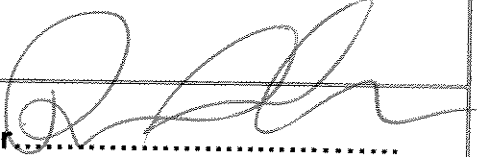


Alexandra Palace & Park Board	On 21st October 2008
Report Title: Action Plan for reform of governance of APPCT (update)	
Report of: David Loudfoot, General Manager	
<p>1. Purpose</p> <p>1.1 To update the trustees on progress with the action plan which was adopted on the 26th September 2008.</p>	
<p>2. Recommendations</p> <p>2.1 That the trustees note progress with the action plan.</p>	
Report Authorised by: David Loudfoot, General Manager 	
Contact Officer: David Loudfoot, General Manager, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 2121	
<p>3. Executive Summary</p> <p>3.1 The LBH section 151 officer provided an independent report to the trustees that contained a series of actions which were recommended to improve the governance of the Charity for the future.</p> <p>3.2 The action plan was agreed on the 26th September, this report details changes and actions to date in respect of implementation of the action plan.</p> <p>3.3 Quotations are being sought for external assistance with the implementation of the plan.</p>	
<p>4. Reasons for any change in policy or for new policy development (if applicable)</p> <p>4.1 The independent report has identified some deficiencies and a more comprehensive system of governance is being defined.</p>	
<p>5. Local Government (Access to Information) Act 1985</p> <p>5.1 The Independent review for the London Borough of Haringey, "development of a licence to operate with Firoka" report has been referred to in the preparation of this report.</p>	

6. Report.

- 6.1 On the 26th September the General Manager presented an action plan to address the deficiencies identified in the independent report commissioned under the powers of the section 151 officer for the council. The action plan set out planned timescales and the trustees were made aware that in order to meet these timescales it would be necessary to ensure that adequate resources are provided to Officers to drive this process to completion.
- 6.2 The General Manager identified that the key priorities will be the initial drafting of the code of governance and the scheme of delegation with the other actions then following on from this point.
- 6.3 The process of research which will guide the development of the new code of governance has been started and the General Manager is identifying suitable resource to assist this process.
- 6.4 In adopting the action plan the trustees wished addition items to be included, these were potential recording of future trustee meetings and the arrangement of an away day.
- 6.5 Quotations are now being sought for both the advice on development of a new code of Governance and also for facilitation of an 'away day' for the trustees to discuss the future pathways for the charity.
- 6.6 The action plan will be updated and represented to the next meeting of the trustees, all future regular meetings of the trustees will include an update on the plan until such time as it is complete.

ADOPTED ACTION PLAN

(as at 7th October)

	RECOMMENDATION: AIM OF REVIEW	PROPOSED TIMESCALES	RESPONSE
1.0	The Trustees of the Alexandra Palace and Park Trust review this report and consider the implications for good governance that it infers. Suggested outcomes of that review being to:		
1a	<ul style="list-style-type: none"> Present a response to the Chief Finance Officer (Section 151 officer) of the London Borough of Haringey. 	Nov 08	<p>The trust solicitor should in conjunction with the senior staff and approval of the trustees prepare a response This action plan shall be part of that response.</p>
1b	<ul style="list-style-type: none"> Include the creation of a 'smart' action plan showing milestones, key achievements and outcomes. 	Oct 08	<p>Once agreed with the board the responses in this document to be further time-lined and the rollout of them to be monitored by the General Manager who shall report progress to future meetings of the trustees. This report is the first of a series to be presented to ensure the Board are kept informed as to progress</p>
1c	<ul style="list-style-type: none"> Put in place a system of monitoring to ensure regular review of standards. 	Oct 08	<p>The General Manager is adopting a system of staff reviews which is designed to achieve this within the staffing complement. This will be implemented in the coming month and when fully developed this will form a performance management framework for the future linked to item 2a Review of standards will also be addressed as part of the work on (2a).</p>
1d	<ul style="list-style-type: none"> Consider the extent to which regular financial and performance measurement data is routinely reported to the 		<p>It is current practice that financial reports are provided to each regular board meeting.</p>

	Trustees.		Feb 09	The trustees should as part of the governance review consider if they would wish for either circulation of interim financial reports between board meetings or increasing the frequency of meetings. The charity should complete the work started sometime ago on a formal risk management register.
			Feb 09	The budget planning process in future years should include a formal business plan with clear targets and performance measures being included in this plan.
			Apr 09	The risk management framework should be formalised

	RECOMMENDATION: AIM OF REVIEW	PROPOSED TIMESCALES	RESPONSE
2.0	That the Trustees similarly cooperate with the Audit Division of the London Borough of Haringey in their review of governance at the Alexandra Palace in order to:		
2a	<ul style="list-style-type: none"> Seek the creation and implementation of a good code of governance without delay. 	Initial report by Feb 09	<p>The general manager should lead on a review of APPCT governance based on the best practice in the voluntary sector having in particular regard to guidance published by the Charity Commission. The General manager will draw upon external advice on voluntary sector and local authority best practice as part of this process.</p> <p>This will define a framework for both the trustees and officers to work within. The implementation of this is likely to entail</p>

			<p>a significant amount of trustee engagement including possible external moderation and 'trustee away days'.</p> <p>Quotations are currently being sought for both a facilitator for the proposed board away day and also for the provision of advice on governance in the third sector.</p>
2b	<ul style="list-style-type: none"> Determine a full scheme of delegation showing the extent of powers delegated from the Trustees to the individual officers and the conditions within which they will exercise those powers. 	Feb 09	<p>The General manager will lead upon production of such delegation to include a "chief executive limitations" document in respect of his own delegated powers. This scheme will also have regard to Charity best practice and the standing orders of LBH.</p> <p>This scheme should be formally reviewed every 3 years or more often if necessary.</p> <p>This will link into the work in (2i)</p>
2c	<ul style="list-style-type: none"> Clarify the role of the Trustees in order to ensure that paid staff and Trustees have a full understanding of their respective roles and responsibilities. 	Feb 09	<p>The General Manager will prepare/ commission a draft document identifying the role of the trustees in respect of the strategy and objectives of the Charity. This will also identify expected and best practice in communications between the trustees and staff and officers.</p> <p>Annual induction and (re)training session led by the Trust solicitor and General Manager will continue and both new and existing trustees will be expected to attend.</p> <p>Clear guidance and training on roles of</p>

			<p>staff should be provided to both staff and trustees. This should be inline with Charity commission guidance on best practice and local authority regulations. This will be included in the work required for (2b).</p>
2d	<ul style="list-style-type: none"> Clarify procedures and opportunities for briefing of Trustees. 	<p>.</p> <p>Oct 08</p> <p>May 09</p> <p>Feb 09</p>	<p>Best practice recommends that all trustees should attend an annual induction and (re)training session led by the Trust solicitor and General Manager. This is currently arranged before the first cycle of meetings in the municipal year and again at any change of membership to the trustees.</p> <p>In future, the sessions should be attended by all trustees whether newly appointed or long standing.</p> <p>A short form trustee manual should be published each (municipal) year in addition to the full induction pack currently provided.</p> <p>The board currently receive briefing notes as necessary, the review should consider a process for holding a pre-meeting prior to formal (decision making) board meetings or for strategically significant issues whereby a longer briefing may be supplied.</p> <p>The trust solicitor should provide advice on the overlap between best practice in the</p>

			charity sector and local authority processes for briefing and information transfer where local authorities sit as trustees.
2e	<ul style="list-style-type: none"> Ensure that processes exist to provide clear audit trails and documentation to support decisions. This is particularly important where any form of negotiation is involved. 	<p>.</p> <p>.</p> <p>Feb 09</p> <p>Feb 09</p> <p>Trustees to consider recording of meetings, GM to obtain advice and pricing and revert to trustees for decision</p>	<p>It has been actioned that all meetings where potential negotiations are being conducted are minuted.</p> <p>As a point of principle, as trustees have no authority to bind the charity, trustees should not hold client/negotiation meetings or discussions without the General Manager also being present.</p> <p>This will be formally addressed and reinforced as part of the work in (2b) and (2d).</p>
2f	<ul style="list-style-type: none"> Determine processes for consultation with Trustees and other related bodies to ensure clarity and certainty of decision making. 	Jan 09	<p>The trustees should consider a mechanism whereby the briefings and discussions currently held with the chair are given a wider circulation.</p> <p>These points will form part of the code of governance and good practice will suggest that a regular meeting between the General Manager/trust solicitor and all trustees for briefing rather than decision</p>

			<p>purposes should be considered.</p> <p>The General Manager will continue to meet the LBH lead officers on a regular basis to ensure up to date financial and governance information is communicated to LBH.</p> <p>This will be formally addressed as part of (2c).</p>	<p>AGREED</p> <p>FEB 09</p>
2g	<ul style="list-style-type: none"> Determine or reinforce procedures for the production of key reports including allowing sufficient time for proper consideration and consultation and to develop an allied system for actions in case of emergency or urgent action. 	<p>The section 151 officer already receives copies of board reports and a mechanism for his comments to be appended exists.</p> <p>Timescales for reporting have already been improved but the governance review should formally set out that Board reports (requiring a decision) should not be tabled except in case of extreme emergency.</p> <p>Tabled reports must include the comments of LBH officers or alternately LBH officers must be represented at the meeting.</p> <p>A delegated panel system already exists for urgent board decisions; this facility should be made more use of if reports to regular boards are delayed.</p> <p>These arrangements to be formalised as part of the work on (2a +2b).</p>	<p>Oct 08</p>	
2h	<ul style="list-style-type: none"> Receive a report from the Trustee's legal advisors in co-operation with the Legal Department of the London Borough of Haringey to ensure compliance with good governance 	<p>Trust solicitor and General manager to prepare joint report on governance issues and Charity Commission and voluntary</p>	<p>Feb 09</p>	

	<p>guidelines as determined by the Charity Commission and to ensure that revised standards meet existing and anticipated statutory requirements.</p>		<p>sector best practice in conjunction with LBH legal team who will advise on the local authority aspects. This work will form part of item (2a)</p>
2i	<ul style="list-style-type: none"> Fully review existing contracts for other services in order to ensure that they contain no shortcomings that expose the Trustees to either financial risk or accusation of poor governance standards. 	<p>Feb 09</p>	<p>This work has also been identified by the internal audit and a review is already underway and will be completed by Feb 09. OJEU advertised Tenders are underway for insurance and security function. Details of major contracts are already reported to the board when the award is made but it would be an improvement for an annual report on 'current contracts' to be produced. The General Manager should regularly brief the board where his delegated powers have been exercised. This will form part of item (2b). The General Manager should implement a formal contract management framework The Head of Finance should ensure that the Asset register should be formally updated</p>
2j	<ul style="list-style-type: none"> Consider the extent to which, in future, all contracts for significant services should, as a matter of course, be reviewed by legal representatives and subject to the signature of the Head of Legal Services (HOLS) at the London Borough 	<p>Mar 09</p>	<p>The current arrangements are that all leases are sent to the HOLs for signature. Contracts for expenditure in excess of £150k are also sent to HOLs for signature.</p>

	of Haringey.	Feb 09	As part of the delegation review the trustees should consider the future extent of the arrangements and this will be defined in the scheme of delegation.(2b).
2k	<ul style="list-style-type: none"> Review internal audit arrangements 	Mar 09	The Head of Finance should review internal audit arrangements and report back to the GM and Board

RECOMMENDATION: AIM OF REVIEW		PROPOSED TIMESCALES	RESPONSE
3.0	That an internal review of relationships between the Alexandra Palace and the London Borough of Haringey is carried out so as to include:		
3a	The adoption of protocols which maintain suitable autonomy for the Charity but recognise the importance of the relationship with the London Borough of Haringey and the support and guidance it can offer.	Feb 09	Formal arrangements have been put in place and will be strengthened where by the General Manager has a regular dialogue with the senior officers of the council. The trustees need to fully review the governance arrangements (item 2a) and consider the support available from LBH so as to ensure the proper separation of function but maximise the available advice. Where LBH can/does offer assistance then Service Level Agreements should be put in place to define the extent of the assistance provided and responsibility for the associated costs.

3b	Ensure the validity of a process which allows sufficient time and opportunity for the London Borough of Haringey to consider matters of strategic importance or potential financial consequence.	Oct 08	<p>Work on this issue has already been undertaken, the existing protocol is that all reports are submitted to the LBH Chief Financial Officer & Legal team with (where possible) at least 5 days to allow time for comments to be raised. These timescales can be further improved and this should be addressed as part of item 2g and 3c</p> <p>Longer timescales will be applied for matters of strategic significance.</p> <p>The system where by LBH Comments are appended to the trust reports so as to ensure the separation of function is maintained has been reinforced and will continue.</p> <p>Tabled reports (requiring a decision) should be avoided except in extreme emergency, and if this is needed LBH officers should be notified and able to attend meeting. This has been agreed and will be formally addressed in item (2b)</p>
3c	Identify barriers to cooperation and support and to eradicate these accordingly.	Feb 09	<p>The current general manager has established good working relationships with the senior officers at LBH.</p> <p>Any remaining barriers should be addressed as part of the review of (3a +3b) to ensure that trust staff and LBH officers clearly understand the roles</p>

		<p style="text-align: center;">Apr 09</p>	<p>and protocols, and that an improved spirit of cooperation is fostered.</p> <p>A formal operating framework between the Charity and Council should be defined in consultation with the stakeholders and charity commission.</p>
<p>3d</p>	<p>That the actions of staff taken within the report are evaluated by the Trustees in cooperation with the London Borough of Haringey with a view to identifying short comings in their performance over the production of this licence.</p>		<p><i>The DCS will provide updates to the board on this item in future</i></p>

	RECOMMENDATION: AIM OF REVIEW	PROPOSED TIMESCALES	RESPONSE
4.0	That key staff at the Palace are, where appropriate, given advice, support and training in good governance. This should include:		
4a	<ul style="list-style-type: none"> Operating within a political environment. 	Feb 09	<p>This will require liaison between the trust and LBH HR team to offer its advice and the provision of a briefing pack to the senior staff at the Trust.</p> <p>Where training needs are identified it will be provided.</p>
4b	<ul style="list-style-type: none"> The responsibilities of staff serving a body of Trustees. 	Feb 09	<p>Briefing document to be prepared by the trust solicitor and included in both the management and trustee briefing packs so that the roles and boundaries are clearly understood.</p> <p>This will be part of work on (2d) (2f)</p> <p>Where training needs are identified as part of this process, suitable training (if necessary via an external agency)will be provided</p>
4c	<ul style="list-style-type: none"> The development of informative reporting that support good decision making including the proper evaluation of alternatives, clear and reliable financial and operational information and evaluation of potential risk. 	Feb 09	<p>The future format of board reports to be considered as part of the overall governance arrangements (2a), future reports should focus more on risk evaluation and options appraisal especially where a decision is needed.</p> <p>The regular meetings between the General Manager and LBH Officers will also contribute to the information transfer. (also see 4d)</p>

			Where the resolutions from board reports require a further feedback report this should be made as a formal report rather than as a verbal update.
4d	<ul style="list-style-type: none"> Ensuring that an atmosphere of transparency and openness exists between senior officers to ensure that all have the opportunity to contribute towards strategic decision taking. 	.	This should naturally flow from a better defined framework between the trust and LBH but assurances should be sought in the future by the trustees that this is the case.
4e	<ul style="list-style-type: none"> The proper use of external documents to ensure no infringement of copyright or intellectual property rights. 	.	Agreed and has been actioned.

7. Recommendation

- 7.1 That the trustees note the progress with the action plan.
- 7.2 That the trustees should continue to receive quarterly written updates on the implementation until such time as all actions are complete.

8. Legal and Financial Implications

- 8.1 The LBH Chief Financial Officer has been provided with a copy of this report. His comments are provided as Appendix 1
- 8.2 The Trusts solicitor has been sent a copy of this update report.
- 8.3 Trustees should be aware that the delivery of this plan will require commissioning of some external expertise and advice which will have a cost which at this stage is not quantified, the General manager has authority for this to be sourced out of existing budgets and he will report back as part of the entire process the costs incurred and estimates of any ongoing costs.
- 8.4 The requirement for additional trustee meetings and engagement will also have a cost implication for the future which will need to be allowed for in the budgeting process for future years.

9. Equalities Implications

- 9.1 n/a

10. Use of Appendices / Tables / Photographs

- 10.1 Comments of LBH CFO are attached as appendix 1

Appendix 1

Comments of the London Borough of Haringey Chief Financial Officer:

Gerald Almeroth LBH CFO has been supplied a copy of this report and provided the following comment:

“The action plan update is noted. There are financial implications arising from some of the recommended actions, these should be contained within existing budgets.”