider the matter, including the reasons for the 'minded to' decision.

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¹ See paragraph 12, subparagraphs a) to e)

- d) If the Conflicts Committee concludes that the 'minded to' decision may or would not be in the best interests of the Hall by virtue of the Designated Collective Conflict, it may recommend an alternative or further course of action (such as a different decision or a reconsideration of the 'minded to' decision) and the deciding body shall take into account such advice before taking a final decision on the matter.
- e) If the deciding body fails to take into account, or disagrees with, the advice or recommendations of the Conflicts Committee, the Chair of the deciding body must inform the Chair of the Conflicts Committee, in writing, before the deciding body takes any further action on the matter.
- f) The Conflicts Committee may consider the matter further and, if it thinks fit:
 - i. refer the matter again to Council; or
 - ii. ask for a Special Council meeting to be called, to discuss the issue.
- g) Council may decide at any point to take independent professional advice on the issue.

Trustee Benefits

- 22. If you are a Trustee, you and your Connected Persons may not:
 - a) buy any goods or services from the Hall on terms preferential to those applicable to members of the public;
 - b) sell goods, services, or any interest in land to the Hall;
 - c) be employed by, or receive any remuneration from, the Hall;
 - d) receive any other financial benefit from the Hall;

unless the payment is permitted by paragraph 23.

In this paragraph a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value, but excludes payment of out of pocket expenses to Trustees.

- 23. You may receive a Trustee benefit as defined in paragraph 22 if it is:
 - a) authorised by the Hall's constitution;
 - authorised by the discounted catering policy and consists of the provision of catering at cost price or higher;
 - authorised by the policy on the use of the Council Box, setting out the procedure for access to the Box, number of tickets, deadline for release to the Box Office and any restrictions;
 - d) made available to all Members of the Hall on the same terms, is connected to their seatholding rights and is offered to Members for the purpose of benefitting the Hall, including, but not limited to, use of the ticket return scheme;
 - e) authorised by statute; or
 - f) authorised by the court or the Charity Commission.

Record keeping

24. Discussions and decisions relating to a conflict of interest or a conflict of loyalty will be recorded in the Trustee, Committee or subsidiary company board meeting's minutes and will include a record of who and when anybody withdrew from or rejoined the meeting. If approved by the Chair, the matter may be recorded as confidential (for

- example, if you are placed in a difficult position of being privy to commercially sensitive information).
- 25. All declarations, discussions and minutes will be available to the Hall's auditors.
- 26. A detailed Register of Interests for Trustees, Committee members (including co-opted Committee members), and subsidiary company Directors will be maintained by the Secretary, to include any declarations of conflicts of interest and conflicts of loyalty, when first declared. These records will be retained in line with Data Protection requirements from time to time.

Sanctions

27. If a majority of Council find that a Trustee has allowed their personal interests to influence their decisions to the detriment of the charity, or that they have acted egregiously in another way, for example the deliberate concealment of a material conflict, then Council should look to remove him or her from Council. If the Trustee refuses to step down, the 1966 Act provides a mechanism for the members of the Hall to remove any Trustee.² Failing all else, the matter may be referred to the Charity Commission which, in certain exceptional circumstances, has the power to remove Trustees.

Conflicts Committee

- 28. Council will establish a Conflicts Committee to oversee this Policy and the issues that surround it. Ultimate responsibility, however, always resides with Trustees. The Committee's remit will be to:
 - Consider and respond to any "minded to" decision referred to it under paragraph 21 above:
 - Consider and respond to any conflicts raised directly with the Committee or the Secretary or where a member of the Committee has a concern about a potential conflict;
 - Attend any meeting of any Committee or Working Group of Council as part of its oversight of the operation of this Policy;
 - At the request of the President, advise individual Trustees, the Council, all Committees, the boards of subsidiary companies, and, where appropriate, staff;
 - Monitor the operation of this Policy;
 - Recommend, in accordance with the terms laid down in the document that set up the Conflicts Committee, appropriate systems for promoting and monitoring compliance with this Policy;
 - Review annual and other declarations of interest, and alert the Secretary where further clarification or action may be required;
 - Brief the Council or the President on any difficult individual cases referred to it;
 - Report to the Hall's auditors annually on the operation of the Committee and Policy over the year;
 - Review this Policy in light of suitability and best practice guidance issued by outside bodies regularly, no more than biennially, but not less than once every three years; and

² 1966 Act, Schedule 2, paragraph 9.

- In relation to this Policy, and as guided by the President and the Governance & Ethics Committee, perform any actions authorised by Council as may be required from time to time.
- Maintain an Issues Log of the conflicts referred to the Committee under this Policy and potential conflicts identified by the Committee and keep a record of the actions taken to resolve the conflict in question.

29. a) The Conflicts Committee shall comprise:

- (1) a chair, who shall be either an Appointed Trustee or a member of or a director or other officer of a corporation or society holding not less than five seats; and who is a Trustee and whose Collective Conflict is considered by the President to be immaterial.
- (2) not less than three other persons, one of whom need not be a Trustee and in the case of those who are a Trustee, are either Appointed Trustees or are a member of or a director or other officer of a corporation or society holding not less than five seats, and whose Collective Conflict in each case is considered by the President to be immaterial.
- b) In the case of a)(1) and (2) above, the President may properly conclude that, where a Trustee has a Collective Conflict, it is immaterial if, in the President's opinion, after enquiry and consultation, (i) the judgement of the Trustee is unlikely to be affected by the interest of the seatholder who appointed the Trustee or by the interest by which the Trustee is eligible to be a Trustee (as the case may be) and (ii) any potential private benefit for the Trustee from the seatholding is not more than negligible. The President will set out the reasons for and conclusions reached in this regard in detail in writing and file this with the Secretary.
- c) Each member of the Committee, including who shall be chair, shall be appointed by the President and shall hold office for such period and upon such other terms as the President may determine.
- d) The quorum for the Committee shall be three.
- e) All members of the Committee shall have one vote, and in addition the chair of the Committee has a casting vote.
- f) Where the chair or another Committee member is unable to attend a Committee meeting the President may appoint a temporary alternative to attend, count towards the quorum, chair and (if not the chair) vote in their place. Any such alternative must satisfy the eligibility criteria set out in paragraph 29(a) above which applied to the Committee member that they are temporarily replacing.

Definitions

30. In this Policy, unless the context requires otherwise:

"**Appointed Trustee**" means an appointed member of Council as that term is used in the constitution of the Hall:

"Collective Conflict" means a conflict of interest or conflict of loyalty that could arise in the circumstances described in sub-paragraphs 12(a) to 12(e);

"Conflict of Loyalty" means a conflict of the kind described in paragraph 10.

"Connected Person" or "person connected to you" means

- a) your child, parent, grandchild, grandparent, brother or sister;
- b) the spouse or civil partner of you or of any person falling within sub-paragraph (a) above;
- c) a person carrying on business in partnership with you or with any person falling within sub-paragraph (a) or (b) above;
- d) an institution which is controlled -
 - (1) by you or any connected person falling within sub-paragraph (a), (b), or (c) above; or
 - (2) by two or more persons falling within sub-paragraph (d)(1), when taken together
- e) a body corporate in which -
 - (1) you or any connected person falling within sub-paragraphs (a) to (c) has a substantial interest; or
 - two or more persons falling within sub-paragraph (e)(1) who, when taken together, have a substantial interest.
 - (3) Sections 350 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this definition;

"Designated Collective Conflict" means a Collective Conflict relating to:

- a) the seat rate;
- b) any proposed change to the Hall's event programming policy;
- c) the amount of the rebate for exclusives;
- d) the purchase of seats by the Hall
- e) any proposed change to the costs of any discounts or services provided to seatholders
- f) the ticket return scheme.4

"Hall" means The Corporation of the Hall of Arts and Sciences as defined in paragraph 1;

"Individual Conflict" means a conflict of interest or conflict of loyalty that could arise in the circumstances described in sub-paragraphs 12(f) to 12(o);

"Secretary" means the Secretary to the Corporation; and

"Trustee" means member of the Council of the Hall.

Adopted by Council on 26th February 2015

Amended by Council in April 2017

Amended by Council in December 2017

Amended by Council in October 2018

Amended by Council in May 2020

Amended by Council in July 2021

Amended by Council in December 2022

³ Added after approval at the December 2017 Council meeting;

⁴ All Council and Committee decisions involving the ticket return scheme will be referred to the Conflicts Committee. The Committee acknowledges however that not all matters in relation to the ticket return scheme will involve a conflict and the Conflicts Committee will determine whether this is the case or not.

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MY PROFILE

From The Times April 22, 2009

How the Last Night of the Proms has been hijacked

Why the Royal Albert Hall is no longer "the nation's village hall"

Richard Morrison

That strange sizzling sound you can hear is not your blood boiling. It's mine. I don't mind a small national scandal now and then. It gets us agitating cheerily over the privets. But when the scandal is repeated annually, humiliating ordinary people whose money is being misused, it gets me more than a little exercised. Especially as this scandal (as distinct from those involving, say, Scottish banks or Westminster freeloaders) affects a field I care deeply about. Namely, music. Apr sciffically the Proms: the world's best and most accessible music settival.

Accessible, that is, except on one evening. Newspapers last weekend carried an advert from an agency called Sports Exclusive. It offered tickets to the Last Night of the Proms. Televised live to 40 million people worldwide, and enjoyed in the Royal Albert Hall by Prommers who, in many cases, will sleep on the pavements to secure the best spots in the arena, the Last Night is the most famous event in the music calendar. Tickets are like gold-dust. The BBC, which runs the Proms, could probably sell out the hall ten times over.

Sports Exclusive seems to recognise that, to judge from its prices. Recession? What recession? Stalls seats (face value £82.50) are offered for £995. But if you want to sit with nine churns in a grand tier box, the show will cost you £14.995. Mind you, that does include "a three-course supper and wine with your own box waitress". (Gosh, I hope she's fresh. How long do they keep her in the box?) What sort of people, in the present climate, can splash out the equivalent of a year's wage for a supermarket worker on ten concert tickets? It's a fascinating question, but not half as fascinating as the question of where the tickets come from.

Not the BBC, that's for sure. The Proms brochure details the elaborate procedures by which the BBC tries to ensure that ordinary music-lovers, rather than fat cats, fill the hall at the Last Night. One way is to buy a season ticket and stand in the arena through the whole summer of concerts — all 76 of them. The second is to buy seats for no fewer than five other Proms. Even then you aren't guaranteed a Last Night ticket, and you can't return the other tickets if you don't get one. And the third way is to enter the Last Night ballot, by which 100 tickets are allocated. But thousands of people go in for that.

So it's desperately difficult. But all this is irrelevant anyway, because the BBC began accepting ticket applications only two days ago, and won't allocate until mid-May. Yet Sports Exclusive was offering tickets last Saturday. How come?

The answer is that the Albert Hall ain't what it seems. Its management has projected a cosy image of it as "the nation's village hall": a revered arena that happily houses everything from boxing to ballet to the Royal British Legion Festival of Remembrance. But this masks an awkward truth. Many of its boxes and hundreds of seats (perhaps a fifth of its seating capacity) are permanently owned by individuals or companies. When the hall was opened in 1871 its seats were flogged off on 999-year leases called debentures. Some are still owned by the same families; others have been sold on. Last year a grand tier box was put up for sale at £1.2 million. It's big business. And the reason is obvious. Owners can cash in handsomely on events such as the Last Night by flogging their seats.

Well, that's the way the Victorians set up the Albert Hall, and you may think it's a bit late to complain now. You'd be right, were it not for one gross misjudgment. Thirteen years ago, when the National Lottery was in its naive infancy and mega-grants were handed out

to almost any cultural body that came begging, the Albert Hall was given a whopping £40 million to refurblsh itself. Why? Because, of course, it was hyped up as "the nation's village hall". At the time several observers, me included, pointed out the debatable morality of using so much money from lottery players, mostly on small incomes, to fund a restoration that would benefit wealthy debenture holders. The National Lottery's own rules forbade giving awards "primarily for the purpose of private gain". But that was an era when many huge grants to well-connected institutions were approved with little debate. The Albert Hall was just one questionable "good cause" among many.

Nevertheless, the lamentable result is this. BBC licence payers fork out millions to bankroll the Proms. The National Lottery has stumped up £40 million to tart up the Albert Hall. Yet, on the biggest night in the musical year, it's a bunch of anonymous and unaccountable people who seem to call the shots and line their pockets. That's surely a travesty of what the BBC, the Proms and the National Lottery are supposed to be about: making quality culture accessible to everyone.

There are four ways to resolve this. The BBC could take the Proms elsewhere. That's not as mad as it sounds. After all, they were moved to the Albert Hall only after the Queen's Hall was bombed, 47 years after they began. Or the Last Night could be stripped of its Hooray-Henry fripperies. That, I guess, would reduce its appeal for the fatuous types in the £14,995 boxes by about £14,995. Or the hall's managers could embark on a belated reform of its antique debentures. Or they could hand back the £40 million from the National Lottery, and thus acknowledge that the hall is still partly a private club.

None of these things is remotely likely to happen. Too many vested interests are intertwined. Anyway, in the context of the trillions committed to bailing out the financial sector, or the abuses of privilege in Westminster, the scandal of the Last Night tickets may seem very small beer.

But actually all this is symptomatic of the same malaise: a shamelessness among those in positions of power, trust and responsibility about exploiting the system to feather their nests at the expense of ordinary folk. It should be stamped out — but it won't be. Nevertheless, I hope that when those in the £14,995 boxes at the Last Night start bellowing out "Land of Hope and Glory, Mother of the Free . . . " they have the grace to feel embarrassed.

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choose, fiercely to live – for now

Columnist of the Year Melanie Reid on the debate over assisted dying Opinion, page 21

Titanic director ready to reveal hidden depths



ames Cameron, the Hollywood director, after his solo seven-mile dive to the deepest point on the planet, the Mariana Trench in the Pacific Ocean. News, page 11

Bankers and tycoons at Cameron's top table

No 10 forced to reveal donors who came to dinner

Roland Watson Political Editor

3

Hedge-fund millionaires, property tycoons and banking executives were among wealthy donors to the Tory Party who David Cameron entertained

at Chequers and Downing Street, it emerged yesterday. No 10 bowed to mounting pressure and published two lists of backers who have enjoyed the Prime Minister's hos-pitality on official property on at least nine occasions in the past two years.

The group of 16, many of whom have

lobbied for City and business interests

lobbied for City and business interests, have donated £23 million to the Conservatives since Mr Cameron became leader in 2005.
They include Sir Paul Ruddock, whose hedge fund, Lansdowne Partners, made £100 million from betting against Northern Rock before the financial crash, and Michael Hintze, a hedge-find chief and one of the main hedge-fund chief and one of the main backers of Adam Werritty, Liam Fox's

self-styled adviser.
Others include Michael Spencer, whose Icap broking company paid a \$25 million penalty to settle allegations laid by the US Securities and Exchange Commission, and the chairman of JCB, Sir Anthony Bamford, the opening of whose factory in India Mr Cameron attended in 2006. Several have pushed for lower

Making a meal of donor kebabs at Dave's diner

News, pages 8, 9

business rates, including Henry Angest, the chairman and chief executive of the Arbuthnot Banking Group, who has described Britain's tax system as

has described Britain's tax system as "punitive".

Their names emerged during a chaotic day in which No 10 lurched through a series of U-turns as officials battled to detoxify the latest cash-for-access row. It was span ex-Tory treasurer, was caught soliciting donations of £250,000 and more to Continued on page 8, col 4

Trustees sell charity tickets for profit

Fay Schlesinger

Two trustees of the Albert Hall and their families are making more than £100,000 a year by selling hundreds of debenture-seat tickets for concerts, including charity events, sometimes at

The Times names the trustees today as Leon Baroukh, an Oxford-educated writer, and Richard Waterbury, chair-

writer, and richard waterbury, chan-man of pensions at a chemicals firm. In January, the Charity Commission demanded that trustees stop ticket tout-ing at the historic venue, which is a charity and is committed to fair ticket pricing to promote access to people of all backgrounds.

Debenture holders are allowed to sell their seats but any profits must be incidental to the functioning of the Albert Hall. The commission said last night that it would review evidence, while the Albert Hall said it was treating the issue "as a matter of priority".

Mr Baroukh, 34, and his family own

Files showed who sold best seats in the house

News, pages 12, 13

51 seats, ten of them through a ticket company whose five directors include his parents and two siblings. Mr Waterbury, 65, and his relatives own 29 seats.

bury, 65, and his relatives own 29 seats. Tickets belonging to the men's families have been touted for a performance by Roger Daltrey and Paul Weller tomorrow, in aid of Teenage Cancer Trust. Two of Mr Waterbury's stalls tickets, with a face value of £50 each, were sold for £299.99 each plus fees. Mr Waterbury said that he sold the tickets to an agent for about £65 each. Tickets allocated to Mr Baroukh's father for the same concert were sold for £102.27 each. Mr Baroukh said that he and his relatives do not sell tickets

he and his relatives do not sell tickets "directly" and that debenture holders were entitled to resell.

Teenage Cancer Trust said:
"We strongly believe it is wrong for
individuals to hijack our efforts and
personally profit by selling tickets on
the secondary market."

IN THE NEWS

Gangsters guilty

Three youths were convicted over a gangland shooting that left a five-year-old girl paralysed. News, page 3

British troops killed

A British soldier and a Royal Marine were shot dead when a rogue Afghan soldier opened fire at their base. News, page 4

Fears for secret trials

Plans to extend secret trials are too widely drawn, Sir Malcolm Rifkind says in today's Times. News, page 7; Opinion, page 20

Drug chief's £9.1m

AstraZeneca chief executive David Brennan enjoyed a pay package worth £9.1 million last year. Business, page 31

United back on top

Manchester United's 1-0 win over Fulham last night gave them a three-point lead in the Premier League. Sport, page 62

The Manhattan Diet

to stay slim Times2, pages 6, 7



News Times investigation

Trustees turn to touting at the Royal Albert Hall

Fav Schlesinger

To the Teenage Cancer Trust, there is one conspicuous similarity between a tout selling tickets under an arch of the Royal Albert Hall and a trustee who sells his debenture seats online: in both not belong to young cancer sufferers and their carers

"An incredible amount of hard work and goodwill goes into organising concerts for Teenage Cancer Trust at the Royal Albert Hall, and this includes the artists who all give their time for free," the charity said, after learning that tickets for a concert tomorrow, featur-ing Roger Daltrey and Paul Weller, have been resold by trustees or their families for a substantial mark-up.

The trust added: "We believe the

only people entitled to profit from our

only people entitled to profit from our event are young people with cancer."

The Times today names Leon Baroukh, 34, and Richard Waterbury, 65, as two trustees of the Albert Hall whose relatives' Teenage Cancer Trust tickets were sold through agents on the secondary market.

Some of the 51 seats owned by Mr. Baraukh and his fraitivenesses other.

Baroukh and his family were also adver-tised at inflated prices for the charit-able Mountbatten Festival of Music next month. Proceeds for that event should go to CLIC Sargent, the child-ren's cancer charity, and the Royal Marines Charitable Trust Fund.

Lieutenant-Colonel Eddie Parks the Lieutenant-Colonel Eddle Palks, the festival director, said that 70 per cent of seat-holders generously donated their tickets and he took a "very, very dim

view" of touting.

According to documents seen by *The Times*, the Baroukhs and Waterburys Ilmes, the Baroukhs and Waterburys are the Hall's biggest seat-owners. The third-largest debenture-holder is the Queen, with 20. Her box is used to host the Royal Family and guests, while some tickets go to charity and the remainder are available to staff of the Royal Household on application. Figures from politics and music uses.

Figures from politics and music yes-terday condemned box-holders for sell-



I decided to use my seat after all'

ing on tickets and said that they were ing on tickets and said that they were abusing their positions of power at the Albert Hall. Harvey Goldsmith, one of the UK's leading promoters, said: "That certain of the box-holders are running a business out of it is disgusting. I think they have got no right to be on the Council [board of trustees]."

Cherce Hadders H. Lebuster B.

Sharon Hodgson, a Labour MP, said elected trustees should use their position to ensure performances are afford-

able to a wide cross-section of society.

Documents reveal that Mr Waterbury and his relatives have 29 seats. He said that each made £3,500 to £4,000 a year, or more than £100,000 in total, despite many selling for less than face

walue.

Mr Waterbury said that many of his tickets were used by his two daughters and for entertaining. The remainder were either returned to the Hall or sold

were either returned to the Hall or sold to an agent, whom he did not name.

He said that the practice of selling debentures was justified because the official ticket-return scheme gives seat-holders "peanuts" by pooling resale profits and not awarding top rates of return to holders of the best seats.

He also claimed that he needed to recoup the annual charge for each seat, which is more than £1,000. "This is an investment," he said. "If something has





value, you have got to expect a return. We are making back money."

Mr Baroukh said he sells some tickets to an agent at a fixed price. They can be sold and resold, so the final price does not necessarily benefit him or his family. He said only two of his six seats were sold at above face value for the were sold at above face value for the Teenage Cancer Trust concert and that other family seats were independently owned. He added that he and his relaowned. He added that he and his relatives had never sold tickets "directly" and that he made "substantially less than £100,000" a year personally. He said: "The seats are a passive, modestly yielding long-term investment. You are surely aware that members [seat-holders] saw decades of net negative returns until relatively re-



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EENAGE Door Roger Daltrey Paul Weller 83 Sent Kelly Jones Wed, 28 March 2012 Face Value at 7:30 PM Doors open at 6:45 PM Event enganesed by The Tanage Treet (Trading) Lieux is support of Tanage Canner Trust [/eq sharity 50%] Waterbury, far left, and Leon Baroukh, left. They, rather than charities stand to make a concert by Roger Daltrey and Paul Weller, right

cently when their cash injections and careful stewardship finally bore fruit. You are also no doubt aware that any dilapidation or shortfall would again, as it did in the past, fall on members." As well as financial gain, the scale of

seat-ownership by the Baroukhs and the Waterburys also means the fami-lies have considerable sway at annual meetings. Each seat equals a vote. Col-lectively, the families have at least 6 per cent of the total vote, or more if turnout

at meetings is less than 100 per cent.
Previously, members have voted down proposals to limit the number of concerts that seat-holders can attend and to increase a contribution towards restoration of the circular building.

Today's revelations come after *The*

Times revealed in January that the charities' watchdog had warned the Hall to curtail the level of profits made

rian to curtail the level of profits made by some debenture seat-holders. The 19th-century venue has bene-fited from a £40 million lottery grant, receives tax breaks because of its charit-able status and is to start fundraising for £37 million of refurbishments.

for £37 million of refurbishments.
Under arcane laws, seat-holders
have right of access to their seats for a
certain number of concerts a year
though they complain this number has
been reduced — and the right to do
with their tickets as they please. Change
ing the system might require a change ing the system might require a change

ing the system hight require a change to the Royal Albert Hall Act 1966. But seat-holders' rights clash with Charity Commission rules, which stipu-

late that private benefits must be incidental. Last night the Commission and the Hall both acknowledged the scale of the difficulties publicly for the first time. Peta Travis, president of the Hall, said: "The Hall's governance and nominations committee have been address

ing the issue as a matter of priority."

Ms Travis did not answer questions about whether the Hall was aware of the scale of touting by trustees.

The Charity Commission said: "This

is a highly unusual case, which raises complex legal issues for the charity's trustees and for us as regulator." There are 320 debenture-holders who own a contract of the coate. They were said on quarter of its seats. They were sold on 999-year leases for £100 each in the 1870s to fund its construction.

Secret files showed who was selling the best seats in house

Fav Schlesinger reveals how The Times tracked

down those who made money out of their position



The Times has been able to identify the individual trustees and other deben-ture holders who are touting tickets after seeing secret documents revealing who owns which seats.

Based on information from these documents and other sources, the newspaper bought stalls tickets that were allocated to the families of two trustees, Leon Baroukh and Richard Water-bury, for Roger Daltrey's Teenage Cancer Trust concert tomorrow

Cancer Trust concert formorrow.

Five £50 stalls tickets owned by Mr
Baroukh's father, Frank, were sold to
us for £102.27 each plus fees on the website Viagogo. Two belonging to Mr
Waterbury's wife, Mimi, were bought
for £154.94 each on the same website. Mr Waterbury confirmed that a further two tickets, allocated to his wife and sold for £299.99 each, were sold by him to an agent for about £65 each.
Mr Baroukh, his parents Frank and Elaine, sister Daniella, brother Ben

jamin and cousins together own 51 de-benture seats. They have a 12-person private box in the Albert Hall's Grand Tier, which has one of the best views in the house. The remainder are prime seats in the stalls.

Ten seats are listed under the ownerren seats are insted under the owner-ship of Ragalty Limited, whose five directors are Mr Baroukh, his parents and siblings. Companies House documents show that its princi-pal business is "providing tickets for recreational facilities". In 2010, as-

sets included debentures worth £385,000 and £50,067 cash. Mr Waterbury, chairman of pen-

sions at the Dutch paint firm Akzo-Nobel, and his wife, two daughters and elderly parents own 29 seats between them, including a five-person box in the Second Tier

Analysis of seat sales has revealed patterns in which block and row numbers of some secondary market tickets consistently match up with those be-longing to the two trustees and their relatives. Trustees' seats regularly go on sale before the tickets are sent out to de-benture holders. Those seats could not, therefore, have been returned using the Albert Hall's official return scheme and then bought and sold on by other touts because only debenture holders can guarantee which seats they can sell

Mr Waterbury confirmed that tickets are often sold online months before they are delivered to members. Attempts to limit touting of Last Night of the Proms concerts by distributing tickets just days before the event



The Times front page report on Albert Hall "touts" on January 13 this year

were therefore ineffective, he added, were therefore ineffective, he added. Sharon Hodgson, the Labour MP who campaigns for tighter regulations on ticket touting, said: "The Times investigation highlights a case that is particularly shameful. It is blatant profiteering on the back of the Teenage Cancer Trust, a charity that puts vast amounts of effort into raising money

amounts of either hard raising intoney for young people suffering from cancer and their families, calling on vast amounts of goodwill from performers."

"The Charity Commission and Royal Albert Hall must look urgently at these allegations, and decide whether these individuals have used their position and influence as trustees to accumulate seats and make large personal profits."

'A debenture is a huge privilege'

Case study The ticket holder

fter The Times published an account of widespread touting by debenture holders in January, a member of the Albert Hall contacted us to argue that seat ownership should be considered a privilege, not a moneyspinner

The woman, 67, from the West Country, did not want her name to be printed amid concerns that she

would be targeted by touts. Her two stalls seats were given to her grandfather by one of the venue's original benefactors and have been passed down through her family. She goes to a handful of the 200 or so concerts she can attend a year, and either returns

her unwanted tickets through the official return scheme, gives them to friends or donates them to charity.

friends or donates them to charity.
She said: "The two seats have
been in my family for almost 100
years and I consider it an enormous
privilege to own them. I use the
Hall's buy-back scheme and
whenever I get requests from
charities for the seats I am very
hanny to donate them

charities for the seats I am very happy to donate them.
"I think the vast majority of us do this and, as far as I can tell, the charities benefit enormously. It is just a few, as your article states, that abuse this privilege. This makes me extremely angry and I sincerely hope that the Hall can come up with a solution to the problem.

hope that the Hall can come up with a solution to the problem. "I suppose in life where there is money to be made there will always be someone happy to exploit the loopholes and ruin things for the rest of us. I feel reasonably confident the Hall are doing their best to find a way to stop this. But can anybody control it any more? "There should be a rule: if you are caught doing this, you relinauish

caught doing this, you relinquish your membership. There should be penalties to stop people making a huge amount of money by owning

THE TIMES

Ban on selling seats reversed in mutiny at the Albert Hall



A box at the Last Night of the Proms was on offer last month for £20,000 Ben Stansall/AFP/Getty Images

Fay Schlesinger

Last updated at 12:01AM, June 1 2012

Albert Hall members have overturned a new rule banning them from touting their debenture seats.

During a heated annual meeting lasting four hours, seatholders voted to reverse a bylaw adopted by its governing council two months ago. The U-turn means that trustees can once again sell tickets at above face value.

The Times has previously revealed that two trustees and their families made more than £100,000 in a year by selling private boxes and individual seats at a mark-up, including for charity events. The Teenage Cancer Trust and two of its supporters, the rock stars Roger Daltrey and Paul Weller, condemned the practice as exploiting their work. One 12-person Grand Tier box including hospitality for the Last Night of the Proms was advertised by a member last month for £20,000.

Because the Albert Hall is a charity, the rules of the Charity Commission prevent members from reaping financial benefits. However, this is at odds with the Albert Hall's own rules, which give them rights over their seats.

A quarter of the venue's 5,250 seats are owned by members, who can access them automatically for two thirds of the 300 events held each year, including the Last Night of the Proms.

Paul Palmer, director of the Centre for Charity Effectiveness at Cass Business School in London, said that the vote would probably result in action by the Charity Commission. It has powers ranging from appointing its own trustees to asking the Attorney-General to refer the case to a tribunal.

Professor Palmer said: "The golden principle of charity trusteeship is that you should be doing it as an altruistic act, not for personal gain or profit. We often talk of the hawks and the doves; at this stage the hawks have won ... This is effectively a challenge to the commission's authority."

Sharon Hodgson, the Labour MP for Washington & Sunderland West, who campaigns against touting, said: "It is extremely disappointing to hear that the ban on profiteering has been overturned, but not surprising when you know that those who own huge blocks of seats also have the most votes and therefore the biggest say in these matters. The Royal Albert Hall is a charity, and charities don't exist to make money for individuals, as is clearly happening here."

But Michael King, a charity lawyer, said that the Charity Commission was unlikely to be able to "ride roughshod over members' rights".

Yesterday's vote was the climax of a row that has raged at the heart of the historic institution for at least two years. Michael Gilbert, an IT specialist, wrote to fellow seatholders warning that they were being short-changed by the official ticket return scheme. He pointed out that their rights derived from the purchase of seats for £100 each in the 1870s to fund the hall's construction. These rights were being eroded, he claimed. In reply, Peta Travis, the hall's president, said that members had a duty to act ethically, prevent conflicts of interest and avoid bringing the hall into disrepute.

The Charity Commission said that it would be seeking a meeting with the hall's management, but would not comment further.

Ms Travis said that she "will continue to strive to uphold the highest standards of governance in the charity", and emphasised that members had donated £160,000 worth of tickets to charities in the past year, the most successful year in the hall's 141-year history.

The hall said in a statement: "The Council will continue to address the complex issues of the hall's governance and is in continuing discussions with the Charity Commission."



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Third Sector

Stephen Cook: The Albert Hall needs a change of governance

27 August 2015 by Stephen Cook, Be the First to Comment

The Charity Commission has long tried to address this potential conflict of interest between private and public benefit, writes the editor of Third Sector



Jaws tend to drop when you tell people that the Royal Albert Hall, a charity, is controlled by people who own seats in the hall for which they can sell tickets on the open market for sums as high as £2,500.

The Charity Commission has been attempting for years to address this potential conflict between private benefit and the public benefit provided by the hall. It wants the majority of the ruling council to be non-seat-holders. The hall appears to be arguing that it can find other ways of managing any conflict without changing the constitution.

Either way, the present set-up verges on the scandalous and the case for change is irresistible. The commission should act decisively if the hall fails to meet its deadline of 30 September to come up with an acceptable way forward. Peruse the full saga in our feature "The Royal Albert squall".

Meanwhile, you can't open a newspaper these days without seeing criticism of charities. It comes under three broad headings: fundraising, campaigning and pay. By common consent, fundraising has gone astray, but attacks under the other two headings are less merited and more open to debate.

In our analysis "Charities under fire: How can they spike the guns?", we look at how charities can push back. What seems to be required is a complex mix of reform, reassessment and better communication. Some media attacks are bandwagon-jumping, but not all are baseless, and the rules, written and unwritten, are changing. But the game itself has not changed: charity remains at the heart of national life and will survive the knocks.

The coveted Third Sector Awards, incorporating Britain's Most Admired Charities, will be presented at a black-tie dinner in London on Thursday 24 September. The shortlist has now been produced, so dust off your tiara and book a seat for an inspiring night out.

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A dispute has enveloped the governance of the famous music venue in central London. John Plummer and Stephen Cook investigate eptember is a big month at the Royal Albert Hall. Front of house, the Last Night of the Proms is staged on the 12th, with patriotic singing and flag-waving. Behind the scenes, on the 30th, the hall's ruling council faces a demand from the Charity Commission – the culmination of seven years of wrangling – to come up with a radical change to its constitution.

The dispute centres on the fact that the 24-strong council is dominated by 19 people elected from among the hall's members. The members own nearly a quarter of the seats in the auditorium, which they can use themselves or sell either at fixed prices through the box office or on the open market for whatever they can obtain.

For more than a century the private benefit derived from such sales was so small that it was not considered more than incidental to the public benefit of the a hall as a charity. Recently, however, the growing commercial success of the refurbished hall and the ability of members to trade valuable tickets on the internet have raised concerns that

their private benefit might now be more than incidental. Three years ago it was reported that some members received as much as £100,000 a year from selling tickets.

In December the Charity Commission, in correspondence with the hall released under the Freedom of Information Act, asserted that "significant profits" could now be made by seat-holders: "The problem has become so acute as to require the constitution to be updated to manage the conflict as effectively and transparently as possible and minimise the real risk that council members will prefer their own interests to those of the charity.

"There is a reputational risk to the charity that may have the potential adversely to affect its charitable activities in the future. The most straightforward way [to amend the constitution] would be to provide for a council with a majority of non-seatholding members, either appointed or drawn from a wider membership, or both."

The commission has powers under charity law to grant or impose, with ministerial consent, a scheme to modify the constitution of a charitable corporation governed by a royal charter, as is the



hall. Last year it asked the hall to draft such a scheme in time for the hall's annual general meeting in May this year. "We consider it essential that this date is met," it said.

That deadline was not met. Instead, the hall decided to review its constitution, telling the commission in March it now had a conflicts policy and committee that could "provide for the proper management of conflicts of interest, within the current constitutional framework". It seems, therefore, that the hall and commission are at loggerheads over changing the constitution.

The commission says it "remains in active dialogue with the hall". The hall says it will respond by 30 September, but cannot say if it will agree to non-seat-holders becoming the majority on the council. The upshot, according to one insider, is that the hall is now facing "an ultimatum", and the stage of this grand British institution seems set for the most serious dispute over public versus private benefit – the foundation of charity law – since the public benefit of charitable private schools was reformulated in court four years ago.

continues overleaf

THE SEAT-HOLDERS AND THEIR TICKETS

A lucrative market for those who sell seats on the internet

A royal charter of 1866 established the Corporation of the Hall of Arts and Sciences, which financed the building of the Royal Albert Hall by asking investors to buy seats for £100 each on 999-year leases.

The 19 voting members of the 24-strong council that runs the charitable corporation are elected from among these seat-holders. Public bodies appoint another five council members who do not have a vote. The seat-holders can use their seats for each performance, sell them through the box office under the Ticket Return Scheme - in which case they receive between 50 and 100 per cent of the price - or sell them on the open market. In 2013, members sold 59 per cent of their ticket entitlement through the box office.

Their rights to use their seats were restricted by the Royal Albert Hall Act of 1966 so that more tickets could be sold to boost revenue. In 2013, members were excluded from 142 of the 390 shows in the main auditorium, equating to 316,500 tickets.

The seats can be freely traded and formerly changed hands at modest prices. But since the hall was refurbished in 2004 and became more successful, prices have surged. In 2013 a block of 10 seats was sold for £1.25m. Today, about 360 individuals or companies own about 1,300 of the hall's 5,300 seats; companies hold 357 seats. The register of owners is not made public. Owners have one vote per seat at the annual general meetings of the hall.

Authoritative documents seen by *Third Sector* show that two ticket agencies currently own nine and five seats respectively, and four families own 31, 23, 15 and 41 seats. Current council members and those connected with them own a total of 137 seats. The documents show one seat-holder wrote to others offering £500 and £800 per pair of tickets to an Adele concert and the Last Night of the Proms respectively. "Any tickets obtained on this basis would inevitably have then been resold at a profit," says one document, adding that one member has circulated a guide to selling tickets online.

In 2012, *The Times* claimed some members were receiving £100,000 a year from "touting" their tickets. Tickets for this year's Last Night of the Proms are currently trading for up to £2,500 online.



ROYAL ALBERT HALL

continued from previous page

Genesis of a constitutional crisis

So how did this all come about? A key protagonist is a seat-holder and former president of the hall's council, the Hon. Richard Lyttelton. He is an old Etonian who had a distinguished career in the former EMI music empire and bought four seats for £40,000 each after he retired in 2006.

At that time the hall was operating under arrangements that were not in line with the Royal Albert Hall Act 1966, which had been passed to help the hall with its financial difficulties at the time by giving the council powers to exclude members from their seats for a certain number of days a year so that the tickets could be sold.

By the 1990s, the council was granting many more such revenue-boosting "exclusives" than the act permitted, and in 2008 the AGM approved a memorandum that included a proposal to apply to the Charity Commission for a scheme that would legitimise these additional exclusives.

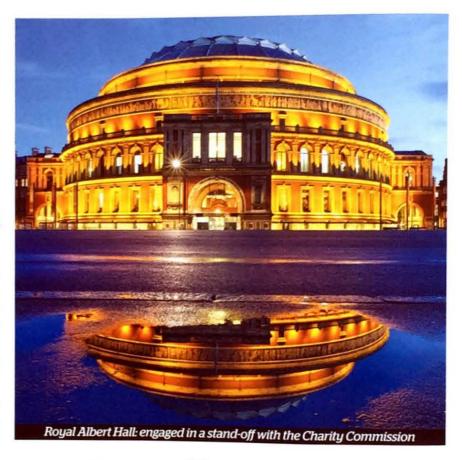
The scheme would have involved reducing members' ticket rights below the level laid down in the 1966 act, but the response of the commission, by then operating under the stricter public benefit requirements of the Charities Act 2006, was that even these reduced rights raised concerns about private benefits for seat-holders.

When Lyttelton became president in 2010, he reached an agreement with the commission that the hall could continue the existing practices temporarily while it drew up proposals to take a tough line on members' sale of tickets and introduce a supplementary seat rate (the rate is an annual amount paid by seat-holders to help finance the hall). These proposals would not have been part of a scheme.

But by now some members were becoming uneasy about the increase in the number of exclusives that had been temporarily legitimised by the 2008 memorandum. In advance of the 2011 AGM, nine members describing themselves as "investors" circulated a letter saying cuts to members' ticket allocations were becoming unacceptable.

The letter, quoted by Lyttelton in a recent witness statement to the Charity Commission, complained: "We should have received six out of 11 Eric Clapton concerts this year – we only received three." The letter also called for a tightening of the definition of the term "concert" that would increase members' allocations and a lower supplementary seat rate than the council proposed.

After what Lyttelton described as "a lengthy, acrimonious and difficult" 2011 AGM, a special general meeting approved proposals for increased member access to longer-running events and a





For this we have to thank those who want to protect their commercial interests at the expense of our good names

Richard Lyttelton, Albert Hall seat-holder

lower supplementary seat rate. The council then declined to support Lyttelton and he resigned "in the interests of the hall as charity".

Early in 2012, The Times revealed the income of some members selling their tickets on the internet. The AGM that year, however, approved a memorandum that further increased members' ticket rights, while adding that two exclusives a year should be given to two national charities.

Operational review

In 2013 a High Court judge, Sir Robert Owen, was asked by the hall's council to review the operation of the hall. He concluded it was operating lawfully because the AGM was within its rights to modify the number of exclusives laid down by the 1966 act.

Lyttelton then secured an opinion from Amanda Tipples QC, who disagreed: the number could be changed only by a modification of the hall's charter, an act of parliament or a charity commission scheme. "As a result of the 2012 memorandum," she added, "it is possible that the private benefits to members may have ceased to be subordinate to the corporation's charitable purposes."

This prompted Lyttelton to ask the Charity Commission to take the hall off the register of charities, which it declined to do on the grounds that it was "engaging" with the hall on amending its governance. He appealed to the charity tribunal against this decision, but withdrew the appeal in June when told of the 30 September "ultimatum", saying he did not want to distract the regulator.

'Unhelpful and inappropriate'

The hall says Lyttelton's "somewhat absurd" deregistration move was "unhelpful and inappropriate" and claims he withdrew the appeal "after we had made it clear to him that we would take legal action if he did not".

The hall has been developing its public benefit activities recently, including education, outreach and charitable work. Members make many personal voluntary contributions to support such activities, it says, including donating thousands of tickets to more than 50 charity event at the hall each year.

"The commitment to providing public benefit lies at the heart of our operations," says a recent briefing paper. "Our strategy is to ensure that as many and diverse audiences as possible have the opportunity to experience the unrivalled events and architecture of the 143-year-old building."

Ian McCulloch, a council member, says the hall's current governance review is wide-ranging, covering electoral procedures and the size of the council. "The commission is used to trustees being independent of a charity," he says. "The hall is different. It has seat-holders who are trustees."

The commission is particularly concerned by the composition of the council, he says, but the hall sees governance as a much bigger subject: "The commission probably struggles a bit to see how the role of seat-holders fits into the wider constitution of the charity and the benefits they bring. We must explain it to them."

Lyttelton believes it is too late for that; his letter to fellow members says he fears a scheme will now be imposed that is less sympathetic to members' rights than if the hall had acted appropriately earlier: "For this we have to thank those who want to protect their own commercial interests at the expense of our good names and the reputation of the Royal Albert Hall."

TIMELINE

Enlightenment, patriotism and a man in a gorilla suit

1851 The Great Exhibition in London's Hyde Park and Crystal Palace. Profits and government funds are used to buy Kensington Gore Estate, opposite Hyde Park. Queen Victoria's husband, Prince Albert, proposes facilities on the site, including a music hall, for the enlightenment of the public.

1862 Sir Henry Cole starts on designs, inspired by Roman amphitheatres, for a "Central Hall of Arts and Sciences." After Albert's death in 1861, it becomes the Royal Albert Hall.



1871 Queen Victoria opens the hall but is too overcome by emotion to speak. The first concert reveals an echo, counteracted successively by a canvas awning beneath the ceiling, aluminium panels and the current "mushrooms".

1936 A rally at the hall to celebrate the British Empire. In 1942 the Proms transfer from Queen's Hall, destroyed by German bombs.

1964 First concert by Eric Clapton. In 1969 the rock group Pink Floyd is banned for setting off cannons and having a man in a gorilla suit roaming the audience.

2004 Completion of major eight-year refurbishment financed partly by a £20m Heritage Lottery Fund grant.





Royal Command Performance programme from 1876

THE ARTS COLUMN september 1 2017, 12:01am, the times

Richard Morrison: The Proms should stop this ticket scandal — or leave the Albert Hall

richard morrison

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t's eight years since I first wrote about the scandal of tickets for the Last Night of the Proms, but with a week to go to this year's flag-waving frenzy the hackles are rising again. What is that scandal? In a nutshell, it's about access and inclusivity. It is extremely hard to obtain aforesaid tickets if you go through the official channels, but very easy if you have a few thousand quid to spare and go to a ticket-resale website.

And the reason why it's so easy? Some 1,275 of the Royal Albert Hall's seats are owned by members of the grandly named Corporation of the Hall of Arts and Sciences. Not only do these members form a majority of the hall's governing council, they also have the right to flog their seats for shedloads of dosh when big events such as the Last Night come along.

that the members' seats are their private property, and that the hall's management is correct when it says that it cannot control the sale of those seats.

The BBC Proms is bankrolled by million of pounds from licence-payers — all of whom should get a fair chance to apply for Last Night tickets

What's also true, however, is that the Albert Hall is a registered charity, not a private club. It received £40 million from the National Lottery for a big refurbishment on that basis. And the BBC's Proms season is bankrolled by millions of pounds from licence-payers — all of whom should, but don't, get a fair chance to apply for Last Night tickets.

This week Richard Lyttelton, a former president of the Albert Hall, who has become an indefatigable campaigner against these ticket resales at hugely inflated prices, wrote to the BBC to complain about an item on Radio 4's *You and Yours*. "In [the programme] the BBC claimed to be working with the Royal Albert Hall to prevent the secondary marketing of Proms tickets on sites like Viagogo," he wrote. "Yet it seems to be unaware that the best seats are actually being sold by the hall's trustees!"

Lyttelton cites some offers he has received for the four stalls seats he owns. A company called Prestige Venues has offered £2,200 to buy them for the Last Night. Events International offers £2,500, while Viagogo suggests it could sell them for £4,000. Displaying immaculate probity, Lyttelton has instead released his seats for the Albert Hall's own box office to sell at face value — £90 each.

Earlier in the year I asked the BBC's Proms director, David Pickard, if reselling of Last Night tickets for thousands of pounds went against the Proms' inclusive ethos. "It's infuriating for us, and indeed for the colleagues we work with at the Albert Hall, and it creates a very unfortunate image," he admitted. "Unfortunately we are powerless to stop it."

Really? I can think of one simple way. The BBC already runs simultaneous Last Night concerts in Hyde Park and at venues around the country. All it needs to do is elevate the Hyde Park event to be the "official" Last Night and end its Albert Hall booking the previous evening.

That would infuriate the Albert Hall's trustees, who would lose their nice little earners — but so what? Pickard is right. The Last Night ticket scandal does create a "very unfortunate image". It needs to be stopped. The Charity Commission should step in, but for reasons I don't understand it doesn't. The BBC, however — which block-books the hall from mid-July to mid-September — could flex its muscles to everyone's advantage. The mere threat of transferring the Last Night to another venue might trigger some reform. About time too.

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The Royal Albert Hall: A Victorian institution fit for the 21st century

Jon Moynihan, PRESIDENT OF THE ROYAL ALBERT HALL

14 May 2017 • 1:47pm











ith the discussion of how to finance a (welcome) new <u>Rattle Hall</u> at the Barbican, arts funding is again in the news. Four major music venues in London already receive £80 million a year between them from the <u>Arts Council</u>. Will that sum now have to increase, for a fifth? Not if the new Rattle Hall adopts the approach and success of the Royal Albert Hall, the world's most successful concert venue. With nearly 400 shows a year on its main stage, more than 40 of them for various charities, the Hall hosts

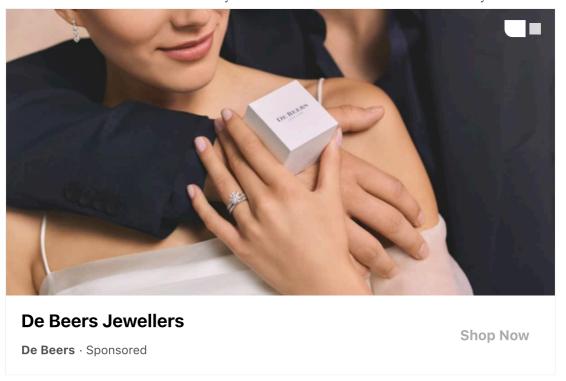
audiences from all parts of society, with shows from ballet to brass bands, Cirque to Clapton, Proms to pop.

Time and again, our patrons tell us their evening was one of the most enjoyable of their life. Visitor satisfaction levels at the Hall are at an all-time high; we spend around half a million pounds a year on musical education for London schoolchildren and other outreach activities; other performance stages are being developed within the Hall to offer further diversity of performances.



Last Night Of The Proms, 2014, at the Royal Albert Hall | CREDIT: Rob Ball/Getty Images

We're a charity. Our charitable mission dates back to our Royal Charter of the 1860s – which also created a structure of governance which is certainly idiosyncratic. Different does not mean wrong: indeed, the unique way in which the Hall is run is directly responsible for its unparalleled success. We first opened our doors in 1871. The magnificent venue was funded by the private purchase of seats. The builder got 400, the banker got 12, seats in full or part payment. Society flocked to buy the others.



The remaining (currently some four fifths) of seats in the Hall then became what is now the charity. Seat-holders acted as financial providers of last resort, keeping the Hall open when it made a loss (which was the case for the majority of its first 100 years). Seat-holders serve on the council as trustees of the charity – without that, of course, they couldn't agree to be the financial backstop. This setup guided the Hall on a 145-year course of growth and success.

A commercial element to the Hall's arrangements was, according to the authoritative Survey of London, specifically approved of by <u>Queen Victoria</u> as in line with Prince Albert's principles. The prospectus actually stated "it is hoped it will prove a remunerative investment". The injection of a commercial view into the governance of the Hall is, we believe, what keeps the Hall so popular, so well maintained, so busy all the year round, and enables us, bluntly, to avoid losing money every year and having to call upon the Arts Council (aka the public purse). The Hall now generates an operating surplus each year, allowing it continually to upgrade its capabilities and its iconic 19th-century building.



Conductor Sakari Oramo during the Last Night of the Proms at the Royal Albert Hall, 2014 | CREDIT: Guy Bell/Press Association Images

The relationship between private seat-holders (or members) and the Hall is symbiotic and essential: if the Hall loses money, the members pay. If the Hall makes money, the profit goes 100 per cent back to the charity, to develop the Hall further. Members voluntarily exclude themselves from, currently, around 140 of the very best shows each year, to help the charity prosper. Members have a deep affection for the Hall and are proud of the Hall's success and the shows we host. Astonishingly, this national treasure is now under pressure, in what would seem like regrettable regulatory overreach, from the very body that should be applauding its success - the <u>Charity Commission</u>.

The Commission has been bringing to account those charities who, lacking the integrity expected from the third sector, have preyed on the vulnerable. I, as do all, applaud that. The Commission's apparent concern with the Hall is that members, particularly those on council, can sell tickets for the seats they own, on occasion selling them above the promoter's price - and that this "conflicts" them. The original deal gave members "unfettered access" to their seats.

Seat-holders can give their tickets away, donate them to a charity (both of which we very often do), send them back to the Hall, or sell them for whatever price they like (the Hall can't dictate that price). Whichever they choose, the Hall - the charity - neither gains nor loses. It's anyway not in a position to forbid the exercise of a legally conferred right - without which the Hall would not have been built. Unless <u>Parliament</u> were to change the law, this will continue to be the case.



Visitor satisfaction levels at the Hall are at an all time high | CREDIT: Slawek Staszczuk/ Alamy

It has been suggested unfairly that Council members might be using their position to maximise their returns from their seats: in fact, the large majority of seat-holder council members own very few seats, so have little such pecuniary motive (I share ownership of a five-seat box with an old friend, and make no money from it). No council member is paid a penny in remuneration or expense.

It has been suggested that the Charity Commission imposed a deadline on the Hall; that if had not taken certain steps by now, it would launch a formal inquiry. The Commission has confirmed to us that there was no ultimatum. It's hard to see how an inquiry could be justified when we continue to operate properly, lawfully, constitutionally and of course successfully, and when the Commission has explicitly told us it sees no evidence of wrongdoing. The Commission has, it is true, written to us about "perception". We, who are on the council know, and are proud of, the good we do, and our predecessors have done, for almost 150 years. All our evidence is that the predominant public "perception" of the Hall is of a great institution, doing great work.



BBC Proms 2015: The Last Night of the Proms at the Royal Albert Hall | CREDIT: Chris Christodoulou/BBC

We love the Hall and are passionate for its success. To help the Hall grow and flourish, concessions that members annually renew add up to a transfer, from us to the Hall, of some £5 million a year – approximately equal to the size of the Hall's annual surplus. These voluntary agreements are threatened, should the Charity Commission manage to weaken the original founding bond between member and Hall - replacing us council members, as they threaten to, with quangocrats. All this, because of an apparent dogmatic preoccupation with the notional and unevidenced possibility that the members' commercial capabilities somehow damage the charity (in fact, they assist it).

If they succeed, all that will be left of the members' relationship with the Hall will be the short-term commercial, leading to the loss of both the energy and the financial benefit

that members bring to the charity (and, necessarily, the loss of financial provision of last resort). Why would this be thought to be a good idea, just to satisfy some currently politically correct, one-dimensional view of how a charity should be organised?

After the scandals of recent years, it is right to say that there are charities that need the public's trust restored in them. The Royal Albert Hall is not one of them. For us, the Hall represents not just the past, but a possible viable future, for gloriously successful funding of UK arts venues.

Jon Moynihan OBE is President of the Royal Albert Hall

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President of Royal Albert Hall defends 'idiosyncratic' governance structure

15 May 2017 by Stephen Cook , Be the First to Comment

Jon Moynihan says demands for reform from the Charity Commission are 'politically correct' and 'regrettable regulatory overreach'



Jon Moynihan

The president of the Royal Albert Hall, Jon Moynihan, has defended what he calls its "idiosyncratic" governance structure and attacked the Charity Commission's demand for reform as "politically correct" and "regrettable regulatory overreach".

The hall, a charity, is governed by a council on which 19 of the 24 members are elected from among their own number by people who own a quarter of the hall's 5,276 seats and in some cases sell them at inflated prices on the internet.

In a dispute lasting nine years so far, the commission has told the hall it thinks there is a "real risk" that the council will prefer the interests of seat-holders to those of the charity and wants the system changed to a majority of non-seat-holders on the council.

The hall is conducting a governance review, but has insisted it will keep the seat-holder majority on the council. It remains to be seen whether the commission will eventually use its

statutory powers to introduce a change.

Moynihan's intervention came in yesterday's *Sunday Telegraph* newspaper, where he suggested that the Albert Hall's success meant the new major concert hall proposed for London by the conductor Sir Simon Rattle should be run along similar lines.

His article appeared four days before the hall's annual general meeting on Thursday, when seat-holders – also known as members – are expected to approve the latest annual report, which contains a lengthy explanation and justification of the governance structure.

The article by Moynihan, chair of the venture capital firm Ipex Capital, recalls how the building of the hall in the 1860s was partly financed by investors who bought a quarter of the seats and were entrusted with the governance. The seats have been inherited or traded: they currently change hands at about £100,000 and a 12-seat box was recently marketed for £2.5m.

The system "is certainly idiosyncratic", the article says, but "the unique way the hall is run is directly responsible for its unparalleled success." It says the hall gains £5m a year from members, who give up their tickets for 140 of the best shows a year, and does not have recourse to the public purse.

"Astonishingly, this national treasure is now under pressure, in what would seem like regrettable regulatory overreach, from the very body that should be applauding its success – the Charity Commission," it goes on.

If the commission has its way, the article says, "quangocrats" will become a majority on the council, leading to the loss of seat-holders' energy and financial contribution "just to satisfy some currently politically correct, one-dimensional view of how a charity should be organised".

A spokeswoman for the commission said it had no comment on the article: "Our position remains clear – we expect the charity to address serious concerns about its governance and management."

The annual report to be considered at Thursday's AGM contains for the first time a lengthy explanation about members. It says that their seats are private property, distinct from the charity; that they cannot be said to be depriving the charity by using their tickets; and that they are free to sell them in any way at any price.

Richard Lyttelton, a former president of the hall who is campaigning for reform, said today that Moynihan's article was correct in estimating the annual transfer from members to the hall at £5m, but failed to mention the net income members receive from their seats, which would total £6.3m if they were all sold through the hall's box office.

In fact, the draft annual report says 60 per cent of members' tickets were sold through the box office in 2016. Lyttelton said it was not possible to estimate the value of this proportion because it would depend on which seats were returned, but pointed out that some of the remaining 40 per cent would be sold well above box-office prices. Seats for the Last Night of the Proms in September are currently being advertised on the internet agency Viagogo for up to £1,300 each.

On the question of public funding, Lyttelton pointed out that the hall was awarded a combined total of £40m from the national lottery and the Arts Council in 1996. This was used for a refurbishment that played a large part in its recent success.

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Columnist



A law officer blocking access to the courts

Why should the attorney general be able to stop the Charity Commission trying to clarify the law? And why did Suella Braverman's office block a challenge involving the Royal Albert Hall?

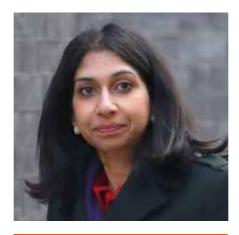
Construction of the iconic London venue in the 1860s was funded by the sale of seats. These seats can be freely traded and more than a quarter remain in private ownership. If you own a seat, you can watch whatever performance is taking place unless the hall has been hired on an exclusive basis. If you don't fancy two sold-out nights of Eric Clapton next month you can donate your tickets to charity, send them back to the box office for sale at face value (less a commission) or sell them on the open market for whatever they will fetch: this week, Viagogo were offering front-row Clapton seats for £4,356.

The hall is a charity, run by an elected council of 23 trustees and a president. Five trustees are nominated by outside institutions and the remaining 19 must be seat-holders. Could that give rise to a conflict of interest? Might trustees be encouraging sell-out shows in order to maximise returns on their investments?

The hall's highly detailed conflict-ofinterest policy tells trustees they must subordinate their private interests to those of the charity and act in the best interests of the hall. They are unpaid and there is no suggestion that any trustee has behaved improperly. Seat-holders pay an annual fee and are funders of last resort: they spent extra to keep the hall ticking over during the pandemic.

Even so, argues the Charity Commission, it would be better if seat-holders could not command a majority on the council. For some years now, the regulator has been urging the hall to change its constitution. The hall strongly disagrees and has described this as 'regulatory overreach'.

Could the commission force the hall to introduce reforms? That's not clear. So the commission sought an authoritative decision. Section 325 of the Charities Act 2011 allows it to seek a judicial ruling on its functions, or on the law, from the First-tier





As the first attorney to have a ministerial special adviser of her own, Braverman is more political than her predecessors. The argument that she has a 'unique perspective' is looking increasingly threadbare

Tribunal (Charity).

But that can happen only with the attorney general's consent. In 2017, the commission asked the then attorney, Jeremy Wright QC, for permission to refer the governance of the hall to the tribunal. Wright granted permission in early 2018, only to change his mind shortly afterwards when the hall threatened judicial review. Later that year, the commission asked again. Nothing more was heard until last September, when it emerged that permission had been refused. The only reason given was that this 'was not in the public interest'.

There are good reasons for requiring the attorney's consent before launching particularly sensitive criminal prosecutions. But why should a law officer be able to regulate a regulator?

When parliament passed the Charities Act 2006, it required the government to set up a review of the act within five years. Lord

LAW SOCIETY GAZETTE 1 APRIL 2022

Hodgson of Astley Abbotts CBE, a former Conservative MP, conducted the review and reported in 2012. To make it harder for the rich and powerful to lobby the attorney, he recommended that the commission should be given power to make references to the tribunal without asking for permission. The attorney would still have to be notified and could be joined as a party to the case.

The government referred Hodgson's recommendation to the Law Commission, which supported it in 2017. But the government rejected its advisers' recommendation last year, arguing that the restriction helped the attorney general to protect charitable interests.

Hodgson tried to introduce the Law Commission's recommended changes when charity reforms were debated in the Lords last year. The government made sure his amendment was defeated before the Charities Act 2022 became law. A minister asserted that the attorney had 'a unique perspective and is able to take into account considerations of societal issues and the wider repercussions for charities'. The attorney's oversight 'also provides a second pair of eyes in ensuring that the costs associated with such a referral are not put on charities or on the public unnecessarily'.

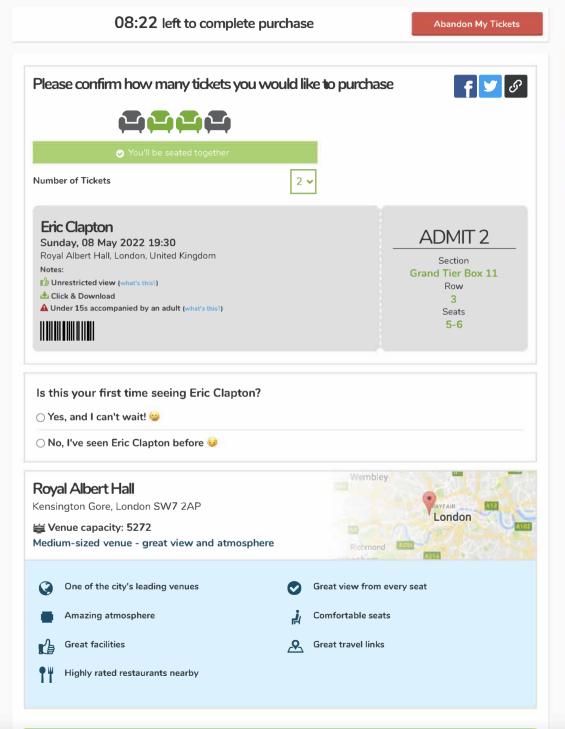
But the current law 'risks gravely weakening the Charity Commission's authority', Hodgson told me this week. It took successive law officers nearly four years to decide not to refer the Royal Albert Hall case to the tribunal. 'This is a profoundly regrettable outcome in every sense,' he said, 'not least that the underlying issue remains unresolved.'

I take no position on running a concert hall. But I do question whether a law officer should be allowed to block access to the courts. As the first attorney to have a ministerial special adviser of her own, Braverman is more political than her predecessors. The argument that she has a 'unique perspective' – denied to other members of the government – is looking increasingly threadbare.

joshua@rozenberg.net

15





Join the crowd to share your amazing experience at this event #EricClapton



Ticket price is often based on an event's popularity, ticket availability and the original cost of acquiring the tickets, including service and delivery fees. Face value per ticket (excluding fees): £175.00

CALLED TO ORDURE

HISTORIC smelly practices at one of the country's best-loved concert venues were exposed when the Royal Albert Hall Bill was introduced in the House of Lords.

Under an obscure constitution stretching back to 1871, the hall is part-governed by private-subscription seat-holders who can make a fortune by flogging tickets for concerts, sometimes for thousands of pounds. That might normally be called free enterprise but in 1967 the hall became a charity and charities are meant to be less red-clawed in their capitalism, particularly when simultaneously pleading poverty and

taking big bungs from the taxpayer.

The bill could give the seat-holders even more power. It was introduced by Tory peer Lord (Richard) Harrington, the culture department's representative on the Albert Hall board of trustees. In a tone of dopey innocence, Harrington

defended the dodgy set-up but was given a firm spanking by several other peers. A former charity commission chair, Lady (Tina) Stowell (Con), accused the bill's movers of "audacity" and being "completely unacceptable".

Telly scientist Lord (Robert) Winston (Lab) asked how much cash the hall's seat-holders could make a year from selling tickets. "I'm embarrassed to say I do not know," mumbled Harrington uselessly.

Viscount Chandos (Lab) compared the seatholders' rights to those of Wimbledon debenture holders, but there was one important difference: the All England Lawn Tennis Club is not a charity, whereas the Albert Hall is. The charity commission had identified "a clear conflict of interest" in some seat-holders running the charity while at the same time making oodles of cash out of it. It was a case of charitable trustees "not so much giving something back as taking something out", said Chandos. And how come the attorneygeneral allowed this to continue? A despairing Stowell recalled trying to introduce a compromise whereby seat-holders who actually sat on the charity's board would agree not to sell their tickets for a heavy mark-up. They refused to accept that idea. They didn't even declare their family financial interests in the way normal charitable trustees did. And yet the hall clung desperately to its charitable status.

Former banker Lord (Robin) Hodgson (Con) was more clued-up than Harrington about the money side of things and had the house's eyes popping with some of the ticket prices. An Albert Hall seat-holder with a ticket of £200 face value could take it to a third-party website (please don't

call them touts) which would offload it, in extreme cases, for £6,000. Kerching! Before the pandemic, seat-holders were making up to £20,000 a year from their little wheezes. Since the pandemic there had been "a rush" ("goldrush" shurely? — Ed.) and values had doubled. To become a seat-holder you would have to

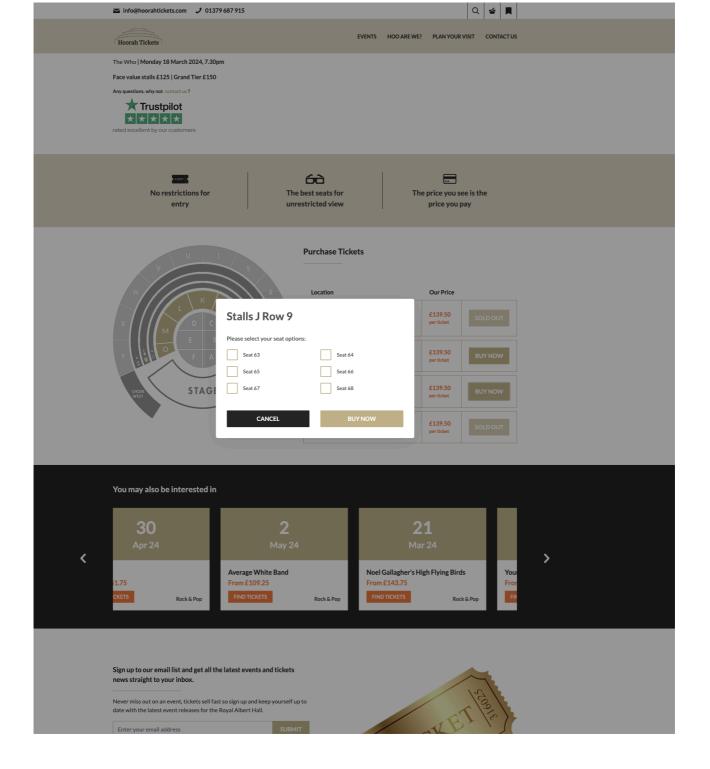
pay £300,000.

"Within the shell of a registered charity the trustees are running what appears to be a personally highly profitable operation," said Hodgson, deploring this "murky" business. Along the way the hall had trousered a £20m loan from the culture recovery fund at a jammy rate of interest. The bill proposes the sale of a further 72 seats and could make the hall £22m. If so, the culture recovery bung should be immediately repaid to the taxpayer, said Hodgson con forza.

Other peers piled in, indicating that they considered the Albert Hall to be a right royal cesspit. Harrington argued that seat-holders had a legal right to make money from their property. Hodgson: "He really can't be allowed to get away with that. Once you become a charity trustee, the game changes." Harrington: "It's a very well-run institution."

For its seat-holders it most clearly is!

'Gavel Basher'



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Ed Sheeran rebukes Royal Albert Hall over concert tickets costing 30 times their face value

Singer is 'vehemently opposed' to seats worth £200 being sold online for almost £6,000 to investors instead of 'genuine fans'

By Nick Gutteridge, WHITEHALL CORRESPONDENT

18 October 2023 • 9:37pm













Ed Sheeran has rebuked the Royal Albert Hall over inflated ticket prices amid plans to create 72 seats that will be sold to investors rather than the public.

The musician's team sent a message to the venue as it emerged that seats for his gig next month are selling online for 30 times their face value.

It comes after concerns that the London venue is becoming increasingly commercialised, with members of the public being shut out as a result.

Peers on Thursday will open debate on a new law that would grant the governing body of the hall the power to oversee the sale of 72 newly created seats.

Lord Hodgson, a former Tory MP, will argue in the chamber that the legislation should be halted so that ordinary music lovers can benefit from the expansion.

Advertisement



'Long-suffering taxpayer'

He said: "The Royal Albert Hall is a charity which has a public benefit objective but also a worryingly commercial agenda perpetuated by the conflict of interest inherent in its governance structure which means the Hall is controlled by seat-holders.

"I recognise the right of seat-holders to sell their seats, but this right cannot properly be extended to those seat-holders and their families who are also trustees and so ultimately govern the hall.

"Nor should they be able to decide the terms of sale of these new seats where they themselves may well be interested in purchasing them.

"And I think it's only right that any proceeds from the sale of these seats should in priority go to repay the long-suffering taxpayer."



Lord Hodgson, a former Tory MP, accused the Royal Albert Hall of having 'a worryingly commercial agenda' | CREDIT: Aaron Chown/PA

In a message sent to ticket holders, seen by The Telegraph, Mr Sheeran's team said it had "worked tirelessly to get his tickets into the hands of his genuine fans at the intended price".

'Unscrupulous sites'

It highlighted "people facing hardship after falling foul of the tactics of these unscrupulous sites where tickets are listed at many times over the face value".

Mr Sheeran's team said he was "vehemently opposed to" the reselling of tickets at well above market value, amid reports that seats worth £200 were going online for almost £6,000".

"We feel that it is only right that we impart this philosophy for all ticket holders at the venue," they added in a statement.

It comes after warnings that proposed changes to the venue's royal charter will lead to fewer seats being made available to the general public.

The Royal Albert Hall was contacted for comment.

A spokesman previously said the royal charter reforms were "aimed at benefiting the charity administratively, procedurally and financially".









EVENTS HOO ARE WE? PLAN YOUR VISIT

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About Us

What We Do

Over at Hoorah Tickets, we act as a platform for official Seat Holders (Members) of the Royal Albert Hall to sell their unwanted tickets. The tickets you see on our site are not purchased from the Royal Albert Hall box office but are privately owned by the seat holders so are 100% legally allowed to be sold. We can supply a range of options from single tickets to large groups in the stalls to a private Grand Tier Box. All of our prices include our booking fee, no other charges or the price of the prices of thidden fees. The price you see is the price you pay.

Who We Are

We have been supplying thousands of Royal Albert Hall tickets for over 10 years but only recently (2019) did we decide to set up a website so our customers could purchase their tickets safely, securely and with the option of choosing their seats from a wide selection. There are other ticket sites which, shall we say, have a less than favourable reputation. Hoorahtickets.com is a family run business based in Norfolk, U.K and we pride ourselves on giving the best possible experience for our customers. Get in contact if you're unsure about anything, we're happy to help!

What to Expect

- Great selection of events throughout the year and beyond
- Great range of seating options to suit your needs, aisle, front row etc.
- Great service. Free delivery for e-tickets sent straight to your inbox. We aim for same day delivery (not always the case but we do our best!)
- Great seats. All of our seats have an unrestricted view of the performance and there are no restrictions for entry.

Don't just take our word for it...we have been rated excellent over at Trustpilot by our customers. If you have any questions at all please contact us at info@hoorahtickets.com or call us on 01379 687915

Frequently asked questions

Are you the Royal Albert Hall? No, we're an entirely different company. We sell tickets for events at the Royal Albert Hall.

Why do your prices differ from the face value? It's a combination of the price the seat holders want and our booking fee. Sometimes below, sometimes above, sometimes at face value. We always strive to get the lowest price possible but it's difficult for sold out or very high demand events.

Why do my tickets say "members" on them? All our tickets are supplied by Royal Albert Hall members and so they are printed as such.

Do I need the original seat holder to accompany me into the Royal Albert Hall? No

Will I need any ID to enter? No. Unless you are under 14 and are unaccompanied by an adult, you may need to prove your age.

Do you sell tickets for other venues? No but we may be able to point you in the direction of somewhere who does.

I bought tickets elsewhere and I can't go to the event. Can you sell my tickets? Hmmm, possibly. Contact us and we'll see what we can do, otherwise you can try here. I set up this facebook page up for spare Royal Albert Hall tickets, so it's worth joining the group as you can often find a good deal.

I never received my tickets and the Royal Albert Hall wouldn't let me in. Can I have a refund? OK, this is not a frequently asked question but amazingly it has been asked. Although 100% not going to happen, please, if you haven't received your tickets by the day of the event, contact us and we will send them again. Like all venues, you need a ticket to enter.

Eric Clapton didn't play Layla, can I have a refund? No.

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Harvey Goldsmith Enraged By Royal Albert Hall Resale

01:01 PM Monday 1/9/17

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Renowned British concert promoter Harvey Goldsmith has complained about debenture holders at London's Royal Albert Hall being able to resell tickets to shows despite provisions put in place to prevent the secondary market from acquiring tickets.



David Gilmour

Madison Square Garden Arena, New York City April 11, 2016 (Grea Allen / GreaAllenPhotos.com)

0 🗗 0

Goldsmith promoted five David Gilmour concerts at the Hall Sept. 25-30. Tickets were personalized, which meant that punters had to enter their names and show photo ID at the entrance. According to the London Telegraph, the Hall's debenture holders, who own a fifth of the venue's 5,000 seats, were exempt from these provisions.

"The Telegraph can disclose that the charity [which owns the Royal Albert Hall] specifically circumvented a ban on ticket touts selling seats to David Gilmour concerts," the paper wrote.

Harvey Goldsmith told Pollstar, "Those box/seat holders who do not wish to use them can offer them for sale via The Royal Albert Hall Box Office. This allows the promoter to get some financial benefit and knowledge of legitimate sale of those tickets.

"However, there are a small number of debenture holders who have been accumulating seats and boxes only for commercial gain by running a business of reselling those tickets to the highest bidder. "We as promoters, currently cannot prevent these bad practises, even when we have put in place controls to prevent the secondary market having tickets that are put on general sale. Our objection is to these unscrupulous debenture holders who use these tickets to support a system that we abhor."

Via email, a spokesperson for the Royal Albert Hall explained that the venue was "funded by selling a proportion of the seats to members," without which, the Hall would not have been built. These seats (representing just under one-quarter of the auditorium) are still in private ownership today and some have been passed down for generations.

"Yes, they receive tickets to around two-thirds of the events. Over time, so as to bolster the finances of the Hall, members have arranged to exclude themselves from around 140 of the most popular shows of the year."

The spokesperson pointed out that the Hall's members also pay an annual seat rate, with the money going to maintaining the building "for the nation's benefit."

In 2016 the Hall received £1.8 million in total via the seat rate. Members own their seats under UK law, so they can sell their tickets if they wish.



Harvey Goldsmith

(harveygoldsmith.com) 0 🖒 0

A statement released by the Royal Albert Hall reads: "members' seats are their own private property with their rights enshrined in the Hall's Royal Charter and Acts of Parliament; neither the Hall nor the promoter – who in this case has worked with the Hall for over 30 years and understands the arrangements perfectly well – has the ability to impose restrictions on how Members choose to use or dispose of their tickets

"For David Gilmour, the promoter decided to put in place specific conditions of sale in regards to their own seats and as the Hall explains to all promoters, these conditions cannot be extended to the Members' tickets. Therefore there was no negotiation on this issue"

--Gideon Gottfried

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News

Anger over the resale of Royal Albert Hall tickets

Graeme Paton

January 9 2017, 12:01am, The Times



More than a fifth of the Royal Abert Hall's seats are owned by individuals and companies on long-term leases RUDY SULGAN/CORBIS



A fresh row has erupted over a decision to allow permanent seat holders at the Royal Albert Hall to sell their tickets.

The promoter Harvey Goldsmith called the practice "morally reprehensible" after it emerged that the venue, which is a charity, allowed debenture holders to circumvent a ban on the resale of tickets for a series of concerts. He urged the Charity Commission to take action as part of a long-running spat over the status of members' seats.

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ACCEPT AND CLOSE

MENU

News



Tickets for Last Night of the Proms were said to be resold for £3,000 JUSTIN TALLIS/AFP/GETTY IMAGES

Individuals and companies own more than a fifth of the hall's 5,272 seats under long-term leases that were created to help pay for its construction.

However, the historic London venue, home of the BBC Proms, has been criticised in the past for allowing seat holders to re-sell their tickets. *The Times* first exposed the issue five years ago. Last year it was claimed that tickets for the Last Night of the Proms were being offered for £3,000 and those for a concert in aid of the Teenage Cancer Trust were sold for £68, twice their face value.

The Sunday Telegraph reported yesterday that Mr Goldsmith was angered after the hall allowed debenture holders to circumvent a ban on the reselling of tickets to see David Gilmour, the Pink Floyd guitarist. It claimed that the charity failed to enforce rules drawn up by Mr Goldsmith "limiting the number of tickets being made available for sale on the secondary market" for three concerts in September 2015.

Mr Goldsmith said: "It is morally reprehensible for the council [the Royal Albert Hall's ruling body] to allow this to happen." He reportedly said he had considered a boycott of his acts but decided it was futile,

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ACCEPT AND CLOSE



Richard Lyttelton

RE: Last Night of the Proms 1 message lan McCulloch < 31 August 2023 at 13:26 To: "HODGSON, Sharon" Cc: Richard Lyttelton The Lord Hodgson of Astley Abbotts CBE HARRINGTON, Lord"

Dear Ms Hodgson,

Thank you for your email to Ms Gent of 24 August 2023.

We do not feel we should have to reply to Mr Lyttelton each time he makes unsubstantiated claims or draws erroneous inferences against the Hall but I am happy to reply to you as follows (and by copy of this email to Mr Lyttelton too on this occasion):

No Trustee of the Hall (Council member) nor the Hall itself is involved in any of the three website postings to which Mr Lyttelton refers.

It is disingenuous of Mr Lyttelton to speculate in aid of his own cause, by disregarding the obvious and probable, when he concludes that "either the Hall has resorted to selling tickets on Viagogo" (which at least he acknowledges is unlikely) or that "a Member is selling non-existent seats through a third party trader to conceal his or her name." The seats referred to do exist and I do not myself see any contravention of the Act, e.g. by misleading a buyer by misdescription. I do not therefore see how Mr Lyttelton can justifiably infer concealment either.

The subject of ticket sales and resales is complicated. It is not specific to the Hall. There are many different views on it. "Abuse" is a subjective term. Where activity concerning ticket sales and resales is lawful, the Hall does not consider it to appropriate (or within its proper remit) to condemn it.

Equally, the Hall does not condone unlawful activity, such as contraventions of the Consumer Rights Act 2015 concerning ticket sales. As it happens, sales by Members are not secondary sales and so are no more subject to the Act than sales by promoters. Nevertheless, when the Hall has identified a breach of the Act, the Hall has on occasion itself reported it to the CMA; but the Hall cannot be expected to monitor a market in which it takes no part, just because third party ticket sales are sometimes for events at the Hall.

Sales and resales of tickets for Members' seats for the Last Night of the Proms are not "at the expense of" the BBC.

Mr Lyttelton is correct that the BBC earns nothing from the sale of tickets for Members' seats for the Last Night. This is the case in respect of the tickets for Mr Lyttelton's own seats too. The BBC does not benefit from Mr Lyttelton returning his tickets to the Hall for sale through its Ticket Return Scheme. Members selling tickets for the Last Night does not constitute a loss to the BBC either, as Members' seats are not part of the manifest purchased by the BBC.

In my letter to you of 4 April 2023, I sought to explain to you the Hall's position on this and other matters.

With regard to Members lawfully exercising their right to sell tickets for their seats as they choose, this activity does not fall within the ambit of the Hall's functions and so the Hall neither condones it nor disapproves of it.

We are, of course, aware of the negative perception of the Hall that some, such as Mr Lyttelton, perpetrate around this subject. Mr Lyttelton should know that this is harmful to the Hall, even if that does not concern him. We are focussed on explaining the true position and on ensuring that the Hall operates successfully and with propriety.

In my letter, I asked for a meeting with you to discuss these matters. I have not received a reply but I hope that a meeting might be possible? I would be glad to come and see you in Westminster after the current recess.

Sincerely,

Ian McCulloch

President

Royal Albert Hall

Kensington Gore



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From: HODGSON, Sharon

Sent: Thursday, August 24, 2023 11:08 AM

To: Susan Gent

Cc: ODGSON OF ASTLEY ABBOTTS, Lord

■HARRINGTON, Lord

Subject: RE: Last Night of the Proms

Dear Ms Gent.

There does not appear to have been any response from the Hall to Mr Lyttelton's letter of July 14th.

I can therefore only assume that the information he provided is correct and that the Hall does not intend to take any action to address this ongoing breach of the Consumer Rights Act of 2015 (Duty to provide information about tickets etc).

I am fully aware of the conflict between the public interest and those of the Hall's seat holders but as you were kind enough to circulate Mr Lyttelton's letter both to the President and the executive, you will understand that any attempts by either to distance themselves from the practices of certain Members, some of whom serve on the Hall's Council, will carry little weight.

Unless I receive an appropriate response within the next fourteen days, I will be obliged to take this matter up formally with the Competition and Markets Authority.

I look forward to hearing from you.

Yours Sincerely

Sharon Hodgson MP

Member of Parliament for Washington and Sunderland West

Read Sharon Hodgson MP's Privacy Notice here: www.sharonhodgson.org/privacy_policy

From: Susan Gent

Date: Sat, 15 Jul 2023 at 17:24 Subject: RE: Last Night of the Proms

To: Richard Lyttelton

Cc: HODGSON, Sharon

■ HODGSON OF ASTLEY ABBOTTS, Lord

HARRINGTON, Lord

Thank you for your email and the information provided. I have forwarded it to Ian McCulloch, the President, together with the Treasurer, and the Chair of the Programming and Marketing Committee. It will also be brought to the attention of the relevant members of the Executive.

With regards Susan

Susan Gent

Secretary to the Corporation

Royal Albert Hall Kensington Gore



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From: Richard Lyttelton

Sent: Friday, July 14, 2023 3:09 PM

To: Susan Gent

Cc: HODGSON, Sharon HODGSON OF

ASTLEY ABBOTTS, Lord HARRINGTON, Lord <

Subject: Last Night of the Proms

External email: Do not open attachments or click links, unless this email comes from a known sender and you know the content is safe.

Dear Susan,

With the opening of the new BBC proms season tonight, I was looking at the Viagogo site where, regrettably, I already found numerous Members seats on sale at obscenely inflated prices. This is disappointing, as the BBC is publicly funded, demand far exceeds supply and, in the case of The Last Night of the Proms, the public has to enter a Ballot to attend.

I think you will agree that the attached examples, taken by screenshot today, are particularly egregious.

1. Stalls K row 4 seats 65 and 66 are on offer for £1,339 each yet, unless I am mistaken these seats are not registered to a Member so must belong to the Hall? From this I am drawn to

conclude that either the Hall has resorted to selling tickets on Viagogo (unlikely) or a Member is selling non-existent seats through a third party trader to conceal his or her name. Such, of course, would be unlawful under consumer rights legislation.

- 2. Stalls K row 9 Seats 70 and 71 are on offer at £1,056 each. Likewise, unless I am mistaken these seats are also not registered to a Member, although I do recognise the Trader (SM Tickets).
- 3. Stalls H row 2 seats 17 and 18 are on offer for £944. At least the owner is trading under his own name, but as a past Vice President it is a little disappointing that this gentleman feels entitled to profit at the expense of a promoter, particularly the publicly owned BBC, in this way.

I am copying Mrs Sharon Hodgson MP, Chair of the APPG on ticket abuse and other interested parties as they, doubtless, will be as interested as I am to know why the Hall appears to condone this abuse of privilege and what, if anything, the Hall's governing body intends to do about it. You will doubtless be aware that it is the Hall's Council which decreed that the LNOTP is an Ordinary Letting.

In conclusion, I have returned my seats to the box office as usual for which I shall be grateful to receive £100 or so each. The BBC will earn nothing from the sale of Members seats.

I look forward to hearing from you,

Best wishes

The Hon Richard Lyttelton HonRCM



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Sir, Matthew Parris makes a utilitarian case for assisted dying and the primacy of individual choice, but I wonder if this is an example of a "luxury belief" — that is, one held by those with agency and privilege that will have untold costs for the most vulnerable in society.

Christine Crossley

Chipping Norton

Sir, Matthew Parris welcomes the idea of society giving "an unspoken hint" to those considered a burden that their "time is up". In the week when parents were given the option of buying a school photograph with disabled pupils removed from it ("Complex needs pupils removed from class photo", Mar 29), I cannot help thinking society already gives far too many hints that some people's lives are worth less than others.

Evan John

Rotherhithe

Funding the arts

Sir, Richard Morrison <u>congratulates the Wigmore Hall</u> for "renouncing its public funding … and going it alone", asking whether others will follow.

The Royal Albert Hall has been going it alone without public funding since it opened in 1871, other than a one-off capital grant in the 1990s from the National Lottery and Arts Council England to let us expand our public benefit, and a £20 million interest-bearing Covid recovery loan that will be repaid. We have a glorious building and an enviable performance history. We attract an ever-more diverse array of artists and audiences to fill the auditorium for almost 400 events every year. But, like the Wigmore Hall, we also need financial support to operate independently.

The Victorians created a unique model for this. Funds to build the hall were raised from individuals who took seats and the responsibility of governing it. These seatholders enjoy their private rights but do not receive any dividend or share in the charity's operating surpluses, which are retained for the upkeep of the building and our community engagement programme. By their seat ownership, they are bonded with the hall for the long term in its ambition to succeed, now supporting the hall financially to the tune of £5 million and more per annum.

ADVERTISEMENT

The hall is sometimes criticised for not fitting neatly with the Charity Commission's idea of modern charity governance but its independent model, underpinned by the seatholders, has stood the test of time and it continues to thrive. Maybe the Victorians were onto something.

Ian McCulloch

President, Royal Albert Hall

Moving Easter

Sir, Jack Blackburn reports ("How a 96-year-old law could stop Easter hopping around the calendar", Mar 30) support for implementing this act to make the date of Easter less variable. Whatever the merits now, it is most fortunate that the act was not implemented soon after it was passed. If it had been, we might well have lost the Second World War.

Easter 1940 fell very early, on March 24, so Whit Sunday was on May 12. Until 1971 our next bank holiday weekend after Easter was at Whitsun. Parliament's Whitsun recess began on May 9. It could not adjourn without debating the war in Norway. Rebellion in that debate made Neville Chamberlain's position impossible and Winston Churchill became prime minister on May 10, just as Germany attacked Holland and Belgium. By May 16, the position was critical.

If the 1928 Act had been implemented then, Whit Sunday 1940 would have been on June 3. The rebellion and the change of leadership would have been at least delayed. The UK would have faced its greatest crisis of the past century with the old gang still in charge.

Colin Myerscough

Cheam, Surrey

Sir, As a Christian I hope Easter is not fixed in future. Unlike Christmas, which was superimposed on existing midwinter festivals, Easter is connected to the Jewish Passover. Jesus was a



For the attention of Paul Dorrans

Payne Hicks Beach 10 New Square Lincoln's Inn London WC2A 3QG Our Ref
DNM/DNM/116025.0001
Date
26 January 2024

By Email

Dear Sirs

Royal Albert Hall Bill [HL]

We act for The Corporation of the Hall of Arts and Sciences (the Royal Albert Hall) in relation to the promotion of a Private Bill in Parliament. The Bill is currently awaiting Committee stage in the House of Lords, having received a Second Reading in that House.

We are aware you act for Richard Lyttelton who has petitioned against the Bill and two parties that support his petition, namely the FanFair Alliance and the Court of the Worshipful Company of Musicians.

The petition raised various concerns with clause 5 of the Bill and proposes amendments to it. Clause 5 would authorise the charity to sell additional seats in Grand Tier boxes with associated membership and to sell voting rights in respect of a number of seats which do not currently enjoy them. Provision is made to ensure that the seats would not be sold at an under value, with valuations undertaken independently. The provision is intended simply to provide a means of raising capital for the charity. The provision has also attracted criticism from Members of Parliament as expressed in the debate in Second Reading because, we understand, of the potential new owners being able to sell tickets for their seats privately for events which members may attend, as existing members currently do under the Hall's constitution.

The Hall has considered these concerns and, although it does not accept the criticisms raised, has taken the decision to withdraw clause 5 from the Bill. We will be approaching the House authorities advising them of this decision in advance of the Select Committee.

Having regard to your client's concerns on clause 5, we would be grateful if you would take your client's instructions as to whether, on the basis of the withdrawal of clause 5 from the Bill he will withdraw his petition (and those of his supporters).

Registered Office

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Yours faithfully

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THE ROYAL ALBERT HALL

BYE-LAW

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.

All tickets for seats are issued subject to this Bye-Law.

In this Bye-Law the expressions "member" "the hall" "seat" "the Corporation" and "the council" have the meanings respectively assigned to them by section 2(1) of the Royal Albert Hall Act 1966.

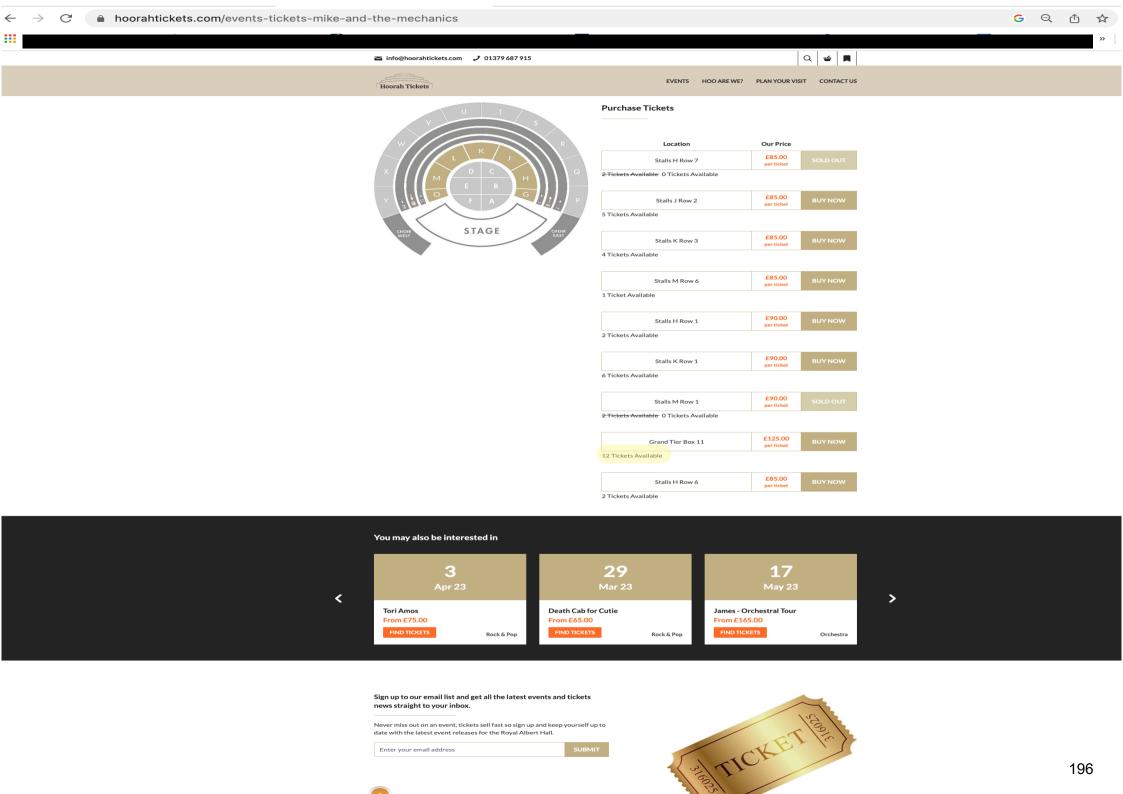
NOTICE

- I. The above Bye-Law was made pursuant to section 15 of the Royal Albert Hall Act 1966, sub-sections (3) and (4) whereof provide as follows:—
 - "(3) Every fine imposed by any Bye-Law made pursuant to this section shall be paid to the council and shall be recoverable by action of debt in any court of competent jurisdiction.
 - (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 Bye-Law 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 be paid."
- 2. Any person (not being a member) who sells or attempts to sell or purchases or attempts to purchase in the Royal Albert Hall or in the vicinity thereof any ticket for a seat (or seats) except through a Box Office provided by the Corporation will be required to leave forthwith.

By Order of the Council, M. Herrod,

Secretary.

FEBRUARY 1967.





How some of the wealthy elite who run the Royal Albert Hall are profiteering by reselling their prize seats to touts

By GUY ADAMS FOR THE DAILY MAIL

PUBLISHED: 22:52, 29 July 2018 | **UPDATED:** 22:56, 29 July 2018

They'll be playing Mozart's Notturno in D Major at the Royal Albert Hall tonight, as part of the two-month festival of classical music that culminates with the pomp, circumstance and Union Jack-waving of September's Last Night of the Proms.

The **BBC**'s annual series of 75 concerts is a staple of the arts calendar, broadcast to every corner of the globe and beamed to big screens in parks and squares across Britain. Yet while orchestras play in perfect harmony, off stage there are noises of discontent — with top-notes of a very ugly scandal.

For the Royal Albert Hall — a charity whose patron is Her Majesty the Queen — finds itself at the centre of the latest murky row to tarnish the reputation of Britain's increasingly noxious not-for-profit sector.



Many regard the Last Night of the Proms (pictured in 2013) as a once-in-a-lifetime experience

To understand why, one need only spend a few minutes using the internet to search for information about the aforementioned Last Night, where the BBC Symphony Orchestra will this year be conducted by Sir Andrew Davis.

The unique celebration of British patriotism has been one of the hottest tickets in showbusiness for years.

To secure one of the 5,272 seats, which cost the (relatively) bargain price of between £27 and £100, most ordinary members of the public must first attend at least five other Proms concerts. That entitles them to enter a hugely oversubscribed ballot for the right to buy a ticket.

Many thousands of classical music enthusiasts go down this arduous road every year. Many regard the Last Night as a once-in-a-lifetime experience. Attending is a hard-earned privilege.

Unless, that is, you have oodles of cash to spare.

For, as so often in our increasingly commercial internet age — where everything seems to have its price — a hefty quantity of tickets also happen to be freely available to those prepared to throw vast sums of money at the problem. So it goes that websites such as the ticket re-sale site Viagogo were this week advertising seats in the stalls for £1,000 each.

To sit in a box in the second tier of the auditorium, you must fork out £1,600. The going rate for a 'grand tier' box seat, regarded as the best in the house, is nearer £2,500.

These prices are not, of course, being charged by the event's organiser, the publicly-owned BBC. Nor are they being levied by the Albert Hall which, as I have pointed out, is a charity.

Since members of the public don't receive their ballot tickets until a few days before the Last Night, very few of them are in a position to cash in, either.

Instead, the vast majority of the tickets being flogged so shamelessly turn out to belong to a lucky — and, as we shall see, increasingly controversial — breed of individual known as a 'Member' of the 151-year-old Royal Albert Hall.

Members currently own some 1,270 of the venue's seats, and they are each issued tickets to around 250 of the events that take place there each year.

These include not just the Last Night of the Proms, but also such sought-after events as upcoming gigs by Cliff Richard, Jools Holland, Billy Ocean and The Beach Boys.

Members of the Hall, a mixture of individuals and organisations, can buy or sell seats on the open market (one in the stalls currently fetches around £150,000). They pay an annual fee of around £1,500 for upkeep, and in return are able to do whatever they want with their tickets.



Rock stars Roger Daltrey (pictured) and Paul Weller called the practice 'ludicrous' and 'despicable'

Many choose to return unwanted ones to the box office for resale at face value to the wider public. For this they receive a good share of the spoils, totalling around £5,000 per year per seat should they give up their ticket for every event.

Should members feel like maximising their financial returns, however, they can sell tickets for otherwise sold-out events on the open market. This can produce a substantial profit: some estimate between £15,000 and £20,000 per year per seat.

The list of members at the centre of this row provides a fascinating insight into the changing nature of Britain's financial elite. Where once the list was dominated by philanthropists, boxes are now owned by major corporations such as Shell, BAE Systems and Aviva Insurance.

Anonymous financial entities control still more. A firm called Palmyra Holdings, based in the tax haven of Jersey, controls five. Two boxes are owned by Astor Care Tickets Limited, a subsidiary of a company run by a doctor named Brian Cheung, that runs an Oxfordshire care home which has been much criticised by the Care Quality Commission.

Sixteen seats are controlled by the Albermarle Booking Agency, which runs them commercially. Coutts, the royal bank, and a Guernsey-based entity called Newstead Enterprises control others.

The Queen's lady-in-waiting, the Hon Mary Morrison, owns two seats, while Jimmy Page of Led Zeppelin has a box.

There is no suggestion that any of these individuals or companies flogs their seats online (a friend assures me that Mary Morrison, for one, finds the practice 'despicable'), but the fact that some members do put tickets up for resale at huge mark-ups has prompted criticism from a host of performers.

Rock stars Roger Daltrey and Paul Weller called the practice 'ludicrous' and 'despicable'. Harvey Goldsmith, the Live Aid promoter, described it as legal, but 'morally reprehensible'.

Five years ago, to cite one example, The Times revealed that Earl Spencer, who owns a box of 12 seats, was using the internet to sell his tickets to an Eric Clapton gig for a whopping £4,470, including fees.



Members of the public don't receive their ballot tickets until a few days before the Last Night

In January last year, the Mail found that Spencer's tickets to a concert staged by the Teenage Cancer Trust — with a face value of £130 a head — were being punted online for £417.50 each.

When he was accused of cashing in at the expense of a charity devoted to helping sick children, the Earl blamed a member of his staff, who he said had 'failed to understand' his instruction to return the tickets to the box office, rather than flogging them via the internet.

Be that as it may, the affair raised contentious issues.

Firstly, as a charity the Royal Albert Hall is subsidised by the taxpayer. It saves £2 million-£3 million a year in corporation tax, pays no VAT, is not charged normal business rates, and leases the ground it stands on, a prime piece of London real estate, for rent of 5p per annum. It also received lottery grants totalling £40 million in recent years.

The fact that such cash — from the pockets of ordinary Britons — is being spent on a venue which can be used by a collection of very wealthy people (and organisations) to generate money is, many believe, morally questionable.

'One person's tax relief [the Albert Hall] is another's tax burden,' says Paul Palmer, director of the Centre for Charity Effectiveness at Cass Business School in London. 'So you and I are effectively subsiding multi-millionaires who are trading Albert Hall seats as assets and making money from them.'

Secondly, and perhaps more importantly, the online market in members' seats has highlighted the fact that the Royal Albert Hall is governed in a manner which contradicts normal guidelines.

For, in addition to having a valuable commercial interest in the running of the venue, members control the charity that runs it, the grandly named Corporation of the Hall of Arts and Sciences.

Under an arrangement dating back to Victorian times, 18 of these well-heeled individuals occupy seats on the charity's 23-member board of trustees, giving them effective control over every aspect of its running, including the line-up of events that are staged there (which of course has a direct impact on the price that tickets can be sold for).

Trustees are elected by fellow members, via a ballot in which the owner of each seat gets one vote.

All of which means that the Corporation, a registered charity, is controlled by a group of people who have a huge financial interest in its management.



The Royal Albert Hall is governed in a manner which contradicts normal guidelines

Moreover, several trustees own large numbers of seats, many of which were purchased as investments, and are flogging tickets in a manner designed to maximise returns. Between them, the board controls 160 seats, which are conservatively valued at £25 million. Should they choose, they could make between £2.6 million and £3.2 million a year with them.

The Charity Commission believes this situation to be deeply at odds with standard practice, which dictates that trustees should never financially benefit from their role with a non-profit organisation.

They also say it presents a potential conflict of interest: while the Royal Albert Hall's formal objective is to 'promote . . .the Arts and Sciences', trustees' decisions on how to fulfil this brief could, in theory, be influenced by a desire to maximise their personal income. For example, board members might be tempted to use their influence to ensure that a particular slot in the calendar was used for a concert by a modish pop star, rather than a worthy (but less desirable) classical music event featuring, say, a youth orchestra.

Or they might resist a proposal to make the Last Night of the Proms one of the 150-odd events each year for which members are not given tickets, but are paid a flat rate so the entire Hall can be let to a promoter.

Such situations are, so far as we know, entirely theoretical. The Royal Albert Hall admits there is 'an authorised conflict of interest in our constitution', but says it is 'managed through a conflicts of interest committee', to protect the organisation's 'integrity'.

However, the Charity Commission takes a different view. The regulator believes it to be wholly unacceptable for a majority of trustees to be exposed to such a conflict of interest.

Last year, it asked the then attorney general Jeremy Wright, the Government's most senior law officer, to refer the structure of the Hall to the Charity Tribunal, which rules on charity law.

The attorney general initially agreed, only for the charity to make what the Commission described as 'legal threats'. Mr Wright therefore changed his mind in March 'to prevent unnecessary litigation', asking the regulator to seek an alternative solution.

That has not proven possible. So earlier this month, the Commission re-applied to the attorney general for the matter to be ruled on by a tribunal. Inevitably, the Royal Albert Hall is once again consulting lawyers. An expensive legal showdown beckons.

'A gang of very wealthy individuals, who have property rights that are under threat, are sure to hire the most expensive lawyers in the land to defend them,' is how Paul Palmer, of Cass Business School, puts it. 'So the Commission will have to take them on. But they are, in my view, bringing charities in general into disrepute. So it's a case that needs to be heard.'

Sharon Hodgson, a Labour MP who campaigns against ticket touting, agrees. She has called the situation at the Hall 'shameful' and says 'action needs to be taken'.

Certainly, the sums involved are considerable. Last year, the billionaire industrialist Jim Ratcliffe spent £2.76 million on a 12-seater box in the Grand Circle.

In March, a neighbouring one went on sale for £3 million. 'Boxes of this nature tend to appreciate greatly over time and are a genuine generational purchase,' said the agent, Harrods Estates.

Two of the most controversial members of the Royal Albert Hall are a financier named Leon Baroukh and his family, who own around 50 seats, and Richard Waterbury, the chairman of pensions for a chemicals company, who controls 29.

Their seats appear largely to be run as investments, which is particularly provocative since both Baroukh and Waterbury are senior members of the Royal Albert Hall's board of trustees.

Does their combined commercial interest in the charity — worth upwards of £13.5 million — mean they should be excluded from involvement in running it?

The Commission says yes. The Hall says no. The public, who help pay for this great monument, are free to make up their own minds about which side is in the right —and what it might say about who really rules Britannia.

Members Invoice



6 months to 30/04/2023

The Hon Richard Lyttelton Invoice No: 2023050194

Date: 19/06/2023

Account No:

Tessitura No:

DESCRIPTION	NET	20% VAT	GROSS
Annual Contribution 2023	£3,076.00	£615.20	£3,691.20
Less Rebate 2022	(£1,160.00)	(£232.00)	(£1,392.00)
Invoice Total (see below for total balance due)	£1,916.00	£383.20	£2,299.20

STATEMENT OF ACCOUNT	Total Gross
Payable by RAH to Member: (Ticket Return Distribution 01/11/2022 to 30/04/2023)	(£6,998.42)
Correction to TRS as per December Statement	(£25.60)
Payable by Member to RAH: see invoice above	£2,299.20
Payable by Member to RAH on behalf of PRS for Music at £60 per seat inc VAT	£120.00
Balance owed to Member is	(£4,604.82)

On average in this period, early returned tickets achieved a 31.89% higher return than late returned tickets

The early buyout period (A) is for tickets returned from the event on-sale until four weeks prior to the event

The late buyout period (B) is for tickets returned from four weeks before the event until the event itself Payment made by Electronic Bank Transfer to your designated account.

STATEMENT

Seat Details





Registered Charity No 254543 VAT Registration No 562 8818 09

The Hon Richard Lyttelton	Account No:
_	

Seats held during this period

seat section	seat row	seat num
Stalls J	1	41
Stalls J	1	42
Total number of	seats held	2

STATEMENT



Bi-Annual Ticket Return Scheme Distribution 6 months to 30/04/2023

Registered Charity No 254543 VAT Registration No 562 8818 09

The Hon Richard Lyttelton

Account No:

Performance	Date	No of Seats	Per Seat pay- out Early Return	Per Seat pay- out Late Return	Distribution
Tubular Bells: 7:30PM	01/11/2022	2	£22.75		£45.50
Symphonic Queen: 7:30PM	02/11/2022	2	£51.20		£102.40
Zemfira: 7:30PM	03/11/2022	2	£128.52		£257.04
Cat Power Sings Dylan: 7:30PM	05/11/2022	2	£21.03		£42.06
ROBBIE WILLIAMS: 8:00PM	07/11/2022	2		£94.37	£188.74
Peter Frampton: 7:30PM	08/11/2022	2	£65.25		£130.50
Messiah from Scratch: 7:00PM	13/11/2022	2	£14.69		£29.38
Bellowhead: 7:30PM	14/11/2022	2	£14.72		£29.44
Spectre: 1:30PM	20/11/2022	2	£19.47		£38.94
Barnardos: 6:30PM	21/11/2022	2	£8.60		£17.20
Churchill Songs: 7:00PM	22/11/2022	2	£125.00		£250.00
Zulfu Livaneli: 7:30PM	24/11/2022	2	£10.35		£20.70
Jools Holland: 7:30PM	25/11/2022	2	£29.84		£59.68
Christmas Celebration: 3:00PM	06/12/2022	2	£20.26		£40.52
Christmas Celebration: 7:30PM	06/12/2022	2	£48.04		£96.08
Salvation Army Christmas: 8:00PM	07/12/2022	2	£16.07		£32.14
Katherine Jenkins Christmas: 7:30PM	08/12/2022	2	£56.65		£113.30
Guy Barker Christmas: 7:30PM	09/12/2022	2	£30.27		£60.54
Home Alone: 7:30PM	10/12/2022	2	£62.47		£124.94
Christmas Orchestral Adventure: 1:00PM	11/12/2022	2	£33.55		£67.10
Christmas Orchestral Adventure: 4:30PM	11/12/2022	2	£34.32		£68.64
Royal Choral Society: 7:30PM	12/12/2022	2	£38.18		£76.36
Handel's Messiah: 2:00PM	14/12/2022	2	£12.15		£24.30
Handel's Messiah: 7:00PM	14/12/2022	2	£25.54		£51.08
Rick Astley: 7:45PM	15/12/2022	2	£28.94		£57.88
Rick Astley: 7:45PM	16/12/2022	2	£50.32		£100.64
Carols at the Hall: 11:00AM	18/12/2022	2	£40.53		£81.06
Carols at the Hall: 3:00PM	18/12/2022	2	£56.86		£113.72
Carols at the Hall: 7:30PM	18/12/2022	2	£66.30		£132.60
Carols at the Hall: 3:00PM	21/12/2022	2	£59.12		£118.24
Carols at the Hall: 11:00AM	22/12/2022	2	£17.98		£35.96
Carols at the Hall: 11:00AM	23/12/2022	2	£20.38		£40.76
Carols at the Hall: 11:00AM	24/12/2022	2	£59.12		£118.24

THE CORPORATION OF THE HALL OF ARTS AND SCIENCES KENSINGTON GORE, LONDON, SW7 2AP

Carols at the Hall: 3:00PM	24/12/2022	2	£73.34	£146.68
The Nutcracker: 7:00PM	28/12/2022	2	£75.97	£151.94
The Nutcracker: 7:00PM	30/12/2022	2	£77.60	£155.20
The Nutcracker: 12:00PM	31/12/2022	2	£74.63	£149.26
The Nutcracker: 4:00PM	31/12/2022	2	£79.86	£159.72
Kurios: 7:30PM	17/01/2023	2	£58.21	£116.42
Kurios: 3:00PM	22/01/2023	2	£83.42	£166.84
Kurios: 7:30PM	22/01/2023	2	£36.83	£73.66
Kurios: 7:30PM	25/01/2023	2	£37.15	£74.30
Kurios: 3:00PM	27/01/2023	2	£21.66	£43.32
Kurios: 3:00PM	29/01/2023	2	£88.12	£176.24
Kurios: 7:30PM	29/01/2023	2	£36.60	£73.20
Kurios: 7:30PM	01/02/2023	2	£31.80	£63.60
Kurios: 3:00PM	03/02/2023	2	£22.48	£44.96
Kurios: 7:30PM	03/02/2023	2	£45.26	£90.52
Kurios: 7:30PM	08/02/2023	2	£36.50	£73.00
Kurios: 3:00PM	12/02/2023	2	£73.44	£146.88
Kurios: 7:30PM	12/02/2023	2	£49.22	£98.44
Kurios: 11:30AM	25/02/2023	2	£37.29	£74.58
Kurios: 3:30PM	25/02/2023	2	£80.91	£161.82
Kurios: 8:00PM	25/02/2023	2	£62.95	£125.90
Kurios: 7:30PM	01/03/2023	2	£40.34	£80.68
Kurios: 7:30PM	02/03/2023	2	£41.37	£82.74
Let's Face the Music: 7:30PM	08/03/2023	2	£15.59	£31.18
Mountbatten Festival of Music: 7:30PM	10/03/2023	2	£28.91	£57.82
Killing Joke: 7:30PM	12/03/2023	2	£28.78	£57.56
Matt Goss: 7:30PM	15/03/2023	2	£10.97	£21.94
Hins Cheung: 7:30PM	16/03/2023	2	£65.04	£130.08
Ronan Keating: 7:30PM	19/03/2023	2	£16.54	£33.08
Wet Leg: 7:30PM	22/03/2023	2	£29.50	£59.00
Courteeners: 7:30PM	24/03/2023	2	£18.79	£37.58
Daughtry: 7:30PM	27/03/2023	2	£16.34	£32.68
Death Cab for Cutie: 7:30PM	29/03/2023	2	£29.47	£58.94
Mahler Symphony No. 2: 7:30PM	30/03/2023	2	£17.54	£35.08
Tori Amos: 7:30PM	03/04/2023	2	£51.07	£102.14
The Music of Bond: 7:30PM	04/04/2023	2	£61.19	£122.38
John Legend: 7:30PM	05/04/2023	2	£75.00	£150.00
Annual Messiah: 2:30PM	07/04/2023	2	£21.61	£43.22
De La Soul: 7:30PM	08/04/2023	2	£51.60	£103.20
Show of Hands: 7:30PM	10/04/2023	2	£15.35	£30.70
Classic FM Live: 7:30PM	12/04/2023	2	£52.50	£105.00
Okean Elzy: 7:30PM	13/04/2023	2	£36.44	£72.88

THE CORPORATION OF THE HALL OF ARTS AND SCIENCES KENSINGTON GORE, LONDON, SW7 2AP

Jonas Brothers: 7:30PM	14/04/2023	2		£95.00	£190.00
The Always Sunny: 7:30PM	16/04/2023	2	£32.54		£65.08
James Bay: 7:30PM	26/04/2023	2	£44.28		£88.56
Mahler Symphony No. 3: 7:30PM	27/04/2023	2	£7.70		£15.40
RuPaul's Drag Race UK: 8:00PM	28/04/2023	2	£29.67		£59.34
Total		160			£6,998.42

STATEMENT



Adjustment to Ticket Return Scheme Distribution

1st November 2020 to 31st October 2022

The Hon Richard Lyttelton	Account No:						
Performance	Date	No of Seats	Seat Original TRS	Total S Original TRS	Seat New TRS	Total New TRS	Distribution
The Muppet Christmas Carol: 7:00PM	11/12/2021	2	£45.31	£90.62	£46.04	£92.08	£1.46
Satinder Sartaaj: 7:30PM	06/03/2022	2	£62.42	£124.84	£64.71	£129.42	£4.58
Classic FM Live: 7:30PM	11/04/2022	2	£51.65	£103.30	£51.80	£103.60	£0.30
Lord of the Rings: 6:00PM	29/05/2022	2	£68.23	£136.46	£71.14	£142.28	£5.82
Zimmer vs Williams: 7:30PM	03/07/2022	2	£53.27	£106.54	£53.56	£107.12	£0.58
Prom 33: 7:30PM	10/08/2022	2	£42.52	£85.04	£42.92	£85.84	£0.80
Prom 47: 7:30PM	22/08/2022	2	£52.38	£104.76	£52.92	£105.84	£1.08
Ludovico Einaudi: 7:30PM	17/10/2022	2	£84.19	£168.38	£84.21	£168.42	£0.04
Invest Fest Europe: 7:30PM	31/10/2022	2	£27.50	£55.00	£32.97	£65.94	£10.94
Total			£487.47	£974.94	£500.27	£1,000.54	£25.60

Members Invoice



6 months to 31/10/2023

The Hon Richard Lyttelton Invoice No: 2023110197

Date: 14/12/2023

Account No:

Tessitura No:

 DESCRIPTION
 NET
 20% VAT
 GROSS

 Supplementary Seat Rate 2023 *
 £830.00
 £166.00
 £996.00

Invoice Total (see below for total balance due) £830.00 £166.00 £996.00

STATEMENT OF ACCOUNT	Total Gross
Payable by RAH to Member: (Ticket Return Distribution 01/05/2023 to 31/10/2023)	(£9,236.80)
Payable by Member to RAH: see invoice above	£996.00
Balance owed to Member is	(£8,240.80)

On average in this period, early returned tickets achieved a 18.87% higher return than late returned tickets

The early return period (A) is for tickets returned from the event on-sale until four weeks prior to the event The late return period (B) is for tickets returned from four weeks before the event until the event itself

Payment made by Electronic Bank Transfer to your designated account.

^{*} A Supplementary Seat Rate of £415 has been charged for 2023, as agreed at the AGM in 2020. This is the fourth and final instalment of the four-year Supplementary Seat Rate.

STATEMENT

Seat Details





Registered Charity No 254543 VAT Registration No 562 8818 09

The Hon Richard Lyttelton	Account No:

Seats held during this period

Stalls J	1	41	
Stalls J	1	42	

Total number of seats held 2

STATEMENT



Bi-Annual Ticket Return Scheme Distribution 6 months to 31/10/2023

Registered Charity No 254543 VAT Registration No 562 8818 09

The Hon Richard Lyttelton

Account No:

The Hon Kichard Lytteiton		ACC	ount No:		
Performance	Date	No of Seats	Per Seat pay- out Early Return	Per Seat pay- out Late Return	Distribution
Peter Doherty: 7:30PM	05/05/2023	2	£12.42		£24.84
Havasi: 7:30PM	08/05/2023	2	£38.50		£77.00
London Youth Choirs: 7:00PM	09/05/2023	2	£17.11		£34.22
Róisín Murphy: 7:30PM	11/05/2023	2	£46.25		£92.50
Film Music Gala: 3:00PM	13/05/2023	2	£38.73		£77.46
Magic at the Musicals: 7:30PM	14/05/2023	2	£77.09		£154.18
Gipsy Kings: 7:30PM	15/05/2023	2	£87.01		£174.02
Katie Melua: 7:30PM	16/05/2023	2	£21.09		£42.18
James Orchestral Tour: 7:30PM	17/05/2023	2	£81.64		£163.28
Mike and the Mechanics: 7:30PM	18/05/2023	2	£34.99		£69.98
Joaquin Sabina: 7:30PM	19/05/2023	2	£43.06		£86.12
The Verdi Requiem: 7:00PM	21/05/2023	2	£10.40		£20.80
A Tribute to Jeff Beck: 7:30PM	22/05/2023	2	£169.50		£339.00
ASA: 7:30PM	24/05/2023	2	£6.54		£13.08
Cleo Sol: 7:30PM	25/05/2023	2	£40.00		£80.00
The Vamps: 7:30PM	26/05/2023	2	£39.83		£79.66
Black Panther: 7:30PM	27/05/2023	2	£20.05		£40.10
Sparks: 7:30PM	30/05/2023	2	£48.40		£96.80
Ben Howard: 7:30PM	01/06/2023	2		£28.90	£57.80
UB40: 7:30PM	02/06/2023	2	£39.53		£79.06
Zimmer vs Williams: 7:30PM	03/06/2023	2	£55.61		£111.22
Organ Celebration: 7:30PM	04/06/2023	2	£22.95		£45.90
Adam Lambert: 7:30PM	05/06/2023	2	£61.22		£122.44
Video Games Concert: 7:30PM	06/06/2023	2	£14.23		£28.46
Sister Sledge: 7:30PM	08/06/2023	2	£29.68		£59.36
Cinderella: 2:00PM	17/06/2023	2	£29.05		£58.10
Cinderella: 7:30PM	17/06/2023	2	£27.79		£55.58
Cinderella: 7:30PM	20/06/2023	2	£20.86		£41.72
Cinderella: 7:30PM	22/06/2023	2	£22.06		£44.12
Van Morrison: 7:30PM	28/06/2023	2	£100.00		£200.00
Gregory Porter: 7:30PM	29/06/2023	2	£56.48		£112.96
Prom 1: 7:00PM	14/07/2023	2	£50.19		£100.38
Prom 2: 8:00PM	15/07/2023	2	£45.30		£90.60

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Prom 3: 11:00AM	16/07/2023	2	£4.33	£8.66
Prom 4: 7:30PM	16/07/2023	2	£49.80	£99.60
Prom 5: 7:30PM	17/07/2023	2	£21.98	£43.96
Prom 6: 7:30PM	18/07/2023	2	£41.55	£83.10
Prom 7: 7:00PM	19/07/2023	2	£31.03	£62.06
Prom 8: 7:30PM	20/07/2023	2	£20.09	£40.18
Prom 9: 8:00PM	21/07/2023	2	£27.95	£55.90
Prom 11: 6:00PM	22/07/2023	2	£13.54	£27.08
Prom 12: 7:30PM	23/07/2023	2	£50.62	£101.24
Prom 13: 7:30PM	24/07/2023	2	£20.28	£40.56
Prom 14: 7:00PM	25/07/2023	2	£34.11	£68.22
Prom 15: 10:15PM	25/07/2023	2	£23.13	£46.26
Prom 16: 7:30PM	26/07/2023	2	£42.84	£85.68
Prom 17: 7:30PM	27/07/2023	2	£42.74	£85.48
Prom 19: 6:30PM	29/07/2023	2	£27.20	£54.40
Prom 20: 7:30PM	30/07/2023	2	£8.19	£16.38
Prom 21: 7:30PM	31/07/2023	2	£8.60	£17.20
Prom 22: 7:00PM	01/08/2023	2	£41.32	£82.64
Prom 23: 10:15PM	01/08/2023	2	£8.96	£17.92
Prom 24: 7:30PM	02/08/2023	2	£36.68	£73.36
Prom 26: 7:30PM	03/08/2023	2	£11.80	£23.60
Prom 27: 7:30PM	04/08/2023	2	£61.88	£123.76
Prom 28: 7:30PM	05/08/2023	2	£29.35	£58.70
Prom 31: 7:00PM	07/08/2023	2	£26.01	£52.02
Prom 32: 7:00PM	08/08/2023	2	£43.69	£87.38
Prom 33: 7:00PM	09/08/2023	2	£9.85	£19.70
Prom 34: 10:15PM	09/08/2023	2	£6.83	£13.66
Prom 35: 7:30PM	10/08/2023	2	£25.19	£50.38
Prom 36: 7:30PM	11/08/2023	2	£34.11	£68.22
Prom 37: 7:30PM	12/08/2023	2	£50.97	£101.94
Prom 38: 2:00PM	13/08/2023	2	£12.79	£25.58
Prom 39: 7:30PM	13/08/2023	2	£41.58	£83.16
Prom 40: 7:30PM	14/08/2023	2	£8.44	£16.88
Prom 41: 7:30PM	15/08/2023	2	£43.34	£86.68
Prom 42: 7:30PM	16/08/2023	2	£43.16	£86.32
Prom 43: 7:30PM	17/08/2023	2	£6.75	£13.50
Prom 44: 7:30PM	18/08/2023	2	£43.45	£86.90
Prom 45: 7:00PM	19/08/2023	2	£43.25	£86.50
Prom 46: 10:15PM	19/08/2023	2	£2.42	£4.84
Prom 47: 7:30PM	20/08/2023	2	£16.74	£33.48
Prom 48: 8:00PM	21/08/2023	2	£35.00	£70.00
Prom 49: 7:30PM	22/08/2023	2	£18.37	£36.74

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Prom 50: 7:00PM	23/08/2023	2	£22.17		£44.34
Prom 51: 7:30PM	24/08/2023	2	£22.15		£44.30
Prom 52: 6:30PM	25/08/2023	2	£18.77		£37.54
Prom 53: 10:15PM	25/08/2023	2	£9.11		£18.22
Prom 54: 2:00PM	26/08/2023	2	£4.43		£8.86
Prom 58: 8:00PM	29/08/2023	2	£42.57		£85.14
Prom 60: 7:30PM	31/08/2023	2	£18.96		£37.92
Prom 61: 7:30PM	01/09/2023	2	£29.47		£58.94
Prom 62: 3:00PM	02/09/2023	2	£20.82		£41.64
Prom 63: 7:30PM	02/09/2023	2	£29.43		£58.86
Prom 65: 7:30PM	04/09/2023	2	£24.75		£49.50
Prom 66: 7:30PM	05/09/2023	2	£44.56		£89.12
Prom 67: 10:15PM	05/09/2023	2	£13.70		£27.40
Prom 68: 7:30PM	06/09/2023	2	£43.28		£86.56
Prom 69: 7:00PM	07/09/2023	2	£54.62		£109.24
Prom 69A: 10:15PM	07/09/2023	2	£2.14		£4.28
Prom 70: 7:30PM	08/09/2023	2	£45.00		£90.00
Prom 71: 7:00PM	09/09/2023	2	£100.00		£200.00
Ministry of Sound: 6:30PM	16/09/2023	2	£60.00		£120.00
Theatretrain: 1:30PM	17/09/2023	2	£6.61		£13.22
Theatretrain: 6:00PM	17/09/2023	2	£13.12		£26.24
Echo and the Bunnymen: 7:30PM	18/09/2023	2	£52.77		£105.54
Best of Broadway: 7:30PM	20/09/2023	2	£51.17		£102.34
Matthew Halsall: 7:30PM	21/09/2023	2	£9.52		£19.04
The Two Towers: 7:30PM	23/09/2023	2	£96.84		£193.68
The Two Towers: 12:00PM	24/09/2023	2	£80.38		£160.76
Whitney - Queen of the Night: 7:30PM	25/09/2023	2	£32.82		£65.64
RAYE: 7:30PM	26/09/2023	2	£45.00		£90.00
Deacon Blue: 8:00PM	27/09/2023	2	£52.46		£104.92
PAUL CARRACK: 7:30PM	28/09/2023	2	£20.14		£40.28
Hawkwind: 7:30PM	29/09/2023	2	£16.71		£33.42
The Planets: 2:30PM	30/09/2023	2	£46.24		£92.48
Beethoven's Ninth: 7:30PM	30/09/2023	2	£53.89		£107.78
Benjamin Clementine: 7:30PM	01/10/2023	2	£19.06		£38.12
An Evening with Eckhart Tolle: 7:30PM	02/10/2023	2	£91.03		£182.06
Bootleg Beatles: 7:30PM	03/10/2023	2	£40.00		£80.00
Midge Ure: 7:30PM	04/10/2023	2	£19.57		£39.14
Loyle Carner: 7:30PM	06/10/2023	2		£61.99	£123.98
Danny Elfman: 7:30PM	07/10/2023	2	£22.81		£45.62
Off Menu Live: 7:30PM	09/10/2023	2	£31.13		£62.26
Gilberto Gil: 7:30PM	11/10/2023	2	£55.00		£110.00
Yussef Dayes: 7:30PM	12/10/2023	2	£37.50		£75.00

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Yoshiki: 7:30PM	13/10/2023	2	£35.49	£70.98
Diana Ross: 7:30PM	15/10/2023	2	£66.54	£133.08
Classic FM Live Oct: 7:30PM	16/10/2023	2	£57.50	£115.00
NITIN SAWHNEY: 7:30PM	20/10/2023	2	£18.16	£36.32
Brass Band Championships: 10:00AM	21/10/2023	2	£16.15	£32.30
The Music of Star Wars: 7:30PM	22/10/2023	2	£16.26	£32.52
Digga D: 7:30PM	23/10/2023	2	£12.14	£24.28
Jurassic Park: 7:30PM	26/10/2023	2	£55.85	£111.70
The Compozers: 7:30PM	28/10/2023	2	£35.00	£70.00
Carmina Burana: 3:00PM	29/10/2023	2	£57.62	£115.24
Soul II Soul: 7:30PM	30/10/2023	2	£42.55	£85.10
GABRIELLE: 7:30PM	31/10/2023	2	£37.08	£74.16
Total		258		£9,236.80



12 March 2024

To whom it may concern,

As Chair of the Ticket Abuse APPG, I am regularly confronted by victims of the secondary ticketing market including artists, employees and consumers at the Royal Albert Hall.

I am extremely concerned that this Bill would allow individual private seat holders to increase their personal profits through this publicly subsidised institution.

As a charity, it is remarkable that individual profiteering is allowed to continue unchallenged, whilst the soaring event costs are often passed onto the Hall, the event promoters, and even occasionally the BBC.

It is time that artists and the Hall are fairly compensated, so they can continue to enrich our creative sector, while attendees are provided with the best possible experience. This Bill fails to achieve this and fails to prevent private profiteering against our nationally beloved Royal Albert Hall.

Yours sincerely,

Mrs Sharon Hodgson MP

Shown Hedger

Member of Parliament for Washington & Sunderland West

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Sitting Pretty

The Albert Hall is being exploited by trustees, at the nation's expense

Published at 12:01AM, March 28 2012

The trustees of the Albert Hall should be custodians, not businessmen. Opened by Queen Victoria a century and a half ago, and the home of the Proms, it is one of the hubs of our nation's cultural life. Those who occupy a privileged position at its heart should be proud to do so. They should not profiteer as well.

That some do, as an investigation in *The Times* has revealed, is partially an accident of history. Debentures in the Albert Hall were sold off with few constraints in the 1870s, on leases of 999 years. Those who held them had not only priority access, but also a financial responsibility to help in the theatre's upkeep. Those who hold them today are, in part, their descendants, who continue to do just this.

But not exclusively. As the profits available from live performances have soared, so too have the values of debentures. Today they can change hands for tens of thousands of pounds.

The hall itself does not see this money. Some families now own large numbers of seats, purchased at great expense, specifically to profit through the resale of tickets for events. Patronage has evolved into bonanza. There are two reasons why this is wrong.

First, it may be of dubious legality. The Albert Hall is a charity, and the law prohibits those who are part of a charity to profit beyond incidental income. Second, this is simply not what Britain's great institutions are for.

Planned by Prince Albert, who never lived to see it made, this theatre was built to enhance public understanding and appreciation of the arts. When trustees profit at the expense of the public at large, a change is long overdue.



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