

Alexandra Palace & Park Board

on 14th October 2010

Report Title: **Bespoke Code of Governance (Part 1)**

Report of: **Andrew Gill, Interim General Manager, Alexandra Palace & Park Charitable Trust**

1. Purpose

- 1.1 To update the Board on progress in making the NCVO Code of Governance bespoke to Alexandra Park & Palace Charitable Trust.
- 1.2 To advise the Board of clauses of the NCVO Code that do not apply to APPCT which are (as required by the Code) documented in this report.
- 1.3 To seek guidance from the Board on the integration of the NCVO code with the existing governing documents of APPCT and ancillary documents in draft form.
- 1.4 To request the Board to consider adopting a Code of Conduct for Trustees.
- 1.5 To prepare the Board for consideration of a comprehensive suite of documents comprising the Governing Documents in the form of a Trustee Handbook.

Please note; this is Part 1 of a two-part report. It does not contain the bespoke code itself as it seeks approval for the methodology, process and contents of developing a Trustee handbook that will encompass the code and other governing documents of the Trust. Part 2 will be submitted to the Board at its meeting on 30 November 2010.

2. Recommendations

- 2.1 That the Board approves the proposed exemptions from the NCVO Code of Governance as listed at section 6.9 of this report.
- 2.2 That the Board approves the proposed approach to the integration of the NCVO code with the existing governing documents of APPCT and ancillary documents as listed in this report and that the suite of documents shall collectively be known as the Trustee Handbook.
- 2.3 That the Board approves in principle the adoption of a Code of Conduct for Trustees and provides such guidance as the Board deems appropriate on the content of such a code.
- 2.4 That the Board considers the creation of a new committee or committees to enable compliance with the Code of Good Governance as outlined in section 6.10 of this report and provides such guidance as the Board deems appropriate on the role of such committee/s.
- 2.5 That the Board instructs the Interim General Manager to progress the development and further drafting of the documents as necessary to present the Trustee Handbook to a future meeting of the Board.

Report Authorised by: **Andrew Gill, Interim General Manager**



Contact Officer: **Andrew Gill, Interim General Manager, Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 4340.**

3. Executive Summary

- 3.1 This report updates the Board on progress in making the NCVO Code of Governance bespoke to Alexandra Park & Palace Charitable Trust.
- 3.2 It is not considered practicable to incorporate all the Trust's governing documents into one single document.
- 3.3 It is proposed by the IGM that the NCVO Code should form the cornerstone of the Trust's Governing Documents, the whole suite of which will form the Trustee Handbook.
- 3.4 The relationship between the various documents forming the proposed Trustee Handbook is depicted in the diagram at figure 1 below.
- 3.5 This report identifies those areas where the Trust will be able to comply (assuming the implementation of the Trustee Handbook) with the Code and those few areas where it may not comply.
- 3.6 In order to comply with the Code the Trust will need to implement a number of new policies and procedures and these are listed in the report.
- 3.7 The Board is invited to consider whether it may improve its governance by adopting a separate Code of Conduct for Trustees and a sample code is attached at Appendix 1.
- 3.8 The report lists the ancillary documents which exist in draft or final draft form and would be incorporated in the Trustee Handbook.
- 3.9 Subject to the Board's approval of the approach to the Trustee Handbook described above, the Implementation Plan for this work will be submitted to the Board at its meeting on 30 November 2010.

4. Reasons for any change in policy or for new policy development (if applicable)

- 4.1 Resolutions made by the Board on 2 March 2010.

5. Local Government (Access to Information) Act 1985

- 5.1 NCVO Code of Good Governance (available on request)
- 5.2 Codes of Conduct for Trustees by Charity Trustee Networks

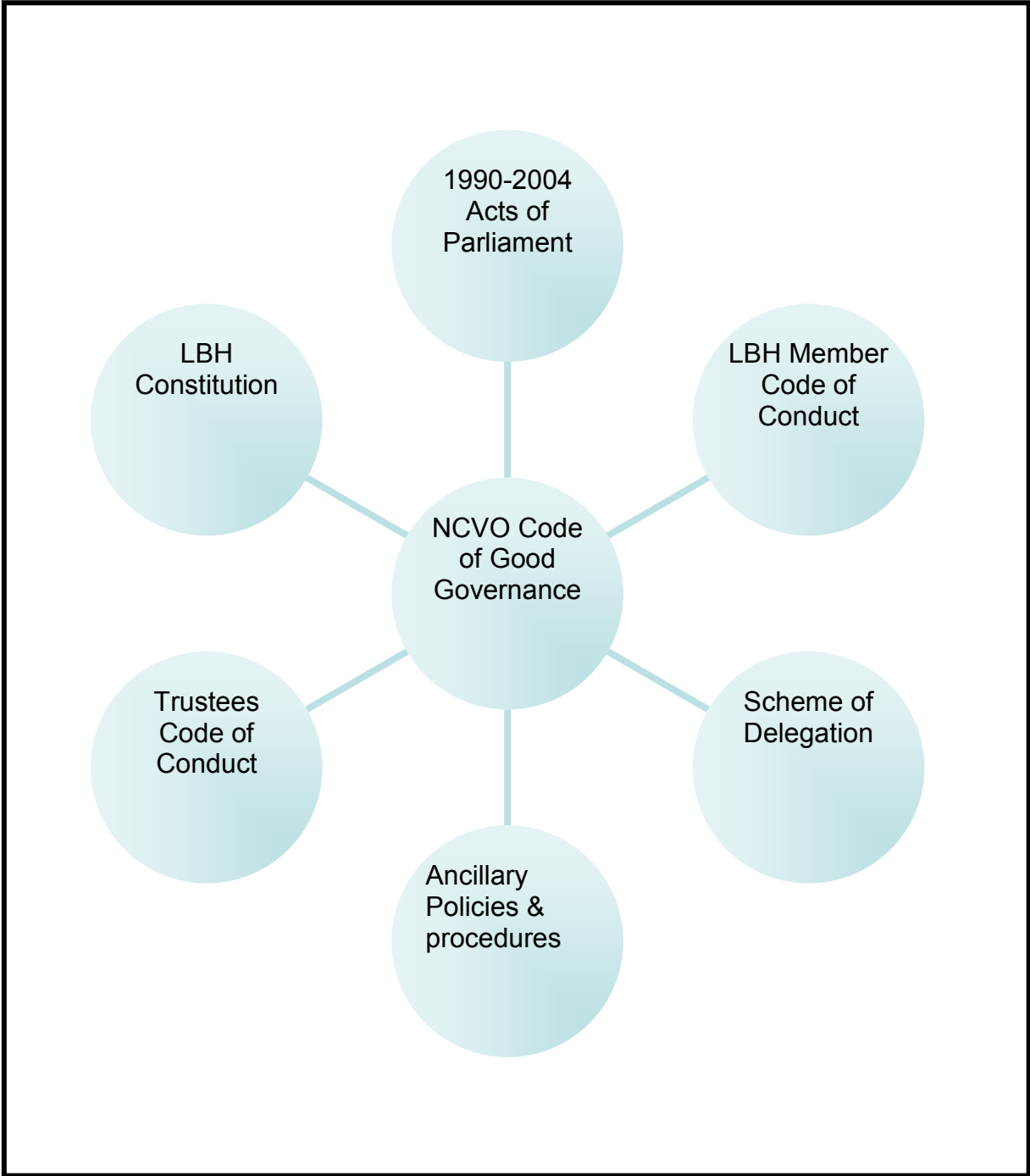
6. Description

- 6.1 Following its work with Stakeholders during the Review of Governance and Vision in 2009 and early 2010, the Board at its meeting on 2 March 2010 resolved that the NCVO Good Governance Code (henceforth referred to as "the Code") and the Key Principles of the Code be endorsed and adopted subject to the provisions of Haringey Council's Constitution as they apply to the Alexandra Palace and Park Board and its officers.
- 6.2 The Code is attached for ease of reference at Appendix 2 to this report. The Key Principles are;
 - Board Leadership
 - The Board in control
 - The High Performance Board
 - Board Review and Renewal
 - Board Delegation

- Board and trustee Integrity
- Board Openness

- 6.3 The Interim General Manger (IGM) was asked to brief the Board in detail on the implications of the Code with particular emphasis on the role of the Board and its work with stakeholders. Further work to implement the Code was undertaken during the Board induction process in May and June 2010 and the IGM was asked to bespoke the Code to suit the preferred structure of the Trustees and reflect the work already completed by trustees and stakeholders on
- a) Objectives
 - b) Principles
 - c) Processes
- 6.4 The IGM has reviewed the work done by previous management of the Trust in this area and researched the Codes of other organisations with a view to developing a Code of Governance for the Trust in the form of a single document and has concluded that it is not possible to incorporate all the necessary papers into one document.
- 6.5 In addition to the various Acts of Parliament that set the Trust's charitable object, the Trust is also governed by the Constitution of Haringey Council and its Trustees are covered by the Haringey Council Code of Conduct for Members. The Trust is also subject to the regulations and Standing Orders of Haringey Council in relation to certain financial and procurement matters.
- 6.6 The NCVO Code of Good Governance is a very comprehensive and well drafted document that provides an excellent basis for the governance of a third sector body such as the Trust.
- 6.7 Full implementation of the Code inevitably requires a number of supplementary documents in the form of policies and procedures, some of which the Trust already has in place and some of which the Trust has in draft form.
- 6.8 It is proposed by the IGM that the Code should form the cornerstone of the Trust's Governing Documents, the whole suite of which will form the Trustee Handbook. The relationship between the various documents forming the proposed Trustee Handbook is depicted in the diagram at figure 1 overleaf;

Figure 1 Trustee Handbook



6.9 Compliance with the Code is not mandatory but, where an organisation does not comply with a specific part of the Code, it is invited to record this fact and to set out the reasons for the non-compliance. The table below identifies those areas where the Trust will be able to comply (assuming the implementation of the Trustee Handbook) with the Code and those few areas where it may not;

Table 1 – APPCT Compliance with the Code

Part of NCVO Code	Requirements	APPCT Compliance
A Preamble	Complying with the Code, terminology	Can comply, no exemptions
B Board Leadership	The role of the Board, Strategic Direction	Can comply, no exemptions
C The Board in Control	Compliance, internal controls, managing risk, equality and diversity	Will not comply with C8, quality assurance system as beneficiaries are too many and services too broad.
D The High Performance Board	Trustee duties and responsibilities, the Effective Board, etc.	Can comply, no exemptions
E Board Review and Renewal	Performance appraisal, renewal and recruitment, review.	Cannot comply with E3 to E12 recruitment of Trustees as they are appointed by Haringey Council.
F Board Delegation	Clarity of roles, effective delegation, terms of reference, monitoring.	Can comply, no exemptions
G Board and Trustee Integrity	No personal benefits, conflicts of interest, probity.	Can comply via Trustees Code of Conduct.
H Board Openness	Communication and consultation, openness and accountability, stakeholder involvement.	Can comply, no exemptions

6.10 In order to comply with the Code the Trust will need to implement a number of new policies and procedures (in addition to those already in draft form). These are listed below in table 2 with proposed action to ensure compliance and target dates;

Table 2 – New Policies and Procedures

Part of NCVO Code	Requirements	Proposed Action to Ensure Compliance & Target Date
C The Board in Control	C7: Internal controls, set up an Audit Committee.	Board to consider setting up Finance, Audit and HR Committee. Target date TBA.
C The Board in Control	C14: The Board should have a whistle blowing policy and procedures.	Policy and procedures to be adopted as part of revised internal finance procedures. December 2010.
D The High Performance Board	D1: Trustee's statement or letter setting out duties and responsibilities and the expectations of the Trust on trustees.	Letter to be signed by Trustees when appointed in May 2011. Letter to include Declaration of Interests.
D The High Performance Board	D14: Strategy for support and personal development of Trustees. Induction (already comply).	Trustees Induction process to be enhanced to include this requirement for individual Trustees. June 2011
E Board Review and Renewal	E1: Performance appraisal of the Board, individual Trustees and sub-committees.	Biennial review of Board performance, annual review of individual Trustees by Chair and of Chair by Board. July 2011.
E Board Review and Renewal	E16: Review, strategic reviews of all aspects of the Trusts' work.	Key Action Review completed for 2009-10 in Business Plan. Strategic review to be finessed for future annual refresh of Business Plan. April 2011.
F Board Delegation	F1: Clarity of roles, define the role of the Chair and other honorary roles including Independent Advisors.	Job description to be adopted for Chair and other roles as approved by the Board. December 2010.

6.11 The Code refers to a Code of Conduct for Trustees. The Trustees of APPCT in their capacity as Elected Members of the Council are required to comply with Haringey Council's Code of Conducts for Members. The Board is invited to consider whether it may improve its governance by adopting a separate Code of Conduct for Trustees. A sample code based on that suggested by the Charity Trustee Networks in its publication 'Codes of Conduct for Trustees' is attached at Appendix 1 of this report.

6.12 It may be helpful to the current and future Chair and to the Board to particularise the role and functions of the Chair. The Code states that the role of the Chair should include, as a minimum;

- (a) the efficient conduct of business at the organisation's Board and general meetings;
- (b) that the organisation's business is efficiently and accountably conducted between Board meetings;
- (c) that the organisation complies generally with this code;
- (d) specifically that the appraisal and remuneration of the organisation's chief executive is conducted in accordance with this Code;

- (e) that the employment of the chief executive complies with employment legislation and good practice; and
- (f) that the appraisal of board and trustee performance is conducted in accordance with this Code.

- 6.13 The purpose of a code of conduct is to provide a structure for the responsibilities and expectations of the trustees to help avoid or address problems. It is not about a lack of trust between or in the trustees of an organisation. A code of conduct provides trustees with an understanding of what is required of their role, enabling them to be transparent, open and accountable in what they do and how they do it. For the most part, a code will simply codify the good practice and behaviour already in existence.
- 6.14 There are many codes and standards across the sector. They exist because all charities and trustees are different and will find varying styles and types of resources helpful. Many boards have said that finding the particular type of resource, training or support that helps them deal with issues is a matter of trial and error – if it doesn't work, they try something else.
- 6.15 One such set of standards came out of the Nolan Committee, which published its Seven Principles of Public Life, and recommended that all public bodies adopt codes of conduct incorporating those principles. The Nolan Principles form the basis of many codes of conduct, translated into contexts outside of the public sector, and have been adopted widely.

The Nolan Principles – adapted for trustees

1. Selflessness

Trustees should act solely in terms of public benefit. They should not act in order to gain financial or other benefits for themselves, their family or their friends.

2. Integrity

Trustees should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their role as a trustee.

3. Objectivity

In carrying out the business of the organisation, trustees should make choices based on merit.

4. Accountability

Trustees are accountable for their decisions and actions to their stakeholders and the public and must submit themselves to whatever scrutiny is appropriate to their role.

5. Openness

Trustees should be as open as possible about all the decisions and actions they take.

6. Honesty

Trustees should declare any private interests relating to their trusteeship and take steps to resolve any conflicts arising in a way that protects the public benefit.

7. Leadership

Trustees should promote and support these principles by leadership and example.

6.16 The following list of ancillary documents exist in draft or final draft form and would be incorporated in the Trustee Handbook;

1. Code of Conduct for Trustees and Members of the Board (including Letter of understanding and Trustees Declaration of Interests)
2. Constitution and Terms of Reference (including Haringey Elected Member Code of Conduct and the Trust's Relationship with Haringey Council)
3. Scheme of Delegation (including Summary of General Manager's role, responsibilities and delegated authority)
4. Trust Governance Structure Chart
5. Trust 3 year rolling Business Plan (including strategic objectives and annual work plan for Chief Officer).
6. Risk Management Framework (including Risk Register)
7. General Procedures, Protocol for decision making and reporting (including Board annual work programme, Business Plan and Trustee Induction plan)

8. Relationship between APP Charitable Trust and AP Trading Company (including APTL Company structure).
9. Summary of APPCT Internal Procedures (including structure chart, finance and expenditure policy/procedures, Staff Handbook, etc.)
- 6.17 Subject to the Board's approval of the approach to the Trustee Handbook described above, the Implementation Plan for this work will be submitted to the Board at its meeting on 30 November 2010.

7 Consultation

- 7.1 There has been no specific consultation on this report beyond the work done by the Board with stakeholders during the Review of Governance and Vision in 2009 and early 2010 described at 6.1 above.
- 7.2 Both the APP Statutory Advisory Committee and APP Consultative Committee have welcomed the Board's adoption of the Code.

8 Recommendations

- 8.1 That the Board approves the proposed exemptions from the NCVO Code of Governance as listed at section 6.9 of this report.
- 8.2 That the Board approves the proposed approach to the integration of the NCVO code with the existing governing documents of APPCT and ancillary documents as listed in this report and that the suite of documents shall collectively be known as the Trustee Handbook.
- 8.3 That the Board approves in principle the adoption of a Code of Conduct for Trustees and provides such guidance as the Board deems appropriate on the content of such a code.
- 8.4 That the Board considers the creation of a new committee or committees to enable compliance with the Code of Good Governance as outlined in section 6.10 of this report and provides such guidance as the Board deems appropriate on the role of such committee/s.
- 8.5 That the Board instructs the Interim General Manager to progress the development and further drafting of the documents as necessary to present the Trustee Handbook to a future meeting of the Board.

9 Legal Implications

- 9.1 The Trust's Solicitor's advice has been taken into account in preparing this report.
- 9.2 This report was sent to the LBH Head of Legal Services for comment.

10 Financial Implications

- 10.1 The LBH CFO notes the contents of this report.
- 10.2 There are no significant financial implications of this report. Most of the work involved in implementing the new Governing Documents will fall to the Trust's officers.

11 Use of Appendices/Tables/Photographs

- 11.1 Table 1 - APPCT Compliance with the Code

- 11.2 Table 2 – New Policies and Procedures
- 11.3 Appendix 1 – Detailed model code of conduct for trustees
- 11.4 Appendix 2 - NCVO Code of Good Governance

Appendix 1

A detailed model code of conduct for trustees

I will respect and uphold the values of [organisation name]
[list values of organisation]

GENERAL

- I will act within the governing document of [organisation name] and the law, and abide by the policies and procedures of the organisation. This includes having a knowledge of the contents of the [governing document] and relevant policies and procedures.
- I will support the objects and mission of [organisation name], championing it, using any skills or knowledge I have to further that mission and seeking expert advice where appropriate.
- I will be an active trustee, making my skills, experience and knowledge available to [organisation name] and seeking to do what additional work I can outside trustee meetings, including sitting on sub-committees.
- I will respect organisational, board and individual confidentiality, while never using confidentiality as an excuse not to disclose matters that should be transparent and open.
- I will develop and maintain a sound and up-to-date knowledge of [organisation name] and its environment. This will include an understanding of how [organisation name] operates, the social, political and economic environment in which it operates and the nature and extent of its work.
- I will use [organisation name]'s resources responsibly, and when claiming expenses will do so in line with [organisation name] procedures.
- I will seek to be accountable for my actions as a trustee of [organisation name], and will submit myself to whatever scrutiny is appropriate.
- I accept my responsibility to ensure that [organisation name] is well run and will raise issues and questions in an appropriate and sensitive way to ensure that this is the case.

MANAGING INTERESTS

- I will not gain materially or financially from my involvement with [organisation name] unless specifically authorised to do so.
- I will act in the best interests of [organisation name] as a whole, and not as a representative of any group – considering what is best for [organisation name] and its present and future beneficiaries and avoiding bringing [organisation name] into disrepute.
- Unless authorised, I will not put myself in a position where my personal interests conflict with my duty to act in the interests of the organisation. Where there is a conflict of interest I will ensure that this is managed effectively in line with [organisation name] policy.
- I understand that a failure to declare a conflict of interest may be considered to be a breach of this code.

MEETINGS

- I will attend all appropriate meetings and other appointments at [organisation name] or give apologies. If I cannot regularly attend meetings I will consider whether there are other ways I can engage with [organisation name].
- I will prepare fully for all meetings and work for the organisation. This will include reading papers, querying anything I do not understand, thinking through issues before meetings and completing any tasks assigned to me in the agreed time.
- I will actively engage in discussion, debate and voting in meetings; contributing in a considered and constructive way, listening carefully, challenging sensitively and avoiding conflict.
- I will participate in collective decision making, accept a majority decision of the board and will not act individually unless specifically authorised to do so.

GOVERNANCE

- I will actively contribute towards improving the governance of the trustee board, participating in induction and training and sharing ideas for improvement with the board.
- I will help to identify good candidates for trusteeship at [organisation name] and, with my fellow trustees, will appoint new trustees in accordance with agreed selection criteria.

RELATIONS WITH OTHERS

- I will endeavour to work considerately and respectfully with all those I come into contact with at [organisation name]. I will respect diversity, different roles and boundaries, and avoid giving offence.
- I recognise that the roles of trustees, volunteers and staff of [organisation name] are different, and I will seek to understand and respect the difference between these roles.
- Where I also volunteer with the organisation I will maintain the separation of my role as a trustee and as a volunteer.
- I will seek to support and encourage all those I come into contact with at [organisation name]. In particular I recognise my responsibility to support the chair and the senior staff member.
- I will not make public comments about the organisation unless authorised to do so. Any public comments I make about [organisation name] will be considered and in line with organisational policy, whether I make them as an individual or as a trustee.

LEAVING THE BOARD

- I understand that substantial breach of any part of this code may result in procedures being put in motion that may result in my being asked to resign from the trustee board.
- Should this happen I will be given the opportunity to be heard. In the event that I am asked to resign from the board I will accept the majority decision of the board in this matter and resign at the earliest opportunity.
- If I wish to cease being a trustee of [organisation name] at any time, I will inform the chair in advance in writing, stating my reasons for leaving.

Signed
 Name
 Date