nfpSynergy
helping non-profits thrive

Review and development of the Code of Good Governance

Case Studies

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governancehub

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Introduction

The Code of Good Governance was launched in 2005 after a period of development by a core group of sector bodies led by ACEVO, CTN, ICSA and NCVO. The Code was inspired by the wider range of codes and governance principles that have been developed for other sectors such as the Nolan principles for public life.

nfpSynergy were commissioned to carry out the review of the Code in the autumn of 2007, as per the original intention of the Code at its launch in 2005. The Code review was designed to understand the success of the Code once it had been in existence for a period of time as well as recommending how it might develop in the future. The research methodology included an online and paper survey, consultation events, interviews with governance experts and relevant regulators, and a survey of existing research.

As part of the output of the project the Governance Hub commissioned case studies. These 12 examples give a practical demonstration of the different ways in which organisations have used the Code to improve their governance. These vary significantly; some took a brief look at the Code to help get an idea of what governance is; some used the Code to help work through a crisis; and some undertook a full scale governance review. The organisations vary in size, length of operation and the stage of governance development they are at.

These case studies provide an insight into solution-based approaches that organisations have taken, using the Code and a variety of other tools. In exploring different governance issues, concepts and techniques, they provide useful tips, sound advice and suggest next steps organisations might want to consider. The case studies can be used in a variety of ways, which might include:

- Providing guidance to an organisation facing a similar governance challenge
- Stimulating discussion, for example in board meetings, training sessions or trustee network events
- Helping to identify different approaches to developing governance using the Code.

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Case Study 1: ADEPT Community Development Agency

Size: Very small
Sector: Infrastructure
Issue: Funding crisis

The organisation

Established in 1990, ADEPT Community Development Agency offers advice, training and consultancy to very small community groups as well as large voluntary organisations, local authorities and regeneration partnerships.

The organisation started out working with community groups in the Coventry and Warwickshire areas but now works across the country.

Their approach is to work alongside organisations to give them the skills and knowledge to tackle issues or problems themselves and move on from them.

The challenge

In 2006, many of the projects ADEPT was working on came to an end at the same time which resulted in a funding crisis - the organisation hadn't relied on grants for three or four years and was commissioned for most of its work on a contract basis.

To overcome this crisis, chief executive Denise Taylor began to plan what the organisation needed to do to move forward and this included a review of the governance of ADEPT.
Meeting the challenge

The funding crisis brought the Board together. They met more regularly than their normal four times a year and Taylor encouraged them to think more strategically.

At the end of Board meetings, Taylor would present small sections of the Code of Good Governance to the trustees, made up of nine core members. For example, she talked about the benefits of having trustee job descriptions and of the need to declare interests before a meeting. Overall, the idea was to look at what was old and out of date about ADEPT's governance.

The outcome

The Board started to raise agenda items based on what they'd read and learnt about from the Code.

After reading what the Code had to say about diversity, the Board decided that they needed to better represent the communities ADEPT helps and supports. Only two of the trustees are women, for example.

Before deciding how they'd recruit a more diverse Board, the trustees started discussions about:

- When they should meet.
- How being a trustee can be more accessible for the people ADEPT supports nationally, not just locally within Coventry and Warwickshire area.
- Induction and training for trustees.
- Expectations of Board members.
- Expectations of ADEPT staff members (there are three full-time staff members)

The impact

- The Board established that they do not just need to recruit more members; they need to recruit trustees that represent the local communities ADEPT supports.

- The Board are working on putting together a recruitment pack for new trustees and will develop a strategy for the best way to get people to join.

- Having used the Code to improve governance at ADEPT, trainers started using it to help the community groups supported by the organisation. Many local authorities want to pass on community building to organisations supported by ADEPT but a lot of them are not anywhere close to being able to take these things on. They may perhaps be told to become a company limited by guarantee or a charity but don't understand what this means in practice.

- ADEPT trainers take elements of the Code of Good Governance to explain governance issues to these organisations and get them to use it as a resource afterwards. Many of the organisations find elements of the Code useful. Others aspire to use it and some think it will never apply to them.

- Funding problems also impact on the work of the organisations ADEPT supports. Many of them are only run by two or three people. ADEPT are often asked to think of ideas to get more people in the organisation involved in a governance way, so it's not just one person who does the job. Often in these small groups, there's a reliance on the Board so there's a need to more clearly define their roles.

Lessons and Tips
What could similar organisations do?

- Look at the diversity of their own Board. Good governance is not just about finding people to become trustees; it's about finding the right people.

- Use the Code of Governance to update the way their board operates.

Why should they do this?

- Taking your trustees slowly through the process of developing good governance will encourage them to take ownership and put it into practice.

- Your Board needs to represent the people your organisation supports.

- Trustees need to have a proper understanding of their roles, responsibilities and the organisation they represent. There's an increasing demand for volunteers to go on to be trustees or Board members but many don't want to because they don't receive adequate training or support.

How do they go about it?

- Be realistic about developing governance issues, they can be time consuming to get right for smaller organisations. Part of the difficulty is that trustees are volunteers. Think: "In 12 months I'd like to have a management committee and a Board and a little bit of a strategic plan." That's something to aim for. A three or six month time scale is often unrealistic.

- If you're working with your member organisations on their governance issues be prepared to manage their expectations.

- Be prepared to take a critical look at your organisation's governance. Find out where the organisation really is: what does it have, what does it need to have and how can that be achieved? Do this by getting trustees and staff involved in group activities and get them to agree where you are at the moment and where you want to be. So, for example, some community groups tell ADEPT that they have a board and need to set up a constitution but often they have neither. ADEPT unpicks what they have and what is needed.

What resources will help them?

- NCVO
- Governance Hub materials and downloads
- The Code of Good Governance
- Charity Commission publications
- NAVCA
- Groups in Action - www.groupsinaction.com

Case Study 2: Allsorts

Size: Small
Sector: LGBT
Issue: Service user involvement and desire for board to be more strategic

The organisation
Allsorts is a youth project based in Brighton which supports young people under 26 who are Lesbian, Gay, Bisexual, Transgender/Transsexual or Unsure (LGBTU) of their sexuality.
Set up in 1999, the organisation has a team of youth support volunteers and peer supporters as well as six part-time staff members. Services offered by Allsorts include a helpline, a drop-in service, training for professionals working with young people who might be lesbian, gay or bisexual and awareness workshops for young people.

The challenge
Allsorts' board of 10 trustees comprises four young people under 26. The organisation has a great desire to get the young people it supports involved in governance, so alongside the board of trustees runs a youth-led sub committee called Young People's Voices. It's made up of six young people who represent the views of service users to staff and the management committee. Although, this work represented good governance, the board of trustees, led by chair Jeanne McNair, were eager to take on a more strategic role overall.
Meeting the challenge

McNair, who works as a consultant in the voluntary sector delivering training on governance, organised two away days for trustees. Exercises, led by external facilitators, focused on what they already knew, what trustees needed to know, and what their role on the board involved. They were also encouraged to access training and development. The away days made the group more aware of the Code of Good Governance and National Occupational Standards for Trustees and Management Committee Members

A volunteer coordinator was recruited with new funding. The idea was to get young people involved in Young People's Voice and that some of these would then be interested in becoming trustees. Trustees identified that board members need to bring specialist skills to their role whether it's knowledge of the community and voluntary sector or of working with young people.

Alongside this, the board helped increase emphasis on staff training and development. Key to the good communication between staff members and the board was a monthly supervision session organised by McNair with the director of the project. The idea was to give the director guidance and to allow her to feel supported by the board, through McNair. Issues raised by the director would go back to the board.

The outcome
Working together, trustees, volunteers and staff developed a strategic plan for Allsorts with the full input of the young people it supports.

The Impact
Previously Allsorts had been a "free working" organisation ran on commitment and with the support of young people. Now structures, policies and planning are more firmly developed but because there's good communication between the trustees, staff and young people, they're driven by the organisation's values.

Trustees are more involved in the revision and development of policy. They're also involved in developing specific strategies like those for fundraising.

Trustees are not involved in the day to day running of the project but thanks to good communication with staff, they're consulted when needed for specific advice, for example on child protection issues.

When Allsorts' director went on a six month sabbatical, the board of trustees successfully supported her replacement by providing advice in the above way.

Lessons and tips
What could similar organisations do?

- Create a feeling of collaboration within your organisation.
- Encourage trustees to work well as a group.
- Try to raise the benchmark of professionalism within management committees.
- Get trustees involved in developing policies, practices and strategic positions.

Why should they do this?

Good aspects of governance are feeling you're able to work well as a group. Trustees should enjoy coming to meetings. Then they'll be willing to pitch in on things like deadlines for funding applications.

Voluntary sector organisations can't be run solely on good will. They need solid structures to develop well.

How do they go about it?

Including your stakeholders in the governance process will widen their awareness of what you do and develop their skills and confidence.

Use the Code of Good Governance. People have a more intuitive understanding of the Code than the National Occupational Standards for Trustees and Management Committee Members. The Code's a set of rules that either make sense for your organisation or are not relevant. It's an informing tool that gives a good starting point for good governance.
Use the Code of Good Governance Toolkit and run through exercises with trustees. It can be used as a learning tool to carry out improvements to trustees' roles or the work of the board more generally.

The term governance is one that's being used more and more so there's increased awareness of it as a concept. But words like "compliance" and "strategic direction" are less common and not all trustees or staff will be familiar with them. Maybe there's an education process that needs to happen before the Code is presented to trustees. But it's important to remember that making something accessible doesn't mean it needs to be dumbed down.

What resources will help them?

- The Code of Governance
- The Code of Good Governance Toolkit
- The Code of Governance Pocket Guide
- The National Occupational Standards for Trustees and Management Committee Members

Case Study 3: A Care Organisation that provides Caring for Carers

Size: Small
Sector: Carers
Issue: Board renewal and participation

The organisation

This is a care organization that provides a range of support services to people who care for family members with special or additional needs within their own homes. Their team of over 40 community-based Care Support Workers provide respite care within the home, giving the carer a short break. They support carers with responsibilities for adults and children with a range of physical and mental care needs.

The organisation is a registered charity and a company limited by guarantee. Although it is affiliated to the national association, it has its own Board of Trustee Directors, who are responsible for the strategic governance of the organisation. Funding comes from the local Council as well as independent donations.

The challenge

Like many charities, it is always looking for trustees and adding to the skill levels of the Board. As one Board member put it, effective trustees are like gold dust, and even indifferent ones are hard to come by. The current Board of eight has professional experience in the public, voluntary and commercial sectors, representing a range of skills and contacts.

Voluntary organisations face the same challenges as the private and public sector – make the budget balance, conform to legal requirements, forward planning and leadership. Charities can no longer afford to keep ticking over and expect the funding to come in. They are increasingly expected to meet the high standards demanded in the world of business. To do this means trustees all need to make an active contribution, although it is recognised that at various times, some trustees will be in a position to contribute more than others.

Meeting the challenge

The Board decided to allocate aspects of organisational procedure to Trustees who had particular expertise in that area. One Trustee with some experience of Human Resources chaired the personnel committee, and also due to their auditing background assisted in preparing the organisation to achieve the CROQUET quality assurance standard (based on the PQASSO framework). The organisation went on to achieve Level 3 category – the highest category. Other Trustees have used their skills to form the Finance and general purpose committee

All the Trustees attend a Trustee Induction course, run by their Head Office which led to a better understanding of the Trustees' remit and how they could become more actively involved (but not interfere) with the charity's work. The Board also benefited from a talk from Professor Paul Palmer of the Cass Business School, an expert in voluntary sector governance at their AGM and actively seek to sign up to other courses and training sessions.

The Trustees also joined a team development day with the staff. The organisations commitment to staff development is reflected in its Investors in People award and the feedback from the staff was that they were pleased the trustees had attended and participated in their day. A Board strategy day has recently been undertaken from which will come the Business Plan for the next three years.

The outcome

- The achievement of Investors in People 2 award has confirmed the commitment that staff and trustees have to the Charity.

- The CROQUET Level 3 standard and Investors in People has helped the charity in funding bids, as well as providing a benchmark of excellence to maintain.

- There have been recent changes to the Board, and whilst any new members always change the team dynamics, it is important to keep new ideas coming in and encourage existing trustees to self – audit and look at their contribution, to keep fresh and to acknowledge their contribution to the charity. The Trustees are considering building regular turnover into their strategy to keep fresh ideas and challenges coming in.

- One of the trustees has recently attended a day held with their organisation and Governance Hub and this will form part of a Board meeting to give an overview of how best to use the “Hub” for the benefit of the Charity

- Trustees have agreed to find their own replacement before they step down from the Board

Lessons and tips

What could similar organisations do?

- Look at the experience and expertise their trustees possess, and allocate areas of responsibility accordingly.
- Encourage trustees to reflect on and appreciate their own contribution to the organisation’s work.
- Arrange training and development days for trustees, or have trustees join in staff team building exercises
- Encourage self audit of skills and contribution amongst trustees
- Continually revisit the way the Board operate to see where improvements could be made.

Why should they do this?

- Organisations may be failing to make the most of a wealth of expertise.
- Trustees who have been in place for a long time can become very possessive of “their” charity and resistant to change or input from other trustees
- Some trustees may not fully appreciate the role they have to play
- Third sector organisations are increasingly expected to meet the same high standards as commercial enterprises and employ the same methodologies in governance

How should they go about it?

- Tactfully! Good trustees are hard to find, and no organisation should risk offending the ones it has.

- Professionally. The role of being a trustee has changed substantially over the years and is an important commitment. Use your contacts but ensure that the Board is not "overloaded" with the same skills or background.
- Ask trustees to self audit – be honest

What resources will help them?

- Good Governance - A Code for the Voluntary and Community Sector
- Other downloads and toolkits on this website.
- The Governance Hub Trustee Induction day.
- Good Governance: the chair's role and other publications from the NCVO.

Case Study 4: Connect

Size: Medium
Sector: Disability
Issue: Making governance accessible to all

The organisation

Connect is a national charity. Their vision is a world where people with aphasia (communication disability) can find opportunity and fulfilment. They promote effective services, new opportunities and a better quality of life for people living with aphasia.
Their aims are to:

- equip people living with aphasia to reconnect with life again
- improve services and increase opportunities available for people living with aphasia by changing attitudes and practices in service provision
- increase the ways in which people living with aphasia can be authentically involved in the services and opportunities available to them.

Through a range of innovation projects, Connect pilot and implement effective long-term support services and develop practical publications and resources for people living with aphasia. They also run one-day events for people with aphasia and their relatives.
They provide training and consultancy to share their knowledge, experience and expertise. In particular they work with decision-makers and front-line providers in health and social care, leisure, education, arts, public services and the voluntary sector.

Connect also develop publications and resources to enable providers to transform their services and undertake practical research to underpin their work.

Connect aspire to work collaboratively, in line with their values, with all the people with whom they work. People living with aphasia shape and influence what they do. They:

- Contribute to innovation projects by advising and participating in the delivery of new services
- Are trained as trainers of professionals and participate in Connect training
- Support the development of publications
- Advise the organisation
- Act as trustees

Connect listen carefully to the service providers and decision makers whom they meet in the course of their work. This helps them to make sure that their projects, training, publications and consultancy meet their needs as well.

There are 15 Trustees, amongst whom 7 are living with aphasia. They meet as a Board 4 times each year for Board meetings, up to 2 days for strategic planning meetings, and 1-2 times each year for social/ staff events. They have a Resources committee which looks after Finance, Fundraising, Audit and Risk. There are 7 Trustees on the Committee, 2 of whom are living with aphasia. There are 3 management members.

Trustees living with aphasia participate in pre-Board and pre -committee meetings to ensure they have enough time to consider all the issues and prepare questions and contributions. Considerable management and Board time is devoted to these meetings, which has consequences for Connect's governance costs.

The challenge

One issue Connect had not been foreseen was that their memorandum and articles allowed them to appoint only a certain number of trustees in any one year. Unfortunately, as a fairly new organisation there came a point when a large number of the original trustees would want to retire. Making an amendment allowing the specific option for a number of trustees to stay on, the Board decided to review Connect's governance arrangements and set up a working group with terms of reference. There were 4 Trustees (one with aphasia) and 2 management team members on the group including the Chair of the Trustees. The process took nearly 18 months to complete and involved 6 meetings, one Board away day, and many conversations and preparation of materials in between. Board members were kept up to date with regular reports at Board meetings. The process was completed in May 2006.

Meeting the Challenge

In order to review their current practice against a good governance standard Connect researched and obtained a number of materials including "The Good Trustee Guide", "Good Governance – A code for the voluntary sector", "The Essential Trustee - What you need to know" and various fact sheets and general information from the NVCO.

Connect managed the process in house. It took a massive amount of time and some dedicated trustees to see it through, without this time and commitment it may not have been possible. They drew on the expertise of other trustees and staff. There was nothing they encountered that was beyond them. One of the challenges was explaining to the trustees with aphasia what was needed. They had a rigorous process but even so the challenge is to distill it. It can seem overwhelming without aphasia and even more so with.

Connect used the code in two ways. Firstly to establish where they were and identify gaps in policies/ procedures and secondly as a prompt to see where they could improve on what they were already doing. They had a number of suggestions from people as to what might be considered. Scanning what was available in terms of good practice they highlighted what they might need to access and then went through each of these areas.

The task group reviewed issues and reported back to the Board with recommendations. An action plan was created and prioritised. A full plan was then created and agreed around who would do what, with individually named people. There were some very meaty topics which were taken to an awayday, which allowed the time and space to consider them properly.

The outcome

The key outcomes were:-

- Amended the memo and articles to accommodate a change to Trustees' terms of office in order to ensure that they never have a disproportionate number of Trustees leaving the organisation at the same time

- Introduced a Resources Committee with responsibility for Finance, Fundraising, and Resources

- Developed a Trustee Charter which outlines how we aim to work as a Board.

- Established a Trustee Code of Conduct as a guide to how they should behave

- Designed and put in place a skills audit, recruitment and induction process for new Trustees, Chair and honorary officers. This included drafting Job descriptions, person specs, and exit plans

- Defined the difference between the role of Trustees and the management team and how the two should effectively work together. Produced a table of delegated authority.

- Introduced a comprehensive risk assessment process- this was one area where they felt particularly vulnerable

- Developed and introduced a Board appraisal process

- Reviewed the process for recruiting the Chief Executive

- Produced a Trustee Handbook to contain all the relevant information

- Trustees and the management team were invited to comment at every stage and participate in any of the meetings. All the Executive team were involved at the Board Away Day.

The recommendations were formally adopted at Board meetings and noted in the Annual Report. The resources committee has delegated authority for governance, and reviews issues on an ongoing basis, reporting back to the Board.

The Impact

The experience was extremely useful in enabling trustees to be clear about how they wanted to work as a Board, their roles, and how they wanted work with the management team. It gave them renewed confidence around how they were governing the organisation and brought clarity to some grey areas.

There is a lot of information in the code and this was very challenging to get across to Trustees, especially those living with aphasia. However, the code served as an excellent guide and prompt. This was supplemented by personal experience, which trustees felt was essential. They researched many examples of how other organisations dealt with issues. They found this really helped in their deliberations, particularly where they had Board members who had not had a lot of voluntary sector or Board experience.

Connect were fortunate in that they had some Trustees who had been Trustees and /or Chief Executives of other organisations, who could bring their experience and skill to bear, and who could consult with their peer group. They also found there was a lot of information from the NVCO and ACEVO (sample job descriptions etc).

The process took a lot of Trustee's and management time and had a big impact on funds. For some organisations this could be a barrier. Also because there is such a lot of information it may be overwhelming, particularly in a small organisation. It was challenging for the organisation as they had to make sure that they presented everything in an aphasia-friendly way- simple, clear and easy to digest. However this is the usual process for all activities at Connect, where people living with aphasia are included in the development and management of the organisation.

Trustees tried to ensure that at each stage they worked with Connect's values of clear communication and participation. All of their materials have to be considered in the light of how someone with aphasia will be able to receive them. They take a lot of time when writing materials to ensure that they are aphasic friendly, easy to read, often using colour as a means of breaking up sections, and leading people through different areas. They use a range of type face, lay outs and pictures to help focus on the key points that they want to get across.

In addition to the time and cost it took to produce the governance materials Connect also spent a lot of time pre board and committee meetings, going through the papers and issues with Trustees with aphasia. This is critical to ensure that they can fully participate in the discussions. In addition to management time, there is an impact on accommodation and expenses. At Board meetings Trustees with aphasia are supported by other Trustees or a designated staff member to help facilitate discussions. The Vice Chair is aphasic and plays a key role in working with the Chair and other Trustees to ensure that they are effective in their communications. This often involves a lot of behind the scenes work, talking to individuals, and responding to queries or questions that naturally arise pre and post meetings. There is no governance training that is suitable for someone with aphasia, so they have developed our own.

Adapting the guide to suit the individual organisation is also important, no one size fits all, and so support in thinking through the best way to implement actions could be very useful for small organisations with limited resources.

Governance is an ongoing subject, and Connect continuously review governance practise, e.g. they have just reviewed the terms of reference for their Resources Committee to ensure it is still fit for purpose, and their Honorary Treasurer Job description, person spec and recruitment process as they will need to replace the current incumbent in a year's time.

Lessons and tips

- Break the work into bite sized pieces, and priorities otherwise it can feel overwhelming
- Celebrate what you do well
- There's a lot of information out there if you haven't got the time to review it all, pick one source and go with it.
- Guard against adopting the Code as it is. You have to work at it and reflect your organisations values
- Get some outside help if you can
- Allow for the fact that it is going to take time, it took Connect over 18 months.
- Have group discussions with time allocated; dedicated awaydays were great for Connect, people felt like they have had proper thinking time.
- Preparation was key – Connect had a pre-meeting for those with aphasia (the day before) to ensure that participants with aphasia genuinely had a voice

Case study 5: Get Hooked on Fishing

Size: Small
Sector: Youth
Issue: Sudden growth of organisation, governance procedures not kept pace

The Organisation

Get Hooked on Fishing is a national charitable trust, registered in 2004 with the aim of improving the lives of young people by using a training programme based around angling. The trust provides an umbrella for 15 schemes operating around the country.

Get Hooked originated in 2000, the brainchild a Durham based policeman who tried using the activity of angling to combat forms of social exclusion amongst young people. It was originally aimed at young people who had been identified by local agencies such as the Police, Youth Offending Teams, and schools as being at risk from crime or falling into crime.

The results of the original scheme showed evidence of improved truancy levels, and no participants going on to offend. The schemes have been replicated in various forms around the country seeking to achieve similar results.

The Challenge

In 2005, Anne Moyle was appointed as Chief Executive of the trust. She had worked for over 30 years in the banking sector and was also Chair of a local housing association.

When she started at the trust it was very small, with the five Trustees and one member of staff. Governance policies were loosely in place but they were not appropriate to the growing aspirations of the Trust. External legal consultants had been used occasionally when the need arose, but this had proved costly. Her aim was to put in place good governance to build a firm foundation to enable the charity to rollout across the UK.

Anne Moyle's aim was to put in place good governance to build a firm foundation to enable the charity to rollout across the UK.

Over the years the charity has experienced a huge upsurge in demand for its services – mainly from schools referring disruptive young people to the scheme. To cope with the demand, and help the trust grow, a better governance structure was needed. Policies relating to young people and how local projects should deal with them also needed addressing, as well as a better framework for financial management and resource management within the trust.

Meeting the Challenge

The Chief Executive first came across the Code of Governance on the Governance Hub website. She talked through the document with the Trustees and began discussions with the Hub via email and telephone calls.

The process began in summer 2007 and the Code has been evolving. The Chief Executive now talks weekly with the Chair of the Board, rather than once every month. The use of the Code is discussed at meetings. A minimum of three meetings a year are now held with the rest of the Board.

Outcome
The charity has started to formalise the way it conducts business. The Business Plan has been revised and the Board has started focusing on risk management through referring to the Code. The Chair and Chief Executive are now working to introduce Trustee appraisals, and from there, a Board Appraisal.

Use of the Code has made the charity think more about utilising the skills of the Trustees, and taking on new Trustees and staff with specific skills. The Trustees have identified where such gaps exist, and recognise that they need to employ someone with an educational and social welfare background. The Code helped them along this path.

The trust has now become a CRB body, which has helped bring together its policies relating to young people.

The Impact
A good governance structure is gradually being put in place that will enable the charity to grow quickly. Plans to expand the network of schemes around the country from 15 to 30 by 2010 are being helped along by good governance practice.

The Code has created a greater awareness among Trustees of their responsibility to the trust and has enabled them to contribute more. The Board has recognised the importance of taking on Trustees who have the right skills, and who are willing to fulfil the role of ambassador for the charity.

Tips and Lessons
What could similar organisations do?

- Be honest about the level of input you are getting from Trustees. Communication is key, so ensure they attend meetings.
- Stay focused on the Code and allocate regular sessions to discuss it with the Board.
- Why should they do this?
- If you carry on with the same Board and find that they do not have the skills or enthusiasm for the role, it will be very difficult to implement good governance.
- If Trustees do not understand what the organisation is about, it will be very hard for them to promote it.
- Good communication is also vital and if this isn't place at Trustee level, it will filter down to the organisation as whole.

How do they go about it?

- Carry out skills assessments for Trustees to identify if there is a gap in the skills that Trustees are bringing to the organisation.
- Find regular slots for working on the Code to ensure that it is being pushed forward.

What resources will help them?
- The National Council for Voluntary Organisations (NVCO), www.ncvo-vol.org.uk
- Charity Commission, www.charity-commission.gov.uk
- Third Sector, www.thirdsector.co.uk

Case Study 6: Groundwork UK

Size: Large
Sector: Environment
Issue: Getting the Code and governance embedded in a federated structure

The organisation

Groundwork supports communities in need, working with partners to help improve the quality of people's lives, their prospects and potential and the places where they live, work and play. The organisation's vision is of a society of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper.

There are currently 45 independent Groundwork Trusts and each is a partnership of the public, private and voluntary sectors with its own board of trustees. The work of the Trusts is supported by the national and regional offices of Groundwork UK and by Groundwork Wales. The first Groundwork Trust was established on Merseyside in 1981. The relationship between the individual trusts and Groundwork UK is partly managed through a legal 'Membership Contract' that allows the local trust to use the Groundwork name and logo. The contract sets out the role and responsibilities of Groundwork UK and Groundwork Trusts.

As well as operating in the UK Groundwork is also involved in projects and partnerships across Europe. The Groundwork approach has also been adopted in the USA and Japan.

A registered charity and a company limited by guarantee, Groundwork UK is governed by the Groundwork Federation Board, the majority of whose members are elected by regional groupings of Groundwork Trusts. Groundwork UK provides national leadership, strategic development and provides support to all Trusts and regions. Core functions include income generation, programme development and management, partnership development and research, as well as support services such as finance, human resources, ICT, policy and communications. In addition, the central office provides support on governance issues.

The challenge

Groundwork Trusts exist in a federated structure where they are connected but still separate legal entities. The local trusts have a variety of needs that are supported by Groundwork UK and it was recognised that there was a need to support them on governance issues as well. A new governance role was put in place in 2007 to support the local trusts with governance. There had been a previous governance role but this had not been filled for a number of years.

A very limited programme of governance training was in place for all trustees but there was nowhere for them to go for governance advice. Training to local groups was provided by a trustee (of Groundwork UK) which meant that it could only be delivered when that individual had the time to do it (and he was very overworked as a result!).

The training presentation used by the organisation was felt to be out of date and it was felt that trustees needed more support on governance. Groundwork Trusts wanted something that went beyond the basic legal requirements of governance, and looked at best practice.

As the local Trusts are autonomous bodies in their own right, within the structure there are a wide variety of boards, new and established, small and large, thriving and static. Of course above all they are dynamic and changing; mergers, successes and crises changing their shape continually.

Meeting the challenge

The different materials around governance were reviewed in order to establish which were the most useful. A number of resources were chosen because of their applicability and scope. The new Governance Officer used the Code as one of the sources of information because it was felt that it went beyond the basic legal requirements around governance. For example under *Principle 3: The High Performance Board*, the Code goes beyond the legal requirement of having enough trustees and making sure they know what their role is, to making sure that trustees receive the advice and information they need in order to make good decisions.

The outcome

From these materials a new training resource was written that would be suitable to the wide variety of Trusts in the federation. The presentation covers a variety of issues from legal forms, trustee liabilities and trading activities. The Code principles and sub-principles are now included in the training materials for the Trusts and the Code is seen as a resource within the organisation. Training sessions have been set in place for each region, each year in order to ensure that the local boards have access to information, new trustees gain knowledge and existing trustees keep their skills up to date. Trustees now have access to a Governance Officer, who can answer their queries and is developing a members only website where they can access further information on governance.

The impact

The process is still fairly new so it is difficult to know what impact it has had. Evaluation surveys are taken after each training event which show a positive response. However, in general governance has risen up the agenda.

Lessons and tips

- Make sure you are aiming at the right level so that boards (especially new or small ones) can see it is relevant and something they could achieve
- It is important that there is consistency between the strands of support available (training courses, written resources, websites) which all ‘speak’ to the Code.
- Don’t reinvent the wheel - use resources already developed where possible (the Code, Charity Commission publications).

Case Study 7: Newmarket Community Partnership

Size: Small
Sector: Infrastructure
Issue: Change of legal form

The organisation

Newmarket Community Partnership works with community groups, local businesses, statutory agencies and national charities to bring improvements to Newmarket and the surrounding area. It grew out of a "Community Healthcheck" as part of the Market Towns Initiative, and became a Partnership in 2004. The Partnership has a constituency of over 150 public, private and third sector organisations, as well as individuals.

In 2006, the Partnership applied to become a company limited by guarantee and a registered charity. The former structure was dissolved and replaced with a Board of Trustee Directors. There are currently four trustees, and the Partnership employs one full-time member of staff.

The challenge

The Newmarket Community Partnership began life as a non-constituted organisation. It soon became apparent that to make the most of available funding streams and to demonstrate their long-term commitment to the community, they needed to become a constituted organisation. They also needed a more effective structure for managing ongoing and future projects. As the Partnership now employed a full-time Project Officer, it was also essential that they had policies and procedures in place to comply with employment law legislation.

The Partnership decided the best way forward was to become a charitable company, limited by guarantee. As a new organisation, they were determined to set in place the foundations of good governance. Three existing members of the Partnership volunteered to become founder trustees. The Partnership approached a governance specialist for assistance with Companies House registration and becoming a registered charity, and she was also asked to join the board. Three trustees come from voluntary sector backgrounds and one from the private sector. The Partnership aims to recruit five more trustees in the future.

Meeting the challenge

The Partnership referred closely to the Code of Governance while setting up their governing document. Trustees were involved in drawing up the Memorandum and Articles of Association. Policies and procedures were put in place to cover all relevant areas, from employment to the environment; these were detailed enough to cover all eventualities, but not lengthy. As a matter of best practice, everything was written down. The Partnership also made a point of being as transparent as possible: the Memorandum and Articles, minutes of meetings and a draft business plan are easily accessible on the website. Written policies and procedures are made available on request.

The Partnership regularly reviews policies and procedures on a cyclical basis. Trustees review one area at each monthly board meeting, and decide whether the current policy is fit for purpose or needs to be updated. As well as monthly board meetings, the Partnership holds a Partner's meeting every three months, and at least one public meeting per year.

The board is actively involved in governance training and development, with two trustees undertaking OCN accredited Trustee Training courses. They are also seeking to improve the level of information available to potential trustees. The website contains information on what a trustee does, a trustee code of conduct (based closely on the Code of Governance), a role description and an application form. The aim is to make trusteeship more appealing to "the person on the street", and to avoid the cronyism that sometimes comes from word-of-mouth recruitment.

The outcome

The Newmarket Community Partnership feels confident that it is building on solid foundations of good governance. The use of the Code of Governance brand has given the Partnership a lot of credibility with its sources of funding – primarily Newmarket Town Council, Forest Heath District Council and the East of England Development Agency. Funders report that they know they can give money safely to the Partnership.

Having been involved in composing the governing document, trustees have a good understanding of it. The practice of regularly reviewing policies and procedures means that these remain relevant, and has proved very useful. By having in place comprehensive policies and procedures, the Partnership is in a strong position to grow and to employ more staff.

By providing a clear description of a trustee's role and responsibilities, the Partnership is in a strong position to recruit new trustees – particularly those who may not have experience of trusteeship. The Partnership intends to advertise for new trustees, and will carry out a skills audit before making an appointment, to ensure new trustees will make a useful and active contribution. Proper induction and training will be provided.

Lessons and tips

What could similar organisations do?

- Understand that the Code of Governance is relevant and useful to even the smallest organisations.
- Review their Memorandum and Articles of Association.
- Ensure policies and procedures are written down and reviewed on a regular basis.
- Try to recruit trustees from different backgrounds, who have different skills and thinking to bring to the organisation.

Why should they do this?

- The Code of Governance is nationally recognised, and gives confidence to potential funding providers.
- Trustees will have a better understanding of the organisation's purpose and a greater sense of ownership if they are engaged with its constitution.
- Policies and procedures need to be relevant and fit for purpose. Trustees should also be aware that these policies and procedures are there for their own protection.
- New trustees can challenge an organisation's way of working and help it to move forward. For a community-based organisation like Newmarket Community Partnership, it's important for a wide spectrum of the community to be represented on the board.

How should they go about it?

- Keep a copy of the Code of Governance booklet to hand, and ensure all policies and practices are up to standard.
- Memorandum and Articles of Association could be reviewed at an annual board meeting. Making them publicly available increases transparency.

- A different policy could be reviewed at each board meeting. Trustees should also regularly consider whether there are any eventualities for which there are no policies or procedures in place.
- Avoid conventional word-of-mouth recruitment. Provide information to potential trustees to encourage them to come forward, and ensure they receive proper induction and training.

What resources will help them?

- Good Governance - A Code for the Voluntary and Community Sector. The Newmarket Community Partnership keeps a copy of the shorter Code booklet to hand.
- The Charity Commission (www.charity-commission.gov.uk), especially their publication The Essential Trustee – what you need to know.
- The National Council for Voluntary Organisations (www.ncvo-vol.org.uk)
- Email newsletters from solicitors that specialise in third sector law, such as Bates Wells and Braithwaite or the charity team at Russell-Cooke.
- One of NCP's own trustees delivers OCN Level 3 accredited training to trustees and boards across East Anglia through the through a nfp company EETEC.

Case Study 8: Oxfam

Size: Large
Sector: International development
Issue: Full scale governance review

The organisation

Oxfam is one the UK's biggest and best-known charities. It works around the globe to tackle poverty and injustice. It has a board of 12 trustees. They come from a range of backgrounds with a fair number with particular expertise in development (including two trustees from overseas, one from West Africa and one from India) as well those with financial, campaigning, and personnel backgrounds.

All new trustees are recruited through open and transparent processes. For the most recent recruitment round, the positions were advertised on 14 relevant websites as well as a variety of appropriate networks.

All trustees are now part of an appraisal process in which their individual performance and contribution is discussed with the vice-chair. While this approach is a lighter touch than for staff, it remains a key ingredient of keeping board performance, both individually and collectively high.

The challenge

A major challenge for Oxfam's board is finding the right balance between strategy and the big picture of where Oxfam and its work is going, and control and supervision of the delivery by staff in the UK and around the world. In the last three years or so, the focus has shifted towards strategy. The trustees are keen to use their time to look at bigger development issues, such as climate change and the future of international NGOs. To free up the board to do this, it's important to have systems of good governance in place.

Part of Oxfam's system of governance is a risk register. About two-and-a-half years ago, the trustees decided to add two potential risks to this: the staff management team not being sufficiently accountable to the trustees, and (more importantly) the trustees and management not being sufficiently accountable to the outside world.

Meeting the challenge

The company secretary Joss Saunders came up with an action plan to mitigate these risks. He began by looking at what similar organisations do and found three different standards for accountability and governance: the Global Reporting Initiative (GRI), the One World Trust standard and the Code of Good Governance (Their umbrella body Oxfam International, carried out a similar exercise at the same time).

The process highlighted that the Code of Governance was very relevant to the way they worked, and Joss Saunders decided to do an analysis of where they stood against the Code He went through every provision of the Code and mapped out where there was a gap. For the majority of the 108 paragraphs, it was obvious they were already following the Code. However, there were around 12 areas where further action was needed. These were entered into a spreadsheet and the results presented to the board.

At the same time as carrying out the review of accountability and governance standards there was a review of the different stakeholders for Oxfam. This demonstrated that there were around 50 different groups of stakeholders, which was far too many to be clearly accountable to. It became clear that the organisation needed to focus on a smaller number of key stakeholders.

The outcome

Recommendations for complying more closely with the Code were taken to the management and the trustees. These results in two main changes: it was decided that the existing remuneration committee should report back to the full board and Oxfam also made a commitment to report the Chief Executive's salary and benefits in the annual report and accounts every year, rather than just on an ad-hoc basis.

In addition Oxfam decided to publish a full accountability report (downloadable from www.oxfam.org.uk) This 40 page report is designed to be a warts and all approach to feeding back on how Oxfam is delivering in a range of areas including the level of fraud, adherence with the Code of Good Governance, the number of staff by gender, disability and ethnic minority. These changes should help to increase Oxfam's accountability to its key stakeholders.

Lessons and tips

What could similar organisations do?

- Monitor the balance between control and strategy. How much time should trustees have to devote to each?
- Check that they are complying with all the articles of the Code of Governance.
- Be sure that they are fully open and accountable.
- Understand who should report to whom.

Why should they do this?

- Having good governance systems in place frees up trustees to concentrate on strategic issues.
- Accountability increases trust and reduces risk.
- Better communication increases efficiency and accountability.

How should they go about it?

- Go through each paragraph of the Code, and map out where there are any gaps.
- Draw stakeholder maps.

What resources will help them?

- Good Governance - A Code for the Voluntary and Community Sector
- Consulting with other similar organisations.

Case Study 9: Plymouth Guild

Size: Small
Sector: Community development
Issue: Basic Governance in place but needed to go up a gear

The Organisation

Plymouth Guild was established in 1907 for the purpose of alleviating poverty in the city.

Over the years the Guild has developed a wide range of activities and services to support local people. It offers specialist advice on disability, hearing and sight issues; advice and support for NHS patients and their carers, and protection for women and children experiencing domestic abuse.

Many local organisations in Plymouth started at the Guild, such as Age Concern, Plymouth Citizens Advice Bureau, Victim Support and Community Transport, as well as societies such as MS Society and Parkinson's Disease Society.

The Guild comprises 40 permanent staff, 50 volunteers and 10 members of the Board of Trustees.

The Challenge

As a relatively small organisation, the Board of Trustees was keen to ensure good practice at the Guild, without the expense of having to seek advice from an external organisation.

It was clear that while many aspects of good governance were already in place, thanks to a very dynamic and competent Board, policies needed regulating and to be put into a formal document. Fine tuning was needed in key areas, such as carrying out appraisals for Trustees and members of staff, and the recruitment of new Trustees.

A challenge was also to generate enough interest in the Code within the organisation - to ensure that the Trustees and staff knew what good governance was, and that they appreciated its value.

Meeting the Challenge

The Chief Executive of the Guild first suggested using the Code of Governance at the Guild just under 12 months ago, and has since spearheaded the process of implementing it. He drew on the experience of Trustees who had worked with the Code in the past – such as Judy Pelverton, who had developed the Code in her role as Chair of Trustees at Plymouth Citizens Advice Bureau.

The Board of Trustees set up a working group to go through the Code, meeting for two hour sessions every six weeks. Breaking the Code down into the principle sections, they went through it line by line, adapting it where necessary to fit with the organisation. This ensured that the output from the process was their own 'version' of the Code that suited the Guild.

An Action Plan is now being drawn up by the Guild. The chair had not done appraisals of the Chief Executive prior to the process, and has set about ensuring that staff and Trustee appraisals are being carried out regularly.

The Outcome

The Board is better equipped to demonstrate good governance. The Code, which has now been incorporated into the Guild's Annual Review process, has successfully regulated good practice and has improved the charity's overall performance. Trustees have developed a good understanding of the Code and feel better equipped to demonstrate good governance. Governance costs are now detailed in the statement of financial activities.

Issues surrounding appraisals, conflicts of interest and diversity within the Board are being addressed. Trustees, while not involved in the day-to-day affairs of the Guild, have developed a better understanding of their role as Trustees and their responsibility in ensuring good governance within the Guild.

The Board has started thinking about creative, cost-effective ways to recruit Trustees, particularly in the area of financial management. An idea they have is to approach local banks and finance organisations, with a view to taking on a younger Trustee.

The Guild also have an annual seminar for trustees and senior staff where issues for the whole organisation are looked at, a regular governance review will be part of that process.

The Impact

The Code of Governance has ensured that all governance policies at the Guild are being 'set in stone'. The Board of Trustees is taking responsibility for governance and is now being encouraged by the Chief Executive to carry out its own appraisals. Greater measures are also being taken to ensure diversity within the Board.

Lessons and Tips

What could similar organisations do?

- Ensure the values of the organisation are firmly established and that Trustees are familiar with them.
- Emphasise the importance of the Code for the development of the organisation as a whole, and as a way of reviewing performance.
-

Why should they do this?

Once the values of the organisation are clear, it becomes easier to apply the Code.

- Once Trustees appreciate the value of it, it becomes less about implementing a series of rules.
- How do they go about doing this?
- It is often easier to break the Code down into sections and work through it on a gradual basis.
- Small organisations need not feel daunted about implementing the Code of Governance. It is an accessible, comprehensive document that can be tackled one section at a time.

What resources will help them?

- The National Council for Voluntary Organisations (NVCO), www.ncvo-vol.org.uk
- Association for Chief Executives of Voluntary Organisations (acevo), www.acevo.org.uk

Case Study 10: Shelter

Size: Large
Sector: Housing/homelessness
Issue: A governance review in a large charity prior to appointing a new Chair

The Organisation

Shelter is the country's biggest and best known housing and homelessness charity. Shelter's vision is that everyone should have a home - somewhere decent, safe, affordable and permanent.

Shelter provides services to help people in housing need find and keep a home. It also campaigns to change housing and wider social policy to end bad housing and homelessness.

The Challenge

Following changes to trustee terms of office there had been a number of changes in Shelter's board resulting in a mix of new and 'old' trustees with varying experience of governance across public, private and voluntary sectors. Differing perspectives on governance, combined with the need to appoint a new Chair, provided the catalyst for a review of Shelter's governance arrangements. The Acting Chair and Chief Executive felt that there was a need to ensure a shared understanding of trustee roles and responsibilities and to review how the board might work best in a charity of Shelter's size and complexity. They were also keen to explore this issue with reference to the recently published Code of Good Governance.

Meeting the Challenge

The Board set up a task group of four trustees chaired by the Vice Chair with responsibility for appointing an external consultant to support them in reviewing the charity's governance arrangements and making recommendations to the board. A project specification was issued and a consultant appointed following receipt of written project proposals and interviews.

The project began in September 2006, and was divided into two phases over a period of 3 months. The task group was expanded to include members of the senior management team. In the exploratory phase the consultant interviewed a range of trustees and senior managers and reviewed the charity's governance systems and processes against the Code. The findings and recommendations were presented in a draft report to the task group in October 2006. Immediate priorities for action identified, included the need to clarify the role of the Chair, to review the structure of sub-committees, to develop a more comprehensive and explicit scheme of delegation; and to explore the interface between the Board and senior management team. Mid term goals included the need to increase board diversity, to address specific skills gaps, to establish a more structured trustee induction programme, and to develop systems for trustee appraisal and board review.

The development phase involved 3 meetings with the project team and a board away day. There was a focus not only on systems and processes but also on developing a shared understanding of how best to work together to maximise governance effectiveness. The consultant facilitated discussion, and was responsible for drawing this together into a clear, concise set of governance documentation setting out:

- roles and responsibilities of trustees individually and the board collectively

- complementary roles of the Chair and CEO
- principles and behaviours underpinning an effective interface between the board and senior management team
- systems of control including levels of delegated authority i.e. where the Board delegates authority to the Chair, CEO and any sub committees and where decisions are reserved to the board
- terms of reference for each of the sub committees
- a commitment to ongoing governance development including systems for trustee induction and appraisal, and board review and renewal.

The new governance framework was approved by the Board in December 2006, along with an action plan to address outstanding issues and recommendations for future development.

The Outcome

The project's outcomes worked on a number of levels. It enabled Shelter's Trustees and the Executive team:

- to review the organisation's governance in the context of the Code, to address immediate priorities and plan the time and resources for an ongoing programme of governance development to ensure compliance
- to develop a shared understanding of complementary roles and responsibilities, and the systems, processes and behaviours needed for effective leadership and governance
- to clarify the specific responsibilities of the Chair and the type of person needed at this stage of the organisation's development in preparation for an open recruitment process
- development of a governance handbook to provide an agreed frame of reference for the board and management team and to support trustee induction

The Impact

The project had immediate and tangible benefits.

First, there was an immediate positive effect on both the Board and executive team's confidence in each other and greater assurance of governance arrangements. The process of the executive and non-executive working together to examine the governance arrangements was a positive one and both parties increased in their trust that the organisational arrangements were sufficiently robust to deal with any issues which might arise.

Second, the effectiveness of board meetings was enhanced. Partly, this was a simple result of less time being spent on discussion on governance. However, the increased clarity about roles and responsibilities enabled business to be done more effectively.

Third, the process of finding the right Chair was assisted. A new Chair, Naaz Coker, was appointed according to a clear set of criteria and she and her fellow new Trustees were inducted into an organisation with clear governance arrangements.

Finally, and most important, there was a positive impact on the charity's work. Shelter is facing a number of difficult challenges, the handling of which has been substantially improved because of the cleaner and more robust governance arrangements put in place.

Lessons and Tips

What could similar organisations do?

- Consider a governance review as part of their strategic planning and annual business cycle and think about the following questions: What sort of governing body and Chair does your charity need at this time in its development? What areas of governance are in need of development and what are the priorities?
- Consider the human aspects of governance as well as the policies and procedures. At the end of the day, good governance depends on people working together effectively so it's important for trustees and the executive team to have an honest conversation about what works and what still needs working on. Two years on and we are now planning a Board review to keep our mind focused on this issue and formally assess how well we are doing in implementing our new arrangements.

Why should they do this?

- At the end of the day, good governance is all about helping the charity achieve its mission and goals. Shelter trustees are responsible for an organisation that's here to make a difference to people in housing need. This project has helped us to maximise the potential contribution of trustees and to work together more effectively in making decisions that effect the lives of homeless and badly housed people.

How do they go about doing this?

- There's no hard and fast rules.
- We'd recommend that you set up a task group which will lead on this activity and champion developments. We also found it really helpful to involve the management team in undertaking the review and planning and implementing improvements.
- You need to decide whether or not you've got the expertise to do this in house and whether you need to bring someone in to help you. We needed to bring in someone external with the expertise in this area and the ability to facilitate the process, but we now have the capacity to build this into our internal processes.

What resources will help them?

- We found the Code really helpful. All trustees were issued with a copy of the full Code and it now forms part of the Shelter governance handbook.
- An external consultant helped us at this key stage in our development. Talk to other charities about who they've used or use the NCVO consultant directory to find a suitable consultant.
- We have now allocated responsibility for governance development to a senior member of staff to ensure this area is properly supported. They make use of Governance magazine and information from NCVO and acevo to keep up to speed on governance issues.

Case Study 11: Society of the Little Flower

Size: Medium
Sector: Faith
Issue: Definition of roles causing conflict

The Organisation

The Society of the Little Flower is the UK fundraising arm for work of the Carmelite friars . Established five years ago, it exists to spread devotion to St. Therese of Lisieux, affectionately known as "the Little Flower", and helps the Carmelites in their ministries overseas. The Society fundraises for projects where Carmelites have a presence. It raises funds through direct mail and has 30,000 supporters in the UK and Ireland.

The Challenge

The Society had grown considerably in the past few years, with its income increasing by a third every year in the past five years. It is a small charity, run by seven members of staff and three trustees.

A new Director, Miranda Litchfield, was appointed in September 2007, with the key responsibilities of managing fundraising and raising the profile of the organisation.
This is the first time the organisation has appointed a Director. Previously two office managers were responsible for overseeing the running of the organisation in the UK with direction from the US office and were in regular email contact with Trustees, seeking advice and guidance from them.

Challenges for the Director include creating a clearer division between staff and trustees, and asserting her authority within the organisation.

The Society has also experienced tensions between staff and trustees - over who should and shouldn't be present at the Board and involved in decision making, and whether the UK Society should be independent from the Society in the United States. One of the trustees of the UK Society is also Director of the US Society and this has resulted in tensions.

The Society in the United States assisted in the set of the UK organisation with a large grant and has provided operating systems and IT support. It continues to provide assistance and support with mailings, telecommunications and databases. Prior the appointment of the Diretcor, the Society was effectively being managed, long distance, by the Society in the United States.

Meeting the Challenge

The Director had previously used the Code of Governance in her previous position and was keen to implement it within the Society to assist in the understanding of the division of roles by the trustees and staff.

She was cautious that the trustees would start to feel beleaguered from too much work, as they were already heavily involved in overseeing the running of the office. The Director suggested tackling the Code bit by bit, and picked out areas that needed prioritising. It was beneficial to break the Code down and tackle issues first that needed immediate attention. The Director presented the Code in a positive way by highlighting the steps already taken towards good governance.

The Outcome

The Code is in its very early stages at the Society, but has helped highlight key areas of governance that needed to be prioritised and dealt with.

A key issue was the blurring of boundaries between operations and governance, and staff by-passing the Director and going straight to trustees in seeking advice and decisions. The Director has begun to develop clearer boundaries between staff and trustees and has clarified her role, and the role of the trustees, among the staff. She is working to ensure that any information and advice given by the trustees to staff is fed through her first.

The Director is taking measures to ensure that any new trustees are given a reasonable induction. She is also helping the trustees become more aware of their role in overseeing and reviewing policies, rather than just giving their views on issues.

Restructuring has taken place. In the past there would sometimes be a management committee meeting one day, followed by a trustee meeting the next, with largely the same people involved in both. This had to be rethought and the trustees had already taken steps towards this prior to the appointment of the Director.

The Impact

The workings of the Society and the roles of staff and trustees had become muddled over time. The Code continues to assist with the clarification of peoples' roles and is beginning to streamline governance policies that were already loosely in place.

Introducing the Code of Governance has also enabled the Director to clarify her position and responsibilities within the organisation. The Code is starting to improve relations between the staff and trustees by laying down clearer boundaries and divisions.

Lessons and Tips

What could similar organisations do?

- Avoid being too heavy handed with the Code as this will be off-putting for staff and trustees.
- Make clear to Trustees what their duties and responsibilities are and encourage them to undertake training from time to time, as well as the occasional away day (remembering too that their role is a voluntary one and they will have other time commitments).

Why should they do this?

- It's important that trustees and staff are enthusiastic about the Code and see its value.
- Training and away days will help trustees to better understand their role.
- Away days in particular will give them chance to discuss more general issues, rather than just business issues that are brought up in meetings.

How do they go about it?

- The Code is a large document that may appear overwhelming, but it can easily be broken into sections and tackled bit by bit.
- Highlight ways in which trustees can benefit from the Code.
- When planning an away day try not to structure them too much – allow people some time to reflect on their roles and the skills they can bring to the organisation.

What resources will help them?

- Charity Commission, www.charity-commission.gov.uk
- Directory of Social Change, www.dsc.org.uk

Case Study 12: St Christopher's Hospice

Size: Large
Sector: Hospice
Issue: Full scale governance review

The organisation

St Christopher's Hospice was founded by Dame Cicely Saunders in 1967. The charity is widely acknowledged as the pioneer of the modern hospice movement and has earned a reputation for excellence in clinical practice, research and education.

Hospice or palliative care is a special type of care for people whose illness may no longer be curable. It enables them to achieve the best possible quality of life during the final stages of their illness.

The hospice cares for around 2,000 patients and their families each year. Patients are generally from South East London. Most have cancer while others may have motor neurone disease, severe heart failure or chest disease.

The hospice has 48 beds and cares for 600 patients in their own homes. Highly skilled doctors and nurses are supported by multi-professional teams including social workers, welfare officers, chaplains, psychiatrists, psychologists, physiotherapists, occupational therapists, creative and complementary therapists and bereavement service volunteers. All the care services are free. Referral to St Christopher's can be by GP, hospital doctor, district nurse, hospital or community palliative care team.

The challenge

Governance procedures were working in the organisation but they were informal. The board of trustees wanted to clarify responsibilities. Governance had not been reviewed recently, which concerned the CEO. In an example of robust staff and trustee relations, the CEO challenged the board to prove that the standard of trustee processes was as good as the operational processes within the organisation.

In addition, there was an increasing emphasis on good governance externally, which focussed the attention of some trustees.

Meeting the challenge

The board wanted to ensure better governance procedures were in place. In 2006, a trustee-run governance committee was set up, with the remit to look at; trustee selection, CEO performance and remuneration, the terms of references of committees, general governance policies, the performance of the Council and the contribution of individual trustees.

Governance was also added as a separate section in the strategic plan giving it a prominence it had not had before. This committee reports annually to the Council (Board of trustees).

Governance was reviewed using the NCVO self assessment tool. Trustees were asked to complete the questionnaire, which covers 12 areas of responsibility. This demonstrated that generally the trustees were fulfilling their role, but there were areas of concern and uncertainty that were identified. Suggestions were made for improvement and the results presented back to the trustees. The governance committee then produced an action plan to tackle the issues. This process was very useful in identifying areas of concern or uncertainty but also involved all the trustees ensuring buy in to the process.

The Governance committee used the Code of Good Governance to review governance procedures. We identified specific gaps and agreed the need for written policies to define the Council's responsibilities and how they are implemented. These were then prioritised in terms of issues that needed to be dealt with immediately and those which could be left a little longer.

The outcome

The organisation has implemented a new trustee selection and induction process. The new recruitment policy used external advertising in order to redress the gender balance of the board and attempt to recruit board members that more accurately reflected the BME make up of the hospice's areas of operation. New trustees also have a mentor for their first year and there is a written Code of Conduct for all trustees.

Revised terms of reference were produced for all the committees, and a set of governance polices and procedures. In all 21 policies were produced to reflect the responsibilities of trustees, covering the principles of good governance set out in the code:

- Board leadership e.g. review of objects and articles, development of strategic plan
- The Board in control e.g. risk management strategy, financial management
- The high performance Board e.g. board decision making, board composition
- Board review and renewal e.g. trustee skills audit, trustee recruitment
- Board delegation e.g. terms of reference of committees
- Board and trustee integrity e.g. conflict of interest, trustee expenses.

The appropriate trustee committee will be responsible for the implementation of the policies. The governance committee will be responsible for updating policies.

The Impact

- Polices and planning have helped define what will be covered by the board and its committees
- It's helped to bring trustees up to speed on areas in which their knowledge was lacking, for example, about insurance.
- The approach was agreed with the Chief Executive Officer (CEO). She offered help and advice and was keen to ensure that the hospice responded to the code of governance.
- Clarifying areas like conflicts of interests has improved the understanding of trustees.
- The establishment of the governance committee has highlighted governance as an important issue, with the inclusion of governance on the strategic plan pushing it up the agenda.
- The board had a good discussion about what they were looking for in recruiting new trustees. This helped to clarify what skills were needed and that trustees were needed from more diverse backgrounds. The board now has a gender balance.

Lessons and tips

What could similar organisations do?

- Spend the time and resources to set up a governance committee. It helps provide a focus for the work and means that the whole board needs only be consulted on key issues
- Ensure the governance committee reports annually to the council of trustees on what it has done and what else it needs to do.
- Get your CEO to attend the governance committee.

- Use staff surveys and appraisals as ways of finding out whether policies that have been drawn up have actually been implemented in your organisation.
- Trustees should talk to senior management to make sure governance polices are being implemented across the organisation.
- Use the Code of Good Governance as a checklist for your organisation – in an ad hoc way. For smaller organisations, the Code could seem overwhelming. Prioritise a list of 10 things that you must have in place and then work on the other issues in the Toolkit which aren't so relevant to your organisation.

Why should they do this?

- Voluntary organisations must have strong integrity, they use money donated by the public and must be accountable.
- The charity sector is not strong on governance issues at the moment.
- It's one step in the right direction to draw up policies, but the next is to make sure they're implemented.
- Good governance is vital to the public trust and reputation of the voluntary sector. The Code needs to be more widely implemented to ensure best practice and avoid scandals that impact on us all.

How do they go about it?

- By spending time and resources on improving governance. For St Christopher's finalising this has been a three-year process.
- Use the Code of Good Governance Toolkit to identify what areas need to be improved in your organisation.
- Prioritise. Think what governance issues you need to do first and then work to a stage by stage approach.

What resources will help them?

- The Code of Governance
- The Code of Good Governance Toolkit
- NCVO Board and Chair Appraisals information http://www.ncvo-vol.org.uk/askncvo/index.asp?id=4778