

HOUSE OF COMMONS
ORAL EVIDENCE
Taken before the
UNOPPOSED BILL COMMITTEE
on the
ROYAL ALBERT HALL BILL [*LORDS*]

Tuesday 13 January 2026

Before:

The Chairman of Ways and Means (Ms Nusrat Ghani) (Chair)

Susan Murray MP

Euan Stainbank MP

Peter Swallow MP

Claire Young MP

DAVID MUNDY, of Broadfield Law UK LLP, appeared as Parliamentary Agent for the Promoter of the Bill.

JAMES AINSCOUGH, Chief Executive of the Royal Albert Hall, and **IAN MCCULLOCH**, Trustee and former President of the Royal Albert Hall, were in attendance.

JUSTIN LESLIE, Counsel for Domestic Legislation, was in attendance.

Ordered at 11.30 am: that Counsel and Parties be called in.

- 1 **CHAIR:** Good morning. My name is Nusrat Ghani. I am the Chairman of Ways and Means and I am chairing today's Unopposed Bill Committee. With me on the Committee today are Susan Murray, Peter Swallow, Euan Stainbank and Claire Young. We are here to consider the Royal Albert Hall Bill, which was deposited in November 2022 and introduced into the House of Lords in January 2023. The Bill was considered and amended by an Unopposed Bill Committee in May 2024, was further amended on Third Reading and completed its stages in that House in January 2025.
- 2 The Bill received its Second Reading in the House of Commons in July 2025. As no petitions were received against the Bill in the House of Commons, the next stage of proceedings is today's Unopposed Bill Committee. The Promoter of the Bill, the Corporation of the Hall of Arts and Sciences—the Royal Albert Hall—is represented here by David Mundy of Broadfield Law UK LLP, the Parliamentary Agent for the Promoter. He is accompanied by two witnesses, who I will now ask to introduce themselves for the record.
- 3 **IAN MCCULLOCH:** Good morning, Madam Chairman. My name is Ian McCulloch. I am a trustee of the Royal Albert Hall and its immediate past president, and I am here as one of the witnesses for the Bill today.
- 4 **JAMES AINSCOUGH:** I am James Ainscough. I am chief executive of the Royal Albert Hall. I have been chief executive since May 2023, but I also worked at the Royal Albert Hall, first as finance director and then as chief operating officer, between 2008 and 2017.
- 5 **CHAIR:** We will first hear from Mr Mundy, who will make representations in support of the Bill on behalf of the Promoter. Members of the Committee may ask questions at any time. The Promoter's evidence bundle will be uploaded to the Parliament website after this session. I will now hand over to Mr Mundy.
- 6 **DAVID MUNDY:** Thank you, Madam Chair, and thank you to Committee members. As the Chair said, I am the Agent for the Corporation of the Hall of Arts and Sciences, the Royal Albert Hall—we will, if we may, use the terms "the Hall" or "the Corporation" interchangeably in relation to it—which is the Promoter of the Royal Albert Hall Bill.
- 7 You have heard from Mr McCulloch and Mr Ainscough, who I propose to call as witnesses as the Committee would find helpful. As you have seen from their evidence, they can deal with all aspects of the Bill as far as we are concerned. In particular, Mr McCulloch, as immediate past president, has had carriage of the Bill from the Hall's point of view to date, and Mr Ainscough can help as the Committee wishes on the question of financial aspects relating to the Bill.
- 8 In terms of housekeeping, you have before you, I think, a bundle, but you also have on the screen in front of you the exhibits that went in alongside

the two respective witness statements. We can direct you to particular parts of the exhibits as you wish, or you can turn them up in your bundles. As I go through, it may be useful to highlight the points, but I am in your hands on that.

- 9 **CHAIR:** Thank you.
- 10 **DAVID MUNDY:** The Bill will effect certain changes in the Corporation's constitution. These changes will affect the rights, including the property rights, of members of the Hall, who we will call the seat-holders, and therefore they cannot be achieved by means other than a bill or an Act of Parliament. In fact, the Hall's constitution, in its original charter, gives the Hall power to amend its constitution under articles 24 and 26, which are additional provisions that allow it to promote a new charter or seek a charter change, but neither of those mechanisms deals with the question of interfering with private property rights. To do that, we need a bill or an Act, and in short, that is why we are here.
- 11 Upon the Bill's introduction in the House of Lords, the Promoters made a statement on their view of the compatibility of its provisions with the convention rights, in compliance with Standing Order 38(3). The position remains the same in this House. That statement was based on an opinion from leading counsel Paul Bowen KC and was reported on approvingly by a Minister of the Crown, Stephanie Peacock, on 4 February 2025 in this House, in compliance with the relevant Standing Order for this House, Standing Order 169A.
- 12 In summary, the specific changes that are being sought in the Bill would aid the Corporation as follows. Clause 3, which relates to the annual contribution, would remove the provision in the Royal Albert Hall Act 1966 for a cap on what is called the seat rate, or the annual contribution payable by members of the Corporation who are registered holders of permanent seats in the Hall, which members set ordinarily every six years, and change the threshold for approving the seat rate from 66% to 75%, the current threshold for setting the seat rate cap and therefore, we say, a reasonable adjustment to protect the interests of the members. So the cap on the seat rate would be removed under our proposed clause, but we are adjusting, to give greater security to the members, the percentage of members that is required to give effect to the rate itself. It is a sort of give-and-take arrangement.
- 13 Clause 4, which, as you will have gathered, is the main clause, is the further power to exclude members from the Hall. It puts in place an additional mechanism to section 14 of the 1966 Act for members to agree to what are called "exclusives" in excess of, and of a different kind to, those that section 14 of the '66 Act permits. You will have gathered that exclusives are performances where members are excluded from the Hall. In broad terms, we are seeking to increase the ability of the council to shut members out from various performances. That is consistent with measures that have been promoted over the years in relation to the Royal Albert Hall, which have, in effect, deprived members of an element of their property rights, so that the Hall itself becomes the beneficiary of, in effect, the whole Hall at any time it needs to put on a particular type of

performance. It is, in effect, a gift that we are asking the members to make.

- 14 You will be aware that the Attorney General issued a report on the Bill in advance of this Unopposed Bill Committee, as required by Standing Order 158. The Attorney General says that he does not oppose the Bill, although he says that he shares his "predecessor's disappointment that the Bill is not more ambitious" and that it fails to recognise the "potential conflict between the private interests of seat-holding trustees and the Corporation's charitable objects." He goes on to say: "It is regrettable that the Bill does not make any meaningful change to the governance arrangements of the Royal Albert Hall, which remains one of the UK's most important cultural institutions."
- 15 It is my client's case that the Hall's existing governance structures properly deal with any such conflict. Moreover, with great respect, we say that the Bill is not—and indeed cannot be—the vehicle for amending the Hall's governance structures. This is because provision for such changes is made in the Hall's original charter, as I have mentioned—
- 16 **CHAIR:** Mr Mundy, you said you feel that the present provisions deal with the potential conflict. Could you elaborate on how it deals with it?
- 17 **DAVID MUNDY:** The provisions that we are promoting do not deal specifically with the conflict of interest. As I have indicated, those types of change are amenable to change under the Hall's existing constitutional arrangements under articles 24 and 26 of its charter. What the Bill proposes is simply to, in effect, extend the gift-making abilities of the members of the Hall to the Corporation in its charitable interests. In that sense, the Bill does not deal directly with the conflict of interest point.
- 18 **CHAIR:** Not the Bill, but you said that there is not a potential conflict in the way the system is at the moment. Could you explain what is in place at the moment to deal with any potential conflicts of interest?
- 19 **DAVID MUNDY:** If I could ask Mr McCulloch to answer, he is probably best placed to explain.
- 20 **CHAIR:** Thank you.
- 21 **IAN MCCULLOCH:** Madam Chair, perhaps I can help in this way. The conflict of interest we are talking about is implicit in the constitution of the Royal Albert Hall by the way the Hall was created by its royal charter, and it applies to those trustees who are also seat-holders. The conflict has always been there. It has not changed in character since the beginning. Some of our critics seem to think that things changed in 1967 when the Royal Albert Hall registered as a charity, but that is not the case because the purposes for which we are established have not changed, so the constitutional arrangement is unchanged.
- 22 In terms of how we deal with it, let me say that originally all the trustees were seat-holders, but then in the 1920s five appointed trustees came into existence through a supplementary charter. They are non-seat-holders and are non-conflicted. They became trustees, and ever since then there has been internal oversight of all the activities of the trustees by five non-

conflicted trustees. Those trustees can, as it were, blow the whistle on anything that they regard as improper, in terms of the inherent conflict of interest, at any time.

- 23 Moving forward, in recognition of the conflict, which the Hall has always openly acknowledged and realises it must address properly, when one becomes a trustee, one receives an induction from the secretary to the Corporation about everything to do with the Hall's governance, not least about the conflict of interest. One is made very aware from the very start that one has to behave very correctly as a trustee and not allow any private interest one may have to interfere with one's role as a trustee.
- 24 Some years ago, the Hall introduced a formal conflicts of interest policy, which described, defined and set out this conflict, among others that may arise, and how they should be dealt with. That policy included the formation of a conflicts of interest committee, which in practice currently very largely comprises those five appointed trustees. It is not exactly the same, but it comprises five trustees who are non-conflicted. There are one or two trustees—in fact, three or four trustees possibly—who are not conflicted and who are not appointed trustees, but that is a detail.
- 25 There is a conflicts of interest committee who oversee everything that happens, and they are present because they are trustees, so they attend all trustee meetings. They meet separately after every council meeting of the trustees to consider whether anything took place at the trustees meeting that brought into play the conflict of interest and that calls for consideration as to how the trustees conducted themselves. That is now a regular feature of our governance.
- 26 **PETER SWALLOW:** I think it is really important that we drill down on this, because we just heard evidence from the Promoter that the conflict of interest is managed. It is really important that we get a proper explanation of how it is being managed. To start with, how many members of the conflicts of interest committee are conflicted?
- 27 **IAN MCCULLOCH:** None.
- 28 **PETER SWALLOW:** But you have just said that some are.
- 29 **IAN MCCULLOCH:** No, no. I think currently one member is not an appointed member, but is not a seat-holder either and so is not conflicted.
- 30 **PETER SWALLOW:** So the members of that sub-committee are all non-member trustees, plus one non-member non-trustee.
- 31 **IAN MCCULLOCH:** No, is a trustee. Let me explain—I am very happy to, if you will bear with me. Normally, there are 18 elected trustees from the seat-holders, and five appointed trustees, making a total of 23. Those 18 may personally be seat-holders; alternatively, they may have been nominated by a corporate entity that owns seats to stand for election as a trustee. In that situation, where somebody has been nominated to stand for election as a trustee by a corporate seat-holder and has been successfully elected, they become a trustee but they are not personally a seat-holder.
- 32 The Hall took legal advice some years ago on the extent to which they

may be conflicted, by virtue of the seat-holding entity that nominated them for election. In short, one needs to look at each one on a case-by-case basis, but currently there is one member of the conflicts of interest committee who was nominated for election by a seat-holding corporate entity, and who is not considered to be conflicted personally.

33 **PETER SWALLOW:** Not considered by whom?

34 **IAN MCCULLOCH:** I think it is reasonable to say that, on the legal advice we have received as to the circumstances in which somebody may or may not be conflicted, that member is not conflicted.

35 **PETER SWALLOW:** Do you take legal advice on the appointment of any new trustee on the extent to which they may or may not be conflicted?

36 **IAN MCCULLOCH:** I do not think the need for it has arisen yet, because this legal advice was given only a few years ago and—

37 **PETER SWALLOW:** But if you are saying that there is a range of degrees of conflict within various trustees, and that is not always necessarily apparent, if the extent to which individual trustees are conflicted is not made clear to the sub-committee, how can they properly assess, after the meeting, whether a decision that may or may not have been supported by a particular trustee could potentially be a conflict?

38 **IAN MCCULLOCH:** Currently, I believe there are only four trustees who were nominated by a corporate seat-holding trustee, and it is was one of those four who was considered suitable to be on the conflicts of interest committee. That person is one of five and does not chair the committee. That is the current situation, which we regard as an entirely reasonable and sound and robust way for the conflicts of interest committee to be comprised and operate.

39 **PETER SWALLOW:** It is worth stressing at this point that, as they say, reasonable people will disagree reasonably. Would you accept that the Charity Commission continues to have concerns about the management of conflicts of interest in the Hall?

40 **IAN MCCULLOCH:** No, I don't think I do accept that, sir, because I don't think the Charity Commission have ever criticised the manner in which we deal with conflicts of interest. Their view is that we should take a much more prophylactic view of our governance and somehow reform our governance in a way in which there would therefore be no conflict of interest, or it would be so reduced in its effect as to be immaterial. That is more the position of the Charity Commission.

41 **CHAIR:** Mr Swallow, is this your final question? We can ask more questions later. I am worried about time.

42 **PETER SWALLOW:** On this point, yes—I think it is important. Are you aware of any other organisations with charitable status that have a similar degree and nature of conflict of interest within their governance?

43 **IAN MCCULLOCH:** No, I am not. I believe the Hall is unique in this respect. It was set up like this in 1867, and I do not know of any other organisation that is comparable to it in that respect.

44 To conclude on this line of questioning, the Hall is an organisation run very professionally by its executive team, led by James Ainscough on my left, who are accountable to the trustees. Nobody has found fault with the way that any trustees behave as trustees. There has been a lot of innuendo and there has been a negative perception about it. This all relates to a rather separate subject, which is the right of trustees to sell tickets as they please. That is a private right, which they exercise privately. The question at the heart of all—

45 **PETER SWALLOW:** Hang on—that is what the conflict is. You cannot say that it is separate; you cannot say it is a private matter. That is the conflict.

46 **IAN MCCULLOCH:** I believe that the question at the heart of it is how trustees behave as trustees, not what they do in their private life; it is how they behave as a trustee. And we are open to any amount of scrutiny that we wish as trustees. We have the conflicts committee to do so, who see for themselves how we all act as trustees and how we make decisions. Nobody has found fault with any trustee's conduct, which is subject to this regime of control and supervision.

47 **CHAIR:** Mr Ainscough, do you want to come in?

48 **JAMES AINSCOUGH:** I just want to add one additional fact. I think that it is worth making it clear that the conflicts committee is attended by myself and by the secretary to the Corporation. We are not voting members of the committee, but we are in attendance at all discussions.

49 **CHAIR:** How does that help the argument that Mr Swallow is making, or the questions he is asking?

50 **JAMES AINSCOUGH:** It simply means that there are two additional voices around the table who have no conflict of interest.

51 **CLAIRE YOUNG:** Just as a follow-up to that question, do you have any statutory requirement, or any requirement through your governance structures, to report issues if you think there are conflicts of interest? Do you have, for example, a professional requirement as somebody working for a charity to report issues, or anything like that? If it is just a voice, it does not really add anything, does it?

52 **JAMES AINSCOUGH:** I agree. Senior staff, such as myself, and in fact all the trustees are bound by the Charity Commission's code of conduct, so we all have a duty to whistleblow. The Hall has a whistleblowing policy, and if there is anything that I do not think is being dealt with satisfactorily at the conflicts committee or at council, I have routes through which I can raise that.

53 **IAN MCCULLOCH:** I perhaps should have added in my earlier explanation that we also have a code of conduct for all the trustees, which is all part of the induction process when one becomes a trustee. It expressly refers to the issue of conflicts of interest and how we must always act with integrity. Of course, if a trustee ultimately just disregards all that and fails to act with integrity, and acts in some way improperly or something like that, the reality is that their position as a trustee becomes untenable,

because the president will probably feel obliged, if it is appropriate to do so or sufficiently serious, to report it to the Charity Commission. The Charity Commission will ask questions and raise issues about the reputation of the Hall. None of us want to go there or to cause any such difficulty for the Hall at all.

54 **CHAIR:** We want to close down this line of questioning, but now I am even more interested in what you have just said. Mr McCulloch, how often are the trustees rotated? How often do they reserve their place on the board? Is it every four years, every six years or every eight years?

55 **IAN MCCULLOCH:** The elected trustees serve a term of office of three years and they can be re-elected.

56 **CHAIR:** How competitive is it? How often do people compete for those seats—or do you have to go out and beg and borrow people to sit on the board?

57 **IAN MCCULLOCH:** It changes from year to year. It is rarely that competitive, to be honest; it is more often the case that the president has to look around the membership to look for new skills and new blood. There is quite a lot of turnover at each trustee annual general meeting. At every annual general meeting, six of the 18 trustees come up for election. It is a rotating basis and, of course, all six are not always up for election—people stand down and so on. There is quite a regular turnover of trusteeship, but there is not a queue of members all wanting to stand for election—we wish there were. We are always encouraging our members to stand for election so that it is more competitive.

58 **CHAIR:** This might not be the time and the place for that pitch, but it is noted.

59 **DAVID MUNDY:** It might be helpful if I address the question that arose in the special report in the other place, in the House of Lords, which is obviously relevant to what we are discussing. We want to make some submissions in relation to it. Following the Opposed Bill Committee in the House of Lords, that Committee published a special report. The locus standi of the petitioners in that hearing was disallowed by the Opposed Bill Committee, so there was no opportunity for us, the Promoters, to give evidence or to comment on the matters anticipated to be raised—and actually raised—in that report. We respectfully point out that, while the report notes the difference between the Hall and the Charity Commission—as we have been discussing—as to what form of amendment to its governance is in the best interests of the charity, and records the Committee's view that, for reasons set out, an impasse has been reached.

60 There is, in our respectful submission, no impasse in terms of the ways to resolve that difference. As I have explained, it remains open to the charity under its own powers to make changes to its form of governance as it considers, on careful analysis, appropriate, if a change is required. However, it is also open to the Charity Commission to exercise its powers under the Charities Act 2011 to intervene and make its own scheme if the Corporation unreasonably declines to apply for a scheme of its own accord.

61 Under either route, compelling reasons are required to make changes, particularly those changes with which the charity does not, on careful consideration and advice, agree. Changes that are alleged to be required in the public interest and in the interests of the charity should, we suggest, only be made after proper scrutiny as part, if necessary, of a judicial or quasi-judicial process as Parliament itself has provided.

62 To summarise, the changes to the Hall's form of governance can be made by special resolution of the Corporation under the terms of the charter of 1867. There is also power for them to be made by the Charity Commission in operation of provisions of the Charities Act 2011.

63 In our respectful view, the private bill process is not one where those issues should be raised because they have been devolved by Parliament to other processes. In short, therefore, we commend the Bill to you in its form as a filled-up bill. That filled-up bill, as you know, has the omission of clause 5. In essence, that is the only substantive change that we wish to make. I will, if you like, take you through the genesis of clause 5, which is the clause that was voted upon on Third Reading in the House of Lords.

64 **CHAIR:** We would like, but before that, Mr Swallow has a question.

65 **PETER SWALLOW:** With respect, I accept the point that this is not a bill about the governance of the Royal Albert Hall, much as I would like to see that governance looked at, and I am not going to waste anyone's time by asking you all the questions I would like to ask on what you are planning to do about it—but clause 5 is not about governance, is it?

66 **DAVID MUNDY:** It is to a degree, in my view, about governance.

67 **CHAIR:** Can you explain how?

68 **DAVID MUNDY:** Clause 5 is a governance change because it is, in effect, conditioning the way in which the ordinary governance arrangements of the Hall operate.

69 **PETER SWALLOW:** Only in so far as the rest of the Bill does.

70 **DAVID MUNDY:** It is putting a condition on the enhanced, as we would wish it, ability of the members to make a gift. It is promoted in this Bill.

71 **PETER SWALLOW:** So does clause 4.

72 **CHAIR:** Finish, Mr Mundy, and then Mr Swallow will come back.

73 **DAVID MUNDY:** That is the point. As we have said already, clause 4 is about enhancing the ability of the members to make a gift to the Hall, and we say that that must be in the interests of the charity. Clause 5 puts a condition on the making of that gift, which seems to me—to answer your original point—a governance point. Clause 4 is a governance point, because it is conditioning the way in which a gift is proposed to be made commensurate with the Hall's existing governance arrangements.

74 **CHAIR:** I think Mr Swallow is going to challenge that.

75 **PETER SWALLOW:** We could go back and forth on it. I do not see how, for example, changing voting thresholds and lifting a cap on the number of days is materially different from changing the way in which tickets can be

resold. Both could be described as enhancements; both could be described as conditions. It seems to me semantics to suggest that one is one thing and the other is another.

76 **DAVID MUNDY:** It is not semantics. The point is that both clause 3 and clause 4 are provisions that impact upon the property rights of the members who are being asked to make the gift. That is not true of clause 5. Though clause 3 and clause 4 are why we are here, because of the need to have a bill to authorise that deprivation of, or interference with, property rights—human rights, as such—clause 5 does not do that. In the ordinary course, it would not be within the vires of the Bill to promote it.

77 **CHAIR:** Because, fundamentally, you think it has nothing to do with property rights. Is that what you are saying?

78 **DAVID MUNDY:** That is why we are here. To make it clear, there are other mechanisms that the Hall has in its charter to make the sorts of changes that Mr Swallow is referring to, which it will do and is doing.

79 **CHAIR:** Sorry—I am just leaning in for some guidance. I am just asking Justin, although he may not want to give his view because he will be discussing it with us in private, about the difference between Mr Swallow and Mr Mundy's lines. Mr Swallow, we will raise that afterwards.

80 Mr Mundy, is there anything else you want to say on that point in response to Mr Swallow?

81 **DAVID MUNDY:** I do not believe so, other than to reiterate the point, which I hope I have made clear, that clause 3 and clause 4 of the Bill, which are our clauses, are required because they interfere with the property rights of the members. That is all. That is why we are here: to promote those provisions. Other provisions that can deal with both the constitution of the Hall and its broader constitution in terms of its charter are provided for under the terms of the original charter, which is fit for purpose and was confirmed as being fit for purpose in the 1966 Act of Parliament.

82 **JAMES AINSCOUGH:** I just want to add an additional point, which I hope does not confuse in any way. David is correct that the Bill is here because it affects the private property rights of seat-holders, but from my perspective what the Bill does is enable the Hall to put certain types of shows on its stage that the charity really wants to put on the stage. That, for me, is why there is a fundamental difference between clause 4—what appears on our stage and what the general public can enjoy—and clause 5, which is about the governance behaviour of the seat-holder trustees.

83 **CHAIR:** That is a good way of putting it, Mr Ainscough. Does that satisfy you, Mr Swallow, or shall we come back to it later?

84 **PETER SWALLOW:** Not a bit, but I have no further questions.

85 **DAVID MUNDY:** I will, if I may, explain clause 5 and how it came about. On Third Reading of the Bill in the House of Lords on 29 January 2025, Lord Hodgson of Astley Abbotts, supported by Lord Bassam, Baroness Barker and the late Lord Etherton, successfully moved an amendment to add a new clause to the Bill. That is now clause 5. Its title—the side note—

is indicative: it is "Restrictions on powers to exclude members". What the Bill is trying to do is impose upon the members by taking a power to exclude them. Rather oddly, this amendment is a restriction on that power, so, on its face, it is doing something contrary to what one imagines the amendment is seeking to do.

- 86 When tabling the amendment, Lord Hodgson provided the following written statement: "This is to ensure that any power to exclude members from the Hall can only be exercised when approved by a sub-committee of which the independent members of the council form a majority and that any tickets for seats received as a result of the changes proposed in the Bill may only be sold through a ticket return scheme. This is because of the potential conflict of interest of the charity's trustees. In the absence of this provision those seat holders, who are also trustees and so control the Hall, are able to resell tickets made available to them through third party websites at above the face value of the tickets."
- 87 As Mr McCulloch explained, and as I think we have spoken about, clause 5 seeks to address the authorised conflicts of interest for seat-holding and council members by requiring them to undertake only to sell their tickets through the Hall's TRS, thereby curtailing the rights of seat-holders to deal with their tickets as they choose if they want to remain or become a council member.
- 88 With respect, we say that that is a governance issue, which is not of itself the subject of the Bill. If it were addressed directly, as a stand-alone provision, it would be outside the scope of the Bill and would contravene the seat-holders' convention rights, among other things. Instead, therefore, clause 5 has been cast as a set of conditions on clause 4.
- 89 **CHAIR:** May I stop you there, Mr Mundy? Mr Ainscough, as the chief executive, can you explain to me what you think the amendment means?
- 90 **JAMES AINSCOUGH:** Yes. It is hard to describe what it means without talking about the dangers of it.
- 91 **CHAIR:** Go for it.
- 92 **JAMES AINSCOUGH:** My personal fear about it is that it allows one council member, by refusing to comply with clause 5, to put the charity in a situation in which it has to return to the 1966 Act, in terms of the lettings.
- 93 **CHAIR:** It goes back to 88 days, you mean?
- 94 **JAMES AINSCOUGH:** Yes. In particular, the difference between operating to the '66 Act versus operating to the memo and guidelines that modify the '66 Act is about runs of shows at the Hall. For me, there are four ways in which the latitudes that the memo and guidelines give us are really helpful.
- 95 First, the guidelines give us rules on short runs, which are not thought about at all in the '66 Act. That allows us to bring in high-profile artists who might not come for one night only, but will come for a multiple number of nights. Recent examples include Eric Clapton, David Gilmour, Joe Hisaishi and Bryan Adams. It allows us to bring in a high calibre of

artist.

96 Secondly, it allows us to bring in short runs of events that would be cost prohibitive if we just had them for one show. We do the glorious Films in Concert, where people come and watch the film played, but the soundtrack is played live by an orchestra. It is incredibly expensive to put those on. With a run, and with a decent balance of exclusives in there, we can afford to do that.

97 Thirdly, those guidelines allow us to bring in long-run events. In particular, we have Cirque du Soleil across the January to February period. As a lot of venues would tell you, it is not easy to find world-class quality products to put on in those months.

98 Finally, it allows us to bring in certain artistic performances that, again, can only be justified with a long run, particularly ballet in the round.

99 If we were in a position where we had to return to the '66 Act and follow it to the letter, rather than having the latitude that we have at the moment, which the guidelines give us, there would be some fundamental changes to the charity's lettings. My view is that that would likely lead to not just a financial implication for the Hall's bottom line, but an implication for the artistic quality and the breadth of programming at the Hall. My fear about clause 5—

100 **CHAIR:** About the House of Lords amendment?

101 **JAMES AINSCOUGH:** Yes. My fear about the amendment is that it allows any single council member, by refusing to do what the amendment requires, to force the charity back to the '66 Act in terms of its lettings, and that would not be good for anybody.

102 **PETER SWALLOW:** My understanding is that that objection is on the basis of the specific wording of this amendment: "an undertaking has been given by all members who are trustees". In what you set out, I did not hear an objection to the principle of the amendment, which is—I put it to you—that trustees who hold seats and want to sell those seats should do so by reselling only through the Royal Albert Hall. Can I be clear: is your objection to the wording of the Bill or to the principle it seeks to apply?

103 **JAMES AINSCOUGH:** The starting point is my objection to what is in front of me, which is the wording of the Bill. As chief executive, I would like all seat-holders, including all council members, to use the ticket return scheme rather than to sell their tickets elsewhere, for a number of reasons. In essence, it is advantageous to the charity for seat-holders' tickets to be sold through the box office, but their rights are enshrined in law and their rights have existed since 1867. I do not think that it is the position of the chief executive, on appointment, to rail against something that has been running for over 150 years. My job is to make it work as well as I can. That is why my focus is on the wording of the Bill and the danger that it poses, by allowing any individual around the council table to effectively take us back to a position we really do not want to go to.

104 **PETER SWALLOW:** To really tease this out, you say—and correct me if I have put words into your mouth—that you would like all trustees to sell

their tickets through the Royal Albert Hall. Do you accept that the undertaking that is presented to us as a sort of counter-offer by the Promoter is very far from ensuring that that is the position?

105 **JAMES AINSCOUGH:** To be clear, my position is that I would like to see maximum use of the ticket return scheme, but that scheme operates on a voluntary basis, and I am not arguing that that should change.

106 **PETER SWALLOW:** Fair enough, but I am asking specifically whether you accept that the undertaking certainly does not materially change that.

107 **JAMES AINSCOUGH:** I agree that it does not necessarily change behaviour, but I also think it is a big step forward. There have been many comments around not just the nature of the governance of the Hall but its opacity—in other words: what is visible and what invisible? I think that the undertaking that is being proposed is a big step forward in terms of what becomes visible. What is visible can be reported on and commented on, and that may or may not change behaviour.

108 **PETER SWALLOW:** I have a final question, if I may—perhaps this is for anyone to answer. You say that the current situation is based on the seat-holders' legal rights and therefore could be changed only by changing the law. That is, of course, what we are discussing potentially doing. I know we will want to talk about the undertaking more, but if the undertaking was accepted and it turned out that it did not, in fact, have the desired effect, and that even with clarity—or if that clarity was avoided through various means—

109 **CHAIR:** Mr Swallow, I have been told that your question is getting widely out of scope.

110 **PETER SWALLOW:** I promise it is very relevant. If the undertaking did not, in fact, lead to a change, do you accept that going further would require a further bill and that we would therefore miss this opportunity to rectify the situation? I hope that is in scope.

111 **CHAIR:** Yes. Go for it, Mr Ainscough.

112 **JAMES AINSCOUGH:** I think I will let Ian answer the substance of the point but, to be clear, there is a difference between me saying that I would love as many tickets as possible to come back through the Hall's ticket return scheme versus what I am not saying: that there are behaviours around the council table that need to be changed.

113 **PETER SWALLOW:** I am not suggesting that you are saying that. To be clear, I would not put those words into your mouth.

114 **JAMES AINSCOUGH:** I appreciated that. I just wanted to give clarity. Ian, I will let you deal with the substance.

115 **CHAIR:** Mr McCulloch?

116 **IAN MCCULLOCH:** We see that there is a debate that can be had on whether seat-holder trustees should be allowed to sell their tickets as they please—as they always have been—or whether for some reason that freedom and legal right should now be curtailed in some way. We can have a debate about that, but our position is that that debate is not

relevant to this Bill. Clause 5 does not actually restrict the right of seat-holders, generally, or those who are trustees, to sell their tickets as they please; all it really does is say, "If you want the benefit of clause 4, you have to accept the restriction imposed in clause 5."

117 Clause 4, we would say, is plainly for the benefit of the charity. It has been promoted just as much at the request of the executive, who plan all the programming—James Ainscough and his team—to enhance the reputation of the Hall and its ability to engage the best events possible on the best terms possible. Why would one want to restrain the effectiveness of clause 4? Why would one want to put obstacles in its way, against the Hall benefiting? That is what clause 5 does; it basically creates an obstacle to the Hall benefiting. It does not require any trustee to behave in any particular way at all; it just says that, if they do not, then the Hall will suffer. Well, we do not want the Hall to suffer. That's it, in a nutshell.

118 **CLAIRE YOUNG:** Mr Mundy, it appears to me that we are hearing different arguments against clause 5. It seems to me that you arguing that it is out of scope, because of the nature of it—it is not the same as the nature of the other clauses that were originally in the Bill—yet when we came to Mr Ainscough, the argument was about the impact it would have and about the principle of it. So, are you arguing against the principle or are you just trying to argue that it is out of scope?

119 **DAVID MUNDY:** I don't think clause 5 is out of scope; I am saying that, if it was promoted separately, its intention would be out of scope in the sense that that is not what this Bill is about. But I do not think it would have been acceptable for the House of Lords to have that clause within the Bill if it were out of scope, so it has been brought within scope—we say artificially—by making it a condition of clause 4.

120 **CHAIR:** Which I think we will deliberate over afterwards anyhow, Ms Young. Mr Mundy, please continue.

121 **DAVID MUNDY:** I think that is all I have to say on clause 5. I am in your hands, really, in terms of how you would like us to proceed.

122 **CHAIR:** We have questions. We have quite a few of them, and we will need time to deliberate as well, so I would urge you to make your answers as to the point as possible, although I appreciate that there will obviously be texture that you will want to add. For me, it is particularly useful to hear from Mr Ainscough as much as possible, because that enables us to understand what impact this piece of legislation would have on the Hall itself. I will first go to Mr Stainbank—who has been remarkably quiet, so I assume there will be a flurry of questions.

123 **EUAN STAINBANK:** Just two. On the hypothetical impact if clause 5 did come into effect, what would be the response of the Corporation under existing governance arrangements if a trustee refused the undertaking suggested in that clause?

124 **CHAIR:** Mr McCulloch?

125 **IAN MCCULLOCH:** Yes, Madam Chairman; I am just composing my thoughts as to how to respond to that. If clause 5 were enacted and it

meant what it is intended to mean—we do not think it does, but that is a separate issue—and a trustee just refused to sell their ticket through the ticket return scheme, the question, I think, is what the Hall could do about that. It is hard to know what the Hall could do about it. The Hall, in effect, would not be able to operate clause 4 and would not be able to enjoy the benefit of the resolution passed under clause 4. It might also undermine some existing contracts already in place, which would have reputational, contractual and financial implications for the Hall. But it would be the Hall that would suffer, not the individual trustee, because clause 5 does not require a trustee to behave in any particular way; it merely says that if he or she does not, clause 4 will not work for the benefit of the Hall.

126 **EUAN STAINBANK:** Do you currently have governance arrangements in place, if clause 5 is passed, to remove seat-holding trustees from their position, after they have been elected, for their behaviour or non-compliance with the law?

127 **IAN MCCULLOCH:** Trustees can be removed in two or three ways. One is under the constitution, where the members can have a trustee removed by a vote—the members themselves can vote for a trustee to be removed. The second would be through intervention by the Charity Commission, which may, on inquiry, conclude that a trustee is no longer fit. If the Charity Commission were to reach such a conclusion, the reality is that that trustee would have to stand down, whatever the constitution says about being entitled to be elected as a trustee.

128 The third way, in practice, is that, as we all know in other walks of life, sometimes a person's position becomes untenable because of the way they behave, and they would not, in reality, be able to stay in office against the prevailing mood.

129 **EUAN STAINBANK:** And what you have described there is a mature part of your existing policy for the removal of trustees.

130 **IAN MCCULLOCH:** Yes, that would be one way of putting it.

131 **EUAN STAINBANK:** My next question is about whether, through existing governance arrangements at the Royal Albert Hall, there has ever been a previous attempt—by way of a resolution proposed by the trustees—to compel seat-holding trustees to use the ticket-selling process. I think it is currently described as 62% or 65% using that process, and the undertaking we are being given has been described by Mr Ainscough as a leap forward, an advance. Has there ever been any attempt, through a resolution, to compel seat-holding trustees to sell their tickets through what is described in clause 5?

132 **CHAIR:** Mr Ainscough, there has been a jump in the number of tickets that are resold through the box office. Has there ever been a process to bring that about? Why has there been that jump? What has happened?

133 **JAMES AINSCOUGH:** Sorry, a jump—an increase in the number of tickets?

134 **CHAIR:** Yes. Was there a process that you went through to encourage that jump, or have you tried to do that before?

135 **JAMES AINSCOUGH:** We want the ticket return scheme to be attractive to all seat-holders, which obviously includes seat-holding council members. Over time, we have made a number of operational and financial changes to how it operates to make it attractive to use, particularly compared with, say, 15 years ago. There is now a members portal and you can manage your tickets digitally, whereas about 15 years ago you would get your tickets physically and you had to post them back to the Hall. We have improved the management of it and made some changes to the arrangements for how the finances are shared through the ticket return scheme. That has made it more attractive.

136 **IAN MCCULLOCH:** May I just come back to answer Mr Stainbank's question a little more informatively? Over time, there have been discussions among the trustees as to whether they should try to decide upon some self-denying ordinance, without legal force, as to how they will deal with their tickets. This has never really succeeded, for a variety of reasons. Some just think it is wrong in principle that one should impose that kind of restriction on a private right, which does not impact on the way they behave as trustees.

137 The other thing is that you would have to renew it every time there is a change of trustee, which would mean renewing it every year with any new trustee that comes into office. I do not think that would work. There was an attempt to achieve this by means of a byelaw some years ago. Whether that would have been a lawful byelaw is extremely doubtful because of its interference with private property rights. In any event, it did not find favour because it was going to discourage people from becoming trustees.

138 **EUAN STAINBANK:** Did you seek legal advice regarding that proposed byelaw, and the assertion that it was doubtful?

139 **IAN MCCULLOCH:** This was before I became a trustee, I think, so I am not aware of any specific legal advice on that question. It looks likely to me that such a byelaw would have been ultra vires because it interfered with private property rights, which requires primary legislation and is not therefore achievable by a byelaw. That looks the situation to me, which goes back to the whole reason why we are now promoting a bill to affect private property rights, because there does not seem to be any other proper way of doing so.

140 **PETER SWALLOW:** I appreciate that I am revisiting it, but I think that it is important: you just said for the second time that trustee members' private rights do not impact the way that they operate as trustees. They are taking decisions as trustees on the number of events at which they are entitled to sell their tickets, and on the contribution they make to the Royal Albert Hall's maintenance. This Bill strengthens those decision-making powers. I really want to press you to understand: how can profiting, more or less, off the decisions they take as trustees can sit alongside them serving as trustees, such that you feel comfortable saying that there is no impact on the way that they operate as trustees? What evidence do you have that there is no impact?

141 I am not suggesting, by the way, that it is inappropriate, but it is a conflict of interest. Conflicts of interests happen and are managed, and it is

important that they are reported on. My concern is that, from what you are suggesting, I am not convinced that you are in recognition of the significance of the conflict. But let me give you a chance to assuage my concerns.

142 **IAN MCCULLOCH:** I will try, and it may be that I alone am not the best person to explain all this, because it is all quite complicated, but let me try to answer by drawing a distinction between theory and practice. We completely accept that there is a conflict of interest; it is implicit in the constitution, as we have said, so it needs to be recognised and managed effectively. That goes without question.

143 The question is: how would a trustee behave in a way that advanced his or her personal interests ahead of the interests of the charity, which we agree must remain paramount? The example that one usually turns to is the programming, because ultimately the trustees are responsible for everything, and that includes the programming—the shows that are put on. The trustees could ensure that the shows put on at the Royal Albert Hall are directed, if not skewed, to their private financial gain, rather than for a wider public benefit or purpose.

144 That is the theory, but can that happen in practice? We say that it simply does not happen in practice. In practice, trustees set a broad programming policy, which is all about putting on the highest quality shows to the widest audiences possible, across the widest spectrum of artistic genres that is realistic for a venue like ours. That is the overriding policy position, which the trustees do ultimately decide on, but I do not know anyone who would disagree with it.

145 The question is then how that broad policy position is put into practice. The Hall has what may be called a dashboard. You have to remember that the Hall lets three quarters of its events; the trustees do not put shows on themselves, except a few in the Christmas month. Most of the things where there might be extra money to be made by a seat-holder are probably third-party lets to a promoter. James mentioned Eric Clapton as an example.

146 There, the Hall operates a sort of dashboard where it judges applications for lets. That is according to their financial viability, because we do not want a half empty Hall; it is a big place and we want people to fill it to be viable. It is also according to artistic merit—reputationally, it has to serve the right purpose within our charitable purposes—and public benefit; you can judge anything on whether it delivers public benefit. When people come to the Hall and say, "We want to hire the Hall," or, for that matter, when our own executive programming team go out and encourage people to attract others to come to the Hall, they apply this sort of matrix, none of which anybody would disagree with.

147 The last stage is that the executive team have complete authority to engage or not engage, or to contract or not contract, particular acts. We have a programming policy that gives the executive that delegated authority. For example, speaking personally, I have hardly ever—if ever—known what shows are coming on at the Hall until they are publicly contracted and we are told about them by the executive team.

148 **PETER SWALLOW:** Can I suggest that you have set out, in plenty of detail, which is very helpful, one specific way in which the conflict is not triggered? Let me put to you a counter-example where my perception is that it very much is triggered. As you say, trustees have a private right to sell their seat, and they can choose to do so either through the Royal Albert Hall or privately. I put it to you that when they choose to do that privately, it is not in the best interests of the Royal Albert Hall, and it is instead something they have chosen to do to maximise their financial return. I recognise that it is a private asset and they are entitled to do that as holders of a private asset, but that is by definition in conflict with their role as a trustee, where, were they acting only in the best interests of the Royal Albert Hall, they would do what two thirds of trustees do and sell it through the resale system.

149 **IAN MCCULLOCH:** With respect, I do not necessarily agree with that, because when a member sells privately, the member is not taking anything from the Hall. It is not doing anything at the expense of the Hall—of the charity—but simply exercising a private right. It is important to draw a distinction between whether the members are somehow gaining something from the Hall, at the Hall's expense, or just benefiting in parallel with the Hall—coincidentally. In other words, what is good for the Hall can also be good for the member, and we would say that there is nothing wrong with what is good for the Hall being good for the member. That is an important distinction to be made.

150 **CHAIR:** Mr Swallow has three further questions. I will ask him to keep them in scope.

151 **PETER SWALLOW:** They are very specifically to do with the undertaking that you presented as a counter-proposal to clause 5. You are not proposing to put it in the Bill as an amendment. Why is that?

152 **DAVID MUNDY:** I think the point is that it is not something that is amenable to being a legislative measure. It is designed to be, if you like, a restraint or a recognition of what has been of concern, but it is not appropriate to put it into the Bill. That is relevant to the question, which we have spoken about before, as to whether it is in scope of the Bill as, in effect, something that is not in interference with private rights.

153 **PETER SWALLOW:** Your undertaking does not include family members, whereas clause 5 does. Following your undertaking, what would stop someone who holds 12 seats from transferring 11 of those seats to a spouse or other relative and continuing to earn income from those seats without having to declare them?

154 **DAVID MUNDY:** I think the undertaking does deal with that. Ian, would you like to draw attention to the provision in the undertaking that picks that up? It is in the definition, I think.

155 **IAN MCCULLOCH:** I understand the question, because I do not see how a trustee can undertake to do anything that is beyond his or her control to do. How can we give an undertaking to give information that is simply not made available to us by a relative who chooses not to provide that information? That is, I think, the essential issue here. The purpose of the

undertaking is to give transparent information about that trustee—more so, we would say, than is perhaps comparable in some other situations in public life where people hold public office, in terms of the extent of the disclosure.

156 That is intended to be a genuine offer of transparency, so we are subject to that level of scrutiny by making that information available. But to take that to the level of giving information, which is private information, about other people, who may be relatives—they may be close relatives; they may be fairly distant relatives—is just not something that we can commit to doing. It is not within our ability to give such an undertaking properly.

157 **PETER SWALLOW:** Mr Mundy suggested that this undertaking would prevent a trustee member from transferring their seats to, for example, a very close relative—a spouse. You are suggesting that it would not. Which of you is correct?

158 **IAN MCCULLOCH:** Oh, I see. No, I did not mean to suggest that a trustee cannot transfer their seat-holding to somebody else. That will always be the case, and that is not special to trustees. It is bound to be the case that a trustee can move around their seat-holding.

159 We are talking about 14 individuals currently, only some of whom will have relatives who also own seats. The idea that one should have primary legislation in some kind of tax avoidance-way to prevent them doing something that they may actually have a perfectly good reason to do anyway seems to me excessive and inappropriate.

160 This is in the context of charity governance and regulation of conduct. Charity governance is not riddled with penalties and enforcement of that kind. It is much more to do with decent policy and the expectation of trustees conducting themselves properly and with integrity, in accordance with agreed policy. That is what we are trying to achieve here.

161 **PETER SWALLOW:** Final question: if the principle of clause 5 stands as part of the Bill, amended to make it more workable, would you choose to withdraw the Bill?

162 **DAVID MUNDY:** That is a matter on which I would need to take instructions, but it is obviously something that the Hall would have to think about very carefully.

163 **IAN MCCULLOCH:** That is, if I may say so, a very big “if”. We do not ourselves see how clause 5 can be made workable within the scope of the Bill. In my written evidence, I have tried to set out our reasons why, both technically and in drafting, as well as on merit, it just does not work. In other words, we say that it is not fit for the proponent’s purpose of the clause. So it is a very big “if”, Mr Swallow, with which you prefaced your question. If some other form of clause 5 were to be included in the Bill—not the current clause 5, but whatever that might be—it would go back to the trustees and the trustees would have to consider whether they wished to proceed with the Bill or not.

164 **CHAIR:** It is also on page 15; we may need to come to that, on a deliberation point. Mr Ainscough, do you have anything to further

strengthen Mr McCulloch's argument?

165 **JAMES AINSCOUGH:** I was only going to make one clarification point on your previous comment about seat-holders transferring seats, so that they do not have to declare the income under the undertaking. In our annual report and accounts, we already declare the total number of seat-holdings that seat-holding council members have, including the sales directly and connected parties.

166 **CHAIR:** And connected parties?

167 **JAMES AINSCOUGH:** And connected parties.

168 **PETER SWALLOW:** But the undertaking does not cover connected parties.

169 **JAMES AINSCOUGH:** Agreed. The point I am making is that if there was a huge disparity or a huge change in the difference between the total connected party seat-holdings and the number of seat-holdings for which income was being declared, it would be clear. Do you know what I mean? The undertaking will cover a subset of the total connected party seat-holdings for council members and it will be clear what the ratio is between those two figures.

170 **SUSAN MURRAY:** I want to build on what has been raised about this concern about whether the seat-holders are getting a private benefit effectively to the disbenefit of the charity. There are future hypotheticals and there is past practice. What past practice of the seat-holders has extended beyond them getting the value of selling their seat for a performance, and how has that benefited the charity and aided the public benefit?

171 **JAMES AINSCOUGH:** I did not quite follow the question in terms of the past practice leading to the benefit of the charity.

172 **SUSAN MURRAY:** Looking at past accounts, there are ways that the seat-holders have supported the organisation. It is not simply a benefit to the seat-holder that they can sell their tickets or use their tickets.

173 **JAMES AINSCOUGH:** Correct. In my witness statement, I try to quantify how the charity benefits by having seat-holders. To be clear, I am talking about seat-holders in total; not just seat-holding council members, but the full 1,268 seat-holders. Obviously, they pay a seat rate each year. Over time, they have given us the ability to do exclusives and they currently allow us to go beyond the 1966 Act, so we have even more exclusives.

174 There have been points in time when they have paid what is called a supplementary seat rate, either to help the Hall over a difficulty—covid is a classic example—or to allow the Hall to make a step change in its capital infrastructure. Also, by using the ticket return scheme, the Hall is able to benefit financially, because whenever we sell a ticket through our box office, we have a handling fee that goes to the charity.

175 All those mechanisms mean that the seat-holders have a financial value to the charity. We do not get and we do not apply for ongoing funding from

the likes of Arts Council England or others. For us it is very helpful as an organisation to have effectively one financial backer who is there with us every year, come what may.

176 **CHAIR:** I know that we are going to run out of time, but can you quantify the value that they add in proportion to the total income that you receive annually? Is it in your report, or could you just maybe pop something on the screen? I am sorry; I know it is someone else's turn to ask a question, but I just wanted to ask that.

177 **JAMES AINSCOUGH:** It is. Let me just find the paragraph and then I can quote it to you. Here we go. In my witness statement, the final sentence of paragraph 2.5 says, "almost 35% of our £13.5m surplus in 2024 was attributable to the support of the Seatholders."

178 **CHAIR:** Okay, and the point is that this is regular—you know this level of income is coming in every year, and that enables you to plan.

179 **JAMES AINSCOUGH:** Correct. It is worth saying that although I used the word "surplus", this is operating surplus. In other words, it is everything that comes in before we then invest in the building and in our education and engagement work. To state the obvious, because we are a charity, all the money that comes in stays in the system and is invested in charitable purposes.

180 **CHAIR:** It is a very unusual set up. It is complicated. We have all got different questions and we will all be deliberating afterwards trying to get our heads around it. Before I go to Ms Young, one thing that maybe has not been drawn out is that you do not want to jeopardise that and put people off being involved—that 35%—because you are asking them to contribute every year regardless. That there is a conflict has been accepted, and that there is an opportunity to make a profit is also accepted, but it has taken us quite a long while to get to that point. It is quite important for us to deliberate later.

181 **CLAIRE YOUNG:** I have two questions. First, because there is no undertaking at the moment to publish the figures—you may not be able to answer this—do you have any sense of the level of advantage obtained by being able to freely sell them? Would it make a significant difference to people's decision-making process?

182 **JAMES AINSCOUGH:** We do not have data, because obviously we do not see how private individuals work. Often, when a ticket is being sold above face value in the public domain on the likes of viagogo, you see the price at which it is being offered, which is not necessarily the price at which it is sold. It is always very difficult to work things out.

183 The second point is that the majority of tickets come back to the ticket return scheme. When we say that roughly two thirds of the tickets come back, to be clear, virtually all the seat-holders are using the ticket return scheme. What is going on is that most seat-holders are returning something like two thirds of their tickets, as opposed to two thirds of seat-holders returning all of their tickets, and one third of the seat-holders doing what they like.

184 The reason I make that point is that I suspect—and I am talking intuitively rather than with data—that there are probably 10 to 20 shows a year at the Royal Albert Hall where the tickets can command an amount significantly above face value through other market routes. In other words, the vast majority of tickets do not carry that premium above face value that a seat-holder could try and leverage. Seat-holders may or may not conclude that they can earn more selling at face value through a route other than the ticket return scheme—they will have to do their own maths on that. That depends on commission rates and whatever else.

185 The final point to make in answer to that question, which I could have made earlier, is that the Hall's executive operates the programming of the Hall in line with the 1966 Act, amended by the memo and guidelines, and in line with the Hall's letting policy. The trustees themselves are not being asked whether we should take this or that artist. In other words, they are not sitting there saying, "We will have Eric Clapton, but we won't have David Gilmour." We are making those decisions, and we have to do them within the framework that we have, which is the memo, guidelines and the 1966 Act, and what we are trying to achieve in terms of the breadth of programming at the Hall.

186 It would also be unfair to say that trustees, individually or in total, are making decisions on the lettings that are given. They are doing what trustees should be doing, which is thinking about policy and boundaries, and then they let the executive—

187 **IAN MCCULLOCH:** We don't set the ticket prices.

188 **JAMES AINSCOUGH:** Ian reminds me that trustees have no impact on the setting of ticket prices. For the three quarters or so of performances at the Hall that are promoted by third-party promoters, the promoter in discussion with their people, including the artist, will set the prices for those shows. For the quarter or so that are promoted by the Hall itself, it is our programming team that will determine prices, as you would expect, based principally on what the market will bear and on ensuring that we have a good range of ticket prices, so that there is accessibility across different price points.

189 **CLAIRE YOUNG:** Before I move on to my next question, I would like some clarity on that point. The numbers that we have are simply the numbers of tickets available to them. Presumably, you have no way of knowing not even just how much advantage people might have, but whether people are selling on tickets in any other way. You cannot give us figures—you would not be able to know how many trustees ever use any means other than the ticket returns service.

190 **JAMES AINSCOUGH:** Yes. All we know is the number of tickets that come back through the TRS. Obviously, we have that financial data. Everything else is invisible.

191 **CLAIRE YOUNG:** So even if you tried, as was suggested earlier, to have a self-imposed requirement, you would not know if it was being followed or not.

192 **JAMES AINSCOUGH:** No. It would be done on trust. We would be

trusting the trustees.

193 **CLAIRE YOUNG:** My other question is why neither clause 5 nor the undertaking refer to a situation of giving away tickets. Under clause 5, you could give away your ticket to a charity to raffle off, or to a friend who is not covered by the connected party. At that point, you have no way of knowing if somebody derives some benefit in some indirect way from having given it away. That would apply to your undertaking as well, yes?

194 **IAN MCCULLOCH:** Not the undertaking. The undertaking is about disclosure. It is true that any seat-holder may deal with their ticket as they please. So they may give them away. They may share them with their family. They may sell them to their friends at any price they choose, as they could on the open market. That is the difference. Whatever ticket a member has, it has no designated price attached to it legally, because it is just the member's ticket. It has not been set by the promoter, because it is not the promoter's ticket. The member is free to do what they like with the ticket at any price. We do occasionally talk about, "Well, what is the equivalent of the promoter's ticket price?" There must be some equivalence, which there is, but in that situation, it is not as if the member has any control at all as to what the equivalent ticket price is. As a trustee—this is the case for all trustees—I have never had any influence over the price of a ticket being sold by a promoter.

195 **CHAIR:** Mr Ainscough, on your presentation here, we are at point 2.5. On 2.9.2 and 2.9.3, do you remember that bit of the evidence? There is so much paperwork in this file. I just want to make sure that we are clear on that, because of the commitments that the seat-holders had and the contributions that they have made.

196 I was whispering to Justin just a moment ago that, even though it is not the same because this is a very complicated arrangement, if you are a regular season ticket holder at a football stadium and you pass that ticket on, there is no way of calculating where that ticket has ended up. The difference here is that 18 of you are fundamentally on the board of trustees. That is the only other challenge. I am forced to go to matches when my husband and daughter make me, but here it is just that the added complication is the board of trustees. I was worried that we were going out of scope and talking about the re-allocation of tickets going forward. I think Mr Swallow has some further questions—is that true or not?

197 **PETER SWALLOW:** I do not.

198 **IAN MCCULLOCH:** Chair, it is the case that members—I do not necessarily mean trustee members, just members—are sometimes criticised for selling online on some platform tickets above face value, because they see via the ticket number that it is identifiable to a member. But it is not necessarily the member selling the ticket at all, because, as you say, the member may have, very properly, given the ticket away or sold it at a par price, as it were, and somebody else is selling it online. However, this is not anything to do with the much bigger problem facing the sports and culture industry, regarding the secondary sales of tickets hoovered up by bots on an industrial scale, which is a matter that the Hall

itself suffers from as much as any other venue.

199 **CHAIR:** That is absolutely true, and I—

200 **PETER SWALLOW:** Sorry, I now do—

201 **CHAIR:** I know. I have just realised what you just said, Mr McCulloch, and I know exactly why Mr Swallow is going to come back in. My reflection on football was different; I was just trying to say that the linkage is there. Unfortunately, Mr McCulloch, that statement will no doubt require further questions now from Mr Swallow.

202 **PETER SWALLOW:** Yes, because you have just highlighted my concerns about the undertaking, Mr McCulloch. You have just said that a member could quite properly pass on that ticket to any number of individuals, who then sell it on, and you suggest that they would not be responsible for that. I would put it to you that it is their seat—as we have heard, it is their seat—and, therefore, to any extent you might want to take it, they are responsible for that. So if they pass it on to a connected individual, to a friend, or even to a charity out of the goodness of their heart, and then that is sold, the transparency gap present in the undertaking as set out by you would mean that we never had that transparency.

203 My concern is that the undertaking might provide a degree more clarity, but certainly no clarity overall about what is actually happening to these tickets. We heard from Mr Ainscough that there is some uncertainty about what is actually happening with these tickets. Is that concern not well-founded, based on what you have just said?

204 **IAN MCCULLOCH:** The purpose of the undertaking is to provide transparency of financial receipts by trustees; it is not to control the future destiny of any ticket—which once was a trustee’s or member’s ticket—that may be sold and resold. We cannot control that. It is not within our gift to determine the ultimate history or destination of a ticket if it is free to be sold by each recipient of it; a ticket can indeed change hands. That takes us way beyond the purview of what we, the trustees, can properly do and seek to control. What we are trying to do is say that as far as we are concerned, as trustees, we will give you absolutely full disclosure as to what our ticket income is. Judge us by that. See how much we are receiving and take a view on the propriety and integrity of the way we are behaving.

205 **PETER SWALLOW:** But just to really drive home the point, if I own four seats and I pass them on to my husband, who then resells them for whatever amount of money, under your undertaking, because I did not sell them—and I cannot control what happens when I pass them on to somebody else—I do not have to declare that income.

206 **IAN MCCULLOCH:** Correct. And we think that is a sound point at which to draw the line for disclosure and non-disclosure, because there will be all sorts of situations where, once it is no longer your ticket, you are not in a position to disclose what income somebody else received from it—from whom you might benefit indirectly, but you might not.

207 **SUSAN MURRAY:** It has already been stated that the running of this

organisation is really very complex, and there are a number of different factors coming in. Would it be right to interpret the Bill as making sure that the legislation matches the practice that has been going on in recent times? Would it also be correct to say that in recent times, the organisation has been successful in overcoming a number of financial challenges, which other organisations and charities seek external funds to resolve? And is it correct that the way that the organisation has been set up, right from the beginning—from the royal charter—means that it has the ability to work with its members and the public to create that public benefit, going forward?

208 **IAN MCCULLOCH:** I think that that is absolutely correct. I would just add, because I would not wish to it to be overlooked, that that practice has now been going on for some 15 years or so, since it was found that the operation of the '66 Act was outmoded, and that the Hall could benefit much more if the members would agree to do more, and in a different way. It has been doing so for the past 15 years, and really, the Bill is just seeking to validate what it has been doing and what it wishes to continue doing, because if it continues without that validation, it faces a serious risk of the whole process being found wanting, legally.

209 As I have said in my evidence, there is, in fact, a current legal challenge by three members, who are questioning the validity of our current process. We are resisting that—as we must, of course—but the Bill would resolve that matter for the future, and cease to leave at risk the loss of that very substantial annual benefit, which the members voluntarily give to the Hall.

210 **CHAIR:** I have a final question, and I hope it will not open a can of worms. The council is limited to excluding the members for around 82 days. However, since the council has gone beyond that limit, and currently members are excluded for 110 days, how many days do they have remaining? I assumed it was a smaller number than 82. How many days do they have access to?

211 **JAMES AINSCOUGH:** We usually have about 390 performances at the Hall each year, so we are averaging more than one a day. We like to keep ourselves busy. About 140 of those are performances from which they are excluded. Very roughly, they get about two thirds of the total number of performances. It is easier to talk about performances rather than days, because some days there are two shows, and some days there is one. If you think about it, roughly two thirds are ordinary lets, and roughly one third are exclusive lets.

212 It is worth saying, because it is a very reasonable point that might come to mind, that the percentage has been relatively static for a number of decades. If you go back to 1966, when the Act was put in place, I think it was either 64% or 65% ordinaries to exclusives. Over time, the show count has increased, from about 260 or 270 back then to about 380 or 390 now. That is another macro example of how the members support the charity, and the charity is able to do more, and how the charity and the seat-holders win at the same time. That, I think, was the intention of the original Victorian charter, and the job of both the executive and the

trustees is to govern the Hall in the spirit of that.

213 **CHAIR:** Thank you. If the Committee has no further questions, I ask the parties to leave the room while we deliberate in private.

The Committee deliberated in private from 1.03 pm to 1.36 pm

214 **CHAIR:** Thank you for your patience while we considered what we heard this afternoon. We have agreed that we are content for the Bill to proceed with the amendment. However, we seek to meet in private to strengthen the undertaking. Does that make sense to you, Mr Mundy?

215 **DAVID MUNDY:** It does not at the moment, I am afraid, because you are saying that you agree to the Bill with the amendment.

216 **CHAIR:** But we seek to strengthen the undertaking that you are proposing as the counter to clause 5. The undertaking that you are proposing, the Committee seek to strengthen. Is that understood?

217 **DAVID MUNDY:** I understand. Thank you.

218 **CHAIR:** I therefore invite Mr Mundy to conduct the proving of the preamble. Do you have those words to hand?

219 **DAVID MUNDY:** I do have the words to hand, but I need to take instructions on that proposal, I am afraid.

220 **CHAIR:** That is absolutely fine, Mr Mundy. After we have met in private to strengthen the undertaking, if there is agreement, we will then meet again, and you will be able to conduct the proving of the preamble. *[Mr Mundy and Mr McCulloch conferred.]* Mr Mundy and Mr McCulloch, we can suspend again to give you five minutes to deliberate and have the conversation that you are having.

221 **DAVID MUNDY:** That would be useful. Thank you.

222 **CHAIR:** We will suspend the session for five minutes.

The Committee was suspended from 1.39 pm to 1.44 pm

223 **CHAIR:** Thank you for your patience while we considered what we heard this afternoon. Mr McCulloch, I believe you want to put some very short things on the record to make sure your evidence is absolutely accurate.

224 **IAN MCCULLOCH:** Exactly, if I may, because I am conscious that I am under oath.

225 **CHAIR:** Of course. Please keep it short.

226 **IAN MCCULLOCH:** In my evidence earlier I said that one member of the conflict of interests committee was nominated for election by a seat-holder and was not one of the five appointed trustees. In fact, it is two; it is not

one. Again in the same category, they are considered, based on the legal advice we received, not to be conflicted because they gain no personal benefit from the seat-holding belonging to the organisation that nominated them for the election. I just wanted to correct the fact that it is two and not one on the conflicts committee.

227 I think I also said that of the five appointed trustees, none is a seat-holder. That is correct for those five individuals personally, but in the case of two of the organisations that nominate them to be a trustee, they are seat-holders. So there is the Royal Commission for 1861, who do own seats, and the other is the Royal College of Music, who do own seats. But the trustees who they nominated do not benefit personally from the seat-holding belonging to their organisation. I just wanted to correct the fact that of those five appointed trustees, the bodies that appoint them do own seats in the Royal Albert Hall, for the record.

228 There is one small thing that I said, and that is that I hardly ever know when an event is being staged before it has been contracted. I rarely know that as a trustee, but there have been some occasions when I have known what is coming up before it has been contracted, but I do not think anything material turns on it.

229 **CHAIR:** Thank you, Mr McCulloch. Is that everything?

230 **IAN MCCULLOCH:** That is everything.

231 **CHAIR:** Thank you. I will now proceed. We have agreed that we are content for the Bill to proceed with the amendments. However, we wish to seek to meet in private to strengthen the undertaking. So the Bill will proceed, subject to the meeting's taking place and the undertaking potentially being strengthened. Is that understood by you, Mr Mundy, Mr McCulloch and Mr Ainscough?

232 **DAVID MUNDY** *indicated assent.*

233 **IAN MCCULLOCH** *indicated assent.*

234 **JAMES AINSCOUGH** *indicated assent.*

235 **CHAIR:** I therefore invite Mr Mundy to conduct the proving of the preamble, if he wishes to do so.

IAN MCCULLOCH, Sworn previously

Examined by DAVID MUNDY

236 **DAVID MUNDY:** I am going to ask Mr McCulloch to prove the preamble. Are you Ian Hammond McCulloch?

(Ian McCulloch): I am.

237 **DAVID MUNDY:** Are you a council member and immediate past president of the Corporation of the Hall of Arts and Sciences, otherwise known as the Royal Albert Hall?

(Ian McCulloch): Yes, I am.

238 **DAVID MUNDY:** Do you hold responsibility for the promotion of the Bill on behalf of the Corporation of the Hall of Arts and Sciences, who are promoting the Bill?

(Ian McCulloch): Yes, I do.

239 **DAVID MUNDY:** Have you read the preamble to the Bill?

(Ian McCulloch): I have.

240 **DAVID MUNDY:** Is it true?

(Ian McCulloch): It is true.

241 **DAVID MUNDY:** Thank you very much.

The witness withdrew.

242 **CHAIR:** Thank you. We have now concluded our business for today, but we will be meeting again with the Promoters with a view to strengthening the undertaking. Is that understood?

243 **DAVID MUNDY:** Thank you.

244 **IAN MCCULLOCH:** Yes, it is.

245 **CHAIR:** Order. The business is concluded.

The Committee adjourned at 1.48 pm