

FOAPT Item 10, Appendix 2

Assessment of option i) against previously identified risks

Risk area	Description	Trust requirements	Option i)
Reputation	The Theatre is a significant success story for the Palace and this must continue to be a key message.	Any decision on the Friends should be; <ul style="list-style-type: none"> - sensitively managed - recognise the role of the Friends in achieving that success - take the opportunity to promote the activity that will continue as a legacy of their work/or their role going forward 	<p>There is a clear rationale based on good governance and consistency of how we relate to our stakeholder groups</p> <p>The nature of the board discussion being public means that the Friends 'business' will be in the public domain for two weeks before the board discussion. The Board should write to the Friends to advise them of the coming discussion and the options it has looked at.</p>
People	Some of the key individuals who have led or been instrumental in the Friends work for many years have made it known that they are likely to be stepping down in the near future	The Trustee Board should be careful to ensure that their discussion is based on the needs of the Trust and not around the skills or commitment of any specific individuals, whilst obviously acknowledging the contribution, officially or unofficially of the individuals involved; and ensure a smooth and respectful transition to any new arrangement.	<p>The options assessment has been based solely on the needs and requirements of the Trust, now and in the future, but does appropriately include an element of reputation management.</p> <p>The Trust could offer to provide support to the group to adapt the purpose and mission of the Friends and its constitution, to facilitate a smooth transition.</p>
Legal	<p>Having made the original delegation of power the Trustee Board has a duty to clarify it for the future and to officially recognise that it has been achieved.</p> <p>However, according to the Friends constitution the Trustee Board does not have the power to decide if the group itself should continue. This is a decision for the membership of the Friends themselves. according to their constitution.</p>	The Trustee Board should take care to avoid directing whether the group should continue to exist, it should focus its attention on the role it may wish it to perform in the future.	<p>This option clearly delivers the Trustee duties to ensure the governance of the charity remains fit for purpose.</p> <p>Whilst it provides for a future relationship with the Trust on a par with other special interest groups it makes no comment on whether the group should cease to exist</p>

Governance	The governance review of the Trust identified the Friends of the Theatre as an anomaly, as it is the only <i>Friends of group</i> to have a delegated power from the Trustees and to have a Trustee Board member sit on its management committee.	The Trustee Board should consider whether this provides an opportunity, as recommended by the Governance Review to change this relationship, to put the Friends on the same relationship basis as other stakeholder groups, especially those who are members of the Consultative Committee.	This option delivers on this recommendation of the governance review
Regulation	<p>The changes to fundraising regulation require the relationship between charities and third party fundraisers to be closely and carefully managed</p> <p>The Trust is still required to ensure fundraising regulations are met when it knows about fundraising efforts that may be associated with it; and ensure proper arrangements are in place for money to be transferred to the charity quickly and efficiently.</p> <p>The regulations also require the Trust to ensure that third parties fundraising to raise their own profile or to attract customers by associating themselves with the Trusts' brand are also managed and monitored. So that potential donors are not misled about the purpose of the fundraising and the use of the funds.</p>	<p>The Trust should consider</p> <ul style="list-style-type: none"> - whether it wishes to give a formal fundraising role to a third, unregulated party, now that it has a Fundraising department of its own. - consider the role of friends' groups in the future fundraising approach. <p>The Trust should also consider whether it is desirable for any future group to fundraise for its own needs when the name is associated with the Palace and a Palace facility.</p>	<p>This option places no responsibility on the group in relation to fundraising. If the group continues to exist and wishes to raise funds for the charity, it will have to comply with appropriate regulations and any policies and procedures of the Trust in relation to third party fundraising – on a par with other groups or individuals.</p> <p>This option does not address this risk specifically but further dialogue with the Friends and other groups using the Trusts names or marks is required.</p>