

Governance in Action

**Practical initiatives to improve governance for
the voluntary and community sector in London**

**A report for the
London Regional ChangeUp Consortium
Ceri Hutton and Anna Smith**

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Introduction

In 2005, the London ChangeUp Regional Consortium commissioned three pieces of work intended to improve governance in the voluntary sector. Two of these pieces of work were practical initiatives aimed at supporting staff or trustees around their practical issues of governance. The third was to produce a report of these initiatives, and compile a summary of useful resources for the second-tier VCS in London.

This report provides this overview of these practical initiatives plus a resource summary. Both initiatives, plus the production of this report were managed on behalf of the London Regional ChangeUp Consortium by LVSC.

Though governance of the charitable and voluntary sector has been supported by second-tier organisations for many years, it has received increased attention and awareness as a result of the Government's ChangeUp initiative. This highlights the need to improve the capacity of the sector as a whole, and draws attention to the critical importance of governance in the effective running of organisations.

Until recently, the structure of the voluntary board has remained largely unquestioned by the sector as the right way to lead and lend authority to the sector. Though there are many benefits and advantages to such a structure, there are also some disbenefits. Recent reports debates have started to highlight these, in particular the ACEVO report 'Rethinking Governance' which raises key issues in relation to the difficulties of the voluntary sector governance model. The experience of working within the sector shows us that, though many boards of trustees are valued, involved and representative, some also are not.

This report aims to give practical support and guidance to organisations seeking their way through a governance issue, setting up a governance structure with robust standards or reviewing the way their trustees work as a part of growth, change or development. The title, *Governance in Action* has been chosen because it focuses on practical ways in which organisations can learn from each other, and backs these up with supporting case studies, research and resources.

Some interesting and innovative initiatives have been piloted or put into practice around improving governance in the last few years, not least because the ChangeUp agenda has put governance on the map. There is now a national Governance Hub, a *“partnership of voluntary and community organisations in England working to improve the levels of good governance in charities.”* The hub has produced a Code of Governance and will shortly be releasing the results of a widespread Baseline Survey of Governance - both of these pieces of work are featured in the appendix to this report. These and other initiatives demonstrate an increased awareness of and focus on the need to support organisations with their governance structures, systems and processes.

The information in this report is organised into three sections:

Section 1: Action Learning Set Governance (pilot study)

A report on the pilot study run during Jan – June 2006, which brought together second-tier agencies in an Action Learning Set to look at issues of governance. The report describes the initiative, and also the impact of the intervention for the agencies involved in terms of improving their governance and their support services to others.

Section 2: Feasibility Study on Chairs' Network

A report from the Charity Trustees' Network on research into what would be gained by offering a Chair's Network to what can be an isolated and sometimes unregulated leadership post.

Section 3: Individual case studies of how agencies have tackled governance issues

Showing how six organisations in the VCS worked through common governance problems and what resources, strategies or input they utilised to do this.

In addition, we have attached a substantial Appendix A: Resource Overview. This gives a summary of nine key reports where significant research has been undertaken to identify areas of weakness in governance, gaps in provision and recommend changes to the way governance is managed and structured.

This appendix also gives a listing of key agencies, publications and websites pointing groups to the range of support now available to the sector. Though this section does not set out to provide an exhaustive overview of either research or resources, these are the most significant which were mentioned to us in the course of collecting information for this report. A comprehensive mapping of governance resources is currently being carried out by the national Governance Hub, which should report in July 2006.

Section 1: Action Learning Sets: A pilot study

Report by Ceri Hutton and Anna Smith

1.1 What the pilot was about

The London Regional ChangeUp Consortium commissioned a pilot study to provide a practical support intervention to second-tier organisations operating in London. This took the form of a series of Action Learning Sets (ALS) aimed at supporting the improvement of governance in second-tier organisations.

The theory behind Action Learning Sets has been around for a long time, but they are now being used much more widely in practice to bring together groups with common aims to problem solve similar issues. *"Action Learning is where the focus is on the issues and problems that individuals bring and planning future action with the structured attention and support of a group."* Put simply, it is about solving problems and, ideally, taking learning back into the work place immediately. Unlike traditional training, the programme is set by the participants who share problems or issues with the group and through questioning from the group, determine action to deal with these which they then take back to their organisation.

Action Learning Sets are increasingly being used effectively to solve organisational problems. They require an ongoing commitment from participants but reap real benefits including:

- A chance to look at the real not the hypothetical problems that affect organisations
- Support from other organisations, which bring practical and innovative ideas
- An opportunity to build self confidence and put methods into practice immediately
- An opportunity to build a network which continues after the life of the ALS
- To build skills in problem solving and reflection

1.2 Who participated in the pilot?

The Action Learning Set ran from February to June 2006 and involved nine second-tier organisations. These included five generic CVS organisations from both inner and outer London boroughs, and four specialist second-tier organisations, two working locally with BME groups, and two with specialist sectors across the whole of London. The organisations which participated were as follows:

- Community Links Bromley
- Hackney Voluntary Action
- Kensington and Chelsea Social Council
- London Play
- Redbridge CVS
- Southwark Strategic Ethnic Alliance
- Voluntary Sector Resource Agency (Hammersmith and Fulham)
- Waltham Forest BME Alliance
- Women's Resource Centre

1.3 What the pilot intended to explore

The aim of the pilot project was to measure the effect of participation in an Action Learning Set on the governance of second-tier organisations. Groups who engaged in the process were interested both in exploring issues of governance and in learning about methods to improve these issues in the hope of offering a better level of support to front line organisations. It intended to explore the many common problems faced by organisations with a voluntary board. These issues were not prescribed but the consultants bringing the group together anticipated from their experience that these issues might include:

- Board leadership
- Making decisions as a board
- Interaction and communication between the board and staff
- Broadening and reviewing recruitment to the board
- Board integrity
- Board openness

If it was to be successful, the pilot would manage to support a range of second-tier organisations to work through problems and improve issues they were facing with their board. It would also improve the analytic and problem solving skills of key staff and trustees within these organisations and potentially create a network of organisations who would continue to offer each other support after the lifespan of the ALS.

Critically, the pilot also intended to explore a slightly different approach to 'traditional' action learning sets in relation to its set membership. In recognition of the fact that, for many organisations, the chief barrier to participation in such a process is the amount of time required (in this case, 6 days in 4 months), this pilot offered an 'organisational', rather than an 'individual' slot for participation. This meant that participating agencies were asked (and encouraged) to send along different people if they could not have one person attend all sessions, the only caveat being that they needed to commit to debriefing between sets using the notes provided. In addition, both trustees and staff were encouraged to attend from each organisation.

1.4 Setting up – recruitment, briefing and preparation

Recruitment

The pilot aimed to bring together ten second-tier organisations to attend six sessions of an Action Learning Set over a 6 month period, one a month. The brief was to involve a cross section of organisations offering support to specialist groups in London and groups representing areas across the city. For full engagement on the part of the organisation, we asked that both a member of the board and a senior member of staff attend each session, where possible. The involvement of both staff and board was intended to give people in these roles an opportunity to work together directly on the issues affecting the organisation; something they may rarely get a chance to do. It also aimed to avoid the need to 'report back' experiences and suggestions made within the ALS and meant that both could experience and influence the presentation of issues to the ALS directly and agree any changes or systems as a result.

We succeeded in recruiting nine varied and representative organisations although the process of recruitment was not easy. Marketing the ALS involved emailing the opportunity out through the five sub-regional CVS

networks in London, and then contacting interested parties directly. LVSC also sent out publicity.

Many groups could not commit to the Action Learning Set because of issues such as time constraints and involvement in other initiatives. Some were not drawn to the method because of a lack of understanding of the potential benefits of the ALS or, perhaps, scepticism about this structure as a method of improving governance. Recruitment took longer than was anticipated and the consultants had to rely heavily on the marketing of the sub-regional CVSs and 'word of mouth' publicity by themselves and others within the steering group. However, the final group was both committed and diverse.

Of the nine participating groups, all have attended regularly and contributed consistently. Some of them only sent one person; others have sent two and sometimes three to a set. We have had at least 3 and often more board members there for each set

Many of the groups who chose to participate were attracted because the issue of governance was particularly relevant to them at that time. Others felt that this would be a good learning experience, some were attracted to the structure of an ALS and others wanted to network and develop good practice. One group wanted to focus on becoming an example of good practice in governance to support their member organisations, others had developmental issues such as organisational reviews underway and developing governance sat well with this process. These underlying reasons may well have contributed to their increased level of commitment and attendance throughout the process.

Participant Briefing and Preparation

Prior to the first Action Learning Set, a comprehensive brief was sent out covering the nature of the pilot programme and the process involved in Action Learning Sets. The facilitators also interviewed each participant to determine the kind of governance issues they felt would come up, their previous experience of Action Learning Sets, the level of commitment required and to fully brief them about what to expect. This not only informed but engaged the participants who were then in a better position to contribute and learn from the process. The issues identified by participants during this interview were used to create a 'Preliminary Self Assessment Questionnaire' which participants were asked to fill out during the first Action Learning Set.

There were two facilitators, and they agreed to support roughly half the set each. IN practical terms, this involved maintaining contact between sets and supporting the organisation or individual to prepare the issue they wanted to present during airtimes, where appropriate. The facilitators also prepared detailed debriefing notes from each session in order to ensure that the learning could be passed on, particularly to those who had not attended last time.

The first Action Learning Set

The first meeting involved setting ground rules and introductions for the group who had to feel coherent and trusting enough to share weaknesses with each other. A contract was agreed and is found at the end of this section as Sample Document 1. There was full attendance at the first ALS and many trustees accompanied representatives of the organisations. At this stage, we evaluated what issues the groups might wish to share. They included:

- Increasing the diversity of the governing board
- Increasing board involvement
- Outlining and agreeing roles and responsibilities for board members to improve the support they give
- Engaging board members who don't contribute
- Recruiting board members and recruiting board members with specialist skills

The core 'building block' of Action Learning is what is referred to as 'airtime' sessions, during which an agency presents an issue and then is asked probing and open questions by the rest of the group. In this first set we ran a mini-ALS airtime.

One of the participants volunteered to try out presenting and the rest of the group had an opportunity to ask open questions, whilst we facilitated and guided this session. This fully prepared the group for ALS2 where four of the groups presented their issues. In addition, participants filled out a questionnaire, which is described in the Findings section below. This Preliminary Self Assessment Questionnaire is attached as Sample Document 2.

1.5 The Action Learning Model – methods used for running the sets

In an Action Learning Set format, participants take it in turns to have an “airtime” in which they present the governance issues affecting them. To be effective and to allow adequate questioning, these airtime sessions need to be at least an hour long. In this set this meant that each group had airtime every other session.

Airtime sessions are fixed for an hour. Each session has a voluntary reflector appointed, who feeds back on the session in terms of the involvement of the rest of the group and how effectively the session seemed to run. The organisation presenting then also has an opportunity to say how the session went for them and what they may take back to the workplace.

The facilitators undertook to write up each session, outlining the key issue of each airtime and detailing the questions asked but not the responses of the organisation. It is not the main function of the person presenting airtime to respond to the questions, but rather to use the questions to help them move through the issue they are presenting or to inform them, where they don't have answers, of areas they could work on. The facilitators tried to ensure that participants were clear that this was not a ‘question and answer’ session, and that if they wanted they could simply think about issues raised and move on without answering at all.

Sessions two to four were taken up exclusively with airtime. A very wide range of issues were presented, some as “simple” as trustees who do not contribute to meetings and some much more complex, such as trustees having to tackle serious issues involving competition and the potential closure of the organisation featured.

The issues presented at one randomly selected session were:

- 1 We want to build an inclusive membership of our trustee group, raise the profile of members and make a manageable decision making process
- 2 We are having problems recruiting trustees and want to put past difficulties behind us and augment the trustee group
- 3 We want to build on our committed trustee group and move on from a recent incident where we had to ask a trustee to resign and avoid this again

- 4 We want our organisation to be a model of good practice in representing diversity on the board and gain new skills and perspectives from the trustee group

After each ALS the participants received a comprehensive debriefing notes. These covered the issues which organisations had presented, any significant features of the day, a list of attendees and a summary of the sessions and some learning prompts. They provided 'learning boxes' which participants were asked to fill in to record key lessons and to help them debrief others in their organisation. Feedback from members is that these were very useful, particularly where participation varied from set to set. This was the case on a few occasions where delegates varied or where trustees came along for one set only. The notes worked well in this way and all attendees arrived seemed well briefed and ready to partake in the structure of the ALS.

Between sessions the facilitators continued to keep in touch with the organisations. This happened both on a one to one basis (helping to prepare participants for their forthcoming airtime) and in terms of providing information requested about governance, reminding them of administrative details for the next set and emailing them updates on the previous sessions.

1.6 How the Action Learning Set developed

The support and structures detailed in the previous section worked well to bring a sense of coherence and continuum to the group. The group dynamic was strong and open from the start and this continued throughout the life of the group. Organisations had to "open up" about a range of very difficult and serious weaknesses on occasion; sometimes issues which meant they were questioning their own role or that of their organisation. Participants were, without exception, supportive, constructive and there was participation at each session across the group. Participants voluntarily updated members in between sessions about how they had subsequently approached an issue or trustee meeting. Updates on progress since the last session also became a feature of the beginning of each session.

Difficulties

The only real difficulty experienced during the ALS was that of continued attendance at the group. Attendance was very good and was

maintained over the six month period, but occasionally groups had wanted representation of their chair at a session and this was not possible due to time constraints. Almost all organisations were represented at each session but on a few occasions groups were not able to send a representative. This did not affect the group unduly but was not ideal. As the facilitators had built in the flexibility for an organisation to send an alternate, there were changes in the group, although organisations endeavoured to send the same person where they could and this was achieved in at least three cases. Whilst this flexibility ensured that organisations were represented at each session, it meant that there were new people entering the ALS. It is to the credit of the organisations involved that they properly briefed their alternates and they all arrived ready to participate in the process. The facilitators had anticipated problems with attendance and felt that on the whole attendance was strong but reflective of busy schedules and the difficulties trustees experience attending day long and events which can clash with their paid jobs.

Development and evolution of the group

A significant development of the group was that in later sessions, some of the issues that they brought to the airtime sessions, whilst still relevant, were not always strictly speaking about governance (though most had strong implications for the governance of the organisation). The group still dealt with these issues in the same way but tended to bring the organisation back to how the governance of their organisation could impact upon this issue. The implication of this development was that there were perhaps not enough “purely” governance issues for six sessions but this did not mean that the groups did not still benefit from these airtimes nor that the issues presented had no relevance for governance.

1.7 Key findings –impact on individuals and organisations

The group were encouraged to give feedback throughout the life of the set, including on the phone to facilitators in between sessions. Feedback at this stage was very positive with many saying how useful they were finding the ALS and that, despite pressures on their time, they wanted to continue attending as the benefits were both personal and organisational.

As well as this ongoing feedback, there was a formal assessment session in the first and the last set of the programme. Participants were asked to fill in, during the first and last sets, self assessment forms where they considered the distance travelled during the programme and this is fed back in b) below. Participants were also asked to give detailed evaluative feedback in the final session, filling out individual forms about the process and discussing the strengths and weaknesses of the approach in small groups and plenary. These comments form the basis of the rest of our findings.

a. Motivation for attending, and continuing to attend

There were a broad spread of views about why people had come along in the first place, including:

- Right time, right place. One organisation fed back that the set had come at just the right time, when they had a lot of problems and had felt themselves to be in a rut about some of the issues. Both trustees and staff had 'used' the set, in this sense, to help them think through their immediate 'stuckness'. For another who was new in post, the set had helped them learn and develop
- A desire to meet new people and network
- A desire to 'get outside the borough'
- A commitment to learning in new ways
- An interest in Action Learning Sets per se
- They were free of charge (very important to all)
- Being intrigued to 'see ChangeUp at work'
- The Chair had asked them to!

There was a good attendance rate during the programme.

- Three of the organisations attended all sets (sometimes represented by different people)
- Five of the organisations attended 5 out of the 6 sets
- One organisation attended 4 out of the 6 sets

People identified the following as being important factors in motivating them to keep on attending the sets:

- Feeling of increased confidence as the sets wore on. People said how reassuring it was to find that others understood and validated their experience. Some people spoke of seeing 'knowing glances' and 'encouraging looks' during their airtime which had made them feel better
- Initial scepticism about the format was allayed as people realised that they learnt both from their own and from other people's airtime sessions. Some people said that 'they gained more than they expected'
- People had made a commitment, and felt they should stick to it
- In particular, people felt a sense of loyalty to the people within the set. They felt that people were very honest, and most felt it to be a very safe place in which to 'probe yourself and others'
- The culture of the set was generally very accepting. People who had come for the first time at mid-point, for example, said they felt very welcome. One organisation sent 3 trustees to the set who all attended once (the Director attended all sets). All of them said that they had enjoyed and found the set useful
- A sense of equality amongst members which helped promote loyalty. This manifested itself in people being candid during their airtime sessions (all did) and also in a balanced asking of questions during the sessions. In fact, participants noted that if, at any point, somebody did not ask questions for whatever reason this had really stuck out and been a point to note in reflector feedback
- It was useful for advice and signposting to other resources
- People did not want to miss out on anything!

b. Impact findings

Distance travelled in relation to governance

In the first set, participants were asked to complete a 'Preliminary Self Assessment Questionnaire'. This asked them to identify their current position in relation to five governance areas, namely:

- Recruitment of Trustees
- Communication between Staff and Trustees
- Diversity of Existing and New Trustees
- Trustees' Understanding of their Roles
- Trustees Capacity and Skills to do their Job

These areas had been identified during interviews prior to the participants' joining the programme. During the first set in February participants assessed how they felt their organisation was 'performing' in relation to these areas and thought about where they would like to be at the end of the programme in June. In the final set, they were asked to revisit these original forms and update them, saying how far they felt the programme had helped them move against these original assessments. This helped us get a measure of 'distance travelled'.

In terms of the process, participants fed back that they had found it helpful to have to focus on the question of 'Where do you want to be' during their first session. Many had not thought about this before, and just to be required to formulate an ideal position was, in and of itself, helpful.

When revisiting their February position in June, some organisations identified that they had made 'significant progress' in one or other areas. For some, there was a sense of having got away from their ruts, and having come on in leaps and bounds. Two agencies particularly mentioned that their recruitment had received a tremendous boost, and that ideas from the set had resulted in them reformulating a recruitment drive and getting new trustees on board.

For other areas, agencies felt that the sets had helped progress their performance in some areas by at least a bit, sometimes by raising issues and giving them a bit of space to think things through. There was a recognition by many, however, that four months was too short a time to see radical progress in areas such as e.g. increased Diversity, so that

though wheels may have been put in motion, the results of this would not be seen for a while yet.

Interestingly, some organisations spoke about how the sets had helped them realise that they had issues or difficulties that they had never suspected. One participant said at the final set 'If I was filling out that first assessment questionnaire now, I would fill it out completely differently. I now know what I didn't know then'. Another participant remarked that 'I thought we were fine in this area, but issues came up which has helped show me that we need to do work here'.

Impact on individuals

The impact on individuals was generally very positive, and included:

- Increased skills. Individuals said that they had started to use the methods of 'open questions' in other areas of their work. These new methods had helped them approach their support work with other agencies differently in some cases, moving away from a more advice-giving mode towards a more facilitative, open mode
- Sharing resources and ideas. The facilitators provided some information to participants at their request during the programme. In addition, participants themselves brought along samples of information to share with other participants, including a trustees' induction pack and a copy of a trustee recruitment advert
- Increased confidence. Many people felt that they had increased confidence, partly from listening to the problems of others (!) and partly because of the supportive nature of the group. One participant said 'it helped me realise that I was entitled to ask questions'
- Recognising where you were going wrong. Some people felt that the sets had helped them identify individual difficulties around resistance to change, lack of confidence and their general approach. One participant said 'I think, looking back, I was actually 'deadwood' on my trustee body but I'm not now, and feel much more confident'
- Forcing you to really think through issues. Several individuals mentioned that the process had made them really think through issues, rather than just coming up with pat solutions. One spoke about the experience of airtime as being rather like 'being in the hot

seat – until you did it, you didn't realise how little you had thought these issues through'

- Increased ability to tackle issues. Linked to this, individuals spoke about the fact that the sets had helped them crystallise courses of action, but also importantly had give them an impetus to tackle issues they may have been putting off. It was motivating to know that you were going to come back and speak with peers. As one participant put it: "It made me get off my *@!* and do something!"
- Increased enthusiasm. Having the chance to talk things through also made people feel more enthusiastic about tackling it
- Empathy, and sense of being listened to. People mentioned how some of the airtime sessions had been very revealing, and had generated a sense of empathy and understanding from the other set members
- De-stressing about issues. Several people spoke about the unusual feeling of having 'time to themselves' and how this had helped them take a step back, get issues in focus and not feel so stressed about problems

Impact on organisations

There were a number of concrete ways in which people felt that their organisation, and not just them as individuals, had been helped. The following changes were all identified by at least one organisation included:

- Helping with planning. One organisation had incorporated some of the issues raised into their Business Plan
- Improving communication. Channels of communication had been opened up between trustees and staff (representatives of both had come to the set) and it was felt that the sets had helped them make improvements in this area
- Raising issues which were otherwise buried, or too difficult to tackle. Some organisations felt that the sets had enabled them to have conversations which they otherwise would not have had
- Improving the organisational (as well as individual) understanding of what good governance means. Several organisations had had new

ideas introduced around 'best practice', and were now keen to implement this

- Introducing measures to encourage a more diverse board following their airtime session, including having open MC meetings
- Undertaking a recruitment drive through advertising during the programme. One organisation found that, from having a very small board and no sense of how to change this, they were now faced with 80 requests for information following placing an advert in the Guardian
- Understanding the importance of proper recruitment and trustee induction, and introducing new procedures around this within their organisations. Some organisations said that this was an area where they had previously not thought about 'good practice', but following discussions in the set had resolved to change their organisational practice
- Some non-governance issues were thought through (such as how, and if, to change an organisation's name), and the approach to raising and presenting this with trustees and staff had been changed as a result of questioning during the set
- Introducing new roles and ways of assigning responsibilities into the organisation. One organisation said that they recognised there had been too much overlap between staff and trustees, and steps had been taken to change this

Above all, organisations seemed to have most benefited from having the chance and space to think through issues, plus the impetus provided by the set to tackle issues which can otherwise get deprioritised. As one participant put it: "I don't know exactly where we will be in six months time, but wherever it is it won't be where we are now".

c. **Process findings**

The key process findings were as follows. Strengths and Weaknesses are summarised at the end of this section.

Recruitment and set up

Generally, the timings on the programme were felt to have been too tight, including the timing for recruiting and briefing. It was difficult to find six days within a six month period which all agencies could attend.

Contract and Confidentiality

Participants had found it very useful to generate a contract, but after the first session felt that it had not been sufficiently used. This was partly because, having had the initial discussions, there was little need to reiterate them but participants nonetheless felt that a reminder about confidentiality should have been given more overtly throughout.

Set membership

For most people, it was extremely useful having a focus on second-tier organisations. Only one individual felt that there was no particular merit in this. People generally felt that it had allowed people to compare similar experiences, and also that second-tiers had particular issues in relation to governance e.g. that it was not always easy to get people interested in support functions as opposed to frontline delivery.

People also noted that it had not seemed to matter whether organisations were operating in one borough or across London. The experiences were roughly equivalent. More significant for set participation was the size of the organisations. Some organisations had only one member of staff, which had made participation more of a challenge for them.

Perhaps the critical approach being trialled through this pilot was the fact that these Action Learning Sets allowed for organisational, and not individual, participation. In practice what this meant was that organisations were allowed to 'field' either a staff or trustee member to represent them at a set, and that these could be different each time (technically) provided that they had been fully debriefed beforehand. In practice, only one organisation fielded different people each time (3 in all) and thus there was much continuity. However, it was felt that this could be a problem if there was constant change.

Perhaps more importantly, this approach also allowed for trustees and staff to be present from the same organisation. This was, in fact, actively encouraged. All organisations felt that the involvement of both had been extremely positive, and had in some cases opened up

channels of communication. However, a couple of organisations also felt that this had been inhibiting, and that it could have been valuable on occasions to 'split' the participants into trustees and staff. There is learning here about how organisations are helped to think through their participation beforehand, as well as how to handle this during the sets themselves. For 6 out of the 9 agencies, this was not felt to be an issue and indeed they had welcomed having both perspectives.

There were a number of factors, therefore, which meant that the sets did not promote the same type of intimate and confidential learning environment as more traditional Action Learning Sets. The lack of continuity, combination of trustees and staff and also size of the set (one set had twelve people present) meant that the experience differed from smaller Action Learning Sets which people had been on. However, though for one person this was a significant issue, on balance most organisations had found the sets to be supportive and the benefits to far outweigh the disbenefits.

Set adviser input and support

This was felt to be critical to the success of the set, particularly in relation to:

- Recruiting people, and convincing people of the worth of the sets
- Providing support for preparing airtimes
- Critically, providing debriefing notes which organisations could use to pass on learning from set to set. It was felt that, without these, it would have been much more difficult to send different people to each set
- Provision of information on general governance issues, though participants felt that this could have been a better used resource

Summary of process strengths and weaknesses

Strengths

- Focus on second-tiers
- Having time to think through issues

- Time taken in first session to set up and explain process was useful
- Generating a contract was useful
- Questioning approach of airtime sessions
- Debriefing notes felt to be very useful
- Allowing representation from organisations enabled agencies to participate as some felt they would not have been able to if they had had to send the same person each time
- Allowing one or more people from each agency helped open up conversations about governance internally
- Facilitators provided good framework and helped people keep to task and the questions 'open'
- Good food!

Weaknesses

- Focus on second-tier organisations not felt to be so relevant (one agency)
- Too little time allowed for recruitment
- Group contract insufficiently used, and issues of confidentiality not stressed enough as programme wore on
- Costly in terms of time for a small organisation, and you had to be convinced of value in order to attend and keep on coming
- Some organisations found it difficult to attend all sessions
- Need to address issues of continuity between sets
- Not enough use made of the offer of providing resources and information (made by facilitators)
- Though facilitators input in the main felt to be useful, could occasionally 'colour' the sessions
- Disparity between organisations' 'representation', with some sending trustees and some not (also felt by some to be a strength)

- Fact that trustees and staff in same set felt by some to be inhibiting (but the same people also felt that it had benefits)
- No financial support provided for cover in office

d. Summary of key findings from facilitator perspective

The facilitators both felt that the ALS was successful. The group worked well together and covered some very relevant governance issues and they were able to see people working through problems and confronting issues. It was notable that, at the beginning of the process, some organisations were less engaged than others and initially the facilitators felt that there was likely to be at least some 'drop out' during the process. However, probably for some or all of the reasons described under 'motivation' above, people kept on coming and it was notable how, by the end of the process, commitment and enthusiasm was pretty evenly shared.

The facilitators felt it was important that the participants did not feel or act like the set was a 'meeting', with them as Chairs, but that they took responsibility as far as possible towards other members of the set. It was notable how, as time went on, set members started to communicate directly with one another and just copy the facilitators in to emails. This was actively encouraged.

In summary, the facilitators would give the following feedback:

- The ALS model is a very useful one to explore and improve problems of governance, particularly as there are a particular set of "hidden" issues which can arise with governance
- The sets also presented some challenges in terms of encouraging openness, in particular in relation to the fact that both trustees and staff were welcome to attend any sets. This was extremely positive for some, but for others potentially more problematic and inhibiting. This was evident in some of the discussions
- Such a model requires a fairly high level of investment at the recruitment stage and setting up stage if it is to run well. This is clearly resource intensive
- Many organisations explored similar issues and thus benefited from hearing about the issues faced by others as much as they did from their own airtime

- The group have begun to form a network and are already supporting each other with resources to help them unravel issues
- The ALS seemed to be an incredibly supportive process giving individuals the confidence to tackle very difficult and entrenched issues
- The facilitation of the ALS has been important to its success and we have been able to support the group with information and experience. The group are moving towards self-sufficiency and could continue beyond June

1.8 The future of the group and recommendations for the future

Overall, the Action Learning Set was extremely successful for the participating organisations and seemed to yield some concrete and useful individual and organisational results. In terms of the future, the following should be thought about:

For the Pilot Action Learning Set participants

There was a strong sense that four months of meeting was not enough to find out the true impact of the programme. Organisations felt strongly that they would like to have a follow up session in 6 – 8 months time, to provide a longitudinal evaluation and see how far some of the ideas had, in practice, been absorbed. It was felt that any meeting should be for the individuals involved in the set, rather than just organisational representatives, as in the main a core group had invested in and learnt from the process.

For future funding and support

Programmes of this nature can have an enormous benefit in the area of governance. There is merit in considering further Action Learning Sets, based on the lessons from this pilot, which allow second-tier organisations to meet to take forward governance issues.

It was particularly noted that future models should be for a longer period of time, meeting less frequently. Particularly in the area of governance, it was felt that it was difficult to progress issues quickly sometimes.

There are variations on this Action Learning Set models which are potentially useful to explore. These include:

- Doing the same model again, but with a scaled down budget. Participants noted that they could probably find both venue and catering which would cut down the resources necessary to run a similar programme again. In addition, the facilitators could, if Action Learning Sets were to continue, be dispensed with for all sets though participants felt that some background support and steering was needed
- Collecting together the learning on governance from the sets from all participants and publicising this
- Having an Action Learning Set for a) staff and b) trustees only. This could either be one set which splits into two (potentially a very useful model) or two separate sets
- Having an Action Learning Set for individuals only around the area of governance. One or two people felt that they would like to participate in potentially a smaller but more intimate and confidential set where it was possible to be even more frank
- Using the participating agencies to help roll out Action Learning Sets in their own localities or specialist areas. With some funding, it could be possible to look at how the second-tier agencies could roll out this model to the agencies they support. One spoke of having a standard Powerpoint presentation which individuals could use to explain the process and set it up elsewhere

Sample document one**Governance Action Learning Sets Participant Contract**

All members of the set recognise the importance of trust and commitment to the action learning programme. The following are a set of rules for participation in the ALS, discussed and agreed by participants on the 23rd February. **It was agreed that this contract will remain flexible** and open to change/addition during the programme:

- 1 Make space in their diary to **attend every meeting of the set** (missing meetings undermines the experience for all other set members)
- 2 Participate during the life of the set (i.e. **not drop out**)
- 3 Be as **open and honest** as possible within the set. It is recognised, however, that given the size and changing nature of the group building individual relationships and trust may take time.
- 4 Acknowledge that it may be difficult to be completely open and honest given the **pre-existing relationships** (e.g. between staff and trustees) in the room. Participants will try to manage this by depersonalising comments around their agencies, and by trying to convert any internal conflicts which may arise into action points for outside the set.
- 5 Observe **the importance of 'Open Questions'**, and not give advice
- 6 Observe the **importance of sticking to both timing and role** during the process of the sets
- 7 Keep all discussions within the sets **confidential**
- 8 **Don't gossip**, moan or talk about issues which cannot be resolved by the group
- 9 Presume a **common values base** of respect for others and equality of opportunity
- 10 Ensure that whoever is attending from each agency is **fully briefed** and prepared to participate, so that the set's time is not used 'bringing them up to speed'

- 11 Ensure that **agreed actions** are, as far as possible, **taken forward** between sets and progress on these brought back to the set
- 12 **Help in the evaluation** of the pilot by providing non-confidential information about the process and the outcomes of participation for you and your organisation. This information will be non-attributable in any reporting.

Sample document two**Preliminary Self-Assessment Questionnaire**

The following is designed to help you consider the 'baseline' from which you are starting and what, you hope to achieve before embarking on the Action Learning Set programme. At the end of the programme you will be asked to reflect back on these answers to give you, the set and the programme a sense of what has been achieved (both expected and unexpected) and lessons learnt.

ABOUT YOUR AGENCY AND ITS GOVERNANCE

Please rate your agency's performance 1 – 10 against the following areas, with 1 as 'very poor' and 10 as 'very good'.

AREA 1: RECRUITMENT OF TRUSTEES

How would you rate your agency's current performance in this area? Why? Where would you like to be at the end of the programme?

AREA 2: COMMUNICATION BETWEEN STAFF AND TRUSTEES

How would you rate your agency's current performance in this area? Why? Where would you like to be at the end of the programme?

AREA 3: DIVERSITY OF EXISTING (AND NEW) TRUSTEES

How would you rate your agency's current performance in this area. Why? Where would you like to be at the end of the programme?

AREA 4: TRUSTEES' UNDERSTANDING OF ROLES

How would you rate your agency's current performance in this area? Why? Where would you like to be at the end of the programme?

AREA 5: TRUSTEES' CAPACITY AND SKILLS TO DO THEIR JOB

How would you rate your agency's current performance in this area? Why? Where would you like to be at the end of the programme?

AREA 6: OTHER (Please Specify):.....

How would you rate your agency's current performance in this area? Why?
Where would you like to be at the end of the programme?

ABOUT ACTION LEARNING SETS

What skills do you hope to gain from participating in the Action Learning Sets?

What do you think your agency (as opposed to you as individuals) may gain from being part of this process?

How will you measure the success of the programme for your agency?

Sample document three

Debriefing Note for Participants from Action Learning Set on 23 February 2006

These notes are to provide you with a brief reminder of what was covered on the 23rd February.

Passing on Information to colleagues attending next time

These notes should be added to by those attending the February Action Learning Set in order that colleagues attending the next ALS (on March 23rd) are brought up to speed.

We have provided a series of '**Learning Boxes**' to act as prompts in Section 2 of this debriefing. These are for you to fill in to pass on to others within your organisation. The best thing would probably be to use these notes, and your observations in the Learning Boxes, as a basis for a verbal debriefing.

If you are attending next time, it may be useful to make notes for yourself anyway just to remind you of your key learning points during the day.

1 Who was there?

AGENCY (listed alphabetically)	INDIVIDUALS ATTENDING
	Trustees are indicated
<i>TOTAL NUMBER OF PARTICIPANTS ATTENDING (23rd Feb)</i>	<i>8 Staff Members 4 Trustees (2 Facilitators)</i>

2 What was covered in the ALS on the 23rd February?

This was the first Action Learning Set, and as such was unusual in that it spent most of the day providing the context for the whole series of 6 learning sets, and helping participants create their own framework for further work together during the remaining 5 day events.

The next learning set will therefore be very different, mainly focussing on the individual experiences of agencies around governance issues. These notes, and the accompanying documentation, need to be read thoroughly therefore as we will not be covering this ground again.

a. Participant Introductions

Those present introduced themselves. It was pointed out that all agencies present were second-tier, as this programme is targeted at such agencies. Having said that they were very diverse, including:

- 5 'generic' (CVSs) and 4 'specialist'
- Sizes of staff teams varied from about 14 f/t staff to 1 f/t staff
- Some agencies were more 'membership focused' than others
- 7 have a geographic focus (i.e. one borough) and 2 are London-wide
- Number of current trustees varies widely

Agencies had identified different levels of commitment within their agencies. For some, 3 members (2 staff, 1 trustee) had all been identified and at least 2 would attend per ALS. For others, this had been more difficult and only one person was currently actively involved.

Learning Box 1

**What did you observe about the other ALS participants?
How do you feel your own agency compares in terms of commitment to the ALS?**

Anything else?

b. Overview of ChangeUp and Governance

The facilitators gave an introduction to the overall programme. Key points raised were:

- ChangeUp is a national Government initiative which aims to improve 'infrastructural support' to the voluntary and community sector (VSC). It has been going since 2004
- One of the key objectives for ChangeUp is to improve governance in the VCS. There is a national Governance Hub (based at NCVO) which has been set up to provide a national lead on this. Though this national hub is not directly funding this pilot study of Action Learning Sets, they are interested in the progress on these

- Governance generally is receiving increasing attention (some have called it the new 'Volunteer Management' in that it is an area of rapid learning and growth, like VM was about 10 years ago). There is also a general recognition that good governance can 'make or break' an organisation
- The issues that trustees are dealing with are increasingly complex
- ChangeUp has involved a lot of regional, sub-regional and local consortia of second- tier agencies meeting and coming up with plans
- These Action Learning Sets constitute a pilot study, which is being funded by the London Regional ChangeUp Consortium, as part of their own regional plan looking at improving governance
- The aim of the pilot study is to see how far this type of learning (ie Action Learning as opposed to traditional training) is helpful for second- tier agencies, and see whether or not there is any mileage in 'rolling this out' as a more general programme of support
- As such, the Action Learning Sets will be written up and the facilitators will be asking participants to let us know how useful you find them, and what does and doesn't work, in your opinion
- It is NOT the purpose of the Action Learning Sets to deliver information to participants around ChangeUp and Governance in a formal setting. However, should participants need the facilitators to research specific topics and report back to participants on these, this is fine. The facilitators will take their lead from participants on this, so tell us what you want to know about

Learning Box 2

Did you learn anything about ChangeUp which you would want to remember/pass on?

Did you learn anything about Governance generally which you would want to remember/pass on?

Did you register the process for 'commissioning' information from the facilitators, and if so was there anything which you felt you would want to ask them to prepare at this stage?

c. **Overview of Action Learning**

A detailed overview of Action Learning had been provided to participants beforehand. It is suggested that participants ensure that this is passed on to anybody attending the March (and subsequent) event.

It was noted that normally Action Learning sets are comprised of 5 – 8 individuals (not agencies). This pilot study is therefore 'trailing' whether or not it is possible for an agency (rather than an individual) to participate in a set and get as much or similar learning. The reason for deciding this approach was a recognition that individuals would find it difficult, potentially, to attend all sets whereas it may be easier if they could field different people at different times. The potential down side, however, is that individuals are not able to participate fully if they haven't been before. The only way to help people do this will be through good debriefing – hence these notes!!

We went through this overview, particularly noting the conventions of Action Learning in relation to:

- Having 'airtime' for individual agencies. The principle of Action Learning is that each agency has its own 'slot' when it presents its own issues, and then everybody focuses on asking questions and exploring these issues. During your 'airtime', no other agency will be considered except to help elucidate your situation
- Asking Open Questions. During 'airtime' there is one significant rule: Do not give advice! Questions must always be open ie not require a right or wrong answer. See the ALS briefing for examples of Open Questions

Learning Box 3

What did you learn about Action Learning which was new?

What is it important for anybody new joining the set to register about the process of participating in an Action Learning Set?

**d. Establishing a baseline position for all agencies:
What do you want to get out of these Learning Sets?**

Everybody present filled out a self-assessment questionnaire which asked people to rate their agency's governance performance in certain key areas, and asked participants what they wanted to achieve in relation to these during the programme.

The facilitators took a copy of these questionnaires, and participants kept their own for future reference. Some agencies, of course, had two people filling these out which provided useful comparisons of perspective.

It is suggested for all new participants i.e. those coming along at some point from March onwards, that they fill out one of these questionnaires and then compare their responses to the other responses from your agency.

Learning Box 4

What did you learn from filling out your questionnaire?

What are your priorities for the Learning Sets at present (these may evolve!)?

Have you given 'new' participants a copy of the questionnaire and gone through this with them?

Have you shared your own thinking on the questionnaire you filled out (after they have filled their own in)?

e. Negotiating a Draft Contract

It is very important, in an Action Learning Set, for there to be trust amongst participants. For this reason, it is important to have a set of understandings, or 'rules', which are drawn up into a Contract between participants.

A draft contract had been circulated. This was discussed, and amended and added to. It was particularly noted that, should future issues

emerge, people were free to add or amend further as time went on. The important thing was to keep this document alive, and to understand its implications.

Learning Box 5

What were the most important issues for you arising out of the contractual discussions?

f. Deciding what people are going to do in future Learning Sets

We ran through a proposed structure, provided by the facilitators. Given that there are 9 agencies participating, the proposal was to have 4 agencies having their 'airtime' during the second- and 4th Action Learning Sets, and 5 agencies having their 'airtime' during the 3rd and 5th Action Learning Sets.

There would then be an introductory session and a debriefing session at each ALS to open and close each set.

The framework for the 6th and final learning set would be discussed later in the programme.

Learning Box 6

What are the implications of the Learning Set programme for your agency?

g. Holding a 'practice run' Learning Set session ('Airtime')

A short (40 minutes) 'airtime' session was held in which one agency took the presenter role, one took the 'reflector' role, and all others asked questions. The facilitators sat outside the circle for this session.

AB from (agency name) presented an issue and all agencies asked questions. LP from (agency name) reflected on the process and lessons learnt. The facilitators provided some additional observations.

Amongst the key issues raised were:

- If the questions asked during Open Questions are not felt to be helpful to the presenting agency, then say so. Don't waste your precious airtime answering things which are 'off side', for you
- Remember - the presenting agency is in the driving seat – the purpose of the session is to help you understand your issue better, and to gain new perspectives. So use it well
- Don't waste time explaining and presenting your agency as if you were speaking to an audience at a seminar. You need to identify the issue you are concerned about, identify the facts you need to relay (as briefly as possible) and then relay them. And leave as much time as possible for questions and questioning. If you talk for half an hour you have used up most of your time, and learnt nothing
- Not all agencies asked questions, which was partly a function of time. Overall, however, questioning kept mainly to open questions, and when advice was offered this was corrected by the group
- All agreed it was really important to think, beforehand, about the issue that is being brought to the group so that you can be as clear as possible about what you are talking about and do this succinctly

Learning Box 7

What did this session highlight for you in terms of governance issues (if any)?

What did you learn about the process of holding these airtime sessions, and how to get the most out of them?

h. Deciding Next Steps

The facilitators undertook to send round:

- Debriefing note (this note)
- List of participants
- Redrafted Contract

Those present identified the next agencies to be presenting their issue on March 23rd during their airtime as:

4 agencies listed

Other agencies will be asking open questions and filling the 'reflector' role, to be identified on the day.

Learning Box 8

What is your role at the next ALS?

What do you have to prepare (if anything)?

Section 2: Feasibility study on Chairs Network

Report by Karen Heenan

2.1 About the project

Charity Trustee Networks is a partner in a project delivered by the London Voluntary Service Council and funded by ChangeUp through the Government Office for London. The overall objectives of the project are to raise the profile of governance work in London and to provide a potential framework for the next steps in London.

These objectives will ensure that London moves closer to improving the governance of infrastructure organisations and the support that these organisations provide to frontline voluntary and community sector organisations on Governance.

This project supports the ChangeUp agenda of developing and improving access to, and quality of support and information provided to frontline organisations around governance. This will ensure that board members become more aware of their responsibilities and good practice and have direct access to clear and useful information.

2.2 About Charity Trustee Networks

Charity Trustee Networks (CTN) was established in 1998 and its main objects are to promote the efficiency and effectiveness of charities by improving their governance through trustee networks and by promoting the education of trustees in the principles and practice of trusteeship. Thus, CTN aims to increase trustees' access to information, guidance and support through networks, signposting and services.

CTN helps set up and provides support to networks of voluntary and community sector trustees and management committee members. These networks provide cost effective peer-to-peer consultancy and mentoring, in a confidential and non-competitive environment. There are currently over 50 trustee networks operating up and down the country, with a range of models and structures of operation. CTN does

not promote a rigid format, as networks are run by their trustee members to meet their needs. Networks can be geographically-specific or can focus on the type of trustee role or sub-sectoral organisation.

2.3 CTN's role in the partnership project

CTN's specific objective in this partnership project was to explore the feasibility of a London wide Chairs network for second-tier/local infrastructure organisations in London. The purpose of developing such a network would be to increase the links between Councils for Voluntary Service, volunteer centres and other local infrastructure organisations across London that support Chairs and trustees more generally.

2.4 Methodology

CTN undertook a feasibility study for a Chairs network for Chairs of infrastructure organisations in London. As part of this feasibility study, we first studied the following background information held by CTN, which included:

- Charity Trustee Networks' Evaluation of Effectiveness study, undertaken by Joy MacKeith in 2003, which explored how peer support networks between trustees can assist in developing good governance in organisations
- Information on trustee networks across the country
- Trustee network feasibility questionnaires developed by infrastructure organisations around the country and by CTN
- Early information available from the national survey of trustees

2.5 Findings

Would a trustee network be effective?

The Evaluation of Effectiveness indicates that even relatively small trustee network can have an impact on a significant number of trustees and therefore on a significant number of organisations. This is

particularly true when the “knock-on” effect is considered of the specific role of Chairs of infrastructure organisations, which can in themselves impact the effectiveness of their member organisations.

Eighty per cent of questionnaire respondents in the study reported that participating in a network had improved their ability to govern their organisation and this finding was consistent across all of the four forums studied in detail, which included two Chairs Forums. There were also many reports of how participation had increased confidence and sense of being supported in their role.

It can be demonstrated that participating in a network leads to concrete changes in the running of boards, in many cases, these include:

- creating a trustee pack
- introducing appraisal for the Chief Executive
- a new committee structure
- initiating internal audit procedures
- improving monitoring systems
- improving contracts for staff
- formulating a policy to deal with trustee liability protection
- introducing a quality system
- accessing new sources of funding

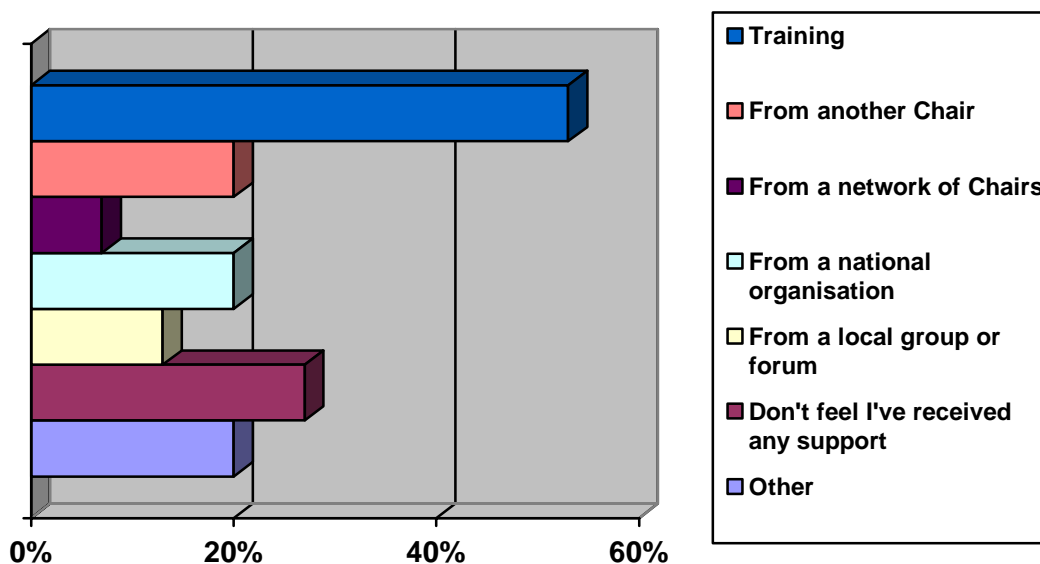
2.6 What are the needs of Chairs of infrastructure organisations in London?

There are currently two important trustee surveys in the public domain – one is being led by the Governance Hub and is seeking to establish a baseline of information from trustees about their needs and the support currently available to them. Also, a partnership between Third Sector magazine and nfpSynergy are undertaking a trustee survey. These findings are not yet publicly available, but will help to inform decisions

about support for Chairs of Infrastructure Organisations in London and the development of a network.

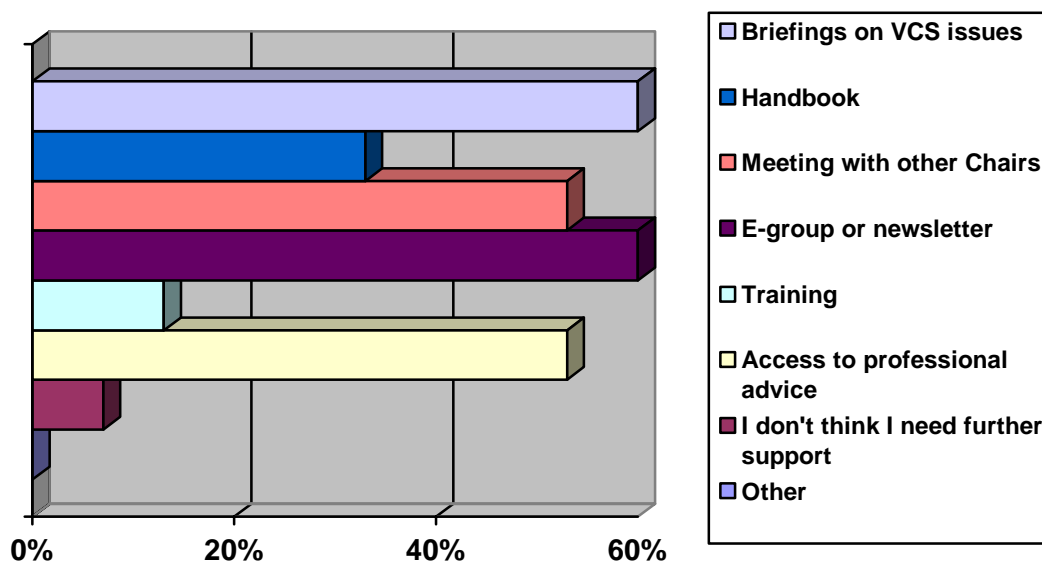
The questionnaire sent out by CTN as part of this feasibility study found that 53% of Chairs received training, but only 7% (ie one of the fifteen respondents) received support from a network of Chairs. The findings are set out below:

Fig 1: What support do you get as a Chair?



Chairs' priorities for support were for briefings on voluntary and community sector issues (60%), an E-group or newsletter (60%), meetings with other Chairs (53%) and access to professional advice (53%).

Fig 2: What support would you like as a Chair?



The Governance Hub has also commissioned a research report into the Support and Learning Needs of Chairs of Voluntary and Community organisations. This report will be available later this year, but relevant findings that seem to be emerging indicate that there is currently a lack of both structured and informal external support for chairs and that there is space for more external support such as informal networking opportunities (both local and at regional/national level). This would support the development of the Chairs network proposal.

The Evaluation of Effectiveness work studied one network of a particular type of organisation (in that case, a network for Chairs of Independent Hospices) and concluded that "it is difficult to draw conclusions about networks of a particular type of organisation based on the single forum of this type included in the study. However, the findings...indicate that a forum of a clearly defined type of organisation can create the ongoing relationships necessary to support members with difficult and sensitive issues, as well as imparting information." This goes some way towards demonstrating that a network of Chairs of Infrastructure organisations would have value for those participating.

2.7 Is there another network that would meet these needs?

There are currently trustee networks available in London, but there is no specific network available

In June 2006, a new network is to be launched for Women Chairs of voluntary and community organisations which is based in London. It is likely that this will be focusing on Chairs of larger charities. This network might meet the needs of some of the female Chairs of infrastructure organisations, but because of its gender-focus could not meet the needs of the group under consideration in this project.

2.8 Do Chairs want a network?

Eighty-seven per cent of Chairs (13 of 15 respondents) indicated that they would be interested in meeting with Chairs of other local infrastructure organisations in London. Two were unsure. There were mixed views as to how often such a group should meet, with one commenting, "Time is critical, and although I have said yes to meeting, I would struggle to give it priority". In response to the question, "If a network was set up in London, how would you like to contact other Chairs?", 86% wanted contact virtually using the internet, 46% face to face and 33% by telephone.

The following issues were of interest to Chairs as topics for discussion at a network group:

- Sharing best practice
- Appraisal of the Board
- Diversity
- Collaborative working
- Relationship with the Chief Executive/Appraisal
- Running Effective Board Meetings
- Relationship of the Board to the CE and staff as an organisation grows and develops

2.9 Conclusions

A network for Chairs of Infrastructure Organisations should be established. The first step in developing such a network is to gather a group of Chairs together and to ask them, face-to-face, how they would like such a network to develop in order to best meet their needs.

At such a meeting, consideration would need to be given as to how a network could be established and sustained. As part of CTN's support for networks, we are developing a regional support structure for networks, appointing nine regional network champions, who will work two to three days a month to get to know the networks in their region, speak at network meetings or help to find speakers and support the establishment of new networks. This structure will enable and encourage networks to network and learn from other networks at regional events. This role in London could be important in sustaining a London Chairs network for infrastructure organisations. In addition, LVSC has agreed that they have a key role to play in co-ordinating activity emerging from this work and hosting events and this may be explored further.

Section 3: Tackling governance issues - some individual case studies

The following are case studies from voluntary organisations which have overcome a particular challenge in the area of governance. The studies are intended as learning opportunities for others in the sector as they cover many common problems encountered by trustees and organisations and outline their journey towards better governance. Where they were happy to be named we have done so. Three out of the six, however, wanted to remain anonymous as the issues the case studies deal with are sensitive.

Case A: Bromley Mencap – a stagnant and long serving board

Bromley Mencap is an independent charity supporting people with disabilities, their families and carers and acting to campaign on their behalf. The trustee group of 11 had been without a Chief Executive for nine months, many of the board members had been trustees for many years and the group as a whole had become stagnant and lost. The incoming Chief Executive undertook a complete and rigorous review of the whole organisation including the board. When he presented this to the board it involved a number of hard hitting recommendations for them, involving changes to structure, commitment to training and a request to engage new members. This was accepted without contest and resulted in trustees all attending two days of training with follow up six months later. It resulted in a refreshed and representative board including new members and confidence in the ability of the Chief Executive. Decision making and the flow of information are now much improved within Bromley Mencap. The success of this approach was put down to:

- An organisational approach, involving everyone so that recommendations were from the organisation and not the Chief Executive alone
- Clear outline of the benefits the recommendations would bring
- The support of a mentor and the conviction of the Chief Executive, who took control of the situation with passion for the sustainability of the organisation

Case B: Young People's Project, Ilford – accepting responsibility and roles

The Young People's Project offers support for young parents through education and informal and formal training. It involves a range of professionals which the young people may draw on including midwives, lone parent advisers and careers advisers. The problem faced by the organisation was a small board which was not taking on responsibility for the change that needed to be made by the organisation. The board also lacked an understanding of the need for clear roles within the trustee group which was affecting its ability to function effectively. This situation was tackled by bringing in a local training group, ACE, to look closely at roles and responsibilities within the trustee group. ACE took the group back to its Articles and Memorandum, outlining what appropriate involvement in a trustee group meant which brought about a realisation of roles amongst trustees. The success of this approach was put down to:

- Bringing in outside experts to avoid the need for the senior management having to "tell" the trustees how to run the organisation
- Some of the coming together was about uniting against a common enemy; the change required brought about lots of challenges which meant the trustees welcomed the training
- The importance of recognising the skills of individuals and working together to get the best from these for the organisation

Case C: City Gates – trustees understanding two different sets of roles

City Gates is a church based organisation which runs a number of community projects, many of which involve teaching English to people whose first language is not English. They deal with people representing around 40 different nationalities and work across Ilford on three sites.

Trustees for City Gates are also elders of the church and when the organisation became a charity, they struggled to see a difference between the roles of elders and trustees, especially in unfamiliar areas such as their legal responsibilities to the Charity Commission. A combination of lack of knowledge and fear of a large workload was holding back the function of the trustees and the governance of the organisation.

The organisation dealt with this problem by meeting more regularly (previously they had met quarterly) and by using Charity Commission

guidelines to work through a number of issues around roles and responsibilities. Lessons learnt through this problem include:

- Using an organisation known as Stewardship based in Loughton whose information on governance was very clear particularly around roles and responsibilities
- Assuming nothing – presuming that professional or senior people have an understanding of the function of charities is unwise, provide clear information and guidelines from the outset
- Spending time addressing the problem specifically rather than avoiding it, or hoping that people will come up to speed naturally

Case D: Board not assuming responsibility for managing CEO

The board of this second-tier agency was aware that there had been problems between the CEO and their staff for some months. There were some complaints, but nothing serious. Meanwhile, the board was aware that there were a number of procedures which were not in place, including that of performance review for the CEO. No job description appeared to be in place when requested by trustees, and there was no appraisal system in operation.

Though initial complaints passed, the organisation found itself in increasing difficulty exposing a lack of strategic and management skills within the organisation. In addition, staff within the organisation seemed increasingly worried about the lack of direct access to trustees, to the extent that they started contacting them direct. Communication between the CEO, staff and trustee board worsened as staff felt let down, but the board could not challenge the performance of the CEO. Eventually the CEO filed a grievance, putting the kibosh on tackling performance issues. The lessons learnt for this organisation were:

- Boards can become complacent about the delivery and performance of a CEO, and fail to treat them as a member of staff that they are managing
-
- Boards need to have a clear way in which they are managing and reviewing the performance of CEO otherwise, when troubles hit, it is much more difficult to tackle

Case E: Board members who are there to represent, not govern

The board of this second-tier agency was large (up to 25 members) as it was composed of representatives of other agencies which could be said to have a 'stake' in its progress and future. In order to make this workable at meetings, there was a small quorum of only five, however.

As most of the Board viewed their participation as representative, not governing, they did not get to grips with some of the emerging and difficult staffing and financial issues of the organisation. Furthermore, with such a small quorum for such a large board, it was easy for the board to get 'out of touch' with the day to day running of the agency.

As a result, the board effectively lost control of key decisions within the organisation, with eventually serious results when allegations of malpractice were brought forward. At this point some staff and funders tried to rectify the situation by instigating a review and a process of constitutional reform. However, though ultimately the constitution was changed, it was at huge cost. The lessons learnt were:

- If the only qualification for being a board member is to be from a particular organisation or community then this can be problematic
- Board members must also have the interests of the organisation at heart, and be aware of their governance responsibilities
- Having a big board is very difficult, and realistically executive decisions need to be taken by a smaller group of people
- If you want to change a constitution then be aware that there may be massive resistance to this if board members are effectively expected to 'vote themselves off' – people are rarely able to do this!

Case F: Making sure that voting and nominating procedures are fair

A long established organisation has a strong board of trustees. Over the years, they have evolved many procedures for the recruitment and election of the board, and the organisation's President. These procedures, though quite complex, have functioned well for years and resulted in a committed team of people led by a President elected by a democratic system.

A need to vote in a new President at mid term led to a new election being held. Though initially this should not have proved a problem, there was a

hitch when an objection to the proposed candidate was made on a technical point. Though the real reasons for objecting may have been more personal, this plunged the organisation into a detailed examination of its election procedures, and how best to proceed in a fair and impartial manner. This risked becoming very introspective and energy-consuming for a while. In particular, there wasn't a governance to deal with the eventuality of a nominated candidate being rejected.

In order to break a sense of deadlock, advice was sought from several independent sources as to how to proceed. A parliamentary procedure expert was contracted to give them advice on this, and 'Robert's Rules' were used to help them understand their position and come up with a formal Nominating Handbook and a practical way forward. Robert's Rules are widely used in the US but less well known in the UK even though they have wide applicability for conducting meetings. Originally published in 1876, Robert's Rules have come to be viewed as the 'gold standard' of meeting procedures for parliamentarians and committees alike. Key lessons were:

- Even normally smooth running operations can be interrupted by unforeseen personal or technical glitches
- When this happens, the heat of the debate can turn personal
- In order to avoid this, having recourse to external frameworks (particularly procedures based on parliamentary rules, such as Robert's Rules) can remove the heat, and help everybody focus on what is objectively fair practice

Appendix 1: Resource overview

This appendix covers areas of research which have been completed into voluntary sector governance and which are of note to the sector. We have summarised some key research reports so that organisations who wish to read about these can gain an overview of their main points and access the full report if that is required.

Additionally, this appendix provides a summary of a wide range of resources available to the sector to support governance in the form of training, good practice and new publications. Organisations can quickly see where they might get support with particular issues regarding trustees' roles or to work through challenges of governance.

This appendix does not claim or try to be exhaustive. Organisations should note that a full and extensive 'mapping' of governance resources is currently being carried out by the national Governance Hub, and this will be reporting in July 2006. This will provide a comprehensive overview. The purpose of this appendix should therefore be seen to provide organisations with some potential useful information and links when they explore the practical issues of governance raised during the main body of this report.

A: An Overview of Governance Research – key reports

The following is a summary of some of the key research documents around looking at governance issues:

1. Governance Hub Baseline Survey

The Governance Hub has commissioned a baseline survey on governance involving widespread consultation with groups to map gaps in support and resources in governance. The consultation phase was due to end on 8 May 2006 but was extended to allow time to include some specialist organisations who had yet to respond. Consequently the key findings of this survey are not yet available but a press launch is scheduled for mid July 2006 with the full report intended to be available the following month.

As the first survey of its kind, the results of this mapping exercise will be very interesting to the sector. What is hoped is that through the identification of common problems and gaps, funding will be directed

into increasing support in these areas, particularly ChangeUp funding. The results will also inform the future of the hub's work. To keep abreast of developments and access the report when it is available go to www.governancehub.org.uk

2. Lessons from the field

Supporting governance in small voluntary and community organisations
Report by the Centre for Voluntary Action Research at Aston Business School for **bassac**.

The aim of this research was to learn how to improve the effectiveness of governance in organisations with less than 4 staff where the trustee group plays a very key role in managing and governing the organisation. This was carried out through the provision of a support to organisations across the UK in the form of an action learning set, the development of a web network, a face to face network and two training events.

The study identified that for small organisations the challenges of governing included:

- Developing an understanding of the roles of trustees
- Developing an effective governing body
- Financial management support and the need for knowledge of the regulatory environment
- Support with managing change

Organisations benefited from all the methods of support offered but ideally wanted a range of support at a local level to suit different learning styles. They particularly benefited from the opportunity to speak to and learn from other trustees.

For small organisations, the report concluded that future resources might be put into developing a model of core governance support; support for local adaptation and implementation and the development of opportunities for continuous shared learning in the form of networks and other learning opportunities.

3. A Lighter Touch

An evaluation of the Governance Project by Sarabajaya Kumar and Kevin Nunan

The report was written in response to the recognition that community and small voluntary groups had common issues around effective governance that they needed to address. The Governance Project, which is the subject of the report, looked firstly at defining governance and some of the main problems experienced and then at working with a group of funders, intermediaries, CVSSs and voluntary organisations to deliver a package of support to governance. The project also looked in detail at seven organisations trying to overcome problems with their board, outlining what was done to achieve this and the level of success experienced.

The report details the seven organisations as case studies which cover issues which are very common to the voluntary sector in striving for efficient and effective governance. These ranged from defining collective understanding and shared vision for the organisation's development, understanding roles and responsibilities, moving to a charitable structure, compliance with the legal framework and accountability.

Generally the project discovered that some key components need to be present in order for consultants to support groups through problems:

- Close work with groups was more effective than a "hands off" approach
- Trust needed to be established to enable groups to disclose the difficulties they were experiencing
- At times, poor constitutions were at the root cause of many governance issues
- Governance needs to be "facilitative" and not constraining, consideration of a "light" governance structure would be enabling for many voluntary sector organisations

The full report can be accessed at: www.jrf.org.uk/bookshop

4. **Rethinking Governance: ACEVO**

This report examines the very structure of governance in the voluntary sector, asking if boards are the right way forward for governing in the future.

"Rethinking Governance" presents the results of the ACEVO Governance Inquiry, undertaken in 2003. The Inquiry involved three working groups of ACEVO members and external experts, with representation from the Charity Commission, NCVO and Charity Trustee Networks. The results are based on a survey of nearly 300 chairmen and chief executives. It questions whether the sector's governance arrangements are keeping pace with its growing and changing role and asks some key questions about the future of governance including:

Are voluntary, non-executive trustee boards the best structure for governing all voluntary organisations in the 21st century, including those delivering vital public services?

Are the cultures and processes essential to effective governance in place?

A review of the report which retails at £12.50, from a consultant working across voluntary governance, describes it as: "*highly relevant and pertinent to the work I have done, and I would recommend it to anyone with questions over the role of Board*"

For further information go to: www.acevo.org.uk

5. **Governance Advisers Support Needs Analysis – Williams and Herbst April 2006**

Funded by the Governance Hub, this piece of research looked at the role of those who supply support and advice around governance to determine what support they needed through the Governance Hub's Adviser Support Programme. It engaged over one hundred people working as advisors to Board of Trustees through focus groups and interviews to determine who they are and what they offer.

Some key support issues were determined through this report:

- Support is best delivered through capacity Building not direct service provision
- A “Body of Knowledge” is needed on governance
- The “market” in governance advice and training needs to be managed effectively so that all can access it and so that it meets all needs
- Standards for governance advice need to be set
- Funding for board development needs to be made available
- Additional support is needed for those advisers working with specialist groups

The report is available at the governance hub website, go to:
www.governancehub.org.uk/downloads/exec_summary_GASNA.pdf

6. Charity Trustee Networks: An Evaluation of Effectiveness by Joy MacKeith, December 2002

Charity Trustee Networks exists to provide trustees and management committee members with opportunities to access help, support and advice by sharing knowledge and experience with each other. As a result many networks have been set up across the country and work very effectively on a "face to face basis".

The purpose of this evaluation report was to assess the effectiveness of existing trustee forums in improving charity governance. Four existing forums were studied in detail and in each of the forums a questionnaire was sent to all members and individual trustees were also interviewed.

Some key findings included that networks are effective in supporting staff and improving skills, some of the benefits outlined by those involved included:

- improved understanding of the voluntary sector
- building a network of contacts
- increased knowledge of legal responsibilities
- increased confidence as a trustee

The report also concluded that being involved in an effective network, whatever its size, is cost effective, improves confidence, offers access to expertise and effects change within organisations.

For this report and other very valuable information about how to join and set up networks of support, go to www.trusteenetworks.org.uk

7. Review and Evaluation of Governance and participation practice by the Foundation for Good Governance

This report commissioned by the Co-operatives UK as part of a pilot for the Home Office's Active Communities Unit, studied a current understanding, practices and participation in governance by the community, voluntary sector, social enterprises and co-operatives. It aimed to improve participation in governance, identify gaps in current knowledge and make recommendations about current practices. The report findings are detailed and involve the conclusions from a wide postal survey, desk research and interviews and are too numerous to summarise effectively here. However the main recommendations of the report include that:

- Peer training and support be used as a method to increase participation
- Emerging models are developed and used as training materials and case studies
- Learning from consumer cooperatives is gathered more effectively to inform the rest of the sector

This is an excellent report for those wishing to increase participation and representation on their committee and a full copy can be accessed at: www.governance.works.org/fgg/pdfs/Gov%20Works%20Research%20Report.pdf

8. The Intelligent Board – NHS Appointments Commission February 2006

This report, written by an independent Dr., Dr. Foster, was produced in response to a need for NHS trusts to identify and inform boards in an

increasingly changing and complex environment. Despite the fact that this is a survey of groups in the public sector, it has many relevant lessons for the voluntary sector as is outlined in a summary of the report below.

The Intelligent Board proposes a basic set of criteria that information boards of acute and mental health trusts should have if they are to provide effective strategic leadership and monitoring of hospital performance.

It highlights particular information challenges:

- Action is required to avoid overloading boards with excessive detail, and to present clear information on trends in performance and comparisons with others
- Under payment by results, trust boards need to pay much closer attention to cash-flow and the margins between revenues and costs on key areas of hospital activity (*for the CVS this is relevant to financial management and accessible information around this*)
- Trusts need a far better and more frequently updated understanding of how patients, their families and GPs feel about their experiences of the hospital

To read the full report, go to www.drfooster.co.uk/library or www.library.nhs.uk.

9. **Governing the NHS: A Guide for NHS Boards**

Another health sector publication, produced by the NHS appointments commission, this report's aim is to reinforce the importance of good governance and strategic leadership at a time of major reform. Although not detailing any new principles or procedures, *Governing the NHS* draws together the framework for the multiple strands of governance impacting on NHS bodies. *Governing the NHS* argues for a disciplined and focused model of Board working strongly oriented to the outcomes for patients and local communities.

"The message that runs through the entire guide is that, whatever the type of board, the interests of the patients are best served by a strong system of governance."

This is an excellent report for outlining how to motivate and involve effective practitioners in your chosen field to run organisation's that really meet the needs of their "clients". To read the full report go to: www.dh.gov.uk

B: An overview of governance resources

The Governance Hub, NCVO and other bodies working on behalf of the voluntary sector, now provide comprehensive overviews of a variety of governance initiatives, good practice and toolkits to support quality governance. The following is therefore intended as a sample of useful information and resources on governance available to the VCS in London.

1. The Governance Hub – a source of newly developed material to set standards on and support governance for the voluntary sector.

The Governance Hub is a partnership of voluntary and community sector associations working to improve the quality of governance of voluntary and community sector organisations in England. The Hub is a recommendation of the Home Office Active Community Unit's ChangeUp report; the Home Office are funding the Hub for two years. It is a very useful source of information on new developments in governance, access to support and some simple but effective guides including an *A-Z Of Themes and Issues* relating to governance. A group can look up an area such as Leadership or The Chair and receive guidance on key subjects and legal responsibilities. The A-Z also covers case studies and first hand accounts of common issues which may be of use to organisations trying to problem solve. The link to the site and many key reports also featured in this report is www.governancehub.org.uk

The Code of Governance

The Code is a set of principles for charities and voluntary organisations which ensure that the highest possible standards of governance are set for the voluntary and community sector. It is one of the key support structures developed by the Governance Hub is a Code of Governance produced in partnership by the Charity Trustee Networks, the Association of Chief Executives of Voluntary Organisations (ACEVO), the Institute of Chartered Secretaries and Administrators and NCVO. Intended to cover all legal and practical elements of governance as an

example of structures of good practice, it offers seven overarching principles:

1. Board Leadership
2. The Board in Control
3. The High Performance Board
4. Board Review and Renewal
5. Board delegation
6. Board and Trustee integrity
7. Board openness

This is available in both summary and a full report and again can be downloaded from www.governancehub.org.uk

2. National Occupational Standards for Trustees and Management Committee Members

National Occupational Standards (NOS) define a framework of good practice in the way people work, based on the functions of their job. The NOS for trustees and management committee members are now available and are part of a range of standards covering all posts and roles, as the NOS name implies. The standards are very useful, particularly for organisations either setting up a management committee or revising the terms of their trustee group. They have four main units:

Unit 1: Safeguard and promote the values and mission of the voluntary or community organisation

Unit 2: Determine the strategy and structure of the voluntary or community organisation

Unit 3: Ensure the voluntary or community organisation operates in an effective, responsible and accountable manner

Unit 4: Ensure the effective functioning of the voluntary or community organisation's Board of Trustees

The complete standards can be downloaded or ordered. To buy a full-colour bound copy of the NOS, which includes a foreword, set of illustrations and a glossary of key words and phrases, for £10 (NCVO members' discount also available) email publicationsorders@ncvo-vol.org.uk or call 0845 458 9910.

For general information on the standards and the UK Workforce hub, go to www.ukworkforcehub.org.uk

The governance hub is now offering training and advice to the VCS in both the Code of Governance and the National Occupational Standards. Contact the hub to gain access to this advice.

3. National Council for Voluntary Organisations

This highly respected, national second-tier organisation is a major source of information on governance good practice, how and where to access training and support around governance and policy development for the sector. Their excellent website www.askncvo.org.uk has a comprehensive section on *Trustee and Governance*, accessible on the top left hand corner of the home page of this site. There is almost too much to list here but a sample of issues covered, acknowledged as very common areas where organisations need guidance, includes:

- Model Job Descriptions for the Board
- Becoming a Trustee
- Difficult Trustees
- Board Diversity

There is also a helpdesk with a free number if you can't find what you want HelpDesk 0800 2 798 798 or helpdesk@askncvo.org.uk

NCVO also have a wide variety of publications to support governance a recent example of which is *Better Communication = Better Governance* Author: Tesse Akpeki and Tess Woodcraft, Published: August 2006. These are available under *Publications* on the same website.

4. Charity Commission

The Charity Commission is established by law as the regulator and registrar for charities in England and Wales. It is an authority on governance law and provides a very wide range of publications and guidance on governance. One such resource is *How to be an Effective Trustee*, a guide which contains links through to relevant explanatory documents on the web site. It also gives you some useful links to web sites of other government departments, where they, can provide the appropriate advice. Their Contact Centre number is 0845 300 0218 or go to ww.charity-commission.gov.uk

Training and other ways of learning

1. The Ready Steady Start project

Run by the London Voluntary Sector Consortium, Ready Steady Start is a series of workshops aimed particularly at organisations representing the interests of Black and minority ethnic groups to support organisational development. One workshop focuses on governance, particularly developing the roles and responsibilities of the management committee. The workshop explores governance issues and financial management and outlines the responsibilities of the management committee and key officers. Courses ran in June and will be run again in September 2006. To be eligible for the free training you need to fill out a short application form and be:

- A new or recently established group
- Representing the interests of black, minority ethnic, refugee or other marginalised communities
- Operating in more than one London borough
- Interested in enhancing their organisational development

To access more information, contact: E-mail: sat@lvsc.org.uk
Tel: 020 7700 8118; www.lvsc.org.uk

2. NVCO – training and events

The National Council for Voluntary Organisations (NCVO) is the umbrella body for the voluntary sector in England. It works to support the voluntary sector and to create an environment in which voluntary organisations can flourish.

NCVO offers events and training aimed at pioneering change within the sector. They are running a Leadership programme for Chief Executives and Chairs and workshops for trainers' consultants and development workers on the Code of Governance and the National Occupational Standards for Trustees and Management Committee Members. Email helpdesk@askncvo.org.uk; Switchboard 020 7713 6161

3. Directory of Social Change

The Directory of Social Change aims to be an internationally recognised independent source of information and support to voluntary and

community sectors worldwide and is based in Euston, London. It offers high quality publications and training courses across the country. Training courses can be accessed under the *Training* heading on their website below but they also produce a regular mailing which you can join if you call 020 7391 4800.

One day courses relevance to governance roles include:

- The duties of a Company Secretary
- Introduction to Employment Law
- Voluntary Organisations and the Law

These courses cost between £110 and £190 for a full day, they also run bespoke courses in house. To access further information go to: www.dsc.org.uk

4. The STAN Learning Programme

Based at LVSC, this is a network for those working in second-tier agencies. The learning programme has two areas which feature issues relating to governance : Common pitfalls and top tips and Getting Together Conferences. There are 3 Getting Together conferences each year for both members and friends. Themes are based on current issues affecting the sector, and like learning sessions, themes are identified by the members. The conferences aim:

- To bring together members, friends, and other stakeholders to discuss wider sector issues in a wider context
- To consult the membership on their views
- To share knowledge and information

A link to the top tips can be found under the STAN website under Tools all via LVSC's new website lvsc.org.uk.

5. Training through CVSs

The CVSs offer training to the voluntary sector in governance, sometimes free courses are available or courses are heavily subsidised. For example, LVSC is offering bursaries for its open courses. David Jones, Learning and Skills Manager, explained: "We have been finding that small organisations who are most in need of training cannot afford even the basic fee. Our bursaries are intended to address this need."

To access information it is best to go to your local borough CVS which can be accessed through the four regional London CVSs and the national and London wide CVSs

National Association for Community and Voluntary Action: 0114 278 6636 nacva@nacva.org.uk

London Voluntary Service Council: 020 7700 8107 www.lvsc.org.uk

South London CVS Partnership; 020 8288 7715
www.slvscpartnership.org.uk

West London Voluntary Sector Network: 020 8572 5950
hvsjohn@yahoo.co.uk

North London CVS Network: 020 8364 8400 karen@barnetvsc.org.uk

Central London CVS Network: 020 7226 4862
lisacharalambous@ivac.org.uk

6. SKiLD

SKiLD is a learning project for development workers based in local infrastructure organisations across England. It is a project of NACVA (National Association for Voluntary and Community Action).

The overall aim of SKiLD is to equip development workers with the skills and knowledge they need to give accessible, relevant and high quality support to local voluntary and community groups.

SKiLD is developing a competencies framework for workers supporting groups. In addition, SKiLD has a variety of ways in which it is supporting Development Workers, including the development of an 'Action Learning Set package' for development workers to come together and learn through the medium of Action Learning.

More information can be found on their website:
<http://www.nacva.org.uk/services/learningopps/skild>

For further copies of this report or to receive it in different formats please contact:

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