

untangling **governance**

an initial guide to **becoming a well run organisation**





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BVSC launched the Untangling Governance programme, in June 2007, with an event attended by 38 people from across Birmingham's voluntary and community sector.

Speakers from TrusteeNet and the Governance Hub told us that governance is about having clear direction, an effective board, supervision and accountability in our organisations and the good systems and processes that demonstrate that an organisation is well run.

Two speakers from St Paul's CDT and Playtrain described how they had used the Code of Governance to help them think about a framework for governing their organisations and planning action to improve how they work together on their boards.

The Untangling Governance programme aimed to demystify governance by offering trustees the chance to work through elements of the Code of Governance toolkit in a supported environment. It provided an opportunity for trustees to meet, network and to hear how other local organisations are using good governance techniques to improve the way they run their organisations.

In this booklet we use the word 'board' to mean the board, management committee or trustee group. The word 'trustee' is used to refer to trustees, board members and management committee members.





Young people, if you are thinking of volunteering, why not be a trustee? NATHAN CADOGAN is on the board of Youth Action Network. Here he talks about how he got involved and what being a trustee is like.

Youth Action Network (YAN) is a national membership organisation that supports groups that are youth-led or working towards being led by young people. YAN promotes nine key principles that organisations adopt towards being youth-led and it is working to have these principles adopted as a quality standard by V, the national organisation that supports youth volunteering.

Nathan has been a trustee for about two years. He was a volunteer at YAN and during 2005, the Year of the Volunteer, he was encouraged to act as an ambassador for youth volunteering, talking about his experiences to other young people. He helped YAN with a presentation to T-Mobile to inform their Corporate Social Responsibility strategy, as a result YAN successfully secured sponsorship and were told that the involvement of young people in the presentation had influenced the decision to fund them. Nathan was subsequently invited to join the board – YAN wanted to lead by example by involving young people as equal trustees.

At first, Nathan spent a lot of time developing his skills as a board member, he read up on unfamiliar topics before board meetings and attended relevant training to improve his knowledge and skills. He also made use of resources on the Governance Hub (www.governancehub.org.uk).

Nathan attended the launch of the Untangling Governance programme in June last year and said, “What was really helpful was being able to network with other board members and learning from more experienced Trustees.”

Nathan believes what keeps him motivated as a trustee, and keen to be effective in that role, is seeing the positive changes and results of YAN’s work and continuing to believe in the cause of youth-led organisations.

“Everyone’s got something to offer: experience of being a young person, a service user, or knowledge of another sector.”

Nathan Cadogan

recruitment and renewal

The board is the key to success in any voluntary and community organisation. Finding and keeping new board members is an ongoing process – one that helps to keep your board fresh and helps to stop you from getting stuck in a rut.

There are a number of routes to finding new board members. You can advertise through Volunteer Centre Birmingham at BVSC, or in the press. Word of mouth, or recruiting through the ranks of service users are also tried and tested ways of renewing your board.

However you get your new board members, you will need to decide if you are going to have an interview process and you will certainly need to think about role descriptions and induction procedures. Doing a skills audit of existing members and identifying the skills you would like new board members to have is a good way to start. This may all sound very complicated and time consuming – but doing this will make your life easier in the long run.

Nathan Cadogan, of Youth Action Network, attended the Essential Trustee training, which provides an introduction to trusteeship and can be accessed at www.charity-commission.gov.uk. Nathan recommends this as a useful introduction to learning about roles and responsibilities that can help with the induction of new trustees.

governing and not managing

What's the difference between governing and managing? Martin Hockly, of St. Paul's Community Development Trust, finds it useful to consider trustees as governors. They are primarily responsible for the integrity of the operation of the organisation and the proper allocation of funds. Furthermore, they should support the management team in developing a strategy for success, monitor that strategy and its success and adapt it accordingly.

“Governance should be high level, not involved in the detail. Doing the thinking is where trustees can really make a difference. Sometimes the board needs to encourage the management to be bold, to take a risk and look ahead to see what is possible”.

If yours is a small organisation, without any paid staff, then trustees need to make sure that they are very clear about the difference between undertaking tasks in connection with the day-to-day running of the organisation (managing) and making decisions about direction and organisational values and vision (governing).

The Code of Governance says: “Where an organisation employs staff, the chief executive has responsibility for maintaining a clear division of responsibilities between the board and staff team. She or he should provide an effective link between board and staff, informing and implementing the strategic decisions of the board. Trustees should not seek to become directly involved in decisions which have been properly delegated to staff. Instead, they should hold staff to account through the chief executive.”





Being a trustee is professionally and personally rewarding, says **LYNNE BARTON, Chair of creative arts charity Playtrain. She would encourage anyone in the community to have a go.**

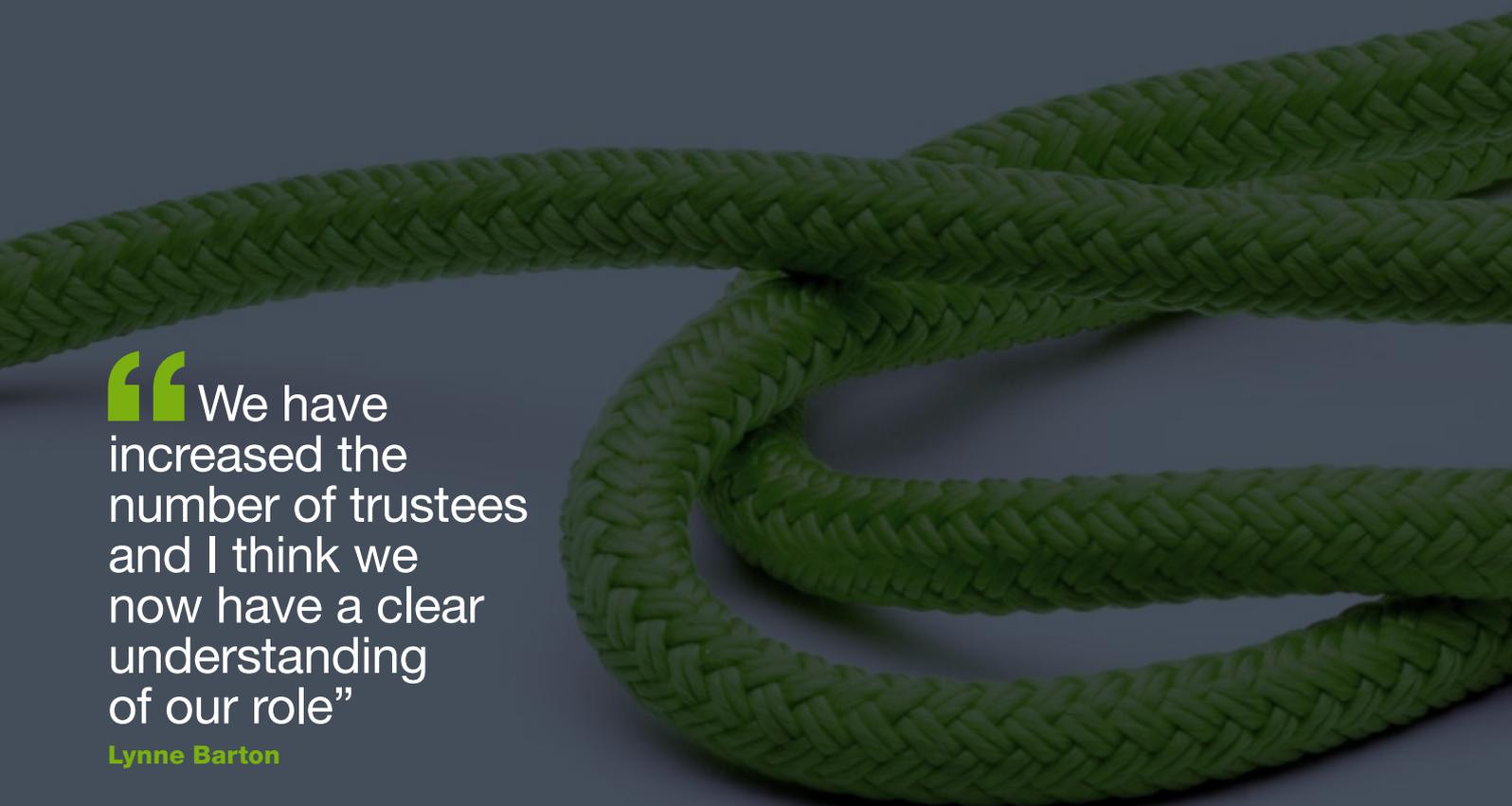
Playtrain is a small voluntary organisation, operating in the creative arts field, helping practitioners work more creatively with children.

When Lynne joined the board of Playtrain, three years ago, it was a well-respected organisation which was ticking along nicely. The organisation had, however, been without a Director for a couple of years and the board had stepped up its involvement to fill the gap.

Once a new Director was recruited, the board then found it difficult to understand its role in relation to a new person coming in to lead the day-to-day management of the organisation. As Lynne explained, “We struggled to find the dividing line between what was devolved and what wasn’t devolved,” something many trustees will have experienced themselves.

To tackle this problem, the board at Playtrain had an away day, with a facilitator to help them understand what it meant to be a ‘governing body’. The key elements, they found, were about giving strategic direction to the organisation, agreeing policies and procedures, delegating and being clear about what you’re delegating on a day-to-day basis to managers and your staff team. The Playtrain trustees went on to talk these functions through at committee meetings. The outcome, according to Lynne, has been that, “We have increased the number of trustees and I think we now have a clear understanding of our role. We understand what our vision for the organisation is, we’ve got a plan, a direction of travel, but the day-to-day authority is in the main delegated to the Director.”

When asked if the board had made use of the Code of Governance to help them move forward, Lynne replied that they had been introduced to it at the away day and are using it to plan their priorities for action on governance.



“ We have increased the number of trustees and I think we now have a clear understanding of our role”

Lynne Barton

tips from trustees

Code of Governance

Using the Code of Governance as a tool for working on all issues relating to the work of the board can be an excellent way of helping your board to really work together.

Birmingham Friends of the Earth are using the Code of Governance as an investigative tool to find out what they can do better and as a springboard to tackle the issues that arise. This has involved the board in reviewing what is necessary, prioritising it, planning it on a time line and then working out who can deliver it.

So far, they have achieved some real governance results. Birmingham Friends of the Earth board member, Phil Burrows, commented, “The business plan is on its way and we expect to have an induction pack and skills audit very soon. This will allow us to recruit and induct the people we need to help meet our strategic objectives.”

Take time out

Playtrain chair, Lynne Barton, feels that having a board away day – with an external facilitator – was helpful in understanding how effective the board was. “It reassured us because what was coming out of that day showed that we did have an understanding, but we perhaps didn’t have the confidence. There was a distinction there that made us feel we are doing OK and we just need to do X, Y and Z to make ourselves a little more effective.”

Give something – get something

For Lynne, being a trustee is a rewarding experience, one that she believes is professionally and personally enhancing. She would encourage anyone in the community to get involved as a trustee and help to retain the vibrancy and diversity of the voluntary sector.

If you are thinking of becoming a trustee for the first time, Nathan Cadogan’s advice is: “Don’t be nervous – everyone’s got something to offer. For example your experience of being a young person, or a service user, or your knowledge of another sector.” He says he always goes away from board meetings having learnt something about how organisations are run. “It has helped me in my own job too, I can understand what an employer wants from staff and what looks good when it is presented to the board – it makes you think about your own work and helps you become a better employee.”





PHIL BURROWS is a trustee of Birmingham Friends of the Earth. He told us the process of bringing your board into compliance with the code of governance is worthwhile and fulfilling.

Birmingham Friends of the Earth has been going for about 30 years. The organisation campaigns locally, regionally, nationally and internationally on environmental issues. It currently has 4 paid workers, 60 volunteer campaigners and over 250 supporters.

Like most people on the board, Phil got on the Birmingham Friends of the Earth ladder as a campaigner. As he became more involved in campaigning, opportunities arose to climb higher, firstly joining the Strategy Group, then the Management Committee. "I took those opportunities because I knew my skill set would help fill some of the gaps that existed in the organisation," he said. Phil has now been on the board for a year and a half.

When asked how much time he commits to the organisation, Phil described how it is going through dramatic changes. "We are putting together our first ever business plan, as well as implementing the code of governance," he explained. His main priority is marketing, where he has worked with colleagues – "some extremely talented people" – to produce a new newsletter and website. "I work most nights and some weekends doing this, as well as some of the business planning and code of governance work," he said.

Initially it was Phil's own lack of board experience and confidence that made him seek out governance guidance. This led him to explore the trustee induction process. "From there we are taking the Code of Governance head on – skills audits, business planning, the lot."

Climate change is Phil's reason for joining his organisation, and it continues to be his main motivating factor. Becoming a trustee allows him to be part of an organisation that is finding solutions to this problem. To someone thinking of joining a board he would say: "If they already comply to the Code of Governance then enjoy. If they don't, hold on to your hat and prepare for a fulfilling ride!"

“If they already comply to the Code of Governance then enjoy. If they don't, hold on to your hat and prepare for a fulfilling ride!”

Phil Burrows

building a successful board

A successful board is one that:

- Contributes to the overall governance of the organisation
- Meets regularly and has effective meetings – people come to meetings having read their papers and ready to ask questions, debate issues and make decisions that are in the best interests of the organisation
- Understands what its role is
- Understands what the organisation expects of them
- Has members who take up training and development opportunities
- Reflects on and evaluates its performance
- Has clear role descriptions for members
- Has systems and procedures in place for overseeing the work of staff and volunteers.

Playtrain's trustees each completed the online governance health check (see www.govhc.org.uk) to help them measure how compliant they were against the Code of Governance. One person took responsibility for collating the results and the board discussed them and the information to decide on their next priorities for action. They are now well on the road to being a high performing board with a well-run and well managed organisation.

communication and accountability

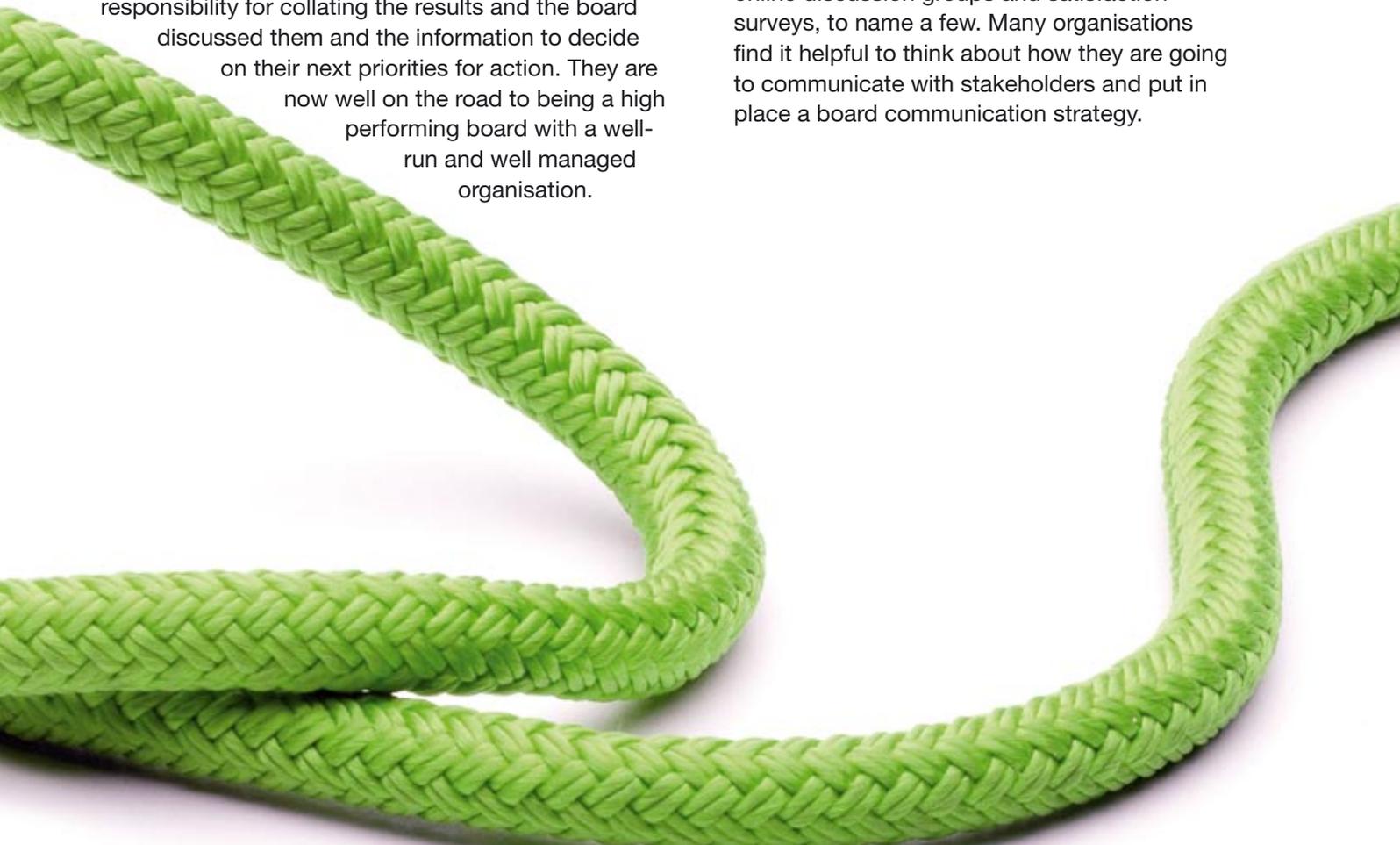
Good communication will help your board to build better relationships with, for example, your staff, funders and the people who use your services. These people are often called your stakeholders. Broadly speaking, stakeholders are the people who have an interest in your organisation. Successful organisations know who their stakeholders are and know how to communicate with them.

Communicating with stakeholders is about letting them know what the organisation is doing and how the trustees are working to ensure that the organisation is both open and accountable.

Being accountable means that your board is happy to answer questions from stakeholders and others and to account to them for how decisions were reached.

Communication is a two way process and your board can learn from talking to stakeholders. It can consult on new ideas, or it can tell people about the work of the organisation and ask for ideas.

Communication can be done in lots of ways, including newsletters, annual general meetings, online discussion groups and satisfaction surveys, to name a few. Many organisations find it helpful to think about how they are going to communicate with stakeholders and put in place a board communication strategy.





MARTIN HOCKLEY is treasurer of St Paul's Community Development Trust. He thinks of trustees as governors, responsible for the integrity of the operation of the organisation.

Martin joined the board of St Paul's Community Development Trust two years ago and, having accounting and finance experience, he was elected to the office of treasurer. He finds that board and treasurer commitments do not require a great deal of his time. The board meets every couple of months for two or three hours which, with an hour's preparation, he finds manageable.

As treasurer, Martin spends time with St Paul's management accountant to look over the accounts and discuss reporting to the board. He also helps to develop policy around budgeting and management accounting. Martin finds that quite a bit of additional volunteer time as a trustee is spent interviewing for recruitment and on other human resources (HR) matters. St Paul's has a policy that a trustee is involved in all key HR decisions, although Martin is aware that is not the case in all voluntary organisations.

Martin found the Code useful "...creating the framework in which to ask ourselves if we were doing a good job. I think that was extremely valuable." The St Paul's board undertook a self-assessment review using the Code of Governance last year. "We have followed through on the action plan from last year, what was agreed has been worked on, has come back to the board and we have adopted them and they are now practice," Martin reported.

“Doing the thinking is where trustees can really make a difference.”

Martin Hockley

Resources

Websites

BVSC, Volunteer Centre Birmingham

Help with recruiting new trustees.

0121 643 4343

www.bvsc.org/volunteer

The Governance Hub

The Governance Hub has now closed, but the website is still up. Work is in progress to transfer resources to NCVO's website (see below).

www.governancehub.org.uk

The Code of Governance

Download a copy of the Code of Governance from the Governance Hub website.

www.governancehub.org.uk/code_of_governance.html

NCVO

NCVO (the National Council for Voluntary Organisations) has lots of useful and interesting information on courses, policies, etc.

www.ncvo-vol.org.uk/askncvo

The Charity Trustee Network

Information for trustees, with regular free newsletter and a special chair-to-chair section.

www.trusteenet.org.uk

The Charity Commission

Free information and resources for charities.

www.charity-commission.gov.uk

Newsletters

Office of the Third Sector

Keep up-to-date with latest government thinking on governance and other issues.

http://interactive.cabinetoffice.gov.uk/third_sector/subscription/default.aspx

Charities Aid Foundation

Free, quarterly e-mail bulletin.

www.cafonline.org/Default.aspx?page=7765

Charity News Alert

Free, weekly e-bulletin which covers finance, governance and fund raising.

www.plazapublishing.co.uk/index9.html

VolResource

Free, weekly e-bulletin for people active in the sector as volunteer, paid worker or trustee.

www.voluntarynews.org.uk/lists

Directory of Social Change

Free e-bulletin with information on training and issues of interest to the sector.

www.dsc.org.uk/NewsandInformation/eNewsletter

leadership by the board

Voluntary and community organisations are managed by volunteers. These are people who give up their time to govern the organisation, perhaps because it's their passion, or they want to make a contribution to their community, or because they want to learn or practise skills.

Whatever the reason for joining a board, members have one thing in common – they lead the organisation.

The Code of Governance outlines 12 key roles for boards:

1. To set and maintain the vision and values of the organisation
2. To develop strategy
3. To establish and monitor policies
4. To set up employment procedures, where staff are employed
5. To ensure that the board complies with the organisations governing documents
6. To ensure accountability
7. To ensure compliance with the law
8. To maintain proper fiscal oversight
9. To select, manage and support the chief executive (or most the senior worker employed)
10. To respect the role of staff and volunteers
11. To maintain effective board performance
12. To promote the organisation.

more top tips

Network with other board members

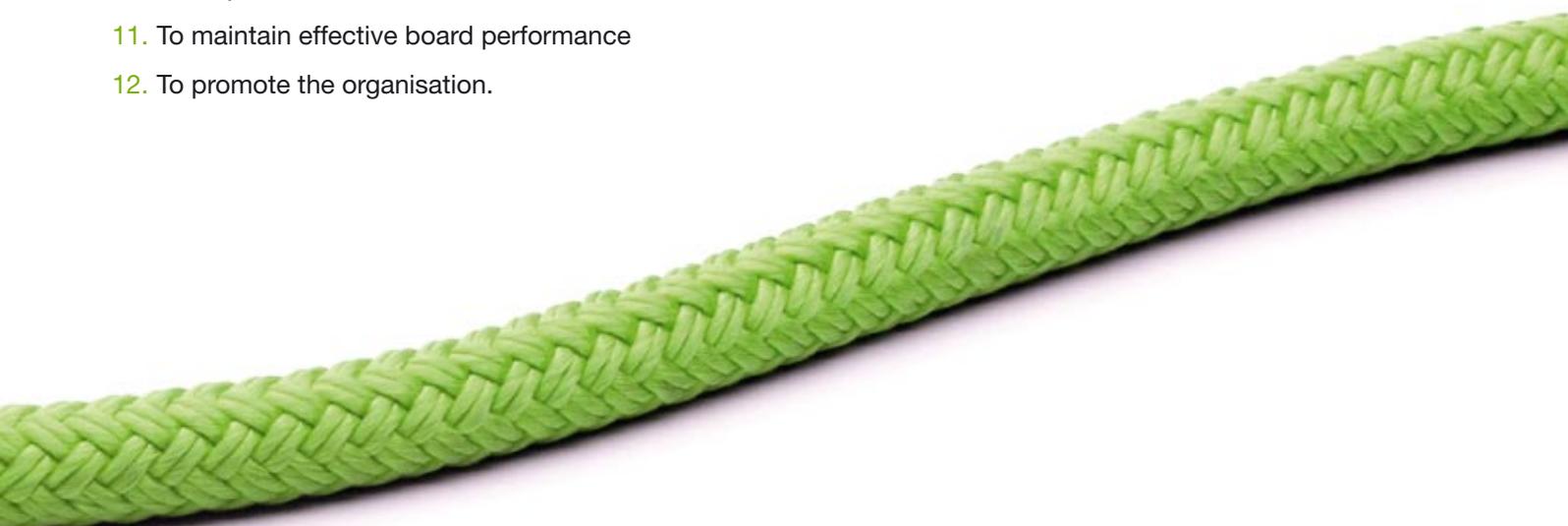
Nathan Cadogan, of Youth Action Network, came to the launch of the Untangling Governance programme and found talking to other board members really helpful. One thing he remembers very clearly is the advice of one trustee who said to him, "Don't be afraid to ask questions [in board meetings]. Lightening won't strike you and there is no such thing as a stupid question. You've got a right to ask." Nathan has been asking questions ever since.

Nurture and support new trustees

People need time and support to become active board members. Take time out to induct new board members – don't expect them to know everything at once – and remember to explain the jargon. Think about offering to team new board members up with someone who has been on the board for a while who can act as a buddy or mentor.

Be self-critical

St Paul's has approached developing good governance by being open-minded. "There's a willingness of the board to be self-critical and a desire to adopt best practice in everything we do," said Martin Hockly. Over the past year, the board has reviewed every policy and procedure as part of its commitment to quality. "The Code of Governance is part of that commitment, wanting to have a high performing board."





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