



## **ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD**

**4<sup>th</sup> March 2019**

**Report Title:** Governance Update

**Report of:** Louise Stewart, Chief Executive Officer

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**Purpose:** This report requests the Board to take action to further improve the governance of the Trust and note the progress made on Governance improvement and change programmes.

### **1. Recommendations**

- 1.1 To formally request permission from the Corporate Trustee, Haringey Council, to update the Land registry in relation to Alexandra Park and Palace Charitable Trust and its charitable status.
- 1.2 To appoint an independent member with appropriate expertise on to the Finance, Risk, Resource and Audit Committee (FRRAC), and;
  - 1.2.1 To agree the proposed role description, selection process and appoint individuals on to the selection panel, as proposed.
- 1.3 To note the progress made on the Governance Improvement programme.
- 1.4 To note the progress made on the Governance Change programme.

### **2. Background**

In 2016 the Trust undertook a Governance Review. The Review resulted in two programmes of work. Firstly a Governance Improvement programme that aims to achieve as high a level of compliance with regulation and best practice as possible within the current governance structure and secondly a Governance Change programme that aims to develop a new governance structure that will enable full compliance with regulation and best practice and assist the Charity in improving the effectiveness of delivery and its future financial sustainability.

### **3. Governance Improvement Programme Progress**

3.1 Of the twenty improvement actions identified nine have been completed, a further seven are underway. Of the outstanding actions it is proposed that:

3.1.1 The Land registry ownership details for Alexandra Park and Palace are updated. The Land Registry title shows the assets being held outright by the Council, without indicating that they hold the property on trust or stating the registered charity number. This issue was raised in the Governance Review and again very practically in 2018 during the travellers court case, when ownership had to be explained in court. The Trust's legal advisors have recommended that the details are updated.

3.1.2 The Memorandum and Articles of Association for APTL are reviewed. This has not been done for some time. It is proposed that the Trustee Board requests APTL to undertake a review in 2019/20 and put forward recommended changes for the Trustee Board's consideration.

#### **3.2 Appointment of Independent FRRAC Member**

3.2.1 During the Trustee Board's annual meeting with the Auditor on 19<sup>th</sup> June 2018 it was acknowledged that it was unusual for an organisation of the Charity's size to not have a number of people with financial expertise on its finance committee.

3.2.2 The Board are reminded that FRRAC is not a decision making committee and has no voting rights. Therefore the independent member will not have voting rights but will be able to provide the necessary expert oversight and constructive challenge to assist FRRAC in its advisory role to the Board.

3.2.3 FRRAC discussed the matter further at its meeting on 25<sup>th</sup> October 2018 and tasked the CEO to draft a role description (Appendix 1) for the Board's consideration. The draft role description is attached at Appendix 1

3.2.4 The recruitment process is expected to take at least 8 weeks. The Board is asked to agree the appointment panel, as:

- the Trust Chair
- Chair of FRRAC
- an independent advisor
- Director of Finance (in an observer capacity)

### **4. Governance Development progress**

4.1 A governance task and finish group has been established to develop the workplan and schedule to take forward the governance change proposals and present the developed model to the Corporate Trustee. The Group is made up of appropriate senior executives of the Corporate Trustee and the Trust.

4.2 As part of the governance model development the Trust's internal auditors have been tasked with developing a board skills and expertise matrix, to set out the requirements for a charitable company limited by guarantee appropriate to the size, scope and nature

of operations. It will also cover the skills and expertise required for the Trading subsidiary Board.

## **5. Cultural Governance Alliance**

- 5.1 The Clore Leadership Programme has published a practical guide for cultural organisations, which covers structures, roles and responsibilities, finance and risk management and recruitment. Board members are encouraged to read the guidance, which can be found at <https://culturalgovernancealliance.org>, as part of their ongoing development.
- 5.2 The practical guide includes links to various resources and recommended reading including Charity Commission Guidance and training courses that Trustees are encouraged to consider.

## **6. Legal Implications**

- 6.1 The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report, and has no comments.

## **7. Financial Implications**

- 7.1 The Council's Chief Financial Officer has been consulted in the preparation of this report and any comments received will be tabled.

## **8. Use of Appendices**

Appendix 1 – Independent FRRAC Member Role Description



## **Alexandra Park and Palace Charitable Trust**

### **Independent Member of the Finance, Risk, Resource & Audit Committee (FRRAC)**

#### **(DRAFT ROLE DESCRIPTION)**

Alexandra Park and Palace Charitable Trust is seeking to appoint an independent committee member to its finance and audit committee, a subcommittee of the Trustee Board.

The independent member will play a vital role in advising and supporting members of the Committee and assisting the Board in fulfilling its responsibilities. Independent members must be truly independent of the Trust and therefore may not sit on any of the Trust's stakeholder committees or be an elected member or employee of the Corporate Trustee.

This is an exciting time for the Trust with a recently completed restoration project, a decade of successful trading activity and there are more projects planned for the future.

The Trustee Board and FRRAC are diverse and inclusive and welcome applications from anyone who feels that they meet the required criteria regardless of their gender, background or ethnicity.

### **Introduction to Alexandra Park and Palace Charitable Trust**

Alexandra Park and Palace is a major heritage and cultural destination located in north London. It is a rare survivor of the great Victorian age of entrepreneurship, exhibition and spectacle, it is now known for its panoramic views of the city, diverse entertainment programme and as the birthplace of BBC Television in 1936, yet its history is broader, richer and deeper. The Palace is 7.5 acres in size and is surrounded by 196 acres of award winning parkland and together they receive over 3 million visits per year.

The Park and Palace exist for the enjoyment of the public forever. The Trust is responsible for the maintenance, restoration and repair of the Park and Place and has an annual programme of delivery to ensure the charitable purposes are achieved and the public engaged in the activities of the Trust through attending events and experiencing activities on site, participating in the creative learning programme or donating time and expertise through our growing volunteering programme.

The Charity owns a trading subsidiary that delivers events, entertainment and leisure activities on the premises all year round, from live music concerts to health and wellbeing exhibitions.

The Trust has recently completed a £28m restoration programme of the Palace's East Wing, funded by Heritage Lottery Fund, Haringey Council and donations from the public and philanthropic trusts and foundations. A Victorian Theatre has been reopened after 80 years of sitting derelict and unused. Whilst its heritage has been preserved in a state of arrested decay, it is now a unique cultural performance space and event venue. The East Court a grand Victorian exhibition hall has been refurbished as a public space to welcome visitors and encourage them into the Palace building and contains a dedicated creative learning centre.

The Trust generates nearly 50% of its income from trading and other activities on site and receives an annual grant from its Corporate Trustee<sup>1</sup>. The long term aspiration is that the Charity achieves greater financial sustainability.

The Trust operation has grown in size and scope over the last decade, whilst the environment in which charities operate has also changed significantly. This requires the Charity to achieve robust and high standards of governance and financial management if it is to achieve its ambitions for the future.

### **Introduction to the Finance, Risk, Resource & Audit Committee (FRRAC)**

The FRRAC is an advisory committee to the Trustee Board. It provides a dedicated assurance and scrutiny function. It reports to and makes recommendations to the Trustee Board on key areas of the Trustee Board's duties.

The scope of the FRRAC includes, the financial management of the Trust and oversight of the Trading subsidiary finances, internal and external audit programme, the system of controls for risk management and human resource management and remuneration.

The Terms of Reference of FRRAC can be viewed here [link to be inserted](#)

### **Role Purpose**

To act as an independent member of the Finance, Risk, Resources & Audit Committee of the Trustee Board.

### **Role Description**

As an independent member of the Committee:-

1. To ensure compliance with the Terms of Reference of the Committee.
2. To review the annual accounts and audit report before submission to the Trustee Board.
3. To ensure effective systems of control and risk management are in place so that the Charity is able to meet its legal requirements, financial plans and deliver its strategy.
4. To ensure that effective internal and external audit functions are in place.
5. To advise on the internal audit programme and other expert reviews on risk and compliance.
6. To provide assurance to the Trustee Board that measures are in place to meet its governance requirements.
7. To monitor performance of the Charity against its short, medium and long term goals.
8. To provide reassurance to the Board that the Charity's affairs are being conducted effectively, lawfully and ethically.

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<sup>1</sup> The Charity was created by an Act of Parliament in 1901. The Trusteeship of the Charity was transferred to Haringey Council in 1980. The Council in recognition of the need for the Charity to act independently of the Council, delegates its duties to a Trustee Board.

9. To support the Executive Leadership Team and CEO in achieving operational and strategic objectives, in an advisory capacity.
10. To use reasonable care and skill in advising the Board and to identify and manage any conflicts of interest that may arise.

### **Person Specification**

- Relevant accountancy qualification or relevant financial experience at Board level
- Strategic awareness and ability to identify emerging external factors that may impact on strategy implementation or plans
- Good communication and interpersonal skills, objective, independent and able to challenge committee members and executives supportively.
- A good knowledge of internal and external audit and risk management would be advantageous.
- An awareness of charity and corporate governance and public sector organisations and their challenges would be beneficial, particularly the Charity Governance Code.
- Able to work in a way that demonstrates commitment to the charitable purposes of the Park and Palace.
- An understanding of, or willingness to learn, the context in which the Charity and its trading subsidiary operates.
- Ability to work well as part of a diverse team.
- Previous board or committee experience is desirable.
- Able to devote the necessary time to deliver the requirements of the role.

### **Terms and Conditions of Appointment**

- The Term of appointment is for three years. This may be extended if desirable, for both parties, for a further three years.
- As an independent member of FRRAC you will be expected to prepare for and attend at least three meetings per year and provide additional advice and input from time to time outside of meetings.
- Additional sessions such as induction, workshops and away days may be required.
- The role is unremunerated, but reasonable expenses will be reimbursed in accordance with the Trust's expenses policy.
- It is expected that the independent member will take time to understand the extent of the Trust's operation through site visits and attendance at events from time to time.
- Meetings are usually held at Alexandra Palace and can take place in the afternoon and evenings. Strategy days and workshops sometimes take place on weekends.