



**RECOMMENDATION OF THE ALYTH GOVERNANCE GROUP TO ALYTH EXECUTIVE  
(February 2018) AND COUNCIL (March 2018)**

**Executive Summary:**

Following discussions and formal consultations with lay leaders, past and present, to gauge their views on leadership and governance, the leadership of Alyth convened a working group to consider the future governance needs of Alyth.

The group was asked to review the efficacy of the current model and make recommendations to ensure that Alyth has a governance structure that is up-to-date and fit for purpose.

The Governance Group recommends that the synagogue should now modernise its structure in order to reflect current practice, and to meet recommendations of the Charity Commission on good governance. This will enable us to continue to be an innovative, visionary community with improved oversight and effective fulfilment of trustee responsibilities; to respond to the needs of the membership more effectively; and will provide an appropriate framework for the building and future development projects.

The Governance Group recommends that the synagogue incorporate as a company limited by guarantee, with a newly constituted board. This will offer:

- o Adaptability: Providing a structure which will allow greater innovation with fewer fixed structures and greater opportunities for dialogue with the membership and participation in policy and decision making.
- o Accountability and transparency: more clearly defined roles and responsibilities of the leadership and creation of mechanisms for supervision and monitoring.
- o Limited liability: of the trustees/directors through the transferring of the assets of the synagogue into the company.

The Governance Group recommends that the formation of a newly constituted board be implemented using the framework/principles set out below:

Incorporated structure: Company Limited by Guarantee.
A single board (which comprises charity trustees and the company directors) that acts in the best interests of Alyth, in accordance with our values.
Clarity of individual roles and collective trustee responsibility for organisational effectiveness; focus on strategy, performance, review, accountability and oversight of senior professional leadership
A board that exercises the requisite controls through: compliance with statutory requirements, robust internal controls (finance and management), assessment of risk, appropriate delegation of authority.
A board comprising mostly elected and some co-opted trustees who are able to provide effective representation of members, and bring essential skills, knowledge, expertise and understanding of the community.
Regular dialogue with the membership through flexible and innovative mechanisms that respond to the members' views and needs.
A model of strategic leadership providing oversight and guidance to the professional staff team and work collaboratively with them to set the strategic direction of the synagogue.

## **Background**

The recommendations of the group are made against a background of changing understanding of what constitutes good corporate governance and proper board behaviour. Governance changes once came about in response to crises, but continuous renewal is now the watchword, mirroring internal and external developments in the environment in which organisations operate.

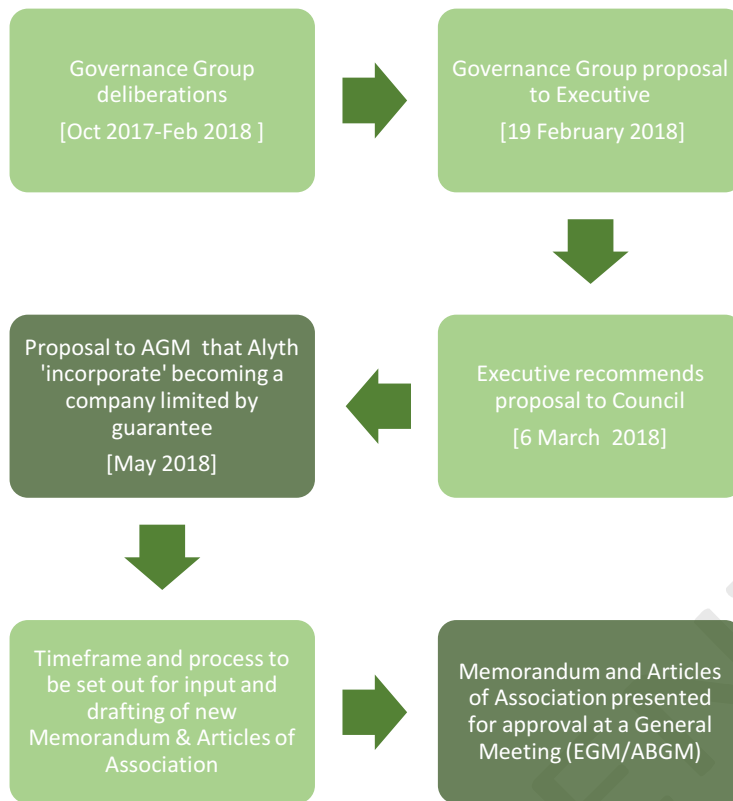
Alyth is a thriving community that has grown in prominence in the past 10 years, thanks to inspiring leadership from both the lay leaders and professionals who have been at the forefront of the community's success. With progress comes the need for renewal, in all aspects of how the community operates. How Alyth is governed is very much at the heart of this renewal. We now need a model of governance that reflects the increased professionalisation within the organisation, that responds to the needs of a thriving and complex membership organisation (community) and also to the increasing statutory demands on charities today.

## **Drivers of Governance Change for Alyth**

The Governance Group identified 4 inter-related and overlapping factors which, taken together, suggest strongly that it is an appropriate time for Alyth to renew its governance.

- I. **Charity obligations:** As a registered charity, Alyth needs to take account of the legal and moral obligations placed on all charities and the ways in which they are changing. There are increasingly high expectations placed on charity trustees to run their charities according to recommended good practice. They are expected to be fully aware of their obligations and to develop operating policies which meet onerous statutory requirements. It is also the case that almost all large synagogues (outside the unique confines of the United Synagogue) have incorporated.
- II. **Professional staff:** Alyth has a highly skilled and capable professional staff team that has responded to the need for increased operational effectiveness. As a charity and a member organisation, Alyth needs a governance structure that can provide appropriate management of its professional staff and other employees whilst continuing to be accountable to its members.
- III. **The Building Project:** Alyth has committed itself to the renewal and redevelopment of its current building. This project alone has vastly increased the degree of responsibility for both financial and physical resources which the charity's trustees must carry.
- IV. **A Changing Community in a Changing Environment:**
  - (i) *Internal environment:* In the last 10 years, both the environment in which Alyth operates and the profile of our membership, have changed in crucial ways. This has meant that the needs and expectations of members is increasingly diverse and the range of activities and events offered by the synagogue has expanded in response – both professional and voluntary.  
  
With this comes increased complexity in leading and managing the synagogue. Alyth must have a governance structure which is fit for purpose, and responsive to the change in the profile of its members and the diversity of needs, and to the changes already in place that drive how the synagogue is managed.
  - (ii) *External environment:* The landscape in which Alyth operates has changed immeasurably. This has resulted in challenges that include a requirement of trustees to take full responsibility for the work of their organisations; the expectation that charity boards will be diverse in characteristics and viewpoints; and the changing nature of the Jewish Community in London.
- V. **The Constitution:** It is vital to note that the current governing documents (constitution) do not reflect the reality of the practises and structural changes that have come about as a response to the environmental changes noted above.

## TIME FRAME FOR RENEWED MODEL OF GOVERNANCE FOR ALYTH 2018



## RESPONDING TO THE DRIVERS OF GOVERNANCE CHANGE

### I. Incorporation

**The Governance Group recommends that Alyth becomes an “Incorporated” charity.**

The Charity Commission is a strong proponent of larger charities being incorporated bodies. Unlike the majority of the Reform and Liberal synagogues in the UK today, Alyth is an unincorporated charity. An unincorporated charity does not have its own legal identity. Members of the trustee board of an unincorporated charity have unlimited liability for its debts. This means that if the charity should fail to meet its debts, the members of the board may be required to meet them.

Conversely, the trustee board of a limited charitable company (its directors) will not generally be personally liable for any debts of the company, unless they acted fraudulently or negligently. As a charitable company the organisation can own land and enter into contracts in its own name.

After reviewing the range and scope of Alyth’s current activities, and especially in anticipation of the building development work, the Governance Group has concluded that Alyth as a charity should change its legal status as soon as possible. This would mean changing from being an ‘unincorporated association’ to being a *Company limited by guarantee (Incorporated)*. Alyth would have the dual status of a charity and a company, and file its annual returns with both Companies House and the Charity Commission. Additionally, individuals would serve as both Charity Trustees and Company Directors at the same time.

### II. A Renewed Governance Structure:

**The Governance Group recommends that Alyth moves to a revised board structure in which there is a newly constituted Board comprising its Charity Trustees and Directors.**

The principles on which a new board will be constituted are set out in the Executive Summary, alongside clearly identified drivers for change, set out in point 2 of the paper.

### III. Next Steps and the process going forward:

The Governance Group presented a paper to the Alyth Executive, who are also the trustees.

Following the presentation to Executive on 19 February 2018, and having noted the unanimous recommendation of the Executive in favour of incorporation, Council is asked to agree to the proposal that there be a resolution for approval at the next AGM in May 2018 to agree that:

**Alyth (North Western Reform Synagogue) is incorporated, becoming a charitable company limited by guarantee.**

Approval to 'incorporate' requires new governing documents, which are the Memorandum and Articles of Association.

The process going forward.

1. The Governance Group will begin the work of drafting new governing documents for Alyth. Working with legal and accounting professionals, and with input from the community at appropriate junctures, the new Memorandum and Articles of Association will be drafted, using the principles set out in this paper.
2. The Memorandum and Articles of Association will be presented to the community at a General Meeting at which the community will be asked to vote on the adoption of the new governing documents.
3. The process of incorporation will start: this includes application to register a company limited by guarantee, application for charitable status, constitution of a new board of directors, transfer of assets, liabilities and members from the old charity to the new one, operate as a new charitable company.

## **APPENDIX: MEMBERS OF THE GOVERNANCE GROUP**

The Governance Group comprises:

Independent members: Professor Margaret Harris, Peter Hyman, Edward Cohen, Julia Brown, Justin Solomons-Wise

Executive members: Noeleen Cohen, Russell Baum and Lanny Silverstone

Rabbinic Partners: Rabbi Josh Levy and Rabbi Mark Goldsmith.

Professor Margaret Harris is an internationally recognised specialist in the organisation and management of charities, voluntary organisations, nonprofits and NGOs. Professor Harris aims to apply theoretical insights to practical problems and to develop theoretical insights from the study of practical challenges. In 2011 she received the Award for Distinguished Achievement and Leadership in Nonprofit and Voluntary Action Research from ARNOVA (the US Association for Research in Nonprofit Organizations and Voluntary Action).

Peter Hyman is the head teacher and co-founder of School 21, a free school which encompasses a primary and a secondary school in Stratford, east London. He worked for Tony Blair for 10 years, including roles as chief speechwriter and strategist. He was head of the prime minister's strategic communications unit between 2001-2003. He is the author of 1 out of 10, from Downing Street Vision to Classroom Reality

Edward Cohen has practiced law since 1973 in the field of general commercial and chancery dispute resolution and advice. He co-founded and was head of his previous chambers, 11 Stone Buildings. Over the years Edward has established a formidable reputation and has appeared in many reported decisions ranging from the House of Lords and Privy Council to the Court of Appeal and courts of first instance. Whilst his practice concentrates on the areas of commercial contracts of all kinds, partnerships and LLPs, company and insolvency, professional negligence and civil fraud.

Julia Brown is an experienced senior executive with significant strategic, operational and consulting experience across a range of provider and commissioning organisations including Health, Local Authority, Housing and Charitable sectors. Julia joined Kisharon in May 2017 as Director of Operations and Development.

Justin Solomons-Wise is a co-founder of Thirdspace Coaching and is himself a certified Integral Development Coach. He is deeply committed to work that enables people to develop themselves and in turn serve in supporting the development of others. He holds an MSc in People and Organisation Development from The Roffey Park Institute / University of Sussex, with a special focus on the role of conversation, language and complexity in organisational and individual development. He holds a Certificate in Group Process Consulting from the NTL Institute (USA). He has a double-first BA (1992) and MA (1993) in Computer Science from Cambridge University and an MSc with Distinction from University College London (1994).

- - -

Lanny Silverstone is a partner at Stepien Lake, a specialist property law firm based in London. He has extensive experience in all aspects of property-related litigation including commercial and residential landlord and tenant disputes as well as building and conveyancing disputes. Lanny acts for a wide variety of commercial and individual clients, in both the commercial and residential sectors.

Russell Baum is the Vice Chair of Alyth. In his professional life, he is finance director of Salaft Properties, a London based commercial property investment firm. Russell is a qualified Chartered Management Accountant with experience in property finance, analysis and investment across the property spectrum.

Noeleen Cohen is the Chair of Alyth. She worked as a communications professional for multinational organisations including Proctor and Gamble and Bristol-Myers Squibb, where she helped to implement corporate social responsibility initiatives as a response to the need for political change. Alongside communications training and development, Noeleen taught literacy and skills development to adults and children in disadvantaged communities in South Africa. Her work today is focused on the voluntary sector where she has served as both trustee and chair on a wide range of boards.