



ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD

26 FEBRUARY 2024

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

Report of: Cllr Sean O'Donovan, FRRAC Chair.

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

1. Introduction

- 1.1 FRRAC is a non-decision-making committee established by the Trustee Board to support the Board in delivering its finance, resource, risk and audit responsibilities.
- 1.2 This report highlights relevant considerations of the FRRAC at its meeting held on 19 February 2024 and makes recommendations to the Trustee Board. The meeting was attended by Cllr Sean O'Donovan (Chair), Cllr Sarah Elliott, Claire Pape, Emma Dagnes (CEO), Richard Paterson (FD), Catherine Solomon (HRD) and Natalie Layton. Apologies were received from Cllr Anne Stennett.

2. Recommendation

- i. To note the feedback from FRRAC including that the Trustee Board:
- ii. approves and adopts the amended Terms of Reference for the Finance, Resource, Risk and Audit Committee (FRRAC) subject to the inclusion of the recommendations in 3.4 of this report.
- iii. approves the Risk Register and agree the two areas for deep dive in 2024/25 as: Fundraising Approach and Security.
- iv. notes the 2024/25 draft budget information and the proposal to review the APTL Licence Fee.

3. Review of FRRAC Terms of Reference (pages 5-12)

- 3.1 FRRAC considered its Terms of Reference which had been subject to an internal review with suggested updates in line with custom and best practice guidance.
- 3.2 We were informed of the recommendation by an APTL non-executive director that the quorum should include one independent member. We supported this but noted the risk (of a meeting being considered inquorate) presented by FRRAC having only one independent member.

3.3 We were also informed of the Council's Head of Risk and Audit advice for FRRAC to have two independent members and, in principle, we supported this as an aspiration but acknowledged the challenges of resourcing and managing this at the current time.

3.4 **FRRAC RESOLVED to recommend that the Trustee Board approves and adopts the amended Terms of Reference for the Finance, Resource, Risk and Audit Committee (FRRAC), subject to the inclusion of wording around:**

- Best endeavours being made for quorum to be one trustee and the independent member or two trustees should the independent not be able to attend.
- The trustee board appointing the FRRAC Chair and that the independent member may be appointed to chair in the absence of the FRRAC Chair or another trustee should both the Chair and Independent not be available to attend;
- and any other recommendations from the APTL Board that the Trustees resolve to approve at its meeting on 26 February 2024.
- That the suggestion of two independents be added to the governance improvement action plan for consideration in the future.

4. Financial Position and 2024/25 Budgets

4.1 Current Positions

We were presented with the current position for the Group and sought further detail around Trust's *other admin expenses* which had a variance of -£263,076. We noted the areas of additional costs under this budget line such as legal and procurement fees paid to the Council for completion and signing of the Northeast Office Building contract, increases in cleaning and facilities costs and the general day to day running of the Charity.

4.2 Licence Fee Review

We noted that the APTL Licence Fee assisted the Trust's budgeting process by providing funds before the end of the previous financial year. In addition to the Licence Fee, APTL's contribution includes Operating Profit which is transferred as Gift Aid, and Restoration Levy.

We generally supported the proposed review of the trading subsidiary licence fee but agreed:

- The review should be kept simple.
- Risks should not be taken that could result in loss of income.
- The timescale the Trustee Board to consider the outcome of the review before the new financial year might be tight.

4.3 2024/25 Budget

- 4.3.1 We considered the outline budgets for the Group and noted the proportion dedicated to salaries and the plans to recruit additional staff to deliver the vision and goals, and associated strategic projects, some of which would produce a financial benefit such as the clean energy packages.
- 4.4.3 We acknowledged the continuing increase in costs and lack of investment in the site and looked forward to a medium-term financial plan that would provide a clearer picture of the variables.
- 4.4.4 We noted the APTL forecasts and requested that the Trustee Board be provided with the APTL cashflows when presented with the budgets.

FRRAC resolved to recommend that the Trustee Board:

- i. note the full year forecast and that there was further work to be undertaken to reduce the deficit;
- ii. note the outline Budget position with the above caveat;
- iii. note the Trust's intention to undertake an internal review of the APTL Licence Fee and Cost Sharing agreements.

5. Other matters considered

- 5.1 We noted the update on Human Resources activity for the year to date including:
- the Leadership Development Programme for Heads of Services, an all-staff communication workshop and the People Strategy development.
 - Staff e-learning module completion rates ranged between 60%-67% and we noted that completion was lower among casuals and that a breakdown of completion across permanent and casual staff would be provided for FRRAC's consideration.
- 5.2 We considered the Q3 Health and Safety update report including that a review of the increased number of Ice Rink accidents reported in Q2 had taken place as requested by FRRAC previously. This raised no direct areas of concern and we noted that the upward trend was likely the result of it being the busier festive skate season and greater awareness around reporting following recent training and refresher training.
- 5.3 We were informed that the draft bill for Terrorism (Protection of Premises / Martyn's Law), published in May 2023, continued to be considered in Parliament but the team continued to be proactive in developing a terrorism risk strategy and management plan.

5.4 Strategic Risk Register

We noted the updates to the Strategic Risk Register included on the Trustee Board exempt agenda and **resolved to recommend that**

- i. that the Trustee Board approve the Risk Register;
- ii. that the specific deep dive risk areas for the Trustee Board in 2024/25 be agreed as: Fundraising Approach and Security.

6. Legal Implications

The Council's Head of Legal & Governance has been provided with a copy of this information report.

7. Financial Implications

The Council's Chief Financial Officer has been provided with a copy of this information report.

8. Appendices – None (the minutes of the FRRAC meeting will be made available to the Trustee Board)