

Resource Pack

**for Trustees and Management
Committee Members**



March 2007

Welcome to the Resource Pack.
This pack forms part of a wider programme of support for Trustees and Committee Members.

Funding for this pack has been made available through an award to Somerset Voluntary Sector Network & ViSTA from Capacity Builders.

The full range of support available free of charge to Trustees and Committee Members includes:

1. A dedicated Governance area of the ViSTA website www.ViSTAProject.org.uk providing resources and information relevant to the governance of third-sector organisations (voluntary groups, charities, community groups and social enterprises).
2. A series of electronic briefings available in audio format or text format (the audio format will allow users to click and listen, either through the website or by downloading to an MP3 player or CD).
3. Regular Resource Pack updates.
4. Twilight training sessions free to Trustees/Committee Members.

Somerset Voluntary Sector Network (SVSN) is a county-wide organisation committed to supporting and strengthening the voluntary and community sector (VCS) in Somerset. The objectives of SVSN are:

- To bring together voluntary organisations and community groups to share information, experience and skills.
- To provide a mechanism for the VCS in Somerset to have a strategic voice, in order to influence planning and policy development.
- To provide an effective channel of communications into the VCS for the statutory and business sectors.

ViSTA is a specialist education and training organisation supporting the work of SVSN through the delivery of workforce development and community learning programmes.

Disclaimer

The Resource Pack is intended for guidance only, and is not a substitute for professional advice. No responsibility for loss occasioned as a result of any person acting or refraining from acting can be accepted by ViSTA or SVSN.

Please circulate this pack to the members of your Board.

We would welcome your feedback on the pack.

Please email: angela@ViSTAProject.org.uk or telephone: 01458 259 487.

Contents

Section 1	Introduction Who and what is the pack for? How to use it Why has the Resource Pack been produced? The Governance Code
Section 2	Being a Trustee Who can be called a Trustee? Some technical terms Frequently asked questions Ethical standards Criminal Records Bureau (CRB) Board meetings Top 20 tips for being a successful Trustee What do Trustees do?
Section 3	How is your organisation governed? Key issues in a Governing Document The objects clause The area of benefit The powers the organisation has to take action The rules for governing the charity Mission statement, vision statement Strategic plan, business plan Policies Board delegation Board information System of internal controls
Section 4	Trustees and the law Duty of care Breach of trust Legal duties Legal and charitable status Legal obligations and undertakings: Finances Equal opportunities Employment and volunteering Buildings Health and safety Risk assessment and management Insurance Trustee liability
Section 5	Employment Staff Volunteers The Chief Officer Relationship between Chair and Chief Officer Top 10 tips

Contents continued

Section 6	Finance Key Trustee duties Budgets and management accounts Investments and other assets Reserves Restricted funds Statement of Recommended Practice (SORP) Full cost recovery
Section 7	Fundraising Key Trustee duties
Section 8	Policy Key policies for all organisations
Section 9	Trustee recruitment and development Information and resources Sample Trustee role description Sample Trustee induction programme planner
Section 10	Performance management and regulation Strategic planning Benchmarking Monitoring and evaluation Quality assurance Compact Complaints Campaigning and political activities Media relations Regulation: Charity Commission Register of Companies Community Interest Company (CIC) Regulator Inland Revenue Charities Act 2006
Section 11	Further information and support National Local National Hubs of Expertise National resources Regional resources Somerset resources
Section 12	Training Appraising the Senior Officer Demystifying Finance Roles and Responsibilities Interview Skills

INTRODUCTION

“The secret is out. Effective Boards are the key to successful voluntary sector organisations.” NCVO 2002

Who's it for?

This pack is designed to help you be an effective Trustee; it can be used by established and experienced Trustees as well as by people new to the role. It should act as a quick reference to understanding your role and responsibilities. Each section ends with a list of further information, publications, websites or helplines. There is a full list of key agencies, helplines and websites in section 11.

What's it for?

This pack aims to:

- Help you feel comfortable and confident in your role as Trustee.
- Direct you to further information you may need to do your job well, including what questions to ask and where to find the answers both within your organisation and from external sources of information and support.

How to use it

At regular intervals ViSTA will update different sections of the Resource Pack. The Resource Pack and all updates are also available on the ViSTA website

www.ViSTAProject.org.uk

It is up to you to use the pack in the way that you find most helpful. You may wish to read it at one sitting or, as is more likely, you can dip into particular sections as issues come to your attention. The loose-leaf folder is designed for you not only to add the ViSTA updates but also to enable you to include your own information, training notes, etc. The plastic pocket can be used to hold key information e.g. Charity Commission booklets, Governance Hub material, etc. For example:

CC3 *The Essential Trustee; What You Need to Know.*

CC60 *The Hallmarks of an Effective Charity.*

Good Governance: Code for the Voluntary Sector. Governance Hub.

New Trustees should also refer to the Induction Programme Planner in section 9, which is followed by a checklist of documents you will want to add to your Resource Pack.

Why has the Resource Pack been produced?

Good governance is essential if the voluntary sector is to thrive. Its importance has been recognised by the creation of the Governance Hub, a national partnership of voluntary and community organisations – they have produced a code that sets out best practice. National Occupational Standards for Trustees and Management Committee Members were also launched in 2006, by the Governance Hub, to explain the skills and knowledge that Trustees need to develop to do their work.

The Code and Trustee Standards, as well as toolkits to enable organisations to learn and develop, can be ordered or downloaded free from www.governancehub.org.uk

The Governance Code

The Code sets out some broad principles for all Trustees.

Principle 1

Board leadership

Every organisation should be led and controlled by an effective Board of its Trustees, which collectively sets its strategic direction and uphold its values.

Principle 2

The Board in control

The Trustees as a Board should be responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and complies with all its obligations.

Principle 3

The high-performance Board

The Board should have clear responsibilities and functions and should compose and organise itself to discharge them effectively.

Principle 4

Board review and renewal

The Board should periodically review its own and the organisation's effectiveness, and take any necessary steps to ensure that both continue to work well.

Principle 5

Board delegation

The Board should set out the functions of sub-committees, officers, the chief executive, other staff and agents in clear delegated authorities, and should monitor their performance.

Principle 6

Board and Trustee integrity

The Board and individual Trustees should act according to high ethical standards, and ensure that conflicts of interest are properly dealt with.

Principle 7

Board openness

The Board should be open, responsive and accountable to its users, beneficiaries, members, partners and others with an interest in its work.

Good Governance Code for the Voluntary and Community Sector. Governance Hub
www.governancehub.org.uk

BEING A TRUSTEE

Trustees guide the organisation. They are the people responsible for ensuring that the organisation has a clear strategy, that it remains true to its original vision, and that it complies with all necessary rules and legal obligations.

Collectively, Trustees are known as the Board and they have a number of formal roles and responsibilities, which include appointing key people and keeping a check on the organisation's finances and activities.

Trustees shouldn't get involved in the detailed, day-to-day running of the organisation – that's the job of the Chief Officer and senior management team. However, in many small organisations Trustees often “wear more than one hat” and do get involved in operational matters.

Who can be called a Trustee?

Trustees may not be called Trustees at all. They may be called:

- Members of the Committee.
- Management Committee Members.
- Directors.
- Council Members.
- Executive Committee Members.
- Governors.

Or some other name.

No matter what the governing body is called, the voting members of the top governing or supervisory body of a charity are its charity Trustees. If you have this role and your organisation has charitable status, then you will be a Trustee.

If the charity is also a company limited under guarantee, then the Trustees are also Directors of the charity.

The Charities Act 1993 states that charity Trustees are:

“the people responsible under the charity's Governing Document for controlling the management and administration of the charity, regardless of what they are called.”

NCVO (National Council for Voluntary Organisations) also recommends that all charities call their governing body the Board of Trustees, and call the individuals who have legal responsibility for the organisation Trustees.

Some technical terms

Some Trustees are known as "officers" and have special responsibilities: these include the Chair, the Treasurer, and in some cases there may also be other designated officers. The Chair and the Treasurer have wider responsibilities than other Trustees. However when it comes to making decisions about the charity, the Trustees must make them together.

Chair – leads the Board in ensuring it fulfils its role and chairs Board and general meetings. The Chair will work closely with the Chief Officer to plan agendas for meetings and ensure that the organisation is managed effectively. The Chair also has an important role in representing the charity at external events, signing legal documents and leading the process of Board review.

Treasurer – ensures that proper accounts are kept, and helps set financial and investment policies. He/she helps the Board perform its financial duties. Responsibility for the financial health of the organisation, however, rests collectively with the whole Board.

Secretary – also an officer of a charity. May be a Trustee, employee or other appointed person.

Company Secretary – an officer of a charitable company, with duties set out in company law to ensure compliance with the charity's own Governing Documents and various legal matters. The post holder may be the Chief Officer, another member of staff or a person appointed specially.

Custodian Trustee – a corporation appointed to have the custody, as distinct from the management, of trust property. Where the custodian is appointed to hold the property of a charity, the administration of the charity is left in the hands of the charity Trustees. A custodian Trustee is not a charity Trustee. (When a charity owns property it can lead to practical difficulties where the Trustees change regularly. It can be more convenient to hold the property titles in the name of a corporate body, whose identity never or rarely changes. This can only be done with proper legal authority and Trustees should seek legal advice, especially before doing so for the first time. The charity must always follow its own Governing Documents and comply with relevant legislation.)

Nominee – an individual or corporate body, normally appointed by the Trustees, whose function is to hold the legal title to the charity's property or investments on behalf of the Trustees. Nominees have no role in the charity's management. They must act on the instructions of the Trustees, unless they are told to do something that is in breach of trust.

*CC42 Appointing Nominees and Custodians;
Guidance under s.19(4) of the Trustee Act. Charity Commission.*

Permanent endowment – the property of the charity (e.g. land, buildings, investments or cash) which the Trustees may not spend as if it were income. It must be held permanently, sometimes to be used in furthering the charity's purposes, sometimes to produce an income for the charity. Trustees cannot normally spend or dispose of permanent endowment without the authority of the Charity Commission.

Unincorporated charity – this may be either a 'Trust' with a 'Trust Deed' as its Governing Document, or an unincorporated Association with a Constitution; both require a Scheme of the Charity Commission.

Incorporated charity – most are charitable companies registered with Companies House as well as the Charity Commission. Here the company is a legal entity in its own right, and the Trustees are Directors of the company. There are other types of special incorporated charities e.g. charities incorporated by Royal Charter or by statute; these are not regulated by Companies House.

Community Interest Company – a limited company with additional features, created for the use of people who want to conduct a business or other activity for common benefit and not purely for private advantage. There is a “community interest test” and “asset lock” to ensure that profits are dedicated to community benefit. Registration with the CIC Regulator is required. A company that is a charity cannot become a CIC unless it gives up its charitable status. However a charity may apply to register a CIC as a subsidiary company.

Charitable Incorporated Organisation – see **Charities Act 2006** in section 10.

Role definitions/guidelines for Trustees and Officers

It is certainly useful to have clear guidelines for all Trustees and for Officers in particular. There are numerous examples, but for the latest thinking endorsed by the Governance Hub see the general Trustee role description contained in the “Trustee Recruitment Toolkit” 2006, NCVO, free to download from www.governancehub.org.uk. See also **Trustee Recruitment and Development** in section 9 of this pack.

Frequently asked questions

How long does the appointment of a Trustee last?

If the Governing Document does not specify the length of service of a Trustee, the appointment continues until the Trustee dies, resigns or is removed from office.

The Charity Commission regards having a set term for Trusteeship as best practice.

A Trustee whose term of office has expired can be appointed for a further term of office, unless the Governing Document prohibits it. This should be checked before any reappointment.

Can a Trustee resign?

Incorporated charities – usually straightforward for a Trustee to resign, unless the number of Trustees would then drop below the minimum set out in the Governing Document. In this case, a new Trustee must first be appointed to replace the outgoing one. The charity must carefully check their Governing Document.

Unincorporated charities – the situation can be more complicated. Any resignation must be handled as set down in the Governing Document. If the Governing Document does not specify the procedure then a legal framework is set out (in the Trustee Act 1925) for how Trustees should deal with such a situation. Trustees should seek legal advice to ensure that they act correctly.

Who can be a charity Trustee?

First check your Governing Document to see what limits it sets on who can be a Trustee of your charity. If this presents difficulties always seek advice from the Charity Commission. The following people are legally barred from becoming charity Trustees.

- Anyone under the age of 18 (unless it is an Incorporated Organisation).
- Anyone who is an undischarged bankrupt, or is the subject of a bankruptcy restriction order or undertaking.
- Anyone with a conviction for an offence involving dishonesty or deception (unless conviction is spent).
- Anyone who has made a composition or arrangement with, or granted a Trust Deed for, his or her creditors and has not been discharged in respect of it.
- Anyone who has previously been removed from Trusteeship of a charity by the courts or the Charity Commission.
- Anyone under a disqualification order under the Company Directors Disqualification Act 1986 or is the subject of a disqualification undertaking.

For further information see pages 50 and 51 of *Trustee Recruitment Toolkit*, a free download from the Governance Hub www.governancehub.org.uk

For children's charities and some charities working with vulnerable adults there are additional restrictions, and advice should be sought from the Charity Commission www.charitycommission.gov.uk

Can users (beneficiaries) of the charity become Trustees?

Service User Trustees can bring enormous benefit to the governing body of a charity and in some cases a Governing Document may require it. Boards need to be aware of potential conflicts of interest and manage these carefully.

For further advice see www.charitycommission.gov.uk as well as

CC24 Users on Board; Beneficiaries who Become Trustees. Charity Commission.

Can Trustees be paid for their duties?

Can Trustees be employed by a charity?

For the latest information and changes detailed in the Charities Act 2006 see www.charitycommission.gov.uk/news/charbillnews.asp

Ethical standards

All Trustees should act according to the highest ethical standards.

- All potential conflicts of interest should be declared, either in a statement on appointment or in a register held by the organisation and/or at the start of each meeting.
- Trustees have a duty not to profit from their involvement with the charity (see Charities Act 2006 for latest information).
- Trustees must act at all times to safeguard the organisation's assets.

Criminal Records Bureau (CRB)

The Charity Commission strongly advises that CRB disclosures should be obtained for all Trustees whenever possible to limit the risk to the charity, to beneficiaries and to the charity sector in general. www.crb.gov.uk

Board meetings

How often do Trustees need to meet?

“They must meet as often as needed to do justice to the affairs of the charity, and make well-informed decisions. Trustees who do not meet often enough risk breaching their duty of care . . .”

CC3 “*The Essential Trustee.*” Charity Commission.

How often the Trustees meet will depend on the size and nature of the organisation. Requirements for the number of meetings in a year may be contained in the Governing Documents.

The NCVO website has a comprehensive section on organising the work of the Board including advice on setting the Board agenda, the business cycle, Board papers and information on how to run effective meetings. www.ncvo-vol.org.uk/askNCVO

Board review

All Boards should review their performance annually considering their role, their strengths and their weaknesses. An annual review also allows the Board to determine its priorities for the coming year. See also [Performance management and regulation](#), section 10.

Further information

“*Better Governance: An Introduction to Measuring and Improving Board Effectiveness.*”
Mark Parker. Free toolkit to download from www.governancehub.org.uk

“*Trustee Board Development Programme Factfile.*” Free download from NCVO
www.ncvo-vol.org.uk

“*Approaches to Appraisal: a Handbook for the Effective Board.*”
C. Webster, National Housing Federation.

“*Good Governance Action Plan.*” Sandy Adirondack, NCVO.

Top 20 tips for being a successful Trustee

Being a charity Trustee may seem daunting. To help you keep things in perspective, here are the top tips collated from a range of charity Trustees and Chief Officers.

1. Keep sight of why you are doing the work.
2. Know what's expected of you – read this Resource Pack and the information you have been given by your organisation.
3. Use the knowledge of your fellow Trustees. Find out their particular areas of skill or expertise.
4. Use the knowledge and talents of the senior staff within your organisation.
5. Make time to keep up to date with what is going on within the organisation. Supporting the organisation by attending events helps you get a better feel for the work of the organisation and also demonstrates your commitment.
6. Make time for informal contact with fellow Board members.
7. If in doubt, ask.
8. If you are new and you have been allocated a 'buddy' or mentor, use that service. If not then you can always go to the Chairperson or the Chief Officer for information.
9. Don't get too bogged down in all the detail.
10. Allow enough time to read and prepare for meetings.
11. Attend the Board meetings.
12. Get involved in the sub-committees or working parties which are most likely to use your skills and experience.
13. Find out about training and development opportunities to help you become more effective in your role.
14. Reclaim legitimate out-of-pocket expenses – find out what procedure your organisation has for this.
15. Review what you are doing from time to time.
16. Recognise the importance of what you are doing for your community.
17. Check out the Governance Hub website www.governancehub.org.uk
18. Make time for training and development.
19. Network with Trustees from other organisations.
20. Be an ambassador for your organisation.

What do Trustees do?

In summary, Trustees have 12 main roles:

1. **Set and maintain vision, mission and values.** The Trustee Board is responsible for establishing the essential purpose of the organisation. They are also responsible for guarding the ethos and values of the organisation.
2. **Develop strategy.** Together, the Trustee Board and the Chief Officer develop long-term strategy. Meeting agendas reflect the key points of the strategy to keep the organisation on track.
3. **Establish and monitor policies.** The Trustee Board creates policies to govern organisational activity. These cover guidance for staff, systems for reporting and monitoring, an ethical framework for everyone connected with the organisation, conduct of Trustees and Board business.
4. **Set up employment procedures.** The Board creates comprehensive, fair and legal personnel policies. These policies protect the organisation, and those who work for it. They cover: recruitment, support, appraisal, remuneration, discipline. It also recruits and selects new Trustees.
5. **Ensure compliance with the Governing Document.** The Governing Document is the rule book for the organisation. The Trustees make sure it is followed. In particular, the organisation's activities must comply with the charitable objects.
6. **Ensure accountability.** The Trustees should ensure that the organisation fulfils its legal requirement of accountability to the Charity Commission, the Inland Revenue, Customs and Excise, and the Registrar of Companies (if a company under guarantee).
7. **Ensure compliance with the law.** Trustees are responsible for checking that all the organisation's activities are legal.
8. **Maintain proper fiscal oversight.** The Trustees are responsible for effectively managing the organisation's resources so it can meet its charitable objectives. The Trustee Board:
 - Secures sufficient resources to fulfil the mission.
 - Monitors spending in the best interests of the organisation.
 - Approves the annual financial statement and budget.
 - Protects the organisation against liability by providing insurance.
 - Seeks to minimise risk for the organisation.
 - Participates in fundraising (in some organisations).
 - Ensures legal compliance.
9. **Select and support the chief executive.** If necessary, the Trustee Board creates policy covering the employment of a Chief Officer. They also select and support the Chief Officer and review his/her performance.

10. **Respect the role of staff.** The Trustee Board recognises and respects the domain of staff responsibility. At the same time it creates policy to guide staff activities and safeguard the interests of the organisation.
11. **Maintain effective Board performance.** The Board keeps its own house in order. It engages in:
 - Productive meetings.
 - Effective committees with adequate resources.
 - Development activities.
 - Regular performance reviews.
 - Partnership with consultants where necessary.
12. **Promote the organisation.** Through their own behaviour, their governance oversight and their activities on behalf of the organisation, Trustees enhance and protect the reputation of their organisation. They are good ambassadors for the organisation.

Further information

Learning to Fly, Piloting Your Local Voluntary or Community Organisation.

An excellent quick starter guide to being a Trustee.

www.governancehub.org.uk

HOW IS YOUR ORGANISATION GOVERNED?

The purpose of every charity is set out in the objects section of its Governing Document and may also be in its mission statement.

The **Governing Document** is fundamental to the role of Trustee as it sets out what the organisation can and cannot do. All charities have a Governing Document. The name of the document depends on the legal structure of the organisation.

It will be:

- A Constitution if your organisation is an unincorporated association.
- A Memorandum and Articles of Association if your organisation is a company limited by guarantee.
- A Trust Deed if your organisation is a trust.

KEY ACTION

Find and read your Governing Document!

Key issues in a Governing Document

The objects clause

The objects clause describes what the charity was set up to achieve. For example "To advance the education of the public in the subject of WILLOW GROWING in the county of Somerset".

When your charity is considering exploring new services or considering extending current services to new areas, you should check the Governing Document to ensure these new services will remain within the objects clause.

"We recommend that Trustees regularly review the effectiveness of their charities (both the objects and the administrative provisions). Sometimes a charity can be made more effective by changes to the administrative provisions, but in other cases a change to the objects themselves may be needed. It is possible for a charity to modify its objects clause if it is no longer up-to-date or relevant, but to do so requires changing the Governing Document. The Charity Commission strongly recommends that any Trustees intending to make or propose an alteration seek the Commission's views before they proceed, regardless of whether the Governing Document contains powers to do this or not."

CC3 *The Essential Trustee*. Charity Commission.

The area of benefit

The area of benefit defines the geographical area within which a charity is allowed to operate. It is important that the charity does not undertake significant activity outside its area of benefit as this might lead to a breach of trust.

The powers the organisation has to take action

A Governing Document is usually drafted to give the organisation the power to do all of the things it is likely to need to do. If there is a proposal before the Board to do something new, the Board should check that this is allowed.

The rules for governing the charity

A Governing Document will contain the working rules that must be followed in governing the organisation. New Trustees should make a point of reading these rules and all Trustees should remind themselves from time to time by reading the document.

Mission statement, vision statement

Charity Trustees are responsible for setting the strategic aims, objectives and overall direction of the charity. Trustees, along with staff, volunteers, beneficiaries and others will have been involved in the production of a vision or mission statement. Once finalised the statement is then delegated to staff to implement. It is important to ensure that the scope of delegated authority is set down clearly in writing detailing when matters should be referred to the Trustees. Overall Trustee responsibility cannot be delegated, although activities may be.

Strategic plan, business plan

These development plans are key documents for the organisation and all Trustees should ensure that they have up-to-date copies. Within organisations of a reasonable size they will be used to produce annual team/project plans and will also be used when writing individual staff work plans.

Policies

Trustees must ensure that the organisation has considered and developed a clear set of written policies on all the main areas of its work. Policies provide the framework within which charity staff can operate. See also section 8 **Policy**.

Board delegation

Effective delegation

Within larger organisations the Board will delegate certain powers to committees, e.g. finance, fundraising, staff. Committees can only be used if this falls within the powers granted within the Governing Document and they must regularly report back to the Board.

Terms of reference

It is essential to have written terms of reference for each group. Even when the Board has delegated some of its work, it still retains overall responsibility.

KEY ACTIONS

- Avoid having too many committees.
- Regularly review the role and efficiency of committees.

Board information

All information which is presented to the Board should focus on decision-making, stimulate participation and support the appropriate balance of responsibility between Board and staff. Financial and performance information needs to be presented clearly, consistently and regularly so warning signs can be seen and problems anticipated. All information should be:

- Concise.
- Meaningful.
- Timely.
- Relevant.
- In context.

System of internal controls

This is the system the management of an organisation sets in place in order to carry on business efficiently, monitor policies, safeguard organisational assets and ensure the completeness and accuracy of records. The system of internal controls must not just focus on finance but also on:

- Staff accountability.
- Use of equipment.
- Supervision.
- Authorisation and approval of projects.
- Safety.
- Segregation of staff duties.

TRUSTEES AND THE LAW

The task of identifying relevant legislation and regulations is usually delegated to senior staff. However, Trustees are expected to ensure that their organisation complies with the law and to seek professional legal advice where necessary.

KEY ACTION

Check where your organisation gets its legal advice from.

The Charity Commission says:

“Trustees must:

- Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports, annual returns and accounts as required by law.
- Ensure that the charity does not breach any of the requirements or rules set out in its Governing Document and remains true to the charitable purpose and objects set out there.
- Comply with the requirements of other legislation and regulators which govern the activity of the charity.
- Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.”

CC3 *The Essential Trustee: What You Need to Know*. Charity Commission.

Duty of care

Trustees have a duty of care for individuals – whether staff, volunteers or clients – as well as for the whole organisation. This means taking all reasonable steps to avoid causing injury or harm that could reasonably have been prevented. Risk assessment and risk management should be applied to every area of the organisation’s work.

See [Risk Assessment/Management](#) at the end of this section.

The duty of care to the organisation means:

- Always operating within the law,
- Always operating within the organisation’s Governing Documents.
- Ensuring money and resources are protected.
- Protecting the reputation of the organisation.

Breach of trust

A **breach of trust** occurs if a Board of Trustees is negligent in performing its duty of care.

Legal duties

Objects and powers – It is important that all Trustees should know what it says in their Governing Document and ensure that the charity carries out its objects.

Procedures and accountability – The Board of Trustees is also responsible for how activities are carried out and must set down guidelines for staff and volunteers.

Legal and charitable status

The Board of Trustees must ensure that it meets its legal obligations whether a registered charity, a company or an industrial and provident society.

If the organisation is a charity, Trustees should ensure that:

1. Annual accounts and balance sheet are prepared.
2. Accounts are independently examined or audited as required.
3. Audited or examined accounts are submitted to the Charity Commission.
4. The annual charity return documents are submitted to the Charity Commission.
5. If the annual income is over £10,000 all publicity materials, cheques, business documents, invoices, etc should state that the organisation is a registered charity.

If the organisation is a company, Trustees should ensure that:

1. Annual accounts and balance sheet are prepared.
2. Accounts are audited as required.
3. Accounts are submitted to Companies House or the Financial Services Authority.
4. An AGM is held in line with the organisation's Governing Documents or company law.
5. Trustees/Directors are only elected as set down in the Governing Documents.
6. Any change in the address of the registered office is notified to Companies House.
7. Any change in Directors is notified to Companies House.
8. A register of members is kept.

Legal obligations and undertakings

Charities like all other organisations are subject to the law of the land. Aspects of their work may be regulated by a whole range of other government bodies. Trustees need to be aware of these requirements, and must ensure that the charity complies.

The Board of Trustees is responsible for ensuring that the organisation meets **statutory and common law obligations**. This will include:

- Insurance.
- Health and safety.
- Equal opportunities.
- Employment, contracts and legislation.
- Tenancy agreements, leases or licences.
- Financial record-keeping, e.g. VAT, PAYE, NI, etc.
- Bank accounts.
- Contracts.
- Grants and fundraising.
- Data Protection Act.
- Companies Acts.
- Charities Acts.
- Copyright and intellectual property rights.

This is not a comprehensive list and many other regulators and inspectors may be involved with certain charities. Trustees should seek external advice to be sure they are fully compliant.

Legal obligations are agreements or contracts the organisation enters into e.g. hire of equipment, lease of a vehicle or a Service Level Agreement (SLA) to provide services etc. The Board of Trustees is responsible for ensuring that the organisation meets all the terms of the agreement.

Unincorporated charities cannot enter into a legally binding contract. Members of the Board of Trustees can sign a legally binding contract on behalf of the organisation. Once authorised by the Board a Trustee can do this, but must make sure that they clearly state that they are signing on behalf of the organisation.

Finances – The Board of Trustees is ultimately responsible for all financial aspects of the organisation including that it keeps adequate records, money is spent correctly, it has enough money to do its work and does not get into financial difficulty.

See also section 6 **Finance**.

Equal opportunities – Trustees are responsible for ensuring that the organisation complies with all equal opportunity legislation. They should oversee the writing and implementation of a comprehensive equal opportunities statement of intent as well as a code of practice.

Employment and volunteering – Staff are the key resource of most organisations and the Board is the legal employer of staff. Employment law is complex but it is essential for the organisation to keep up to date and comply. See also section 5 **Employment**.

Buildings – Trustees have overall responsibility for the safe and legal use of the buildings they own or lease.

Health and safety – The Board of Trustees is responsible for ensuring that the organisation complies with all relevant health and safety legislation. It could be considered a breach of duty by Trustees if an individual was harmed because the organisation had failed to comply with health and safety requirements.

KEY ACTIONS

1. Appoint a competent individual to be responsible for health and safety.
2. Ensure you have a health and safety policy that people know about, and review it.
3. Train staff and volunteers and ensure they know how to report concerns.
4. Undertake regular risk assessment.

Risk assessment and management

Following the introduction of SORP 2000 (Statement of Recommended Practice) there is a requirement that all charities include in their annual report a statement confirming that “. . . the major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks”.

Accounting and Reporting by Charities: Statement of Recommended Practice.
Charity Commission.

The Board needs to be aware of any risks to the organisation, identify which risks potentially carry serious consequences and ensure the organisation has clear strategies and structures to manage these risks.

Risk management should be applied to risks connected with governance, management and finance as well as operational matters. It will help the organisation create the best possible environment for the work that it undertakes, and reduce the likelihood of the organisation being involved in litigation.

KEY ACTIONS

- Develop a 'no blame' culture.
- Work with the senior team to develop a policy statement, including aims and how they might be achieved.
- Ensure the Board has a clear analysis of the risks across the organisation.
- With the senior team, devise and write a plan to manage the risk – which should include an emphasis on learning and involvement for all.
- Ensure that there is a comprehensive set of policies for the organisation and that they are regularly reviewed.
- Ensure everyone is clear about lines of accountability.
- Decide whether risk assessment should be delegated to a sub-committee of the Board.
- Have a plan to deal with adverse events and make sure everyone knows it.

Further information

Charities and Risk Management. Charity Commission.

www.charity-commission.gov.uk/investigations/charrisk.asp

Other Charity Commission publications

www.charity-commission.gov.uk/publications/ccpubs3.asp

Managing Risk – Guidance for Medium Sized Voluntary Organisations.

NCVO (National Council for Voluntary Organisations).

Insurance

Trustees are responsible for ensuring that all required insurances are taken out, paid for, and reviewed at regular intervals. Trustees should be aware of all the significant risks to their organisation before they take out insurance. All organisations should have:

- Employers' Liability Insurance (if there are paid staff).
- Third-party insurance (if the organisation owns vehicles).

The following insurance is recommended:

- Public liability insurance.
- Buildings insurance.
- Contents insurance.
- Professional indemnity insurance.
- Trustee liability insurance.

Other types of insurance may be required but this depends on the circumstances of the charity and whether the charity can afford the premiums. Trustees should seek professional advice on this matter.

Trustee liability

Significant changes have recently been made to the rules concerning Trustee liability in the Charities Act 2006. Full details and an implementation timetable are available from the Charity Commission.

Further information

www.charitycommission.gov.uk for the latest information on Trustee liability and the Charities Act 2006.

www.ncvo-vol.org.uk See askNCVO search under Insurance for “What insurance does the organisation need?” and “Getting the best insurance deal”.

Reducing the Risks. James Sinclair Taylor. A Governance Hub publication on assessing and minimising risks associated with Trustee liabilities.

www.governancehub.org.uk

Good Employers' Health and Safety Toolkit. Free download from Suffolk Association of Voluntary Organisations. www.savvo.co.uk

Voluntary but not Amateur. A guide to the law for voluntary organisations and community groups. R. Hayes and Jacki Reason, LVSC.

The Voluntary Sector Legal Handbook. Sandy Adirondack and James Sinclair Taylor, Directory of Social Change.

The Health and Safety Handbook for Voluntary and Community Organisations. Al Hinde and Charlie Kavanaugh, Directory of Social Change.

www.icsa.org.uk Institute of Chartered Secretaries and Administrators.

www.sandy-a.co.uk/legal.htm Legal update website from Sandy Adirondack.

EMPLOYMENT

Staff

The Board is the employer of all staff. Staff link with the Board through a variety of management and reporting structures depending on the size of the organisation. For many organisations the structure will be that of a single Chief Officer, responsible for all staff and volunteers, reporting to the Board.

The Board needs to ensure that it has mechanisms for the effective management, support, supervision and development of staff. In many organisations these tasks will be delegated to the Chief Officer or other senior staff.

Key tasks include:

- Job descriptions – regularly reviewed.
- Recruitment procedures.
- Induction training, ongoing supervision and development opportunities.
- Contracts of employment.
- Grievance and disciplinary procedures.
- Redundancy or dismissal procedures.
- Handling of complaints against a member of staff or volunteer.
- Finances to fund posts.

Policies will set the ground rules for people management within the organisation. Trustees will see draft policies, comment on them and see a final version for approval at a Board meeting. For all but the smallest organisations the Chief Officer is in charge of these tasks but in others they may be overseen by a staffing sub-committee.

Trustees may also become more involved in human resources if they are members of a grievance or disciplinary body. This is a very important role and it is vital that Trustees follow the organisation's policy and procedures to guard against any legal challenges.

Employee relations depend not only on the organisation's policies but also on the management style and culture of the organisation. Good communication throughout the organisation is vital. Trustees are in a good position to see if this is happening across the whole organisation.

Volunteers

Volunteers are often vital to the work of the organisation. The Board is responsible for seeing that there are policies in place which cover volunteering, that they are implemented and that there is adequate support and supervision for volunteers.

The Chief Officer

One of the most important Board tasks is to appoint the Chief Officer. The Board is also responsible for the annual appraisal of the Chief Officer and for ensuring that there is sufficient professional support and supervision for that person.

The role of the Executive and Board are interdependent. The Chief Officer is dependent on the Trustees for authority to function and manage the organisation and needs the Board's collective experience and overview. In its turn the Board depends on the Chief Officer to:

- Build a successful team.
- Help the Board to use their time well.
- Provide reports on the day-to-day working of the organisation.

Relationship between Chair and Chief Officer

The relationship between Chair and Chief Officer is pivotal within any organisation and one in which time and effort should be invested by both parties. As the post holders change, this work has to start at the beginning again.

Top 10 tips

1. Set clear boundaries between the roles.
2. Write role descriptions and guidelines for the Board.
3. Work hard to have clear communication.
4. Meet regularly.
5. Agree how and under what circumstances the Chair will contact other managers.
6. There should be a recognition by the Chief Officer that the Chair must consult with other Trustees about issues – this time needs to be built in to the decision-making process.
7. Make sure the Chief Officer has an annual appraisal with the Chair.
8. Aim to create an environment in which the Chief Officer can raise difficult issues of concern.
9. The Chair needs to deal with any Board members who get out of line.
10. Ensure service-user involvement at Board level.

Further information

Workforce Hub Good Employment Guide Factsheets.

To register and download free go to www.ukworkforcehub.org.uk

The Good Employer's Policies and Procedures Toolkit.

Download free from the Suffolk Association for Voluntary Service

www.savvo.co.uk

Recruiting a New Chief Executive: a Guide for Trustees and Chairs.

Dorothy Dalton. NCVO.

NCVO www.ncvo-vol.org.uk/askncvo

Volunteering England www.volunteering.org.uk

ACAS Helpline 08457 47 47 47 www.acas.gov.uk

Mediation

NCVO and the CEDR (Centre for Dispute Resolution) offer a mediation service for the voluntary sector. NCVO Helpdesk 0800 2 798 798.

National Mediation Helpline www.nationalmediationhelpline.com

Mediation UK 01179 046661 www.mediationuk.org.uk

FINANCE

“Trustees are accountable for the solvency and continuing effectiveness of the charity . . . They must exercise overall control over its financial affairs.”

CC3 *The Essential Trustee: What You Need to Know.* Charity Commission.

The Board must ensure that the assets of its organisation are well-managed and are used in the pursuit of the objects of the charity.

Key Trustee duties

1. Pay all staff under their contracts or under law.
2. Pay bills.
3. Pay rent, mortgages, council tax, etc.
4. Keep clear and accurate records (available to Trustees at any time).
5. Make sure that all grants/funds are spent on the specific service or project they were granted for.
6. Charges a fair price for any goods or services.
7. Ensure that the organisation has enough money to meet its obligations.
8. Invest money prudently.
9. Receive clear and regular financial reports.
10. Produce annual accounts, independently examined or audited as necessary.
11. Set long-term financial strategies.
12. Approve budgets.
13. Establish a fundraising policy.

Budgets and management accounts

A budget is a forecast of income and expenditure for a 12 month period. The Board should always approve the budget by the beginning of the financial year.

Management accounts are the detailed financial reports produced by the Treasurer and regularly available for discussion at Board meetings. These reports detail how income and expenditure compare with the budget forecast.

Investments and other assets

The Governing Document of the organisation will set out the Board's powers regarding investments. Trustees are required to ensure that investments produce the best possible return without putting the organisation at any risk.

If the organisation owns property it must be kept in good repair and properly insured. Any land owned by the organisation must be well maintained and used to maximise income for the organisation.

Reserves

Trustees should ensure that the organisation maintains adequate reserves to meet current and future commitments. The Charity Commission advises that organisations should have a reserves policy.

Restricted funds

Restricted funds must only be spent on a specified project/purpose.

Statement of Recommended Practice (SORP)

Charity accounting changed in 1990 when the Charity Commission developed SORP to form the basis of the accounting regulations for registered charities. SORP is not a requirement for charitable companies or voluntary and community organisations not registered as charities, but its application is best practice for performance reporting.

SORP requires charities to provide not just financial data but also information about the achievements of the organisation.

SORP is subject to annual review, so organisations should consult the Charity Commission website to ensure they are working to the most up-to-date regulations.

Full cost recovery

Full cost recovery is a term used to mean securing funding for or 'recovering' all costs, including the direct costs of projects and all overheads. The full cost of each project includes both the direct costs and a proportion of overheads. Many organisations do not receive full cost recovery and this leads to difficulties in long-term sustainability.

Further information

CC19 *Charities' Reserves*. Charity Commission.

RS3 *Charity Reserves*. 2002, Charity Commission.

RS5 *Small Charities' Reserves*. Charity Commission.

CC14 *Investment of Charitable Funds*. Charity Commission.

CC28 *Disposing of Charity Land*. Charity Commission.

CC33 *Acquiring Land*. Charity Commission.

CC8 *Internal Financial Controls*. Charity Commission.

Full Cost Recovery; a Guide and a Toolkit. 2004,
ACEVO (Association of Chief Executives of Voluntary Organisations)
www.acevo.org.uk

Introductory Pack on Funding and Finance. Finance Hub.
Download free from www.financehub.org.uk

There is more detailed information on most of the above topics on the Charity Commission website www.charity-commission.gov.uk

www.fullcostrecovery.org.uk

Community Accountancy Plus On-line service offering financial advice, training and fact sheets. www.cash-online.org.uk

Charity Finance Directors Group. www.cfdg.org.uk

Inland Revenue information for charities
www.inlandrevenue.gov.uk/charities/index.htm

Association of Charity Independent Examiners Directory by region. www.acie.org.uk

NCVO Financial Management Network

Information and support for Treasurers and finance staff. www.ncvo-vol.org.uk/fm

FUNDRAISING

Trustees must ensure that any fundraising activity carried out by, or on behalf of, their charity is properly undertaken, and that all funds collected are properly accounted for.

Key Trustee duties

- Clearly describe what public donations will be used for.
- Approve both the fundraising methods and any appeal literature.
- Ensure that a contract is drawn up with any professional fundraisers hired by the organisation.
- Explain the use and effectiveness of fundraising activities in the annual report.

Further information

ViSTA Fundraising Factsheets

See the ViSTA website to download free Fundraising Factsheets www.ViSTAProject.org.uk

SVSN website www.svsn.org.uk for access to GRANTnet.

Fit 4 Funding

A comprehensive set of information sheets on all aspects of funding and fundraising produced by the Charities Information Bureau under the heading **Fit 4 Funding**.

Also available on www.ViSTAProject.org.uk, the list of topics include:

- Fundraising Plan.
- Check List.
- Social Enterprise.
- Developing a Budget.
- Project Planning.
- Partnership Working.
- Full Cost Recovery and Case Studies.
- Effective Fundraising.
- Support from Companies.
- Support from High Street Stores.
- Support from Banks and Building Societies.
- Funding from Statutory Sources.
- Funding from Foundations and Trusts.
- Funding from Europe.
- Do it Yourself Fundraising.
- South West Fundraising Information.

Other information sheets include help on all aspects of making applications, monitoring and evaluation and exit strategies.

Resources to Assist with Fundraising. Volunteering England. An excellent information sheet on fundraising. Includes the main national organisations as well as books about writing grant applications and useful websites.

www.volunteering.org.uk/managingvolunteers/goodpracticebank/Information

CC20 *Charities and Fundraising.* Charity Commission.

CC20a *Charities and Fundraising – a summary.* Charity Commission.

RS2 *Charities and Commercial Partners.* Charity Commission.

Institute of Fundraising

Park Place
12 Lawn Lane
London SW8 1UD
020 7840 1000

www.institute-of-fundraising.org.uk

Charities Aid Foundation

25 Kings Hill Avenue
West Malling
Kent ME19 4TA
01732 520000

www.cafonline.org

Somerset sources of information on fundraising

SVSN Search under 'Funding News' for 'Bits 'n' Bobs'. www.svsn.org.uk

Somerset Rural Community Council

Search under 'Publications' for 'Community Update'. www.somersetrcc.org.uk

SAVAGE (Southern Association of Voluntary Action Groups for Europe.) Set up to assist voluntary and community groups access European funding. Taunton office opening in March 2007. Helpline 01843 28248 www.savage-europe.org.uk

Somerset County Council – Community Directorate

County Hall
Taunton
Somerset
General Enquiries 0845 345 9166
www.somersetdirect@somerset.gov.uk

District Councils

Mendip	01749 648999
Sedgemoor	0845 408 2540
South Somerset	01935 462467
Taunton Deane	01823 356356
West Somerset	01643 703704

POLICY

Policies provide the framework within which charity staff and volunteers can operate. Policies are a more flexible tool than Governing Documents.

There can be a tendency to create policy in response to a crisis. Policy-making should be pro-active. All organisations are able to anticipate the areas/issues for which they are likely to need policies. Although this approach is time consuming, it will save everyone a great deal of time and anxiety in the long run.

Key policies for all organisations

NCVO suggests that all organisations should, as a minimum, have the following policies:

- Financial policies.
- Risk management policies.
- Ethics policies.
- Confidentiality policies.
- Conflict of interest policies.
- Personnel policies.
- Anti-discrimination policies.
- Public relations policies.
- Board policies.

Policies should be selected based on what is appropriate for the organisation at that particular time in its life.

Board-specific policies also need to be developed, including:

- Role descriptions for Trustees and Officers.
- Expenses.
- Chief Officer job description.
- Chief Officer relationship with the Chair.
- Sub-committee terms of reference.
- Media policy.

Sample policies can be found on www.ncvo-vol.org.uk/askNCVO

KEY ACTIONS

- Review policies regularly and update where necessary.
- Make sure you know where a full set of the organisation's policies is kept.

TRUSTEE RECRUITMENT AND DEVELOPMENT

Information and resources

For comprehensive and up-to-date advice on the recruitment of Trustees, including sample role descriptions and declarations as well as a sample induction programme planner, see

Trustee Recruitment Toolkit. R. Lesirge, R. Oakley, J. Speers, NCVO
Download free from www.governancehub.org.uk

How to find new Trustees

The **Get on Board** Trustee recruitment campaign aims to increase awareness of Trusteeship and to encourage a greater range of people with the right skills and experience to consider becoming a Trustee. www.getonboard.org.uk 0800 652 4886.

Somerset CVS/Volunteer Centres

Organisations can register Trustee vacancies with their local CVS or Volunteer Centre or at www.do-it.org.uk

West Somerset CVS	01643 707484
Taunton Deane CVS	01823 284470
Yeovil CVS	01935 475914
Mendip – Involve	01458 836136
Sedgemoor Volunteer Centre	01278 457685

*A Toolkit for Creating a Diverse Culture in Your Organisation,
Promoting Diversity and Drawing Diverse People to Use Your Services.*
BASSAC, £10.00. www.bassac.org.uk

Recruiting and Supporting Black and Minority Ethnic Trustees. NCVO.

RS10 Trustee Recruitment - Start as you mean to go on. Charity Commission.

Governance Hub has a detailed resource list.

www.governancehub.org.uk/Home/Recruitment.shtml

Reach National service to place volunteers with managerial and professional experience. www.reach-online.org.uk

Timebank National volunteer database. www.timebank.org.uk

Sample Trustee role description

1. To ensure that the organisation complies with its Governing Document, charity law, company law and any other relevant legislation or regulations.
2. To ensure that the organisation pursues its objects as defined in its Governing Document.
3. To ensure that the organisation uses its resources exclusively in pursuance of its objects. The organisation must not spend money on activities not included in its objects, no matter how worthwhile or charitable those activities are.
4. To contribute actively to the Board of Trustees' role in giving firm strategic direction to the organisation, setting overall policy, defining goals and setting targets and evaluating performance against agreed targets.
5. To safeguard the good name and values of the organisation.
6. To ensure the effective and efficient administration of the organisation.
7. To ensure the financial stability of the organisation.
8. To protect and manage the property of the charity and to ensure the proper investment of the charity's funds.
9. If the organisation employs staff, to appoint the Chief Executive Officer and monitor his/her performance.

NCVO Sample Trustee Role Description. Taken from the NCVO website and reproduced with kind permission of the NCVO.

Other duties

In addition to the above statutory duties, each Trustee should use any specific skills, knowledge or experience they have to help the Board of Trustees reach sound decisions. This may involve:

- Scrutinising Board papers.
- Leading discussions.
- Focusing on key issues.
- Providing guidance on new initiatives.
- Other issues in which the Trustee has special expertise.

Sample Trustee induction programme planner

Select whichever activities suit your organisation best

Activity	When	Where	Who is involved	Who is leading	Preparation
Tour of headquarters					
Introduction to other Trustees					
Introduction/talks with staff					
Introduction/talks with volunteers					
Introduction to members					
Introduction to professional advisers					
Meeting with CEO					
Visit to key projects					
Visit to branch					
Observation of project					
Observation of service delivery					
Introduction to beneficiaries					
Introduction to funders					
Introduction to partners					
Introduction to supporters					
Invitation to staff retreat					
Invitation to Trustee away day					
Invitation to fundraising event					
Invitation to PR/presentation event					
Screen CD/DVD about the organisation or a past event					

Key documents	Include
Governing document	
Latest report and accounts	
Minutes of recent Board meetings	
Copy of the Charity Commission's <i>Responsibilities of Charity Trustees</i>	
<i>Good Governance – a Code for the Voluntary Sector</i>	
Other documents/information	Include
Key policies e.g. code of conduct, conflict of interest, financial controls and human resources	
History of the organisation	
Organisational structure	
CEO job description	
Statement of ethos and values	
Business, strategic or work plans	
Newsletters, publicity material	
Board and committee structures	
Dates and agendas of forthcoming Board meetings	
Names and contact details of other Board members	
Others	

This checklist was downloaded from www.governancehub.org.uk

PERFORMANCE MANAGEMENT AND REGULATION

Strategic planning

Good strategic planning encourages improved performance. It enables organisations to focus resources, manage risk and motivate staff and volunteers.

Benchmarking

Benchmarking is a way of comparing the performance of your own organisation against the performance of other similar organisations. A simple example would be to invite Trustees from another organisation to one of your Board meetings. Differences between organisations need to be carefully analysed.

Monitoring and evaluation

Monitoring is gathering information about an organisation or project as you go along. Evaluation is reviewing the information you have gathered so progress can be looked at against targets.

Some monitoring and evaluation terminology

Inputs The resources you put into a project: finance, staffing, equipment, etc.

Outputs The activities your project actually delivers e.g. the number of journeys or individuals carried by a community transport scheme.

Outcomes The benefit or change that your project makes happen e.g. independence for people who would not otherwise be able to use public transport.

Impact The longer-term effects of the project.

Quality assurance

A very important role for the Board is to assess whether the organisation is providing high quality services. The Board should take a key role in ensuring that there is a clear and functional system for quality management and for setting performance indicators.

There are many different options available:

- Charter Mark.
- EFQM Excellence Model.
- Investors in People.
- ISO 9000.
- PQASSO.
- Quality First.
- Community Legal Service Quality Mark.
- Social Audit.
- Many others including national charities' own quality standards.

Further information

Quality Sector. Each standard is explained in brief with links to further sources of information and support. www.performancehub.org.uk

Better Governance. NCVO 2007. Free download from the Governance Hub.
www.governancehub.org.uk

Quality and Impact Toolkit. New Economics Foundation. Free download evaluates over 20 different approaches to improving organisational effectiveness.
www.proveandimprove.org.uk

Charities Evaluation Service

A registered company and charity set up to strengthen the voluntary and community sector through free and below-cost support and services to charities and community organisations.

020 7713 5722

www.ces-vol.org.uk

PQASSO (Practical Quality Systems for Small Organisations)
Charities Evaluation Service.

www.ces-vol.org.uk

Evaluation Trust

South West Regional Office 0117 904 2636

www.evaluationtrust.org

Investors in People UK

7-10 Chandos Street

London W1G 9DQ

020 7467 1900

www.investorsinpeople.co.uk

VISIBLE Communities Standard

Community Matters

12-20 Baron Street

London N1 9LL

0845 847 4253

www.communitymatters.org.uk

Compact

The compact is a written agreement between the voluntary and community sector, and the public sector, to improve their relationship for mutual advantage. There are five Codes of Practice covering Funding, Equality and Diversity, Communication, Volunteering and Consultation.

In Somerset, work on an implementation plan is being undertaken by a sub-committee of the Somerset Strategic Partnership. There will be a full review of the Somerset Compact in early 2007. For the latest on the Somerset Compact and for a copy of *Somerset Compact: a Mini Guide*, see the Somerset County Council website www.somerset.gov.uk (search under 'compact').

The Performance Hub has developed a tool to help charities and councils assess how well they are working together.

Complaints

RS11 *Cause for Complaint*. Charity Commission. How charities manage complaints about their services, includes a useful checklist. www.charitycommission.gov.uk

Campaigning and political activities

CC9 *Campaigning and Political Activities by Charities*. Charity Commission.

Media relations

Developing a media strategy. www.askNCVO.org.uk

www.mediatrust.org.uk

A resource and information centre on the media for the voluntary and community sector. 0207 874 7600

Regulation

The Charity Commission

Woodfield House

Tangier

Somerset TA1 4BL

www.charitycommission.gov.uk

Contact centre – 0845 300 0218

The independent regulator of charities in England and Wales. The Commission works with charities to ensure that they are accountable, well run and meet their legal obligations. The Commission also provide a wide range of advice and guidance to charities and their Trustees. All registered charities must make an annual return and provide a copy of their annual accounts to the Charity Commission.

The Register of Companies

Companies House

21 Bloomsbury Street

London WC1B 3XD

www.companieshouse.gov.uk

Contact centre - 0870 33 33 636

Company Directors and Secretaries are responsible for delivering information to the Registrar, including accounts and returns when required. Any change of Directors or Secretaries must also be notified.

The CIC Regulator

CIC Team

Room 3.68, Companies House

Crown Way

Maindy

Cardiff CF14 3UZ

029 2034 6228 (24 hour voice mail)

www.cicregulator.gov.uk

Inland Revenue Charities Helpline

0845 3020203

www.inlandrevenue.gov.uk/charities

Charities Act 2006

For detailed information on the Charities Act 2006 see www.charitycommission.gov.uk
Here is a brief summary of the main issues and provisions.

Implementation will be in stages. Some key provisions will require new regulations to be drafted and consulted upon before they are up and running. The Act and its implementation will be reviewed in five years.

An implementation plan for the Act is available from the Cabinet Office
[www.cabinetoffice.gov.uk/third sector/documents/charity reform/imp](http://www.cabinetoffice.gov.uk/third_sector/documents/charity_reform/imp)

The key provisions of the Act

- Charitable purposes.
- Public benefit.
- Role of the Charity Commission.
- Charity tribunal.
- Register of Charities.
- Deregulation.
- Charitable incorporated organisations.
- Fundraising and public collections.

Charitable Incorporated Organisations In the future any organisation that registers a charity will be able to become incorporated without having to also register as a company, if the Trustees choose to do so. This may make it easier for charities that are already companies to become CIOs. New regulations need to be drafted, consulted upon and agreed by Parliament so implementation is unlikely before 2008.

Trustees

- May be paid for professional services provided to their charities over and above their usual duties as a Trustee, but not under a contract of employment, subject to a duty of care by the Board as a whole.
- Charity Commission will be given power to remove the liability of Trustees where they have acted "reasonably and in good faith".
- Trustees may use charitable funds to purchase indemnity insurance if they believe it is in the best interests of the charity that they should do so.

Check first with the Charity Commission!

FURTHER INFORMATION AND SUPPORT

National

Charity Trustees Network An organisation set up to support individuals in their role as charity Trustees. Website, local networks, etc. www.Trusteenet.org.uk

e-learning for Trustees "learning to drive".

Suffolk Association of Voluntary Organisations. www.Trustee-elearning.org.uk

NCVO National Council for Voluntary Organisations has a dedicated Trustee and governance team. Helpdesk 0800 2 798 798. www.ncvo-vol.org.uk

Network for Women Chairs meets quarterly in London.

For more information email sam.coffinho@horwath.co.uk

Groundbreakers Support for Women Leaders – a network of women chairs, meets in London. Contact nicolagirdler@bdb-law.co.uk

Governance Journal Subscribe at www.charitygovernance.co.uk

Local

www.ViSTAproject.org.uk Tel: 01458 259487

Run a mentoring programme for Chairs and Trustees of voluntary and community organisations. This is a free, confidential and individual service to help Chairs and Trustees build their confidence and develop their expertise for the benefit of their organisation.

ViSTA also runs locally-based training for charity Trustees – see the above website for details of the latest Somerset programme.

Somerset Voluntary Sector Network – www.svsn.org.uk

Infrastructure support for the voluntary and community sector in Somerset.

National Hubs of Expertise

The National Hubs of Expertise have a continually evolving programme including a free monthly digest of news across all six hubs for registered members:

Governance Hub

Set up to improve the quality and governance of voluntary and community organisations at all levels – local, regional and national. The Hub provides a wide variety of resources to Boards to help them develop their organisations.

www.governancehub.org.uk

Performance Hub

Aims to bring together all the knowledge and expertise that exists about performance issues and make it more widely available to the voluntary and community sector. Also works with infrastructure organisations.

www.performancehub.org.uk

Finance Hub

Supporting voluntary and community organisations to enable them to be as effective and independent as possible through financial sustainability.

www.financehub.org.uk

Workforce Hub

Aims to help voluntary and community organisations to develop their staff, volunteers and Trustees. Its four key areas of work are human resources, learning and skills, good employment practice and leadership, and working in the voluntary sector.

www.ukworkforcehub.org.uk

ICT Hub

Helps voluntary and community groups to achieve their mission by more effective use of IT. The Hub provides guidance, good practice, advice and support which is accessible at a local level.

www.ictHub.org.uk

Volunteering Hub

www.volunteering.org.uk/aboutus/volunteeringhub

National resources

Directory of Social Change

24 Stephenson Way
London NW1 2DP
020 7209 1015

www.dsc.org.uk

Publications and training for the voluntary sector.

Institute of Chartered Secretaries and Administrators

16 Park Crescent London W1B 1AH
020 7580 4741

www.icsa.org.uk

National Council for Voluntary Organisations (NCVO)

Regents Wharf, 8 All Saint's Street
London N1 9RL
0800 2 798 798

www.ncvo-vol.org.uk

ACEVO (Association of Chief Executives of Voluntary Organisations)

1 New Oxford Street
London SW1H 0HW
0845 345 8481

www.acevo.org.uk

The professional body for voluntary and community sectors' chief executives.

National Association of Councils for Voluntary and Community Action

3rd Floor Arundel Court
177 Arundel Street
Sheffield S1 2NU
0114 278 6636

www.nacvs.org.uk

A national body supporting several hundred local CVSs.

VolResource

www.volresource.org.uk

Easy-to-read information on anything to do with running a voluntary organisation.

Commission for Equality and Human Rights

(replaces other rights commissions in October 2007)

Kingsgate House
66-74 Victoria Street
London SW1E 6SW

www.cehr.org.uk

Latest guidelines and good practice on equality and human rights issues.

Office of the Information Commissioner

Wycliffe House, Water Lane, Wilmslow
Cheshire SK9 5AF
08456 306060

www.ico.gov.uk

Independent body set up to promote access to official information and protect personal information.

ACRE (Action with Communities in Rural England)

Somerford Court, Somerford Road, Cirencester
Gloucestershire GL17 1TW
01285 653477

www.acre.org.uk

Criminal Record Bureau

PO Box 110
Liverpool L3 622
0870 90 90 811

www.crb.gov.uk

Council for Ethnic Minority Voluntary Sector Organisations

Boardman House
64 Broadway, Stratford
London E51 1NG
020 8432 0000

www.emf-cemvo.co.uk

Black Training and Enterprise Group

Regents Wharf, 8 All Saints Street
London N1 9RL
020 7713 6161

www.btég.co.uk

Confederation of Indian Organisations UK

5 Westminster Bridge
London SE1 7XW
020 7928 9889

www.cio.org.uk

Volunteering England

Regents Wharf, 8 All Saints Street
London N1 9RL
0845 305 6979

www.volunteering.org.uk

Evaluation Trust

South West Regional Office
10 Acramans Road, Southville, Bristol BS3 1DQ
0117 904 2636
www.evaluationtrust.org.uk

Charities Evaluation Service

4 Coldbath Square, London EC1R 5HL
020 7713 5722
www.ces-vol.org.uk

Health and Safety Executive

08701 545500
www.hse.gov.uk

Faith Based Organisations

Being Who You Say You Are. A guide to governance for faith-based organisations.
Faithworks. Download free from the Governance Hub
www.governancehub.org.uk

Regional resources

Equalities South West www.equalitysouthwest.org.uk

South West Forum www.southwestforum.org.uk

South West Regional Development Agency www.swrda.org.uk

Black South West Network www.bswn.org.uk

Social Enterprise – rise www.rise-sw.org.uk

Creating Excellence www.creatingexcellence.org.uk

Cosmic (ICT) www.cosmic.org.uk

Somerset resources

Somerset Gateway

Comprehensive directory of local and national organisations.
www.somersetgateway.somerset.gov.uk

Community Council for Somerset

Supports rural communities in Somerset.
www.somersettrcc.org.uk

Somerset Black Development Agency
www.sbda.org.uk

Somerset Racial Equality Council (SREC)
www.srec.org.uk

Somerset Strategic Partnership
www.somerset.gov.uk

Somerset Youth Partnership
www.somsetyouthpartnership.org.uk

TRAINING

Trustees Twilight Session Appraising the Senior Officer

This course is suitable for Chairs, Trustees and committee members.

Course outline (aims and objectives): This course focuses on the relationship between the Chair and Chief Officer “making it work for you and your organisation”.

At the end of the session you will be able to:

- explain why an appraisal system is needed;
- describe approaches to consider;
- conduct an appraisal and identify the key elements;
- address performance and under-performance;
- outline training and professional development.

This will be a practical session and delegates will have models to take away and work with.

Trainer: Trevor Hazelgrove MCMI has a commercial, pastoral and community development background and has considerable experience in the management of activity in the voluntary and community sectors. He has worked in both urban and rural environments.

Date & Time:	Venue:	Cost:
Thursday 24 May 2007 4.30pm-7.30pm	Street Self-Help Centre Leigh Road Street BA16 0HA	Free to Trustees and/or Committee Members from Somerset's Voluntary and Community Sector – funded by a Capacity Builders Award to SVSN.

Trustees Twilight Session Demystifying Finance

This course is suitable for Trustees and committee members.

Course outline (aims and objectives): During the workshop you will improve your understanding of:

- income and expenditure;
- debtors and creditors;
- why we need a balance sheet;
- cash balances and surpluses.

Trainer: Anne Tew is an accountant, Chartered Secretary and professional tutor with substantial experience in the both the commercial and not-for-profit sectors. Anne is currently a Non-Executive Director of a local Health Care Trust. She has experience of delivering financial training to a wide range of people.

Date & Time:	Venue:	Cost:
Wednesday 23 May 2007 4.30pm-7.30pm	Street Self-Help Centre Leigh Road Street BA16 0HA	Free to Trustees and/or Committee Members from Somerset's Voluntary and Community Sector – funded by a Capacity Builders Award to SVSN.

Trustees Twilight Session – Roles and Responsibilities

This course is suitable for anyone working or considering working on the Board of a voluntary organisation.

Course outline (aims and objectives): This workshop will help you to understand:

1. The concept of a Director and a Trustee.
2. The roles and duties of a Director of a voluntary organisation or limited company.
3. The roles and duties of a Trustee in a voluntary organisation.

The course will be part practical and part theoretical, and by the end of the session you will be able to:

- explain where Directors and Trustees fit into a voluntary organisation and summarise their relationship to its management;
- use the Board of Trustees and Directors within your organisation effectively.

Trainer: Amba Chawla is a solicitor, an experienced Trustee and a facilitator, working in business and the voluntary sector. Amba specialises in organisational development and management and works with staff and volunteers across a range of levels of responsibility and experience.

Date & Time:	Venue:	Cost:
Thursday 14 June 2007 4.30pm-7.30pm	The Exchange Conference Centre Bridgwater	Free to Trustees and/or Committee Members from Somerset's Voluntary and Community Sector – funded by a Capacity Builders Award to SVSN.

Trustees Twilight Session – Interview Skills

This course is suitable for Chairs, Trustees and Chief Officers

Course outline (aims and objectives): This course focuses on getting the best results when interviewing job applicants.

At the end of the session you will be able to:

- design job descriptions and person specifications;
- form the panel and set the questions;
- set the environment for the interview;
- use verbal and non verbal communication;
- record and inform candidates.

This will be a practical session and participants will have models to take away and work with.

Trainer: Trevor Hazelgrove MCMI has a commercial, pastoral and community development background and has considerable experience in the management of activity in the voluntary and community sector. He has worked in both urban and rural environments.

Date & Time:	Venue:	Cost:
Thursday 14 June 2007 4.30pm-7.30pm	The Exchange Conference Centre Bridgwater	Free to Trustees and/or Committee Members from Somerset's Voluntary and Community Sector – funded by a Capacity Builders Award to SVSN.