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Development of an Integrated Governance Strategy for the Voluntary and Community Sector

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Executive summary

Introduction

This report on governance provides a framework for thinking about how policy makers, funders, regulators and advisers can all work with Board members and staff to enhance the effectiveness of nonprofit organisations.

It was commissioned by the Active Community Unit (ACU) of the Home Office, in parallel with other reviews designed to improve the capacity of the voluntary and community sector, at a time when the sector plays an increasingly important role in the delivery of services using public funds. That role has recently been investigated in two Government reports, the Cross Cutting Review carried out by the Treasury, and the Strategy Unit review of charities and nonprofits.

Our report proposes actions of three types: some that can be taken immediately, some that require further discussion with key interests, and some integration with the other ACU reviews. Taken together they provide the starting point for an evolving strategy to improve governance across the sector. We recommend ACU chairs a group charged with the responsibility for planning and implementing this.

Our focus is on governance as "the systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation". This is often taken to mean the way that a Board, management committee or other governing body steers the overall development of an organisation, where day-to-day management is in the hands of staff or volunteers.

Sometimes, of course, the committee and volunteers are the same. They – like all governing bodies – have to balance the interests of the organisation and those they are trying to serve, while being conscious of financial and legal responsibilities, and the requirements of funders and other supporters.

In trying to fulfil their governance role, the Board or committee may seek professional advice from specialists, and look to other organisations in the sector for training and support. They may be subject to investigation and legal action, and find that their responsibilities are more onerous than they expected when they agreed to join a committee. In addition they may find they have to explain to newspapers and other media that charitable and voluntary doesn't necessarily mean unpaid, and that nonprofit doesn't mean that services they provide are necessarily free. They must face inwards and outwards at the same time.

We identified five main areas or strands necessary to achieve effective governance within this complex web of relationships, regulations, expectations and commitments. The areas are training and development; information and advice; funding; culture change; and monitoring and regulation. In each of these areas there are issues that emerge in the other reviews – hence the need for integration.

We see the organisation – its staff and Board – at the centre of this web or system, surrounded at the next level by its supporters and advisers, and influenced at the outer edges by policy makers, regulators and funders.

The aim of any strategy, we suggest, is to steer the activities of these various interested parties towards actions that increase the effectiveness of the organisation, helping move it from perhaps the lower levels of awareness that 'something must be done', through the rungs of robust processes and systems of governance and management, towards top level high performance. Our model for thinking about this web of linked issues and relationships is explained in detail later.

The task for policy makers is to address the 'super governance' challenge of influencing how the different interests – stakeholders – behave in this web to enhance, at the core, the performance of organisations. In the short term this possible influence will be mapped through the ACU's Capacity Building Infrastructure Framework, that integrates work on governance with the other reviews. In the longer term we suggest that evolution of the framework and strategy requires a core group to drives things forward, and a system of communications and influence that touch all parts of the web. Like any organisation, the Framework may provide a good constitution and initial development plan, but success in achieving effective 'super governance' will depend on a committed group charting the way forward and dealing with the opportunities and challenges that emerge.

What follows in this summary is an explanation of our brief from ACU; the approach we took; the research work carried out by the team, and with stakeholder groups; the framework that we developed to think about governance; and the recommendations for action that we propose. Throughout this document, the terms "board" and "board member" have been used to describe a governing body and a member of a governing body, respectively.

Objectives

Our brief was to develop a governance strategy that could provide a framework for action across government and the not for profit sector. We were told that the strategy should cover:

- A realistic vision of successful governance;

- Trustee and committee member recruitment and diversity;

- Good practice, standards and performance;

- Effective capacity building models to support and sustain improved governance – individual, organisational;

- Funding, legal, regulatory and constitutional frameworks that are enabling;

- Agreement of and consultation about key priorities for strategic, outcome focussed investment; a process for maintaining and developing the strategy, including need for pilot projects and further work.

Our approach and initial work

In order to fulfil the brief, we assembled a team with a wide range of expertise in the field, who between them could set out current good practice in the field, and an initial vision of successful governance from the perspective of the organisation. The team were also familiar with possible capacity building models, recruitment issues, and the funding, legal and constitutional frameworks in operation. Their initial work covered part of the brief. Once we had documented this overview and good practice, we were able to develop an overall framework for thinking about governance, and then use this to explore issues with the different stakeholder groups (people working in the sector, funders, regulators and others). We did this by:

- Preparing an overview paper on governance, drafted by Chris Cornforth and Dr Jill Mordaunt of the Open University Business School. See accompanying Volume of Evidence

- Preparing position papers on six key questions that emerged from the overview paper. See accompanying Volume of Evidence

- Developing our model for the framework. See Section Three

- Working with a strategy group, set up by the ACU, to advise us on the work. See Annex 2

- Running two major events – in York and Birmingham – with stakeholder groups. See Annex 2 and accompanying Volume of Evidence

- Establishing an independent reference group to comment on drafts. See Annex 2 accompanying Volume of Evidence

- Developing an overall perspective on governance, using our model and the research we carried out See Section Two

- Preparing a set of proposed actions. See Section Four

- Categorising actions into those that could be undertaken immediately, those that required more discussion with stakeholders, and those that would require integration with other strategies. See Section Four

Our initial work confirmed a number of challenges that any strategy must address:

- Understanding and meaning: people don't understand 'governance'.

- Reaching boards and board members: there is no way of connecting directly with this key group

- The impact of regulation: organisations are concerned that further regulation will hamper their work

- The need for appropriate assistance: boards and organisations need help on a wide range of issues

- Fragmentation and quality of support: existing support is patchy and variable in quality

- The need for culture or climate change: doing things the same old way won't be enough, and one solution won't fit all

- Learning from practice: we need sharing of experience in governance to develop 'sector knowledge'

Setting the scene

Drawing on the initial work of the team to address – and start to answer – some key questions.

Why governance? Why do we need more than effective management? One factor is that the sector's increasing reliance on public funds which means that nonprofit organisations must be able to demonstrate their accountability and effectiveness externally. See Section Two

What is governance? We define governance as 'the systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation.' In practice, different stakeholders (Boards, funders, regulators etc) have different understanding and requirements for effective governance. We produced a table showing these various requirements and evidence that might demonstrate their fulfilment. This helped shape later

recommendations for actions across all stakeholders, and the main link between our research, analysis and recommendations. See Setion Four

Why a strategy? We suggest that effective governance is required for both internal and external purposes: so that organisations better achieve their social objectives; so the sector may perform as a good social partner; and to provide effective and reliable service delivery. The aim of a strategy is to integrate these drivers as they relate to the different stakeholders. See Section Two

What are the requirements of a successful strategy? We produced a set of criteria for a 'good strategy' that includes: a clear statement of demonstrable benefits, clear vision, wide ownership, resources, learning loops, connections to other strategies, assessment of impact, and drivers for change. See Section Two

We have used these criteria in framing our proposals.

A framework for an integrated strategy

In order to fulfil the brief, deal with the different perspectives of stakeholders, and show how a strategy could lead to action, we needed to develop a framework that covered all the issues outlined above. We suggest that the overall governance system – what we earlier called the web – should:

- Operate in three domains: the organisational, the intermediary (including support services) and the strategic (policy and procedures impacting on organisations). See page 15

- Take account of the interests and possible actions of seven main stakeholder groups: policy makers, funders, board members, regulators, support or intermediary organisations, academics, employees/ professional membership organisations. See page 15

- Show how action is needed at difference stages of development within an organisation, on a ladder of effectiveness with rungs from awareness raising through robust processes and systems to high performance. See page 16

- Chart the five-rung ladder against the three domains to show what is needed where and when, and who might be involved. See page 17

- Define the focus for activity in five areas: training and development; information and advice; funding; culture change; monitoring and regulation. See page 17

Recommended actions

In developing recommended actions, we drew upon a number of insights and resources:

- We aimed to address the challenges outlined earlier (understand governance, reaching boards etc)

- We used material from the overview and position papers developed by the consultant team

- We used our analysis of the requirements of different stakeholders (informed by the events and meetings we held)

- We also aimed to meet the requirements of a successful strategy

We have categorised actions using the five key areas. See Section Four and Annex 1. In summary we recommend:

Training and development

- Action Research projects to identify and disseminate the training and support needs of organisations at each stage of development

- Education and training for members in membership organisations

- Supporting and promoting action and peer learning for managers, chairs and boards

- The development of board associations

- Accredited learning for Boards Members

Information and advice

- Establish a community of practice (CoP)

- Apprenticeship system to train more 'specialists'

- Provision of legal advice

- 'Legal Aid' for voluntary and community sector

- An employment mediation, arbitration and advice service

Funding: Investment in the development of good governance

- Using funder assessment processes to support board and governance development

- Bursary schemes and small grants for board and governance development available from a variety of funders

Culture Change

- Incentives for board members

- Standards and principles for effective governance

- Action Research projects to identify and disseminate the impact of good governance
- Secondments scheme
- Establish a large scale mutual insurance scheme

Monitoring and regulation

- Investment in the development of good governance by the development of appropriate monitoring systems and processes
- Charity Commission review visits on request
- A harmonisation of regulation and accountability

Additional area for action: Partnerships and Governance see page 24

Partnership working raises particular questions of governance and accountability that have not been explored within this strategy. We felt that a further piece of research is necessary to explore the impact of partnership working on the governance of voluntary and community sector organisations.

Actions not to take *see page 24*

Bearing in mind the various challenges and barriers that we explored, we thought it useful to flag up some ideas or actions that we did not favour.

- More regulation
- Setting up a new web site on governance, unless it is integrated with other communication methods and serves a community of practice
- Trying to establish a community of practice or network that ignores existing networks
- Setting up any new organization or structure without a clear development process to engage key interests
- Adopting a southern focus to investment
- Focusing on charities and trustees alone.

Putting actions into practice
see page 25

We were conscious throughout that the practicality of putting any actions into practice is circumscribed by

- the complexity of the wide range of interests and linkages mapped in our framework
- the need to integrate with other reviews

Our requirements for a successful strategy emphasised the need for a clear vision, widespread ownership, learning loops, and synergy with other development. This could not be achieved by simply specifying an ideal set of actions to our client – the ACU – and saying, in effect, 'you get on with it'. Whatever the commitment and resources of government, many of the actions required commitment by others.

For these reasons we have taken our set of recommended actions, and further categorised in three ways:

- Just do it: actions for immediate implementation
- Engage: actions that should be discussed with others to achieve 'buy in' and co-cooperation prior to implementation
- Integrate: actions that are likely to have been touched on within in one of the other strategies being developed i.e. skills and performance improvement and may therefore be integrated or combined

Implementation – and emergence
see page 26

While we hope that our three-way categorisation of actions will be helpful in determining immediate next steps, we also recognise that even taken together they cannot add up to a strategy that will make a substantial difference within the sector. That will require a range of actions over time, with later actions emerging from the experience of what worked and what didn't in the first stages. We need a process that is both planned and organic, driven by a core group that holds the vision of what is necessary and guides policy to achieve it.

We therefore recommend a process is established that will:

- Promote the strategy
- Receive detailed implementation plans
- Allocate resources
- Monitor progress
- Allow for unintended consequences
- Adapt and improve the strategy as it evolves.

This process should be planned and driven by a group, established by ACU. The group should be chaired by ACU and must be able to demonstrate:

- An understanding of the governance system
- An ability to work collaboratively
- An ability to problem solve and think creatively
- An understanding of more than the charitable sector

It goes without saying, we hope, that this 'super governance' group will itself draw upon the lessons of our research to inform its own work. It should clearly define its role, determine what advice and support it needs, and be open, creative and involving in its style of operation. It could greatly benefit from the establishment of communications systems recommended for the community of practice, so that from the outset it establishes the learning and feedback loops necessary for the emerging strategy.

Contents

This section introduces the 'what' and the 'how' of the strategy – what was required and how it was to be achieved.

It includes the framework of objectives set by the ACU, identifies six questions that guide the work, outlines the methodology used to gather evidence, summaries the views of stakeholders in response to discussion and outlines how this document relates to other strategies.

Before discussing the strategy it is necessary to understand the context in which it has been prepared. This section asks some fundamental questions: Why governance? What is governance? Why a strategy? It then goes on to list the criteria for creation of a successful strategy

This section establishes a foundation on which the recommendations are built. It describes the development of a strategic approach that is appropriate to the context described in Section Two and is informed by the results of findings and discussion. It concludes with the identification of five key areas for action.

This section focuses on actions that, together, will create a strategic approach for the development of effective governance. It also identifies barriers or resistors that will hinder development. These will be of particular importance during the implementation phase. A series of recommendations under each of the five areas identified in Section Three and an outline for implementation completes this section.

Additional document

For ease of reading and reference, the strategy is presented with an additional document

An accompanying Volume of Evidence – supplied as a series of papers

Glossary of terms

ACAS ....The Advisory, Conciliation and Arbitration Scheme

ACEVO ....Association of Chief Executives of Voluntary Organisations

ACU...Active Community Unit, Home Office

BTEG ....Black Training Enterprise Group

CEDR..Centre for Effective Dispute Resolution

CES ....Charities Evaluation Service

CTN ....Charity Trustee Network

CVS ....Council for Voluntary Service

LSC ....Learning and Skills Council

NACVS ....National Association of Councils of Voluntary Service

NCVO ....National Council of Voluntary Organisations

NIACE ....National Institute for Adult Continuing Education

OFSTED...Office for Standards in Education

OUBS ....Open University Business School

VBX ....Volunteer Bureau

VCS ....Voluntary and community sector

VCO ....Voluntary and community organisations

Boards ....term used to cover the governing body of an organisation
e.g. management committee, council of management etc

Board members......trustees, directors, management committee members, etc

Section One: Background and introduction

This section introduces the 'what' and' how' of the strategy – what was required and how it was to be achieved.

It includes the framework of objectives set by the ACU, identifies six questions that guide the work, outlines the methodology used to gather evidence, summarises the views of stakeholders in response to discussion and outline how this document relates to other strategies.

Over recent years, the 'governance' of not-for-profit organisations has risen up the agenda. Voluntary and community organisations, 'umbrella' agencies, regulators, funders, advisers, professional bodies, and the government have become preoccupied with the issue. This interest has arisen, in part, from a recognition of the increased role that the voluntary and community sector (VCS) takes in the delivery of a wide range of services and the belief by government that the sector can and should have a central role in the reform of public services. Two recent Government reports have emphasised the importance and significance of the sector: first the Cross Cutting Review carried out by the Treasury[1] and second the Strategy Unit review of charities and the wider not-for-profit sector.[2]

The growth of the not-for-profit sector has meant that it is now more visible and more frequently included in debates of social policy. With this increased attention, has come greater recognition of the role that the not-for-profit sector plays in forming bridges of communication between communities and policy makers.

The Cross Cutting Review recognised the contribution the not-for-profit sector makes and its future potential. It also highlighted the need for support to develop the capacity of the sector. The review found *'a remarkable consensus between government and the VCS on the key issues and barriers that need to be tackled and what specifically needs to be done if the VCS is to be effective in delivery of public services.'*

However, the not-for-profit sector is varied in its modes of operation, legal and structural frameworks, and regulatory forms. The development of capacity within the sector must therefore go beyond an imposed a one-size-fits-all approach and take account of the range of needs and structures contained within the sector. There are also questions as to how the sector ensures it has the capacity and support to be both fully accountable and able to maintain effective delivery.

As a consequence of both government reports and the more widely articulated concerns of the not-for-profit sector, the Active Communities Unit (ACU) of

the Home Office has commissioned a number of reports that will identify a strategic approach to the development of capacity within the not-for-profit sector. The current report focuses on governance within that broad framework of capacity building.

Objectives

The overall objective of the current study is to:

'Influence the further development of governance within the voluntary and community sector in order to help build the capacity of voluntary and community organisations.'

The strategy on governance derived from the study should:

Provide a framework for action across government and the not-for-profit sector.'

The strategy would include:

• A realistic vision of successful governance;

• Advice on trustee and committee member recruitment and diversity;

• Statements of good practice, standards and performance;

• Advice about effective capacity building models to support and sustain improved governance – both individual and organisational;

• Enabling frameworks for funding, legal, regulatory and constitutional matters

• Suggestions about key priorities for strategic, outcome focussed investment;

• Description of a process for maintaining and developing the strategy, including need for pilot projects and further work.

The language we have used

Throughout this document, the terms "board" and "board member" have been used to describe a governing body and a member of a governing body, respectively.

Depending on the legal status and nature of the organisation, the governing body may otherwise be referred to as the board of directors, the trustees, the management committee, the council of management and so on; and a member of the governing body may similarly be referred to as a director, a trustee, or otherwise. 'Board' and 'board member' may thus be taken to include all these variations.

Our approach

The Foundation for Good Governance recruited a group of highly experienced consultants to work as a team on the production of a strategy. These individuals are included in Annex 2.

The team used their knowledge and experience along with preparatory work undertaken by ACU as a guide for the methodology. Although the strategy has been written for the ACU, the intention is to build the capacity of voluntary and community organisations. Therefore a methodology that would 'grow' a strategy reflecting the interests of a wide range of organisations was adopted. The consultants set out to test issues and themes already identified, draw on existing research, experience and expertise, and provide an opportunity for wide discussion. From the outset, the strategy was viewed as a 'first step' in a longer process of developing sector ownership. To achieve this the following tasks were undertaken:

- Production of **a paper summarising the current position of governance** amongst voluntary and community sectors organisations.

- The paper identified **six key questions** to provide a framework for discussion:

1. How can the principles and practice of effective governance be more widely understood in the voluntary and community sector?

2. In informing, advising, and supporting the voluntary and community sector, what should happen to ensure that the needs of diverse organisational types are met?

3. What is the likely impact of increased demands for effective governance from (i) funders and (ii) regulators?

4. What are the implications of good governance for the management of internal relationships within the organisation?

5. How can an appropriate supply of willing and capable board members at national, local and organisational levels be maintained?

6. What should happen when governance fails?

- **Detailed discussion with stakeholder groups.** The stakeholder groups identified included: funders, policy makers, board members, employees, professional membership organisations, support or intermediary organisations, regulators, and academics. A series of seminars, fora, and two specially designed events took place between September and November 2003. (See Annex 2 for details.)

- **A Strategy Group was established within the Active Communities Unit (ACU)** to advise both the consultants and the ACU on processes. Membership of the strategy group (see Annex 2) included people from each of the stakeholder groups. The group met three times during consultancy, In addition individual members provided contributions to papers, drafts etc

- As a result of discussion and individual research **a series of six 'position papers'** were produced. Each paper tackled one of the questions identified by the summary paper.

- **An independent Reference Group** provided detailed comment and input as drafts of the strategy were prepared.

- Finally **written information, reports, and submissions** from the field informed the process and the content.

Initial analysis

The findings displayed an impressive consistency, and this increases the confidence of both the strategy group and the consultancy team in the findings reported here. The main themes emerging in the development of this strategy are summarised as follows:

1 *Understanding and meaning*
Many people are grappling not only with the concept of governance but also its meaning when applied to different contexts. Governance takes on one complexion when applied to small unincorporated associations, and another when applied to large social enterprises. Governance also appears different according to different roles, and will be described differently by senior workers and board members.

2 *Reaching boards and board members*
Whilst boards play an important part in the governance of an organisation and are seen as central to the development of effective governance there is no way of connecting directly with boards. Inferences about the motivations and needs of board members are made by people who are not board members themselves, notably by chief executives. Progress depends on listening to the authentic voices of board members, rather than relying on interpretations from people who act as gatekeepers for the organisation.

3 *Impact of regulation*
There is a widespread concern that demand for greater regulation is having a negative effect on many voluntary and community sector organisations. There was strong resistance to

governance becoming a 'tick box' exercise, and a desire to make governance meaningful.

4 *Need for appropriate assistance*
All stakeholders recognise the importance of assistance for board members and organisations as they determine how to implement or develop governance, most particularly in systems and necessary skills.

5 *Quality of support*
Whilst there are opportunities for training, support, information and advice they are scattered, often difficult to locate, and of variable quality. There is a particular recognition of the need for improved legal and financial advice.

6 *Need for culture or climate change*
Many people, across the stakeholder groups, perceive the current interest in the governance of VCS organisations as being driven by the interests and agendas of 'others', in particular policy makers, funders and regulators. Some view governance as an artificially imposed 'extra' that has no meaning to the everyday practice of running an organisation and achieving a set of objectives. There is particular concern about this imposition from small and emerging VCS organisations.

It is clear that regulators, funders and policy makers are embracing the widely accepted view that, 'one size does not fit all'. There are discussions of proportionality and other practical measures that will hopefully make some of the external demands more appropriate to VCS organisations. However in addition to this the culture or climate within which governance is being discussed and developed needs to change.

7 *Learning from practice*
A desire expressed by all the stakeholder groups to understand more about the practice of governance; how it is being interpreted and implemented within different organisations. Increased understanding would encourage the development of 'sector knowledge' and give greater confidence to those involved at organisational, intermediary or strategic level.

Evidence

Accompanying this strategy is a separate document that provides the basis for the strategy.

It begins with an overview setting out the background and context for developing a strategy to improve the quality of governance in the voluntary and community sector (VCS). The overview examines why governance has become an increasingly important issue. It then looks in more detail at what is meant by governance and why effective governance is so important. This is placed into context by examining briefly the nature of the voluntary and community sector. The great variety of organisations in the sector means that one model of organisational governance will not be effective, and so the overview goes on to identify some important dimensions that need to be considered when 'designing' effective governance systems. It then sets out the key problems and questions that formed the basis for the discussion exercise that in turn informed the development of the strategy.

There follows a series of position papers that explore each of the questions identified. The research for each of these papers included results from the various discussion events. (See Annex 2 for details)

Finally, there are summaries of the contributions made through structured discussion which have influenced the development of the strategy.

Where the current strategy fits into the bigger picture

The governance strategy is but one piece in a jigsaw – the Capacity Building Infrastructure Framework (CBIF). This framework will bring together the results of extensive consultation on, Performance Improvement, Skills and Infrastructure Organisations.

The contents of this strategy will inform both the ACU and the development of the CBIF which will be completed by April 2004.

Section Two: Setting the scene

Before discussing the strategy it is necessary to understand the context in which it has been prepared. This section asks some fundamental questions: why governance? What is governance? Why a strategy? It then goes on to list the criteria for creation of a successful strategy.

Why governance?

In the past decade, the community and voluntary sector has grown rapidly both in size and significance. Consequences include increased scrutiny, demand for efficient use of public money, the identification of measurable outputs and outcomes, and tighter accountability.

A recent study of governance in the voluntary and community sector charted these trends:

'The increasing significance of the sector and its growing reliance on public funds has also attracted increased scrutiny. In particular, paralleling developments in other sectors, the spotlight has focussed on governance arrangements and whether they are adequate to ensure that community and voluntary organisations are effective, act responsibly and are accountable for their actions.'[3]

What is governance?

There are many different definitions of the word governance. Typically people try to find a 'definition by essence', that is a form of words where 'governance' is followed by an equals sign: as in 'governance is…'

The problem with this approach is that there become as many definitions as there are people making the definition. A discussion of definitions could fill many pages. The overview paper contained within the document that accompanies this strategy provides a useful framework for understanding differences in approach and understanding. The overview, along with the six position papers, highlights tensions and areas for further debate. For the purpose of the discussions that informed this strategy we adopted a working definition as follows:

'The word governance comes from the Latin word meaning to steer or give direction, so organisational governance is about the overall direction of the organisation. However, this has to take place within a broader framework of accountability to stakeholders, regulators and the wider community. For our purposes we

define governance as **'the systems and processes concerned with ensuring the overall direction, supervision and accountability of an organisation.'**[4]

In practice, different stakeholders have different understanding and requirements for effective governance. The different perspectives are set out in Table 1 *see page 12.*

There are clear overlaps of interest between the different stakeholder groups. To take some examples: funders, employees, and professional membership organisations all want good employment practice. Policy makers and support agencies will agree on the importance of an organisation's ability to deliver. Regulators and funders will agree on compliance and financial stewardship, policy makers and staff on clarity of direction.

Why a strategy?

The point of having a strategy is to integrate disparate strands that support the emergence of effective governance in the VCS into a coherent system where different parts can be seen as contributing towards the whole.

There are three main 'drivers' of effective governance in the VCS. All have the objective of securing a more effective voluntary and community sector, but each has a rather different motive:

1. To enable organisations to improve their attainment of their objectives.

2. To enable the sector to be a good social partner.

3. To provide effective and reliable service delivery.

Each of these strands has spawned different initiatives that focus on improving different aspects of governance. The practice that results from these strands can appear very fragmented.

In part, this is because there are obvious tensions between the three demands. The first is from the VCS itself and is internal to the sector. The drivers here are board members, staff and others associated with an organisation, as well as the intermediary organisations (such as councils for voluntary service) or representative organisations who are there to ensure the development of a strong sector.

The second two drivers emerge from outside the VCS and are external to the sector. The desire to see the voluntary and community sector in a fit condition to act as a good social partner, and/or to deliver services effectively, derives not from the sector itself but from policy makers and public authorities. Their emphasis

Table 1: Stakeholder requirements for effective governance

Stakeholder	Requirements of effective governance	As evidenced by ...
Funders	• Achieving agreed outcomes consistent with grant criteria • Good stewardship of funds • Good employer • Appropriate board/committee membership	• Probity; fiscal and programme (e.g. outputs) integrity • Restricted funds shown in Annual Accounts • Acknowledgement of funding sources • Compliance with terms and conditions • Equal opportunities policy and practice • At least 3 board members; diversity; skills mix; user involvement
Policy makers	• Ability to deliver on social programmes • Clarity of direction – clear messages of the difference an organisation can make • Reputation and status of the organisation	• Risk assessment • Processes for monitoring and reporting on performance • Representation of community/needs • Management systems • Policies and procedures • Compliance with regulatory requirements
Regulators	• Compliance both in terms of spirit and	• Accounts that demonstrate money spent for purposes raised implementation • Financial reporting information that confirms effective controls • Regular monitoring and performance reports • Practice and procedures in line with legal requirements
Support organisations (e.g. intermediary bodies)	• Contribution to the organisation's overall ability to deliver • Maintenance of sector's reputation for integrity	• Development programmes for governance • Board members inducted and trained • Board members that network • Board that can assess and use information • Compliance with regulatory requirements
Board members	• Minimisation of personal liability • Effective use made of voluntary input • Opportunity for self-development • Job satisfaction • Maintenance of personal reputation	• Clear and agreed roles and relationships • Effective meetings and clear decision making • 'Standing orders' (whether formal or informal) • Compliance with governing document • Induction programmes • Financial information and controls • Communication and information • Ensuring people achieve their tasks • Ensuring the organisation doesn't leave itself open to legal challenge
Employees/ Professional membership organisations	• Clear vision and direction • Good employment practices • Ability to respond to challenges • Opportunity for self-development • Job satisfaction • Maintenance of professional reputations	• Strategic plan or similar • Forward planning • Collective responsibility • Clear roles • Sound decision-making processes • Staff training and development programmes • Open minds • Sustainability of the organisation/ work • Ensuring people achieve their tasks • Ensuring the organisation doesn't leave itself open to legal challenge

is on a different aspect of accountability and one that is sometimes in conflict with the interests of organisations within the sector.

The internal drivers and the external drivers of governance in the VCS are apt to push in opposite directions. Whereas external drivers will stress the use of public money, service agreements, due diligence, and compliance issues, internal drivers will stress members' needs and interests, social justice outcomes, power and independence. An integrated governance strategy will need to weld together these conflicting forces.

What would be the requirements of a successful strategy for governance?

A good strategy would be in place when:

1. There is a clear statement of demonstrable benefits that accrue to the strategy

2. There is a clear vision of what would be delivered if good governance were in place

3. Terms used would have good definitions (as concrete and specific as possible)

4. Ownership is wide (stakeholders would be identified along with their interests and the strategy would meet their interests)

5. Resources are in place: (a) material (b) non-material

6. Continual learning loop is in place with feedback mechanisms, and continual improvement are built in

7. There is a mechanism for assessing impact

8. The strategy connects to wider environment and makes good connections with other developments (e.g. other work on infrastructure, etc.)

9. Tasks are identified in bite-sized chunks

10. There is a route map to get there

11. Drivers are in place (otherwise nothing will happen)

12. Chutzpah is important, the strategy can be sold because of its larger than life quality

13. There are ready means of monitoring, evaluating and accounting for the strategy.

Section Three: A framework for an integrated strategy

This section establishes a foundation on which the recommendations are built. It describes the development of a strategic approach that is appropriate to the context described in Section Two and is informed by the results of research and discussion. It concludes with the identification of five key areas for action.

In this section, we set out a system of governance for the VCS. This aims to take a strategic and integrated approach setting out a realistic vision for good governance that can be turned into good practice, with measurable standards to assess performance. The system takes account of key challenges, such as board recruitment and diversity, and sets out mechanisms for capacity building at individual, organisational and sectoral level.

Governance is not absent from voluntary and community organisations nor is current practice all bad. There is a growing body of knowledge, practice and expertise which this strategy seeks to build on.

Nevertheless, building a strategy is a complex task, since understanding of governance varies between the different stakeholder groups. Moreover, as we have seen from Section Two, the current demand for effective governance is coming from different places and for different reasons, and has led to a range of different initiatives to support governance in the VCS that do not necessarily push in the same direction. Any strategy needs to take account of those variations and competing demands. There can be no 'one size that fits all'. However the key words in this respect are 'strategic', 'integrated', and 'system'. The variations need to find a place in a strategic integrated system. This is the challenge of this section.

The governance system

The working definition of governance – 'the systems and processes concerned with ensuring overall direction, supervision and accountability of an organisation' – can be applied not only at an organisational level but also to the wider system within which an organisation operates. That is to say, governance needs to be applied both to what happens inside the VCS but also in the external environment.

The external environment can be divided in two: the immediate operating environment of the sector (in which is found for example, the policies of the ACU) and the wider environment (which includes for example, gove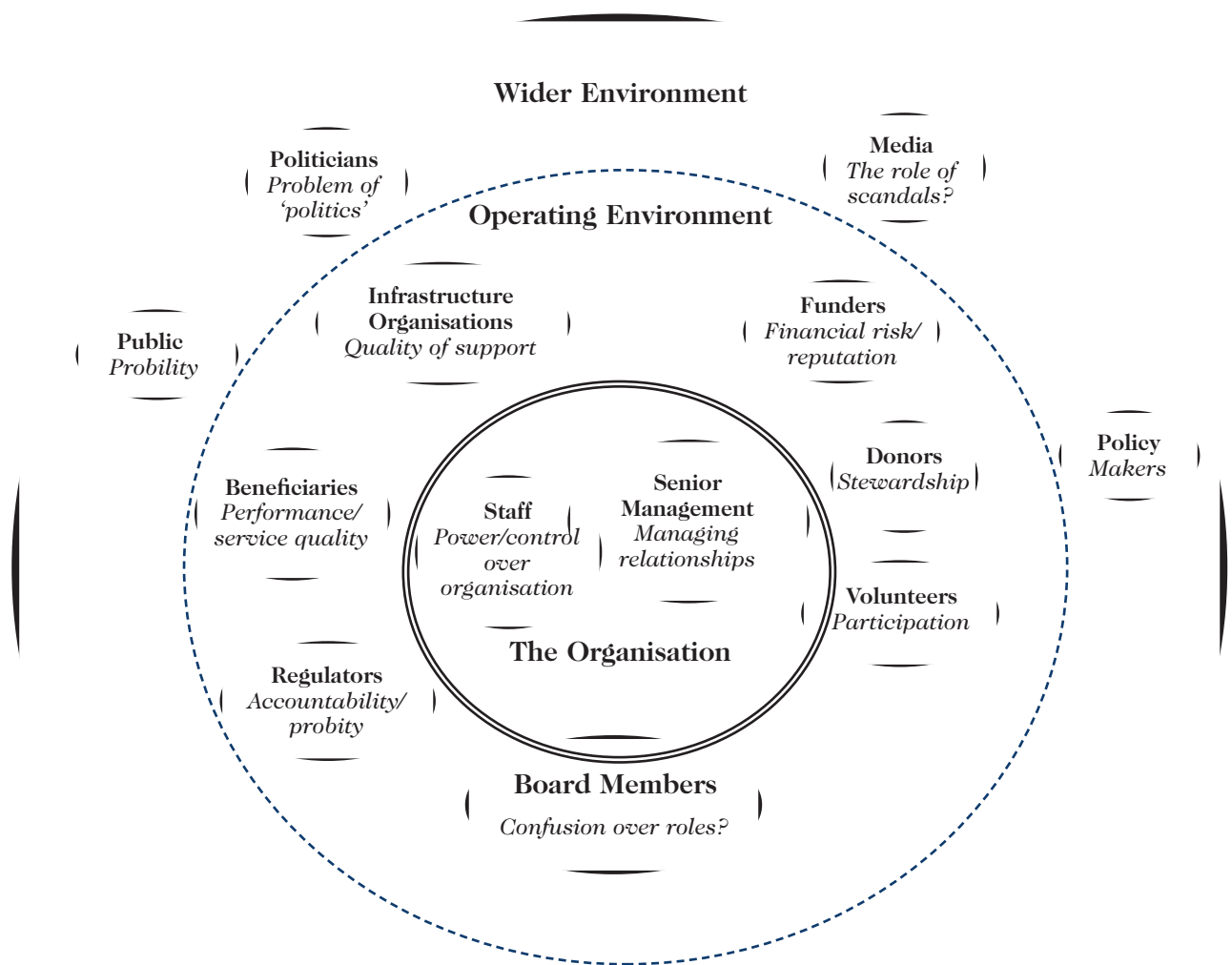rnment policy on matters that have no immediate bearing on the VCS such as transport). This describes a system with three domains and these are set out in Diagram 1.

Looking at diagram 1, at the heart of the system is 'the organisation' and 'the difference it intends to make.' The organisation in the VCS is independent and contained; it is in itself a system, with the necessary structures and processes for the maintenance of accountability and responsibility. At the very centre of the organisation and acting as a guide for decision making, policy and procedures, roles and responsibilities and so on, is found the vision and values of the organisation.

Surrounding this, a second domain, is the immediate environment in which an organisation operates. This is called the 'operational environment'. Here we find key stakeholders that are not part of the VCS, such as the Charity Commission, yet which have a direct bearing on how it operates. This domain contains the necessary elements of support, information, advice, training to help the organisation sustain itself through each stage of development. The operating environment acts as a kind of intermediary level where the currency of exchange can include, collaboration, mutual support, as well as the provision of direct services. Here 'sector wisdom' or 'sector knowledge' is promoted and it is here that other agencies turn when a 'collective' view is necessary. Included in this domain are a very wide range of national, regional and local intermediary organisations, along with the individual interests of donors, volunteers and beneficiaries or users.

Finally, there is the outermost domain – the wider environment, within which the organisation and the intermediary domains operate. This environment creates the context for the voluntary and community sector. It not only represents particular needs, the interests and demands of users or members but it also includes the agencies that influence the way in which governance and organisations develop. Policy makers, funders, regulators, politicians, all play a part in this domain.

To develop a strategic system of governance we need to find a way of integrating the three domains by finding ways that each of the stakeholders in each of the domains can identify common areas of activity and combine to make a systematic impact on governance in the VCS.

Wider Environment

Politicians
Problem of 'politics'

Media
The role of scandals?

Operating Environment

Public
Probility

Infrastructure Organisations
Quality of support

Funders
Financial risk/ reputation

Policy Makers

Beneficiaries
Performance/ service quality

Staff
Power/control over organisation

Senior Management
Managing relationships

Donors
Stewardship

Volunteers
Participation

The Organisation

Regulators
Accountability/ probity

Board Members

Confusion over roles?

The governance system

Diagram 1

The three domains in the system are defined in Table 2.

There are particular influences within each domain and influence between domains so that the system is dynamic as opposed to static. A key domain is the operating environment, since this mediates, on the one hand, between the wider environment where strategic policy influences are at work and, on the other, the organisational domain which is where policy is transformed into practice.

To develop an integrated strategy it is necessary to operate within and between the three domains.

A framework for developing effective governance

Within the three domains of the system there are various stakeholder groups. These are the players that make the system active. This strategy has focussed on the following groups:

- Policy makers
- Board members
- Support or intermediary organisations

Table 2: The organisation and its environments

Organisational	The internal and operational systems of independent voluntary and community sector organisations.
Operating environment *Has role of meditating organisation and wider environment*	Sitting between the individual organisation and organisations or influences from the wider environment. Organisations at this level often provide support and services but also act in an advisory capacity to both individual organisations and other agencies in the wider environment that operate at a strategic level
Wider environment *The source of strategic direction in society*	Policies and procedures that impact on organisations and influence the development of governance.

- Employees / professional membership organisations
- Funders
- Regulators
- Academics

The different stakeholder groups clearly have a part to play in developing the governance capacity of voluntary and community sector organisations. They operate in different domains within the governance system, with different roles and spheres of influence.

The task of the strategy is to create a more coherent or integrated approach for the development of effective governance. To achieve this the various stakeholder groups need to understand the contribution they make to the system and the contribution they can make in the development of an enabling environment.

The standards described in Table 3 provide a basis for developing a shared understanding based on a ladder (after Arnstein's ladder of participation).

The set of standards, which can be applied to the broad range of organisations that make up the voluntary and community sector, identifies five rungs in a ladder for the development of effective governance. Some organisations will travel from rung 1 through to rung 5, taking one step at a time up the ladder; others may take a more circuitous route. However in most cases organisations, once aware of the part governance plays, would strive to be a high performing organisation. That is they would like to be at the top of the ladder.

Applying this framework to the different domains within the governance system it is possible to identify different requirements of the various stakeholder groups, on each rung of the ladder. Achieving these requirements as described in Table 4, would ensure a coherent or integrated governance system.

Table 3: The governance ladder

Rungs		Standard
5	HIGH PERFORMING ORGANISATION	Demonstrable evidence of an organisation's ability to think and act for the long term future including, succession and exit of board members, management of chance and ability to withstand shocks
4	ROBUST PROCESSES AND SYSTEMS	Ability to describe, review and maintain appropriate methods for effective governance including regulatory requirements
3	FOCUS	'Govern more, manage less'; rather than 'doing good', doing things well
2	ENGAGEMENT	Development of systems and processes
1	AWARENESS RAISING	Need for a more 'formal' governance and management approach

Table 4: Achieving a coherent governance system

Stage	Characteristic	Strategic level	Intermediary	Organisational level
5	HIGH PERFORMING ORGANISATION	Enabling Environment *Creation of a balanced system governance where the demands of stakeholder groups are understood and catered for*	Interpreter and Change Agent *Taking information from the organisational level and using it to advocate for or encourage development in a particular direction*	Impact & Achievement *Achieving the wider strategic objective*
4	ROBUST PROCESSES AND SYSTEMS	Raised profile *Governance integral to organisational development and in the 'public eye'*	Effective delivery *Meeting identified needs, encouraging innovation and change*	Monitoring & Regulation *Making informed decisions*
3	FOCUS	Linking Theory & Practice *Learning from good practice*	Guidance & Training	Recruitment *Incentives and systems to attract and retain board members*
2	ENGAGEMENT	Mechanisms for Support & Development *Targeted investment*	Point of contact & Signposting *Dissemination of information, practice, role models*	Training & Development *Skills/ competencies, understanding*
1	AWARENESS RAISING	Information *The raw materials*	Encouragement *Creating the demand for better governance tools*	Aspirations *Recognition of organisational weaknesses*

Focussed action to support good governance

The topic of governance within the voluntary and community sector is a very large one. Hence the discussion so far has been broad based developing a systems approach with a framework as a basis from which a strategic approach can be developed.

Taking account of the current demand for effective governance, what actions can be taken that will have an impact on voluntary and community sector organisations in translating these demands into action?

A number of key areas have emerged in the course of the study that require the attention of all of the stakeholder groups involved in discussions. These are set out in Table 5.

Table 5: Actions in the three domains to stimulate organisations to reach the five standards

	Stage 5 High performing organisation	Stage 4 Robust processes and systems	Stage 3 Focus	Stage 2 Engagement	Stage 1 Awareness
Strategic level	Enabling Environment	Raised profile	Linking theory and practice	Mechanisms for support and development	Information
		Culture change	*Training and development*	*Training and development*	*Information and advice*
			Information and advice	*Investment*	*Investment*
			monitoring and regulation		
Intermediary level	Interpreter and change agent	Effective delivery	Guidance and training	Point of contact and signposting	Encouragement
	Culture change	*Monitoring and regulation*	*Training and development*	*Information and advice*	*Training and development*
			Investment	*Investment*	*Investment*
Organisational level	Impact and Achievement	Monitoring and regulation	Recruitment	Training and development	Aspirations
	Culture change	*Information and advice*	*Training and development*	*Training and development*	
		Monitoring and regulation	*Information and advice*	*Information and advice*	*Training and development*
				Investment	

In Table 5, a number of interventions that will help organisations develop effective governance are identified. These interventions are described, and placed in priority order according to responses gained in the study.

Training and development were considered most important, monitoring and regulation of less importance. There was strong agreement on the priority order from the different stakeholder groups. Here is a list of priorities, set out in order of importance:

- **Training and development** equipping individuals and organisations for the tasks associated with governance
- **Information and advice** specific knowledge and direction to ensure informed decision-making
- **Funding** investment in the processes of governance
- **Culture change** governance is often perceived as a 'test', a 'necessary evil' or something that is lacking. This perception acts as a disincentive to board members or potential board members.

Greater understanding of the systems, processes and language of governance is needed in order to create a positive 'climate' within which organisations can continue to develop their governance

- **Monitoring and regulation** necessary systems for ensuring accountability, responsibility and achievement

It is important to note the areas given a high priority rating (training and development, information and advice) appear in the first rungs of the governance ladder. Whilst those areas given a lower rating appear at the top of the ladder (culture change, monitoring and regulation). This supports the view that governance is still a developing area for the majority of voluntary and community organisations and that basic things need to be put in place.

Section Four: Recommended actions

This section focuses on actions that, together, will create a strategic approach for the development of effective governance. It also identifies barriers or resistors that will hinder development. These will be of particular importance during the implementation phase. A series of recommendations under each of the five areas identified in Section Three and an outline for implementation completes this section.

We have shown so far that governance of voluntary and community organisations does not operate in a vacuum. Each organisation is influenced by and is part of a system that operates in three domains: organisational, operational environment (intermediary) and wider environment (strategic).

The players in each domain have a particular part to play in a framework that will encourage the continual development of effective governance. Five areas are identified where action would make a difference within the VCS. These are (in order of priority): training and development, information and advice, funding, culture change, monitoring and regulation.

This section outlines specific actions within each of the five key areas.

The proposed actions come as a result of investigation into six key questions outlined at the beginning. These questions provided a framework for discussion with the individuals and organisations from the various stakeholder groups previously identified. (See also the accompanying document).

1. How can the principles and practice of effective governance be more widely understood in the voluntary and community sector?

2. In informing, advising, and supporting the voluntary and community sector, what should happen to ensure that the needs of diverse organisational types are met?

3. What is the likely impact of increased demands for effective governance from (a) funders and (b) regulators?

4. What are the implications of good governance for the management of internal relationships within the organisation?

5. How can an appropriate supply of willing and capable board members at national, local and organisational levels be maintained?

6. What should happen when governance fails?

Actions

This section sets out a series of action points. These are specific and follow from the strategy. In each case, we set out a project to be accomplished and list the benefits of the project.

Training and development

Action Research projects to identify and disseminate:

1. The training and support needs of organisations at each stage of development

To ensure that the development of advice, information, training is in accord with and meets demand so that appropriate services are being developed, we propose a research project. The project should explore and describe in detail the training and support needs as experienced by a range of organisations, including, charities, social enterprises and associations, at each stage of development; birth, youth, midlife and maturity.

The results of the research would lead to clearer recommendations: on the need (or otherwise) of a coherent training framework for board members, board competencies and appraisal, and the standard of the training that needs to be made available.

Benefits

• Linking theory and practice through a body of evidence, this work will ensure greater cohesion within the wider system

• Evidence that will inform the development of appropriate training and support

• Raising the profile of governance

• Board recruitment

Education and training for members in membership organisations

There is an assumption that membership organisations represent the views and wishes of their members, that members 'own' the organisation and that the members play an important role in governance. Many organisations have a membership list but have little understanding of what it means or how to develop their membership. It follows that this 'dream' view of membership organisations is at variance with the reality of the VCS.

A pilot project should be developed with six membership organisations (national, regional and local). The aim of the project will be to re-engage

people with organisations and to ensure membership is meaningful. The project will develop a training and education programme for members. The results of the project will be produced as a good practice guide with training materials to be promoted throughout the voluntary and community sector.

Benefits

- Improving the quality of ready and able people to take an active part in organisations

- Board recruitment and retention

- Ensuring accountability is meaningful and meets regulatory or monitoring requirements

Supporting and promoting action and peer learning for managers, chairs and boards

Action and peer learning have proved themselves to be highly effective ways of supporting and developing governance within organisations. These approaches should be promoted through intermediary and support organisations to ensure wider availability. To ensure the quality of further development, learning materials should be produced in support of action and peer learning.

Benefits

- Improved governance practice

- Access to learning that meets lifestyle demands

- Valuing experience adds to the development of a 'positive climate' for governance development

The development of board member associations

Board members rely heavily for guidance, information, support and sometimes direction on their staff. This demands good working relationships and a high degree of trust between board members and staff. Sometimes there is an absence of trust or a breakdown in relationships. Many small organisations do not have the luxury of paid workers, and do not have access to immediate assistance, but carry the same responsibility.

Whilst support or infrastructure organisations are available in most areas, independent associations dedicated to the needs and interests of board members provides a different form of support and assistance. In addition to the practical help that could be offered, learning, mentoring, information, networking etc., an association that promotes the status of board members and prevents a 'dependency' culture.

Support for the development of board associations

should be made available.

Benefits

- Raising the profile and status of board membership

- Recruitment and retention of board members

- Ensuring good advice is available to the individual board member

- Increased opportunities for learning and development

Accredited learning for board members

Accredited learning exists for many other activities within the voluntary and community sector, from community development to childcare. The demands placed on board members can appear onerous and challenging particularly if there is not investment or system for induction, training and support. Accreditation offers one method for ensuring that individuals can continue to learn from experience and practice.

A system of learning targeted at board members and members should be established. Learning would link theory and practice within a particular field (for example, social enterprise, charitable organisations).

Benefits

- Raising quality and standards of board performance

- Recruitment and retention of board members

- Advancing knowledge and skills

Information and advice

Establish a community of practice (CoP)

Develop a community of practice (CoP) for those interested in effective governance in order to improve information exchange and mutual learning. The CoP would build on and link existing networks, and would operate through a mix of face-to-face, print, phone and online communications. While web and other online tools would play an important part in networking, the main emphasis should be on creating new and more productive relationships – thereby helping 'join-up' various interests in the field through personal contact and a growing shared knowledge base.

Benefits

- Access to information advice and support from both 'peers' and 'experts'

- Continual development of information and advice

- Comprehensive 'signposting' to specialist sources, interest groups etc

- Efficient and effective use of resources

- Highly accessible to board members and staff, available anywhere across England

Apprenticeship system to train more 'specialists'

Whilst there are places for board members or organisations to go for general advice on governance, there is a shortage of 'specialist' knowledge and expertise particularly in the areas of legal advice, employment practice, finance, health and safety and other legal requirements.

An apprenticeship system should be established to train up development workers and others who wish to concentrate on a particular area of governance advice. The apprenticeship system should offer accreditation.

Benefits

- Cost effective method to 'fill the gaps'

- Creating a larger pool of specialists within a relatively short time frame

- Better quality decisions from boards on legal etc issues

• Legal advice and assistance

1. Provision of legal advice

Access and quality are two of the issues faced by organisations seeking legal advice. Citizens Advice has an effective and efficient system for delivery of advice across the UK. The possibility of developing that system to incorporate a specialist service directed to board members and organisations on areas of constitutional and legal frameworks should be explored.

2. 'Legal Aid' for voluntary and community sector

In addition to concerns about access and quality there is an issue of cost. Free or subsidised services will enable organisations to receive 'good' advice and also take legal action where necessary.

Benefits

- Improved access to advice for local groups when needed

- Improved advice to boards on legal matters

- Standardisation of quality of advice

- Cost effective use of existing and proven service

- Creation of new volunteering opportunities.

An employment mediation, arbitration and advice service

There is limited advice and assistance for boards and organisations in the specialist area of employment practice and employment law.

The establishment of a specialist service for voluntary and community sector organisations should be explored using the ACAS model and knowledge from other organisations as a basis for development. The service could be developed within a mutual framework so that it is owned by the sector.

Benefits

- Reduction in the number of employment tribunals

- Improvement of employment practice

- Access to advice when needed

Funding

Investment in the development of good governance

1 Using funder assessment processes to support board and governance development

A funders' assessment process will necessitate consideration of aspects of governance (for example, board membership, financial controls and reporting).

Funding application assessments of governance could be extended and could include; plans for board and governance development, inclusion of the costs within budgets.

2 Bursary schemes and small grants for board and governance development available from variety of funders

The need for and the investment in governance is not yet universally accepted. Until the practice is more widely accepted, organisations will continue to need financial assistance to achieve appropriate development as and when necessary.

Investment should come from government schemes, Small Business Service, regional agencies, lottery, trusts and charitable donors, etc. The bursaries or grants should be easily available, without lengthy or complicated application processes and should be available to encourage the development of: appropriate support e.g. peer learning; systems and processes e.g. induction packs, policies and procedures for governance; monitoring and review e.g. annual away days for staff and boards; or, training e.g. in-house training for board members

Benefits

- Achievement of compliance and accountability

- Raising standards of governance

- Making governance meaningful

- Increased investment in governance signals its value

- Raising profile and creation of a 'positive' climate for governance

- Improving the quality of practice

- Improving an organisations ability to be 'well governed' and therefore able to meet its objectives

Culture change

Incentives for board members

The vast majority of board members are unpaid and therefore fall into the category of volunteers. In addition to the promotion of board membership as one of many volunteering opportunities, improved and clear incentives for volunteers should be considered.

Volunteering 'expenses' (for example, payment for child-care, personal assistants, taxis and the provision of basic equipment or running costs of equipment), have become increasingly common and should continue to be promoted as incentives.

Further incentives to be explored might include; tax breaks based on the amount of time 'given' and employers being encouraged to extend the definition of public duty. Employers may give, as with magistracy and jury service, 'time off' for volunteering, payment for time-off in lieu and (for self employed and those whose employers can't/won't release them), greater recognition, for example in awards and honours.

Benefits

- Recruitment and retention of board members

- Raise the profile and the value of governance

- Inclusion of wider range of people in governance

- Value for money

Standards and principles for effective governance

To ensure that governance within the voluntary and community sector is made meaningful, standards of practice that describe good governance for the voluntary and community sectors should be established.

The voluntary and community sector operates within a wide range of legal and regulatory

frameworks, in addition there are codes of practice for particular fields of work, differing reporting requirements and a variety of ways membership to boards can be obtained There are of course necessary differences but there are also similarities that cut across the sector. An agreed set of standards for all aspects of governance would provide a useful 'benchmark' for funders, policy makers, organisations and board members.

An objective process for achieving this should be established. An independently chaired body that is knowledgeable, has credibility and the freedom to challenge should be formed. This body will draw on existing work undertaken by regulators, intermediary bodies, government departments, academics and researchers and will seek to include the practice of a wide range of organisations including, social enterprises, housing associations, co operatives, etc.

Benefits

- 'Benchmarking' which will assist agencies, funders, government departments etc in their role as supporters of the voluntary and community sector.

- Encourage organisations to adopt appropriate systems, policies and procedures as an 'insurance' should things go wrong

- Create a language that people can engage with

- Raise the profile of governance

- Ensure greater cohesion within the wider system

- Develop a 'positive climate' for debate and development

Action research projects to identify and disseminate:

2. The impact of good governance

There is an assumption that investment in the development of effective governance within voluntary and community sector organisations has a positive impact on an organisation's ability to deliver. However, there is little evidence to support this assertion.

A longitudinal study that describes the impact of effective governance should be undertaken. The study should include a variety of voluntary and community sector organisations (small, medium, charities, social enterprises etc) and from the data describe what happens as a result of good governance in particular what difference is made.

Benefits

- Linking theory and practice through a body of evidence this work will ensure greater cohesion within the wider system

- Evidence that will inform the development of appropriate training and support
- Raising the profile of governance
- Board recruitment

Secondments scheme

Many larger organisations and national charities have invested heavily in the development of their governance systems. This provides a body of knowledge and expertise that is largely 'untapped'.

A secondments scheme would facilitate the sharing of expertise and knowledge with smaller organisations. Secondees, (staff) would be offered to organisations as advisers for particular time limited governance development projects. Board members or ex board members could also be available through this scheme. Mentoring and shadowing would also be available through the scheme offering one to one assistance over a longer period of time.

Benefits

- Opportunity for cross-sectoral working and the development of 'sector knowledge or wisdom'
- Effective use of resources with the investment of experience
- Creating additional training support and development opportunities
- Strengthen the confidence of individual committee members
- Increase confidence in governance and management in the sector

Establish a large scale mutual insurance scheme

One of the deterrents to people who are considering joining a board is the personal liability that they may carry. Whilst there are a number of insurance schemes available, they are of variable quality and often do not provide cover in areas required.

The sector should explore the establishment of a scheme. In addition to director and trustee indemnity insurance such a scheme could extend to include all insurance needs.

Benefits

- Board recruitment and retention
- Increasing confidence in the sector
- Cost effective use of resources

Monitoring and regulation

Investment in the development of good governance

3. The development of appropriate monitoring systems and processes

Monitoring reports are a standard requirement of grant aid. Monitoring is also one part of an organisation's governance system. The information produced should be useful and relevant to board decisions. However many organisations do not have the systems in place or the ability to produce good monitoring reports.

Funders should be encouraged to work with grant recipients to ensure monitoring systems at governance level are effective.

Benefits

- Achievement of compliance and accountability
- Raising standards of governance
- Making governance meaningful
- Increased investment in governance signals its value
- Raising profile and creation of a 'positive' climate for governance
- Improving the quality of practice
- Improving an organisations ability to be 'well governed' and therefore able to meet its objectives

Regulators' role in developing effective governance

1. Charity Commission review visits on request

Significant moments of start up, growth, decline, merger and other critical points place particular demands on an organisation. Without advice it is possible to be unaware of the consequences of an action or just to make mistakes.

The Charity Commission already provides a significant amount of advice to charitable organisations both on the web site and through printed leaflets. Over the past two years it has also been piloting a scheme of review visits for selected charities. This has proved useful to both the Commission and to the charities reviewed.

The Commission should consider developing this system further. On registration, charities could be offered the option for a review tailored to fit with their development.

A range of options for advice and information should be available to organisations including advice from the Charity Commission. The Commission should

develop the current system to provide charities an option, at registration, for a 'tailor made review' to fit with an organisations development.

2. A harmonisation of regulation and accountability

Increased investment of public funds via government and other sources has led to greater scrutiny and regulation. As a consequence organisations often feel overwhelmed. There is also a growing concern at the cost in terms of time necessary to meet demands. Indeed the Cross Cutting Review recognised the burden of regulation and monitoring as a factor that can reduce the capacity of voluntary and community organisations to deliver.

The main structure-related regulatory bodies; Charity Commission, Audit Commission, Financial Services Agency and Companies House are aware of the problems expressed by voluntary and community organisations. They should be encouraged to continue to explore ways of reducing the number of different reporting systems.

In addition the wider regulatory bodies e.g. those concerned with child welfare (OFSTED), health and safety, key public funding agencies (Housing Corporation) etc. should also explore ways of reducing the number of reporting systems.

Consideration should be given to: how demands are impacting on organisations, how requests for accounts, reports, 'form filling' are interpreted by or for organisations, and finally, where and how regulators might adopt shared or similar systems.

Benefits

- Reduction in resources spent on compliance tasks
- Ensuring improved communication between regulators and others in the wider system
- Recruitment and retention of board members
- Creating a 'positive climate' for governance
- Improving the wider system by linking regulator to practice
- Improving the use of public resources

In addition areas that this strategy has not addressed but require further work

• Partnerships and Governance

Since the late 1990s partnership working has been in the ascendance, largely promoted through a range of government initiatives. There are of course many forms of partnership. It is likely that these new forms of working will have a continued impact on the voluntary and community sector.

Partnership working raises particular questions of governance and accountability that have not been explored within this strategy.

Whilst there is a growing body of literature that describes partnerships much of it has been written from a pubic sector or policy perspective. Currently, again from a public service perspective, research is planned by the Audit Commission and Joseph Rowntree Foundation.

A further piece of research is necessary to explore the impact of partnership working on the governance of voluntary and community sector organisations.

Actions not to take

In recommending a range of actions that will be promoted by ACU but are essentially for the voluntary and community sector, it is important to identify barriers or actions that are likely to deter involvement. Throughout discussions and research the following have been identified.

- Creation or development of new activities or services without the involvement of existing players
- More regulation
- Setting up a new web site on governance, that is not integrated with other communication methods and serves a community of practice
- Setting up any new organisation or structure without a clear development process that engages key interests
- A Southern focus to investment; too much action is promoted in London and the South East and not enough elsewhere. What happens in London does not travel well.
- Supporting only existing or known delivery agencies and organisations. To ensure wide ownership action needs to be spread across all parts of the voluntary and community sector.
- A focus on charity and trustees alone. Whilst more maybe known about this particular part of the sector, the strategy should be designed to include a much broader range of organisational types.
- Poor definitions and abstract terms bandied about.
- An agenda being driven by external forces: funders and regulators.
- Bureaucratic conformism: 'one size fits all'.
- A focus on 'red herrings' (for example payment of trustees which could yield much heat but little light).

Putting actions into practice

The recommendations for action are divided into three categories see Table 6 below. The categories are as follows:

- Just do it   actions for implementation

- Engage   actions that should be discussed with others to achieve 'buy in' and co operation prior to implementation

- Integrate   actions that are likely to have been touched on within one of the other strategies being developed i.e. skills and performance improvement and may therefore be integrated or combined

1. Just do it – actions for implementation

Actions in this category are mainly discrete pieces of work. Though achieving support and co-operation for voluntary and community sector organisations will be important this is not an essential element from the outset.

The exception is the establishment of a 'Community of Practice'. This action demands a very high degree of collaboration and 'buy in' from the outset is therefore essential. However, throughout the discussion process there has been strong support from all stakeholder groups for shared information, improved signposting, increased access to skills, knowledge and experience. It is therefore highly likely that 'buy in' will be easily achieved.

The process of creating a Community of Practice is described in Annex 1a. To achieve this it is proposed that an initial design and feasibility stage is included. Results of this exercise will; identify initial networks and players, detail the development process including the most appropriate structure to take this action forward and identify full costs.

As there is both a clear demand and clear process for development this action has been included for immediate implementation.

Actions in this category can be grant aided or offered through an open tendering process.

2. Engage – achieving 'buy in' prior to implementation

For actions in this category to be successfully developed, two things are essential at the outset. First the endorsement and support from a wide range of organisations and secondly a commitment and willingness for co-operation or 'buy in' to the process.

Research and discussion for this strategy identifies both a wide range of developing interests and practice in governance and a fragmentation of provision. The picture is of pockets of activity at local, regional or national level with limited understanding or knowledge of what others may be developing and what is available. It is important to avoid further fragmentation and to ensure that existing skills, knowledge and capacity within the sector are harnessed.

To achieve the necessary 'buy in' it is proposed that a lead agent be identified for each action. The lead agent will drive the process of; recruiting interested collaborators, structuring discussion, achieving 'buy in' and producing a detailed implementation plan. The plan, amongst other things, will identify the appropriate structures and systems for delivery. A draft brief for the lead agents and criteria for selection is outlined in Annex 1d

The lead agent should receive a grant or fee to carry out this work which should be undertaken within the next 12 months.

3. Integrate with other strategies

Together the three commissioned strategies; performance improvement, skills and governance will produce many possibilities. Amongst the ideas generated there will also be areas of overlap and similarity. The process of creating strategies along with other initiatives e.g. the Cross Cutting Review and Private Action; Public Benefit has already prompted organisations to begin to think and plan to meet some of the issues raised.

Before considering how to implement areas of overlap, it is proposed that a process to explore integration is established. Whilst careful preparation would be necessary the process itself should not be time consuming. This could be completed within six months with a short report detailing how proposed actions within strategies are best achieved. Some actions may then migrate into either of the other categories.

Several of the actions contribute to more than one of the key areas identified. However here they have been attributed to the area where they would have most impact. For example, the development of standards and principles in addition to having an impact on culture change will be relevant to training and development, information and advice, monitoring and regulation.

This set of actions is summarised in Table 6, which sets out key interventions and the above categories for action. Table 6 is an important guide to what to do now (just do it) what to do soon (engage) and what to do later (integrate).

Vision

An enabling environment, which will encourage the development of effective governance as it fits the values, beliefs and circumstances of each individual organisation.

Implementation

The strategy presented here is based on the principle that governance within voluntary and community sector organisations is influenced by a wide range of factors that are internal to a voluntary organisation and externally within a wider environment. To encourage growth and development of good governance and to build the capacity of the voluntary and community sector the development of a systems approach is necessary.

The system that is described (see Section Three) is a complex one. No less complex are the demands for effective governance which provide the context for this strategy.

With this degree of complexity it is highly likely that any plans will suffer unintended consequences. To ensure success the strategy will need to be adapted and changed.

It is therefore important that a process is established that will:

• Promote the strategy

• Receive detailed implementation plans

• Allocate resources

• Monitor progress

• Register and allow for unintended consequences

• Adapt and improve the strategy as it evolves.

A group was established by ACU to offer advice on the development of this strategy. A similar group or secretariat should be recruited and charged with the responsibility for implementation.

The group should be chaired by ACU in the first instance. It must be able to demonstrate:

• An understanding of the governance system

• An ability to work collaboratively

• An ability to problem solve and think creatively

• A knowledge and understanding of more than the charitable sector

• Ability to monitor progress

Time and resources should be allocated to develop and service this group which will have a lifespan of five years.

NOTES

1 The Role of the Voluntary and Community Sector in service Delivery – A Cross Cutting Review. HM Treasury, September 2002
2 Private Action, Public Benefit – A review of Charities and the Wider Not-for-profit Sector. Cabinet Office, Strategy Unity Report – September 2002
3 The Governance of Voluntary and Community Organisations: An Overview, Chris Cornforth 2003 (Co-operativesUK)
4 Ibid

Table 6: Key interventions and categories for action

	Outcomes	Just do it *Immediate implementation*	Engage *Discussion and 'buy in' of others*	Integrate *With other strategies as part of CBIF*
Training and development	*Trustees, committee members and voluntary and community organisations across the country have access to appropriate training and development opportunities that will equip them for the tasks associated with governance*	• Action Research projects to identify and disseminate results: the training and support needs of organisations at each stage of development • Assistance for development of board member associations • Support for and promotion of action and peer learning for managers, chairs and boards • The development of an approach for the education and training for members in membership organisations		
Information and Advice	*Trustees, committee members and voluntary and community* voluntary and *organisations across the country have access to information and advice that can assist and underpin effective decision-making*	• Establish a community of practice • Pilot project for the development of an apprenticeship system that will focus on training more 'specialists'	• Legal and financial advice and assistance; 'Legal Aid' for Charities, community sector, the provision of legal and financial advice to voluntary and community sector organisations • The development of an apprenticeship system to train more 'specialists' • The development of an arbitration and advice service, particularly for employment matters.	• *Apprenticeship system to train more 'specialists* • Accredited learning for board members
Funding	Funders' policies and priorities underpin and strengthen governance			• Investment in the development of good governance; encourage funders to include board and governance development as part of the assessment process, bursary schemes and small grants available for board and governance development, the development of appropriate monitoring systems and processes

Table 6: Key interventions and categories for action (continued)

	Outcomes	Just do it *Immediate implementation*	Engage *Discussion and 'buy in' of others*	Integrate *With other strategies as part of CBIF*
Culture Change	*Culture change, with increased understanding of and commitment to effective governance*	• Action Research projects to identify and disseminate results: the impact of good governance	• The development of Standards and Principles for effective governance • Easy access to appropriate insurance • Secondments scheme to share expertise with smaller organisations • Explore create and promote clear incentives for board members	
Monitoring and regulation	*Appropriate and proportionate regulation that encourages effective governance*			• Investment in the development of good governance; the development of appropriate monitoring systems and processes • A harmonisation of regulation • The possibility of Charity Commission review visits at the request of organisations
Additional areas of work		• Research into the impact of partnership working on the governance of VCS organisations		

The above will be underpinned by the continued development of a shared and evolving strategy, with implementation effectively monitored.

Annexes

For ease of reading and reference, the strategy is presented with two additional documents. An accompanying volume of evidence – supplied as a series of papers – and annexes to the text.

There are three annexes as outlined below:

Annex 1 is divided into four parts. It contains a detailed description of each of twenty-one actions categorised as described in Section Four of The Strategy and a outline brief that relates to actions in the Engage Category.

1a   Just do it

1b   Engage

1c   Integrate

1d   Brief for proposed Lead Agent to take forward actions under the heading

Annex 2 identifies the people and events that have contributed to the discussion of the six questions identified in Section One that informed the development of this strategy.

Annex 3 provides a list of some of the existing initiatives, projects, organisations involved in the development of governance practice brought to our attention through discussion. This is NOT a comprehensive resource list but serves to indicate the wealth and variety of activity that can contribute to the further development of a strategic approach to governance development.

Annex 1: Proposed Actions

The templates below provide more detail to the actions outlined in Section Four of the strategy document. They contain as much detail as was possible within the time available. However there will be omissions, particular in the sections that identify related activity and proposed involvement. Readers may want to contribute further suggestions for the process of implementation.

The templates focus on current activity does not included discussions, proposals, plans that are yet to be adopted or turned into action.

1a Just do it – actions for immediate implementation

Action Research projects to identify and disseminate:

Description

1. The training and support needs of organisations at each stage of development

To ensure that the development of advice, information and training meets continued demand and that appropriate services are being developed. A research project to explore and describe in detail the training and support needs as experienced by a range of organisations, including, charities, social enterprises and associations, at each stage of development; birth, youth, midlife and maturity.

The results of the research would lead to clearer recommendations; regarding the need (or otherwise) of a coherent training framework for board members, board competencies and appraisals and the standard of the training that needs to be made available.

2. The impact of good governance

There is an assumption that investment in the development of effective governance within in voluntary and community sector organisations has a positive impact on an organisations ability to deliver. However, there is little evidence to support this assertion.

A longitudinal study that describes the impact of effective governance should be undertaken. The study should describe, what happens as a result of good governance; what difference is made. In particular it should focus on the language and nature of governance as it is practiced.

Benefits

- evidence that will inform funders' investment decisions
- linking theory and practice through a body of evidence this work will ensure greater cohesion within the wider system
- evidence that will inform the development of appropriate training and support
- raising the profile of governance
- board recruitment
- Evaluate existing material
- ensure clear focused interventions
- provide framework for understanding 'vulnerable moments'
- give direction to trainers+ consultants
- stimulate focused research/

Impact or difference this would make

- Guidelines rooted in real information/ findings
- DIY manuals would have real credibility
- Deeper and more widespread understanding of governance in voluntary organisations

- Clearer pointers to academic research.
- Strengthen capacity of voluntary organisation
- Develop quality material
- Allow for detailed signposting for organisations, trainers etc
- Allow for use of 'quality mark(s)' for types of work/types of organisations etc.

How might this happen

- Design action research framework and pilot design.
- Identify six action research 'sets', or cells, across country to include different types of organisations to work with, over 12/18 months
- Analyse results framework
- Disseminate information to wide audience.

Who should be involved – where are the drivers?

- Open University Business School (OUBS)
- ARVAC
- NCVO Trustee and Governance Team
- Co ops UK – Participation in Governance Project

Barriers to be overcome

- Inertia in governance
- Mountains of material and ambiguities associated with notion of 'life cycle'

How it relates to other known activity

- The action learning for managers and 'Small Talk!' partnership provides tested model
- Credibility of Action Research e.g. ARVAC
- Lots of small projects alive and dead
- Legal and accountancy companies with charity units
- The UK Voluntary Sector Training Courses Review produced by Directory of Social Change lists a wide range of training providers as does NCVO Directory of Consultants

Time scale 3-5 years

Sustainability beyond 5 year strategy
Finish or hand over to research institution

Community of Practice

Description

Develop a community of practice (CoP) for those interested in effective governance in order to improve information exchange and mutual learning. The CoP would build on and link existing networks, and would operate through a mix of face-to-face, print, phone and online communications. While web and other online tools would play an important part in networking, the main emphasis should be on creating new and more productive relationships – thereby helping 'join-up' various interests in the field through personal contact and a growing shared knowledge base.

The process of developing the CoP should go hand-in-hand with other elements of the strategy. The CoP would be a people-based network that would complement and animate any other initiatives that provide enhanced information services and training programmes. Good practice in developing CoPs – in public, private or nonprofit contexts – consistently emphasises the need for a well-planned inter-active development process to achieve this. So for example, while a CoP would have a web-based knowledge and communication system, building that system would not itself create a CoP. It would be one of the tools created during the development process.

One of the first steps in planning development of a CoP for effective governance would be to review existing networks, and the roles of key people in current networking. One of the main tasks would be to engage them as potential champions of the CoP.

Benefits

- access to information advice and support from both 'peers' and 'experts'
- continual development of information and advice
- comprehensive 'signposting' to specialist sources, interest groups etc
- efficient and effective use of resources
- highly accessible to board members and staff, available anywhere across England
- user led
- rooted in existing networks

Impact or difference this would make

- Increased support to 'generalist' providers of information and advice
- Better signposting and knowledge of information and tools available
- Improved access for individual board members, small and medium size organisations that are less well connected

How might this happen

The first stage would be to identify champions for the idea of a CoP in the different interest groups, and work through with them the nature of the process to establish the CoP. This process is likely

to involve:

- identifying existing networks and information sources

- clarifying the purpose of the CoP

- developing and prioritising activities

- investigating technical options that would mix face-to-face, print, online and other communication methods

The approach advocated here is a people-centred, organic development, and the technical tools would match that approach. That means that it would be possible to start some communication work to demonstrate what is possible, and investigate needs in parallel with other work.

Without prejudging the development and design process, we would expect that the online system would NOT be a central portal, but rather linked weblogs with cross-feeds. Under this arrangement:

- Technical costs are low

- Each interest is responsible for publishing and maintaining their own content on their own weblog system

- Interests/weblogs subscribe to others so that headlines and content are automatically updated

- Information categorisation is developed to fit the emerging information and communication flows, rather than wholly predefined.

Who should be involved – where are the drivers?

Those involved will depend on the actions to be pursued under the strategy.

There will also need to be a central champion for the idea, acting as the convenor of meetings and promoter of the development process – but not 'owner' of the system. Ownership will be dispersed.

Barriers to be overcome

Cultural resistance to the idea of sharing information

'Silo' mentality

Conventional, uncreative methods of running meetings

Lack of online skills. However, the system will be very easy to use, and the key issue is likely to be commitment to share rather than any technical barriers.

How it relates to other known activity

The CoP would link together a wide range of existing activities, information sources, resources and support for governance development.

Time scale

Because of the bottom-up organic nature of the proposal, it would be possible to establish an initial core system to bring together those involved in the development process. This could be done within weeks of agreement on the brief, and funding.

This core network could then expand during the development process.

Sustainability beyond 5 year strategy
Sustainability would depend on the preparedness of those in the sector to continue to work together.

The online element would potentially be entirely sustainable, because different interests would take responsibility for maintaining their elements

Education and training for members in membership organisations

Description

There is an assumption that membership organisations represent the views and wishes of their members, that members 'own' the organisation and that the members play an important role in governance. Many organisations have a membership list but have little understanding of what it means or how to develop their membership.

There are many types of membership organisation, the two main categories are;

- Those organisations that have a membership of 'representatives' or 'supporters' who can contribute to the governance of the organisation

- Those organisations where the members are also the beneficiaries, who gain support from the services or activities of the organisation and who can in turn play a part in the governance of the organisation.

In the latter category (largely associations and charities) the members have a real stake or control of their organisation. However membership and governance are not often linked together. A pilot project should be developed with six membership organisations (national, regional and local). The aim of the project will be to re engage people with organisations and to ensure membership is meaningful. The project will develop a training and education programme for members. The results of the project will be produced as a good practice guide with training materials to be promoted throughout the voluntary and community sector.

Benefits

- improving of the quality of ready and able people to take an active part in organisations

- board recruitment and retention

- ensuring accountability is meaningful and meets regulatory or monitoring requirements

Impact or difference this would make

- Shift passive membership to active control

- Create link between members as potential board members by ensuring members have the competence to become active board members

- Strengthen governance systems

How might this happen

- Recruit willing and motivated organisations

- Design 'action research' framework to capture the results of pilot programme

- Design a development programme for members aimed at increased understanding and competence

- Run a pilot project which should be developed with six membership organisations (the focus should be on small and medium sized community associations, small national or regional organisations including housing associations.

Who should be involved – where are the drivers?

- Co ops UK

- Co op college

- Community Matters

- bassac

- National Housing Federation

- OUBS

- Governance Works

Barriers to be overcome

- Difficulties of unravelling complexities of legal frameworks and understanding

- Cost and capacity of organisations wanting to be involved. How it relates to other known activity

- Co op UK 'Participation in Governance' project?

Time scale 5 years

Sustainability beyond 5 year strategy
Completed

Supporting and promoting action and peer learning for managers, chairs and boards

Description

Action and peer learning have proved themselves to be highly effective ways of supporting and developing governance within organisations. These approaches should be promoted through intermediary and support organisations to ensure wider availability.

To ensure the quality of further development learning materials should be produced in support of action and peer learning.

Benefits

- improving governance practice

- access to learning that meets lifestyle demands

- valuing experience adds to the development of a 'positive climate' for governance development

- improve value associated with governance in voluntary organisations

- encourage board members to identify as apart of a bigger group than just their committee and thereby seek support

- models of good practice etc from organisations other than their own

- increase incentives available to board members

Impact or difference this would make

Substantial increase in knowledge and skill amongst board members in target areas; greater awareness of the complexities of governing voluntary organisations combined with greater confidence in tackling them.

How might this happen
Who should be involved – where are the drivers?

- OUBS

- NACVS

- CTN

- bassac

Barriers to be overcome

- Action learning is not everyone's ideal learning method

- Could be seen as miracle approach and then not deliver

- Famously impossible to find times to bring board members together. Could end up being only for staff; not easy to see how new learning materials comes out of action learning sets (at least conventionally run ones).

How it relates to other known activity

Smalltalk! and other action learning for chairs plus action learning has considerable credibility at the moment – wide range of organisations involved in running or developing this approach to learning.

Time scale 2 year pilot in 6 target areas, evaluation and then roll out for local funding.

Sustainability beyond 5 year strategy
Finish project at conclusion of evaluation.

The development of board member associations
Description

Board members rely heavily for guidance, information, support and sometimes direction on their staff. This demands good working relationships and a high degree of trust between board members and staff. Sometimes there is an absence of trust or a breakdown in relationships. Many small organisations do not have the luxury of paid workers, do not have access to immediate assistance but carry the same responsibility.

Whilst support or infrastructure organisations are available in most areas, independent associations dedicated to the needs and interests of board members provides a different form of support and assistance. In addition to the practical help that could be offered, learning, mentoring, information, networking etc. an association promotes the status of board members and prevents a 'dependency' culture.

Support for the development of board associations should be made available.

Benefits

- raising the profile of board membership

- recruitment and retention of board members

- ensuring good advice is available to the individual board member

- increased opportunities for learning and development

Impact or difference this would make

- Mechanisms for communication directly with board members

- Reduction in reliance on staff by ensuring that development of governance is spread across the organisation

- Greater confidence for individual board members leading to better quality decision making

- Well informed and skilled board members that understand their role and responsibilities

How might this happen

- Support for a number (3 or 4) associations to test and develop different approaches to meet the interests and motivation of board members across England and from different types of organisation

- Promotion of associations to board members through; board banks, Volunteering England, registration of charity, CVS's, training providers, and intermediary bodies

Who should be involved – where are the drivers?

- CTN

- Active Boards (Governance Works)

- National Housing Federation?

Barriers to be overcome

- Reaching board members

- Issue of time for board members

- Creating a compelling argument without evidence of impact

How it relates to other known activity

- CTN

- Active Boards (Governance Works)

- Large charities and umbrella organisations with board development programmes approach

Time scale 3 – 5 years

Sustainability beyond 5 year strategy
Each association should develop its own funding plan for continuation beyond 5 years.

1b Engage actions that should be discussed with others to achieve 'buy in' and co operation prior to implementation

Principles and standards and for effective governance
Description

To ensure that governance within the voluntary and community sector is made meaningful, standards of practice that describe good governance for the voluntary and community sectors should be established. Standards should be based on an understanding of the principles that apply across the VCS.

The voluntary and community sector operates within a wide range of legal and regulatory frameworks, in addition there are codes of practice for particular fields of work, differing reporting requirements and a variety of ways membership to boards can be obtained. There are of course necessary differences but there are also similarities that cut across the sector. An agreed set of standards for all aspects of governance would provide a useful 'benchmark' for funders, policy makers, organisations and board members.

An objective process for achieving this should be established. An independently chaired body that is

knowledgeable, has authority and the freedom to challenge should be formed. This body will draw on existing work undertaken by regulators, intermediary bodies, government departments, academics and researchers and will seek to include the practice of a wide range of organisations including, social enterprises, housing associations, co operatives etc

Benefits

- 'benchmarking' which will assist agencies, funders, government departments etc in their role as supporters of the voluntary and community sector.

- encourage organisations to adopt appropriate systems, policies and procedures as an 'insurance' should things go wrong

- create a language that people can engage with

- raise the profile of governance

- ensure greater cohesion within the wider system

- develop a 'positive climate' for debate and development

Impact or difference this would make

- Produce bench mark for others to use

- Reduce the internal and external strain on VCS organisations

- More effective training and development

- Raise esteem about quality and adequacy of governance and management in voluntary organisations

How might this happen

- Produce detailed brief and design process

- Locate and recruit initial group to process who will guide or co ordinate development, challenge thinking and monitor progress, ensure this group includes different stakeholder interests

- Locate and recruit a wider working group or groups

- Production of results with wide dissemination for comment

- Achieve 'buy in' from key agencies to adopt into their work and processes

- Wider promotion of results

Who should be involved – where are the drivers?

- NCVO

- Charity Commission and other regulators

- Academic institutions e.g. LSE, OUBS

- Experienced and influential individuals from the field but independent of any one organisation

Barriers to be overcome

- Vested interests

- No obvious way to bring diverse organisations together

- Perception by VCS organisations that governance is an 'imposition'

How it relates to other known activity

- Models for standards: Community Matters, PQASSO

- Performance Improvement Strategy?

- NCVO; VSNTO

- Charity Commission standards

- Housing Corporation

Time scale 6-9 months set up and run for 5 years in all

Sustainability beyond 5 year strategy

Incentives for board members

Description

The vast majority of board members are unpaid and therefore fall into the category of volunteers. In addition to the promotion of board membership as one of many volunteering opportunities improved and clear incentives for volunteers should be considered.

There is a great deal of discussion about the merits of paying Board Members as a solution to the perceived problem of recruitment. However the assumption that payment will motivate more people to consider becoming board members needs further investigation. In order to understand the incentives and disincentives an investigation of motivation of board members should be carried out.

Building on current experience it is possible to describe three types of incentive that could be further developed:

- Rights – often referred to as volunteering 'expenses' e.g. payment for child-care, personal assistants, taxis and the provision of basic equipment or running costs of equipment

- Maintaining motivation – i.e. hygiene factors such as employers being encouraged to extend the definition of public duty give, as with magistracy and jury service, to include 'time off' for volunteering, payment for time-off in lieu (for self employed and those whose employers can't/won't release them)

- Enhancing motivation – i.e. rewards or satisfiers such as tax breaks based on the amount of time 'given', greater recognition e.g. in awards and

honours, sharing learning as mentors to other board members.

This approach would reflect the need for progression and succession of board members from thinking about becoming involved to moving on.

Benefits

• recruitment and retention of board members

• raise the profile and the value of governance

• inclusion of wider range of people in governance

• value for money

Impact or difference this would make

• Reduction of board membership as an unpopular form of volunteering

• Promotion of active citizenship

• Tackle the disincentive – 'lack of time' – as with 'time off' meetings could be scheduled at different times

• Open board membership to diverse range of people.

How might this happen

• Volunteering Development England (soon to become Volunteering England) to promote as special project, to start with research into motivational factors

• Develop a promotional campaign that uses high profile media personalities re. 'Satisfiers'

• Provide 'model' clauses for constitutions describing incentives/ also standard information for board recruitment an induction

• Promote as part of Corporate Social Responsibility

Who should be involved – where are the drivers?

• ACU – Community Participation, Community Involvement Team

• Volunteering England

• REACH

• Employee Associations

Barriers to be overcome

• Ambivalence/ low respect for volunteers / board members

• Complex to organise as of lots of agencies involved e.g. Inland Rev

• Convincing employers

• Enforcement – many organisations provide contractual rights to time off for volunteering but it's not encouraged in practice

• Providing statutory time off – which will help to raise the profile and make it more attractive – will require legislation

How it relates to other known activity

• Whitbread (and other companies) have system for allowing employees time off for volunteering

• Civic Renewal agenda

• List of initiatives listed at employeevolunteering.org.uk

• Project promoting board level volunteering amongst businesses in Essex (Sarah Hodgkinson)

• NCVO Trustee and Governance Team co ordination of group to promote trusteeship

• Liz Ogden Open University – project looking at transferability of skills from board membership to academic qualification

• HEFC encouraging student volunteering

• Work supporting public appointments – OUBS Time scale

• Initial research into motivation 9 months

• 18 months – 2 years campaign Sustainability beyond 5 year strategy

• Becomes Volunteering UK function and role to review

Secondments scheme

Description

Many larger organisations and national charities have invested heavily in the development of their governance systems. This provides a body of knowledge and expertise that is largely 'untapped'.

A secondments scheme would facilitate the sharing of expertise and knowledge with smaller organisations. Secondees, (staff) would be offered to organisations as advisers for particular time limited governance development project. Board members or ex board members could also be available through this scheme. Mentoring and shadowing would also be available through the scheme offering one to one assistance over a longer period of time.

Benefits

• opportunity for cross sectoral working and the development of 'sector knowledge or wisdom'

• effective use of resources with the investment of experience

• creating additional training support and development opportunities

- strengthen the confidence of individual committee members

- increase confidence in governance and management in the sector

Impact or difference this would make

- Assist capacity building in sector

- Add incentives to volunteers getting involved, e.g. learning new skills, CV development

- Increase inter-relation across different types of organisations promoting support and joint problem solving;

How might this happen

- Start with 2 or 3 large charities and organisatons e.g. RNIB, a housing association to test and champion the case

- co ordinated by Volunteering England?

- Pilot via Volunteering England in consultation with ACEVO

- Provide additional financial support to encourage other organisations to adopt approach

Who should be involved – where are the drivers?

- VDUK

- ACEVO

- CTN

- Dti?

Barriers to be overcome

- Resistance in large organisations if value not clear

- Selection of people that are able to translate practice from one context to another

- Skills of mentoring, coaching, training not necessarily present in people who might be seconded

- Perceived cost

- Silo mentality

How it relates to other known activity

- CVSs

- VBXs

- ACEVO

Time scale 9-12 months to set up and then let evolve

Sustainability beyond 5 year strategy
self-sustaining (or not)

Apprenticeship system to train more 'specialists'

Description

Whilst there are places for board members or organisations to go for general advice on governance, there is a recognised shortage of 'specialist' knowledge and expertise particularly in the areas of legal advice, employment practice, finance, health and safety and other legal requirements.

It is unrealistic to expect 'generalists' to add a detailed knowledge and understanding of the legal and financial (etc) aspects of governance to their 'bag'. However it is important to ensure that 'generalists' have access to appropriate and detailed information and that organisations can acquire detailed advice when necessary.

An apprenticeship system should be established to train up development workers and others who wish to concentrate on a particular area of governance advice. The apprenticeship system should offer accreditation.

Benefits

- cost effective method to 'fill the gaps'

- creating a larger pool of specialists within a relatively short time frame

- better quality decisions from boards on legal etc issues

- ensure consistency of advice and help

- improve quality of constitutions and mem and arts

Impact or difference this would make

- Importance of legal matters more appreciated

- Substantial reduction in legal dilemmas and problems

- Organisations have more confidence in challenging advice from non-experts/ development workers.

How might this happen

- Establish a small scale pilot project that focuses on legal and employment advice

- Assessment and feasibility of how to establish a larger scheme that offers broad range of advice

- Roll out of scheme increasing gradually the areas covered

- Develop system for monitoring quality

- Accreditation to be developed over longer period of time?

Who should be involved – where are the drivers?

- Interaction?

- Independent advisers overwhelmed with requests

- NACVS
- NVCO

Barriers to be overcome

- Time needed to devise and get accreditation agreed and who to do it (e.g. OUBS or VOLPROF or ?).

How it relates to other known activity

- Core of independent trainers, accreditation schemes in management training etc. already in existence as model to draw on.
- Charity Commission and other regulators

Time scale 2-3 years to set up

Sustainability beyond 5 year strategy
absorbed in University /College (s) curriculum.

Provision of legal and financial advice to voluntary and community sector organisations

Description

Access and quality are two of the issues faced by organisations seeking legal and financial advice.

It is recognised that few organisations provide good affordable legal advice. In addition what 'legal' advice is and when it should be sought are interpreted quite widely by organisations. We also found that the vast majority of organisations rely on commercial sources for assistance with financial matters.

Citizens Advice has an effective and efficient delivery system for advice across the UK. This includes a well developed internal management system to support each independent bureau and monitors standards. The possibility of developing these systems to incorporate a specialist service directed to board members and organisations on areas of constitutional and legal frameworks should be explored.

Benefits

- improved access to advice for local groups
- standardisation of quality of advice
- cost effective use of existing and proven service
- creation of new volunteering opportunities

Impact or difference this would make

- Improved decisions within organisations, particularly small and emerging organisations
- Appropriate legal frameworks
- Better use of resources
- Quality of advice received

How might this happen

- Support for development of a legal 'package' with NACAB or with individual CABs
- Pilot project
- Careful design and analysis of results
- Roll out based on improved 'package' Who should be involved – where are the drivers?
- Citizens Advice?
- Interaction?
- Charity Commission and other regulators
- NACVS

Barriers to be overcome

- Defining boundaries of 'legal' and 'financial'
- Vested interests
- Paying for service
- Time to develop material; big time planning required

How it relates to other known activity

- CVSs in the local role as providers of information and advice
- Independent consultants overwhelmed with requests
- Legal and Accountancy Companies with charity or voluntary organisation focus
- Dti?

Time scale pilot 18 months –2 years; implementation 2-3 years

Sustainability beyond 5 year strategy
to become integral to Citizens Advice

An employment mediation, arbitration and advice service

Description

There is limited advice and assistance for boards and organisations in the specialist area of employment practice and employment law.

The establishment of a specialist service for voluntary and community sector organisations should be explored using the ACAS model and knowledge from other organisations as a basis for development. The service could be developed within a mutual framework so that it is owned by the sector.

In addition to arbitration and conciliation there is also a need for mediation and dispute resolution. The need for these services is likely to increase with greater involvement in the delivery of public services.

Benefits

- reduction in the number of employment tribunals

- improvement of employment practice

- access to advice when needed

Impact or difference this would make

- Improved decision making and practice

- Increased confidence of board members as they would know where to turn for assistance

- Better use of resources – avoiding costs of tribunals

How might this happen

- Define the range of a new service – focus first on employment

- Design service – could be franchise that other agencies can choose to add to their services

- Achieve 'buy in' from range of organisations and individuals

- Test drive and learn from results

- Devise system for ensuring coverage nation wide

Who should be involved – where are the drivers?

- ACEVO

- NCVO

- Dti?

- CEDR

- EOC, CRE?

- ACAS

Barriers to be overcome

- Not seen as priority

- Fear

How it relates to other known activity

- NCVO, CEDR – mediation scheme supported by Community Fund

- Development of Compacts, NCVO – advocacy service

- Independent consultants – report increasing and heavy demand

Time scale 12 – 18 months to set up, 2 years to test and plan for 'roll out' and 18 months to embed

Sustainability beyond 5 year strategy
independently funded beyond 5 years

Establish a large scale mutual insurance scheme

Description

One of the deterrents to people who are considering joining a board is the personal liability that they may carry. Whilst there are a number of insurance schemes available they are of variable quality and often do not provide cover in areas required.

Many organisations have unfocussed anxiety about liability of board members. This can lead to excessive caution, inertia and difficulties in recruitment. There is a general lack of trust in commercial products available e.g. trustee indemnity insurance and many groups are advised not to waste their money. At the same time there is a lack of understanding of products that might be useful e.g. product liability insurance.

The sector establishment of a mutual insurance scheme should be explored. In addition to limited liability for board members such a scheme could extend to include all insurance needs.

Benefits

- board recruitment and retention

- increasing confidence in the sector

- cost effective use of resources

Impact or difference this would make

- Increased trust and confidence of board members and organisations as service seen to be part of the not for profit sector

- Better use of resources

How might this happen

- Establish a scheme that sets out to vet and recommend adaptations to commercial products. Effectively a brokerage, with the 'clout' to negotiate with insurance companies

- Focus on insurance first, consider development into pensions and other products

- Establish as mutual so that it is owned by VCS

Who should be involved – where are the drivers?

- Co operatives UK and CIS (soon to become Co operative Financial Services)

- If regulated as IPS – FSA would regulate

- Charity Finance Directors

- NCVO

Barriers to be overcome

- Confusion of products on market

- Perception of liability

- Poor quality advice

How it relates to other known activity

- Experience of consultancy team – independent consultants and advisers

- CAF and Charity Bank?

Time scale 2 – 3 years to develop

Sustainability beyond 5 year strategy
Self sustaining

1c Integrate actions that are likely to have been touched on within one of the other strategies being developed i.e. skills and performance improvement and may therefore be integrated or combined

Investment in the development of good governance

Description

1. Using funder assessment processes to support board and governance development

A funder's assessment process will necessitate consideration of aspects of governance e.g. board membership, financial controls and reporting.

The assessments of governance could be extended and could include; plans for board and governance development, inclusion of the costs within budgets.

2. Bursary schemes and small grants for board and governance development available from variety of funders

The need for and the investment in governance is not yet universally accepted within VCS organisations or by all funding bodies. Until the practice is more widely accepted, organisations will continue to need financial assistance to achieve appropriate development as and when necessary.

Investment should come from government schemes, Small Business Service, regional agencies, lottery, trusts and charitable donors etc. The bursaries or grants should be easily available, without lengthy or complicated application processes and should be available to encourage the development of: appropriate support e.g. peer learning; systems and processes e.g. induction packs, policies and procedures for governance; monitoring and review e.g. annual away days for staff and boards; or, training e.g. in-house training for board members

3. The development of appropriate monitoring systems and processes

Monitoring reports are frequently a requirement of grant aid. Monitoring is also one part of an organisations governance system. The information produced should be useful and relevant to board decisions. However many organisations do not have the systems in place or the ability to produce good monitoring reports.

Funders should be encouraged to work with grant recipients to ensure monitoring systems at governance level are effective.

Benefits

- achievement of compliance and accountability

- raising standards of governance

- making governance meaningful

- increased investment in governance signals it's value

- raising profile and creation of a 'positive' climate for governance

- improving the quality of practice

- improving an organisations ability to be 'well governed' and therefore able to meet its objectives

- ensure board development is affordable by poorly funded voluntary organisations

Impact or difference this would make

- Incorporating board development in board activities would become 'normal'

- Ensure consensus about the role of board development (for board and individual members) and what to expect from such programmes.

How might this happen

- Invest in developing proposals for piloting and then to support negotiation with consortium of key funders

- Funding compact?

Who should be involved – where are the drivers?

- ACF

- Community Foundations Network

- Local Authorities

- Funding Compact

- Lottery Boards

- ACU

Barriers to be overcome

- Independence of funders and of VCS organisations

- Suspicion amongst VCS of funder motives

How it relates to other known activity

- Performance Improvement Strategy?

- ACEVO

- Models developed by some funders e.g. Northern

Rock Foundation – easy access to small grants, own programme for training and support – Northern Rock Foundation Management Training Institute, Arts Council – application and assessment packs and processes, passporting information

- CES model for developing evaluation could be extended to monitoring?

Time scale 18 months – 2 years to assess and develop ideas, 12 months for testing

Sustainability beyond 5 year strategy
to be integrated into main stream funding practice

Accredited learning for board members

Description

Accredited learning exists for many other activities within the voluntary and community sector, form community development to childcare. The demands placed on board members can appear onerous and challenging particularly if there is not investment or system for induction, training and support. Accreditation offers one method for ensuring that individuals can continue to learn from experience and practice.

A system of learning targeted at board members and members to be should be established. Learning would link theory and practice within a particular field e.g. social enterprise, charitable organisations

Benefits

- raising quality and standards of board performance

- recruitment and retention of board members

- advancing knowledge and skills

- raises status of board membership and activity

- acknowledges importance of activity to colleges and universities

- provides board members with affirmation of their abilities / achievements

Impact or difference this would make

- Increase opportunity for board members to enhance their CV and capacity to contribute

- Increase capacity of members of civil society to be activists

- Provide long serving board members with stimulus for developing and changing.

How might this happen

- OUBS to convene workshop of interested parties (i.e. people from initiatives, past and present) and prepare

(i) paper on learning points and (ii) proposals for pilot project in target areas and approach funders.

- Pilot to be evaluated.

Who should be involved – where are the drivers?

- OUBS

- NCVO

- ACEVO

Barriers to be overcome

- Danger that becomes a deterrent to recruitment

- Time factor for Board Members

How it relates to other known activity

- Skills Strategy?

- LSC

- NIACE

- Other training providers

Time scale 3-4 years development time
Sustainability beyond 5 year strategy
to be built into mainstream or regular training programme

Regulators role in developing effective governance

Description

1. Charity Commission review visits on request
Significant moments of start up, growth, decline, merger etc place particular demands on an organisation. Without advice it is possible to be unaware of the consequences of an action or just to make mistakes.

The Charity Commission already provides a significant amount of information to Trustee and charitable organisations both on the web site and through printed leaflets. Over the past two year it has also been piloting a scheme of review visits for selected charities. This has proved useful to both the Commission and to the charities reviewed. Similarly the Housing Corporation has developed systems for the delivery of advice and information.

A wider range of options for practical advice and information from regulators should be available to organisations. One option would be for an extension of the current Charity Commission review system to provide charities an option, at registration, for a 'tailor made review' to fit with an organisations development.

2. A harmonisation of regulation and accountability
Increased investment of public funds via government and other sources has led to greater scrutiny and regulation. As a consequence organisations often feel overwhelmed. There is also a growing concern at the cost in terms of time necessary to meet demands.

The main regulatory bodies; Charity Commission, Audit Commission, FSA and Companies House?? should explore the possibility of reducing the number of different reporting systems. Consideration should be given to; how demands are impacting on organisations, how requests for accounts, reports, and 'form filling' are interpreted by or for organisations, and finally, where and how regulators might adopt shared or similar systems.

Benefits

- reduction in resources spent on compliance tasks
- ensuring improved communication between regulators and others in the wider system
- recruitment and retention of board members
- creating a 'positive climate' for governance
- improving the wider system by linking regulator to practice
- improving the use of public resources

Impact or difference this would make

- Considerable reduction in burden on board and staff
- Focus board members on task of enabling good governance / management;

How might this happen

- Analysis of opportunity for working collectively on regulation
- Discussion of results by regulators
- Proposals for process to achieve harmonisation
- Run pilot, monitor results
- Amend systems to take account of results

Who should be involved – where are the drivers?

- Charity Commission
- Audit Commission
- FSA
- ACU
- OFSTED
- ACU Charity Law Team
- NCVO

Barriers to be overcome

- Weight – number – of regulation involved
- Traditional boundaries
- Bureaucracy

How it relates to other known activity

- Better Regulation Task Force

- Performance Improvement Strategy
- Lead Funder passporting pilot project

Time scale

Sustainability beyond 5 year strategy completed

1d Brief for proposed lead agent to take forward actions in 'engage' category

Draft brief

Purpose to ensure that a detailed implementation plan is produced for *(a specific action from the strategy)* to the specification outlined below and within a 12-month period

Implementation plan specification

The plan will include the following:

- Continue to build on work already being developed by organisations within the voluntary and community sector
- Identify new or other interested organisations or players
- Identify a target group of organisations and groups that will benefit from this action
- Describe in detail the most appropriate process for implementing the action outlined in order to meet outcomes
- Identify organisations willing and able to undertake work outlined
- Identify the barriers or resistors and ways to overcome these
- Describe an appropriate method to promote the action amongst the organisations to be targeted
- Determine the most appropriate systems and structure for achieving the plan e.g. with others through a partnership or consortium or as part of one organisations delivery programme
- Outline the systems for monitoring and evaluation
- Include a funding and resource plan to include any investment from ACU within the next two years (up to 2006)

Tasks to be undertaken

- To locate and recruit a wide range of organisations and individuals who are interested in the development of this particular action
- To build collaborative working relationships

- To design and drive and inclusive process that will use the combined knowledge, skills and experiences of the recruited group and within the VCS

- To achieve 'buy in' from a number of different organisations, groups etc

- Ensure production of written plan that will meet the desired outcomes of the Governance Strategy for presentation to the Implementation Group

- To ensure development of a realistic funding and resource plan by exploring possible sources and achieving 'buy in' from potential funders

Criteria for selection

Lead agents must be able to demonstrate the following:

- An interest and commitment to the development of (*specific action*)

- A knowledge and understanding of the governance system

- An ability to organise

- An ability to communicate and in particular to 'sell' ideas, enthuse, listen

- An ability to meet deadlines – with time available to allocate to the task

Annex 2: Who informed the strategy?

ACU Strategy Group

Joe Adama, Black Training Enterprise Group, BTEG

Tesse Akpeki, NCVO Trustee and Governance Team

Caroline Cooke, Charity Commission

Jon Fox, Active Community Unit

Tom Flood, ACEVO

Richard Gutch, Community Fund

Tina Jenkins, Active Community Unit (Chair)

Srabajaya Kumar, Centre for Civil Society, LSE

Linda Laurance, Charity Trustee Network, CTN

Mark Parker, bassac

Steven Wallace, Social Enterprise Unit, Dti

Discussion events
**Looking forward to better governance
23rd October 2003**

A seminar jointly hosted by Audit Commission, Charity Commission and Home Office Active Communties Directorate. The delegates for this seminar were drawn from the largest charities,

Smalltalk! 28th October 2003

A series of pilot projects funded by the Active Community Unit to support governance in small voluntary and community organisations and inform the strategy. One of these pilot projects is Lessons from the field, a partnership of voluntary sector organisations led by bassac, involving NCVO, NACVS, ACRE, Community Matters, BTEG, CTN and four local development agencies. This event was organised by the partnership.

Nick Aldridge – **ACEVO**

Collette Williams – **ACRE**

Jane Watts – **Action Learning for Managers**

Jon Fox – **Active Community Unit**

Lesley Symes – **ARVAC**

Jane Bebbington – **Barnet Voluntary Service Council**

Stuart Tomlinson – **bassac**

Mark Parker – **bassac**

Jeremy Crook – **BTEG**

Patrick Mesquita – **Camden Council**

Carol Shooter – **Charity Commission**

Karen Heenan – **Charity Trustee Networks**

Sarah Benioff – **Community Development Foundation**

Hasnah Sherif – **Community First**

David Tyler – **Community Matters**

Helen Rice – **Community Matters**

Maria Kraithman – **Community Sector Coalition**

Linda Laurance – **Consultant**

Sundeep Grewal – **Co-operatives UK**

Sue Knight – **Crawley CVS**

Harbinder Kaur – **Development Trusts Association**

Leigh Vallance – **Durham RCC**

Krista Blair – **Engage East Midlands**

Sarah Hodgkinson – **School Governance Project**

Bahia Lynch – **Federation of Community Development Learning**

Gladius Kulothungan – **First Steps**

Christine Muskett – **Lloyds TSB Foundation**

Bruce Wood – **London Rebuilding Society**

Lynne Bryan – **NACVS**

Tesse Akpeki – **NCVO**

John Garrett – **Rugby CVS**

Katherine Halstead – **South East London Community Foundation**

Melanie Rodrigues – **Sport England**

Amanda Inverarity – **SCCD**

Helal Uddin Abbas – **City Parochial Foundation**

Kevin Nunan – **Voluntary Action Camden**

Chris Penberthy – **Volunteer Development England**

Simon Munn – **Youth Action Network**

Rebecca Forrester – **NCVO**

Steven Wallace – **Social Enterprise Unit, Dti**

Constanta Popescu-Mereacre – **Hansard Research Scholar, LSE**

Alison Solomons – **DFES**

Siobhan Daly – **Centre For Civil Society**

Linda Marsden – **Ripon & District CAB**

T Lister, Ros Harwood – **Rollits Solicitors**

Lloyd Pusey – **Connected 2 Ltd**

Chris Chinnock – **Connected 2 Ltd**

Kevin Nurse – **Connected 2 Ltd**

Keith Steven – **The Encephalitis Society**

Liz Barker – **QPR**

Lee Challenor-Chadwick – **Farndon House Information Trust**

John Stell, Christine Stell, Kath Gordon, Marian Pearson – **The Humber Pre-school Learning Alliance**

Chris Houston – **NACVS**

John Bettridge – **Our Celebration**

Pam Bone, Caron McLoughlin – **Refugee Action**

Sharon Jones Margaret Brearley – **Survive**

Lesley Kirton – **York & North Yorkshire Partnership Unit**

Caroline Hadlington – **Home Start York**

Julia Bowles – **Skillshare Northeast Ltd**

Doreen Stonehouse – **Skillshare Northeast Ltd**

Margaret Wrenn – **Skillshare Northeast Ltd**

Kath Knowles – **Skillshare Northeast Ltd**

Alison Porritt – **Skillshare Northeast Ltd**

Solat Chaudhry – Learning Partnerships

Ann Bayley – **North Ormesby 2001**

Sue Shaw – **Action Learning for Managers/NACVS**

Dinah Lane – **Middlesbrough Voluntary Development Agency**

Mike Russell – **CAVOS**

John Wanless – **CAVOS**

John Fitzpatrick – **CAVOS**

Jim Brown – **CAVOS**

Ann Pemberton – **Home Start Leeds**

Christine Spink – **Home Start Leeds**

Beryl Robson – **Home Start Leeds**

2 participants – **Riccall Regen 2000**

Mike Egan – **British Polio Fellowship**

Annie Franklin – **Voluntary Action Sheffield**

Lin Craddy – **Hartlepool**

Fran Rowland – **The Five Lamps Organisation**

Gill Harrison – **The Five Lamps Organisation**

Derrick Brown – **The Five Lamps Organisation**

Christina Sleightholme – **The Five Lamps Organisation**

John Gellatly – **One Voice Tees Valley**

Sue Shaw – **Durham Rural Community Council**

Susan Rybak – **Hartlepool Borough Council**

Margaret Lucas – **Social Enterprise & Co-op Childcare**

Betsy Gray-King, Richard Reger – **National Housing Federation**

Mark Woodruff – **The Sainsbury Family Charitable Trusts**

Zoey Fencott Jean Cole – **West Midlands Fire Service**

Usha Choli – **Commission for Racial Equality**

Pat Taylor – **CVS Northamptonshire**

Annette Hay – **CSWP Ltd**

Terry Potter – **Birmingham Voluntary Service Council**

Nathan Williams – **Nuneaton & Bedworth CVS**

Ruth Gibbins – **Nuneaton & Bedworth CVS**

Paul Sanford – **Stacksteads Connect**

Jean Kay-Morley – **Stacksteads Connect**

S S Mandla Jagdish – **Nishkam Civic Association**

Singh Hardeep Nijjac – **Nishkam Civic Association**

Hellal Choudhury – **Oldham Council**

Mohammed Al -Rahim – **Freshwinds**

Roland Heinke – **Freshwinds**

Dr Rhonda Lee – **Freshwinds**

Lynette Tatton-Banner – **Freshwinds**

Clive Rowbotham – **Freshwinds**

Oluwole Akinloa – **African Community Council for the Regions (ACCR)**

Ben Ntwunara – **African Community Council for the Regions (ACCR)**

Dr Lul Deng – **African Community Council for the Regions (ACCR)**

Julie Doran – **Tindale School**

Ann Cartwright – **Family First Ltd**

Annex 3: Initiatives, resources, materials – what's out there

In addition to the pilot projects established in advance of this strategy and other activity mentioned the following list gives an indicator of the range of resources, activities already being developed.

NB this is not intended to be a comprehensive list

- "Accelerating Board room capacity". A tool to help boards recruit, induct and develop members. Based on research in housing and social enterprises – soon to be used in education system the tool looks at 10 key behaviours *Harvest Housing Group, www.harvest housing org.uk*

- QPR (Quality by Peer Review) – is currently developing an audit tool as part of a quality improvement system for Trustees and Governance of hospices. The principles appear to be transferable to other charities and not for profit organisations.

"Working for a Charity" – has an alumini association of those who have attended courses. Lists of past participants appear in a directory together with contact details and those issues they are happy to provide advice upon.

- Bradford Joint Training Board has funds to develop Management Committees

- Voluntary Action Sheffield has development programme for Boards

Skills Brokerage, Training Resource, Information

- North Yorkshire Forum for Voluntary Organisations – Skills brokerage and training resources

Websites:

www.beingatrustee.org.uk
www.trustees.gov.uk
www.professionals4fress.org.uk

- The Solicitors Pro Bono Group – LawWorks for Community Groups advisory service.

- Institute of Chartered Secretaries and Administrators – for information on policies and procedures, roles and responsibilities

- North West RDA – Quick Wins Programme, offering training, assessments and audits of governance

- Bates, Wells and Braithwaite and other solicitors practices developing direct training and support services.