

IN PARLIAMENT

HOUSE OF LORDS

SESSION 2024-25

ROYAL ALBERT HALL BILL

Statement on behalf of the Promoter in support of the Third Reading

1. The purpose of this statement is to inform the House about the Royal Albert Hall Bill in advance of its Third Reading stage on 29 January 2025. The following paragraphs provide a brief summary of the Bill's purpose. Additional details are provided in paragraphs I. to XVII. below.
2. The Bill is promoted by the Royal Albert Hall, a charity incorporated by royal charter.
3. Under its constitution, the Hall has Members. They privately own permanent rights of access to about one quarter of the seats in the Hall.
4. As well as supporting the Hall individually, the Members collectively support the Hall each year in two main ways:
 - a. they pay an annual seat rate towards the upkeep of the Hall; and
 - b. they forgo their right to attend many of the best events, thereby augmenting the number of seats available for public sale.
5. The practice of forgoing their right to attend events to the current extent is not expressly covered by the constitution. Currently, the Members vote annually to do this collectively but the Hall is exposed to the risk of this practice being challenged. If a challenge were successful, the charity's finances and programme of events could be disrupted. This would be detrimental to the Hall and to the public interest.
6. The Bill's primary purpose is therefore to address this risk by putting the current practice onto a clear and proper legal footing. This can only be achieved by a Bill, as it affects the use of the Members' private property.
7. **Clause 3** removes a six yearly cap on the amount that can be levied by the seat rate. The cap serves no useful purpose. During the Covid-19 pandemic, the cap served only to restrict Members' ability to support the Hall financially.
8. **Clause 4** seeks to validate and regularise the manner in which the Members currently forgo their entitlement to attend events.
9. The Charity Commission is aware of the risk that the Hall is now seeking to address by clause 4 of the Bill and has authorised the Hall to incur expenditure in promoting the Bill.
10. The Bill has a limited scope and purpose. It is needed in the public interest. It has undergone proper scrutiny by the Unopposed Bill Committee.
11. The Hall respectfully submits that the Bill should be passed without further amendment.

Additional Statement: The Royal Albert Hall's Governance

- I. This note explains the issues currently surrounding the Hall's form of governance.
- II. The governance of the Hall is a form of public/private collaboration.
- III. In 1867, long term seatholding interests were offered to subscribers for capital sums. The money raised enabled the Hall to be built for the nation with charitable purposes. The founding royal charter conferred on these seatholders and their successors (the Members) trusteeship of the Hall so that their investment and the public benefit could flourish in tandem.
- IV. With some adjustment over time, this creative model has stood the test of time. It works without any public disbenefit because the charity retains any surpluses it makes and the Members support the Hall financially in order to safeguard their investment.
- V. Under the current constitution, Members form a majority of the Trustees by election from among themselves. For those Trustees, there is a productive concomitance of interest with the charity. There are also five independently appointed non-Member trustees.
- VI. Legally, the seatholding interest of the elected Trustees also creates an authorised conflict of interest. All the Trustees are well aware that, in this situation, the public interest purposes of the charity must remain paramount. Further, the Hall ensures this by -
 - (a) the close scrutiny and participation of the non-conflicted Trustees; and
 - (b) the conflict of interest being properly managed through the operation of the Hall's Conflict of Interests policy.

Should it be necessary (which is not the case), this prevents the authorised conflict from operating against the interests of the charity. In this way, exemplary standards are observed and the Trustees' decisions are beyond reproach.
- VII. The Members' interest does not dilute or compromise the charitable endeavour. It supports it. It helps the Hall to remain independent, operationally, financially and artistically. It enables the Hall to operate without any recurring public tax-payer subsidy.
- VIII. The Members, including those who are elected as Trustees, can do as they choose with their own tickets and, when selling them, can set their own price for them. They did not acquire their seats or the tickets for them from the Hall. There is no 'promoter price' for them, and so there is no reselling (whether at a profit or loss), as these tickets are not, and never were, part of a promoter's ticket manifest, when hiring the Hall.
- IX. Some disapprove of this right even though such Trustees are not taking anything from the charity and are acting in a private capacity when disposing of their own tickets. Some wrongly infer that the elected Trustees influence the programme in order to maximise their personal income to the disbenefit of the charity. That is not how the programming works. How Trustees deal with their private property is clearly distinguishable from their role as a Trustee. The Trustees are dedicated to the success of the Hall and the Hall's procedures ensure that the Trustees perform their role of trustee with complete probity.

- X. In 2015, without any finding of wrongdoing, the Charity Commission required the Hall effectively to remove the conflict of interest by reconstituting the trusteeship. The Hall regarded the Commission's proposals as incomplete, unworkable and disproportionate. It responded with a full explanation of the purpose, value and probity of the Hall's governance. This document was made available during the committee stage of the Hall's Bill and is publicly available.
- XI. If sufficiently dissatisfied, the Charity Commission could then have taken regulatory action against the charity under the terms of the Charities Act 2011. Instead, it decided to seek from the Charity Tribunal answers to various legal questions concerning the Hall. For this, it required the consent of the Attorney General. The Attorney General refused consent on the ground that a referral to the Tribunal would not be in the public interest. Contrary to a misconception by some of the Hall's critics, the Attorney General gave the Commission written reasons for his decision. The decision did not preclude the Commission from taking regulatory action without his consent, if it thought fit to do so.
- XII. In April 2024, the then Attorney General reported on the Bill under the Standing Orders for private Bills. She described the Bill as a missed opportunity, as it did not include a reform of the Hall's governance. This letter appeared to take no account of the letters to her by the President of the Hall explaining the Hall's governance and seeking engagement with her about it.
- XIII. When the Bill was reintroduced in September 2024 following the general election, Lord Hodgson of Astley Abbots indicated an intention to table amendments to the Bill at Third Reading. On 9 January 2025, an amendment was tabled. The Hall was not consulted. Amendments to Private Bills at Third Reading are usually uncontroversial amendments asked for by the Promoters of the Bill and moved by the Senior Deputy Speaker.
- XIV. On this occasion, the amendment is contrary to the wishes of the Promoters and, as a result, will be moved by Lord Hodgson. The Bill is promoted by a charity and has been approved by an Unopposed Bill Committee. We respectfully submit that a contentious change such as that provided for by the amendment should not be made to this Bill at Third Reading.
- XV. Parliament has legislated for the governance of any charity to be properly reviewed and regulated without the need for Parliamentary intervention in individual cases. Ultimately, the Charity Commission has power to make a scheme to reform the Hall's governance (without requiring the consent of the Attorney General to do so), if the Hall has acted unreasonably in not applying for a scheme itself.
- XVI. In the absence of a compelling evidence-based case for change, the Trustees consider it their duty to uphold the value and probity of its current governance. A full understanding of it and how it operates provides a proper response to its critics. The current constitutional arrangements have proved to be highly beneficial for the charity. Disrupting them would be harmful to the charity.

Ends.

Royal Albert Hall Bill

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