



ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD MEETING

15 MARCH 2022

Report Title: Finance, Resource, Risk and Audit Committee (FRRAC) Chair's report

Report of: Cllr Dana Carlin, Interim Chair of FRRAC

Local Government (Access to Information) Act 1985 N/A

1. Introduction

- 1.1 FRRAC is a non-decision making committee established by the Trust Board to support the Board in delivering its finance, resource, risk and audit responsibilities.
- 1.2 The minutes of FRRAC meetings are circulated to the Trustee Board Members in their information pack.
- 1.3 This report highlights relevant considerations of the FRRAC at its meeting held on 15th February 2022 and makes recommendations to the Trustee Board. The meeting was attended by: Cllr Dana Carlin (Chair), Cllr Bob Hare, Claire Pape, Emma Dagnes, Richard Paterson, Catherine Solomon, Natalie Layton.

2. Recommendations

The Trustee Board is recommended:

- i. To approve the 2022/23 Budget at agenda item 10, despite the predicted deficit outturn for the reasons set out in section 4 of this report;
- ii. To note that following the Board's approval the pay review recommendations in December 2021, the London Living Wage (LLW) had subsequently increased and some roles in the organisation now fell outside of the LLW.
- iii. To approve the re-appointment for the Independent Member of FRRAC and APTL Non-Executive Directors for a further period of three years.

3. Current Year Financial Position

We noted

- 3.1 The positive result that the Culture Recovery Fund (Round 3) and additional funding from the Corporate Trustee have had in reducing the forecast deficit position to -£180,309 from -£1,446,789 budgeted.
- 3.2 Unrestricted funds were not at risk in the current year but capital funding and cashflow remained challenging. The Trust was regularly discussing potential mitigations with the Corporate Trustee and FRRAC supported the option of bringing forward the payment of restoration levy by the trading subsidiary to the current year (in which it is earned).

4. Draft 2022/23 Budget

- 4.1 Although the draft 2022/23 budget results in a deficit position we resolved to recommend the budget to the Trustee Board for approval.
- 4.2 We were satisfied that there were potential savings to be made as well as areas for additional income generation.
- 4.3 We noted the rise in energy prices, inflation and the continued uncertainty around the pandemic presented risks to the level of Gift Aid contribution to the Trust.

5. Human Resources

We received updates on:

- 5.1 The re-launch of the e-learning platform for staff (and Board Members) including mandatory modules in Safeguarding, Data Protection and Counter Terrorism and that a Cyber Security module was being trialled.
- 5.2 The implementation of the new HR/Payroll and Time and Attendance and Rostering systems procured last year.
- 5.3 In December 2021 the Board approved cost of living pay increases which achieved the Trustees' commitment to the London Living Wage (LLW). However, the LLW had subsequently increased and some roles in the organisation now fell outside of the LLW and affordability was a risk but that many funders expected organisations to be paying the LLW. FRRAC noted that the annual benchmarking exercise would take place and options would be presented to Trustees in the future.

6. Independent Member and Non-Executive Director Re-appointments

- 6.1 FRRAC are pleased to recommend that the Trustee Board resolve to extend the terms of office for the FRRAC Independent Member, Claire Pape, and the APTL Non-Executive Directors, Andrew Morton and Jamie Copas, each for a period of 3 years. The current terms of office end on 19th July 2022.
- 6.2 We agreed that all three appointments have made valid contributions during their first terms: the Independent Member has provided FRRAC with important financial acumen and the APTL NEDs have each demonstrated their areas of expertise.
- 6.3 We agreed that a process for annual performance reviews should be implemented for all board members.
- 6.4 The Trustee Board confirms it's annual committee appointments at the first board meeting of the municipal year (July 2022). In the meantime, letters confirming the appointments will be sent to the Independent Member and NEDs, subject to the Trustee Board's approval.

7. Other issues

FRRAC also considered the Health and Safety quarterly report, which related mainly to trading activity and a report on upcoming procurement and noted that a review of Risk Management Policy would be undertaken by the new Director of Finance and Resources.

6. Legal Implications

6.1 The Council's Head of Legal & 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 has no comments.

8. Appendices - None