Review and development of the Code of Good Governance

A research report into the awareness, impact and success of the Code of Good Governance

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Foreword

The Code of Good Governance sets out for the first time, the core principles underpinning good governance in voluntary and community organisations. The Code was developed through the combined efforts of acevo, CTN, ICSA and NCVO, with support from the Charity Commission.

The Governance Hub (funded via Change Up) provided the obvious vehicle to promote the Code and support its implementation. Following its launch in July 2005, the Hub has delivered a range of activities designed to promote the importance of good governance, to raise awareness of the Code and to support organisations in its implementation.

It was important to evaluate effectiveness of the Hub's activities, to identify actions needed to improve Code take up and reach, to evaluate the influence of the Code and to make plans for the Code in the longer term. The Hub therefore included this Code Development research as part of its final year's programme of work agreed with Capacity builders.

This research shows just how much has been achieved with the Code in less than three years. There are high levels of awareness of the Code and it has been welcomed by the sector. There is now a wide range of organisations using the Code and reporting on its positive impact on improving standards of governance.

The research has also been very helpful in identifying potential improvements and priorities in encouraging and enabling more organisations to use the Code. Potential developments include:

- a second edition of the Code
- tailored versions for different sub sectors (based on the same core principles),
- improving access to targeted help and support in implementation, particularly for smaller organisations
- exploring the potential for meshing Code principles with other standards and codes to relieve the administrative burden of compliance
- developing mechanisms for assessment and reporting.

We believe that the Code has a critical role to play in improving standards of governance across the sector and in helping organisations achieve their missions. Following the end of the Hub's programme of work, the Hub Steering Group is delighted that the Code's founders have agreed to oversee the future development of the Code. Hub partners will continue to play an active role in supporting this work through their organisations.

Gill Edelman
Chair of the Governance Hub

Code of Good Governance Review

Executive Summary

Introduction

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

Background

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

Already there is a range of evidence indicating awareness and implementation of the Code. Recent acevo research indicated that 88% of CEOs were aware of the Code though only half that number had implemented the Code. Anecdotal evidence suggested that many individual organisations had welcomed the Code and found it useful. However the review was designed to establish a more detailed picture about how the Code was being used two and a half years after launch.

Quantitative survey

The quantitative survey went out to numerous email lists and newsletters reaching well over 15,000 individuals. In addition a paper survey was sent out to 1,500 CEOs and trustees. Over 500 (568) completed surveys were received by the closing date.

The survey results showed that 42% of respondents were aware of the Code and had used it while a further 29% were aware of the Code but hadn't used it, with 21% of respondents not aware of the Code. 45% of those using the Code did so occasionally with 24% using it regularly and 7% very regularly. The most common source of awareness was the Governance Hub, particularly for smaller organisations. The full version of the Code was the best used publication (used by 68%) particularly amongst larger organisations. Only 30% of those using the Code had formally stated their commitment to it, e.g. in their annual report, by signing up online etc.

Attitudes to the Code are encouraging. Nearly 30% of users agreed that the Code had transformed their governance, though far less agreed that use of the Code is appreciated by funders as an indication of a commitment to good governance (one of the Code's original goals). Over 85% of users agreed that the Code is easy to understand and 'applicable to my organisation' while only slightly fewer strongly agreed that the language of the Code is easy to understand (an issue where the survey and the consultation events differed).

The most common activities undertaken as a result of the Code were a review of trustee roles (50% of users) as well as to look at trustee recruitment and induction. The survey also showed that it can either be a staff member or a trustee who drives the use of the Code.

Aside from a lack of awareness of the Code, the most common reasons for not using it were that boards felt that their governance was already working well (28% of non-users) or a lack of time or a lack of commitment or interest by others on the board.

Consultation events, case studies and expert interviews

By its nature the output of the qualitative research cannot be measured in percentages but more in the type of comments made and discussions between participants. Some of the common themes that emerged were made as follows:

- Many participants wanted a version of the Code that was more closely adapted to their type of organisation's particular needs (e.g. community organisations). This may be as a result of specific governance issues in their sub- sector, a particular use of language or terminology, or just a perception that their needs are 'different' (irrespective of the reality).
- Smaller organisations in particular struggled with the resources that need to be put into governance (as opposed to management) and busy trustees of small organisations often saw governance as a luxury not a necessity. Those groups who had used the Code to maximum effect usually had an individual who championed it.
- The pocket Code was greatly preferred to the full Code in all our consultation events (whereas in the survey the full Code was much more likely to have been used by respondents). The full Code was felt to be too long (at over 40 pages) and too intimidating for many trustees and small organisations.
- The language of the Code was an issue that many struggled with. Not only did it use terms that were alien to many trustees but also the Code had no glossary.
- Many participants still felt that smaller organisations need 'hand-holding' to implement the Code. This could be in the form of some kind of implementation-checklist, support materials or through guidance from governance advisers that make the Code more accessible.

Overall themes and issues coming out of the research

- The Code has been hugely welcomed by the Sector
- The Code was given a challenging set of goals and a very broad focus at launch
- The language and style of the Code need to be more accessible
- The Code needs refining the Code for a variety of audiences (while retaining its universal principles)
- Smaller organisations need tailored and specific help and support.
- The Code principles need to dovetail with other standards and codes
- Users need help to implement fully the Code's principles
- There is interest but less support for clear governance benchmarks
- The Code is an established governance resource and needs a staged development to become a widely used governance standard capable of providing assurance to funders, the general public etc.

The Recommendations:

1. The Code needs a sustainable funded home after the end of the Governance Hub – and the original Founding Group has now taken back stewardship of the Code
2. The Code needs an implementation plan and a business and marketing plan
3. A second edition of the full and pocket code is needed.
4. The Code needs to be tailored for different target audiences (while the principles remain the same)

5. An implementation checklist needs to be developed for the Code
6. A DVD/Video version of the Code is needed
7. The Code should cover the whole of the UK
8. The Code principles need to mesh with other standards and Codes
9. The Code needs to be embedded and promoted as a governance tool. Once the overall direction of the Code has been decided it will be clear how far down the route of self-assessment and beyond it is appropriate for the Code to move. The steps down this potential route include:
    - making the Code more relevant
    - facilitating compliance and self-assessment
    - the development of validated self-assessment

Section 1: Introduction and overview

The overall aim of the Governance Hub was to lead and facilitate initiatives that catalysed a significant improvement in the quality of governance of voluntary and community organisations (VCOs) in England at national, regional and local level. The Hub was led by a partnership of nine infrastructure organisations and was launched in June 2005.

The four primary objectives identified in the Hub's Business Plan to March 2008 were:

- To increase the supply of trustees and board members from within VCOs, from outside the sector and especially from diverse communities
- To enhance the knowledge and skills of trustees and board members
- To increase the governance capacity of organisations to deliver their missions
- To promote good governance in the voluntary and community sector

Once the Governance Hub was set up it took on responsibility for the promotion of the Code of Good Governance. Following its launch in 2005 a programme of promotional, training and engagement activities with front-line and support organisations was set up. As part of its work plan the Hub built in a review of the Code to evaluate awareness, to capture the impact of the Code on voluntary and community organisations and make plans for the Code in the longer term.

The review of the Code of Good Governance was considered to be a piece of work that would be important after the Hub and was therefore commissioned in the autumn of 2007.

nfpSynergy was commissioned by the Governance Hub to carry out the review of the Code of Good Governance. The aim of this study was to evaluate and review the response to and take up of the Code of Governance in consultation with the voluntary and community sector. The aim was also to inform the further development of the Code, through researching the response to the Code, the impact of Hub activities to promote the code, content and resources, its usage and influence on governance in VCOs.

The output from this review includes recommendations to encourage take up of the Code and the development of a framework for planning for the Code in the voluntary and community sector.

The Governance Hub's Core Group acted as steering group for the project. In addition, regulators were consulted and had an advisory and endorsing role as well as feeding in their own responses to the research. A consultation group was convened constituting the Hub's Advisory Group with additional parties invited to participate to ensure appropriate breadth of view was gathered from the sector.

A consultation element was also built into the process to ensure that once the research had been completed and the framework for planning drafted there was an opportunity for Hub partners and the Consultation Group to comment prior to final discussions and sign off by the Steering Group. NCVO is the contractual owner of the research.

Methodology

There were a wide range of issues and audiences to consult in order to successfully complete this research. Therefore a mixed research methodology was used. The fieldwork took place from October 2007 through to February 2008.

Response rates

- Quantitative Survey – an online and paper survey was released achieving 568 complete responses
- Expert interviews - We interviewed a range of people with expertise in the third sector and in governance and governance development, 15 achieved
- Regulators – senior representatives from the Charity Commission, CIC Regulator, and FSA
- 8 Consultation events in Bristol, Manchester, Birmingham, London (3 events), Wales and Brighton
- However, attendance at consultation events was lower than desired so 15 extra interviews were completed by 'phone to ensure participation by all parts of the sector Case studies - 12 case studies with a specific Code focus

Target response rates were achieved.

Communication

The research process was advertised through a number of sources.
Regular mailings and newsletters:

- nfpSynergy mailing
- Governance Hub newsletter
- Directory of Social Change
- NCVO member mailing
- acevo newsletter
- Capacity Builders newsletter
- Active Faiths newsletter
- CTN Trustees newsletter
- Volunteering England newsletter
- Articles in Third Sector and Charity Times

Email to networks

- Steering Group members (e.g. CTN)
- Local CVS networks where events were taking place
- ICSA
- BASSAC
- Advisory Group members
- Vol resource
- CAB newsletter
- Volunteering England
- Email to nfpSynergy contact database approx 7000, mixture of small, medium and large UK charities (outside the normal governance framework)

Events

A range of events including:

- acevo conference
- Voluntary Arts network
- NCVO events

It is estimated that around 15,000 people were reached through these methods.

Section 2: Background to the code

This section looks at the development of the Code, activities undertaken by the Hub to promote and support its implementation and earlier research findings on the Code up until 2007. The new research findings from this review follow in Sections 3 onwards.

The Code of Good Governance is a statement of best practice in the governance of voluntary and community organisations. It was developed by acevo, CTN, ICSA and NCVO in consultation with their members and the support and guidance of the Charity Commission. The Code is based on core principles which are intended to apply across the diversity of the sector. The Code has 7 main principles, with supporting principles and detailed specific statements relating to:

- Board Leadership
- Board in Control
- High Performance Board
- Board Review and Renewal
- Board Delegation
- Board and Trustee Integrity
- Board Openness

The Code is not mandatory – organisations are encouraged to use the Code as a tool to develop good governance. Organisations are invited to assess their organisation’s governance arrangements against the Code and to state whether or not they comply with its principles and if they don’t to explain why. Smaller organisations with limited resources and with few or no staff are invited to focus on the principles set out in the Code, and to state their compliance with the main principles rather than the detail of the Code.

The Code sets a framework of governance good practice which organisations can work towards. It gives parity with public and private sector organisations which have their own Codes of Governance. It enables boards to understand and reflect on what a well governed organisation looks like, and to review and develop their own governance arrangements, and reinforces the value of trusteeship. It clarifies the role of the board and the requirements for good governance. Overall it allows boards to be confident that they are doing a good job.

Context in which the Code was launched

The Code was launched in the context of a range of other codes of governance being developed for a variety of different sectors: the Cadbury and Higgs for the Corporate Sector, the Nolan principles for public life and the Langlands Commission for local government.

In the context of other codes being developed the Code of Good Governance was developed for the Voluntary and Community Sector. After its development, responsibility for the promotion and marketing of the Code was passed from the original partners to the newly developed Governance Hub. Accordingly, promotion of the Code across the sector and activities to support its implementation was included in the Hub’s business plans, agreed with the ACU in 2005 and in subsequent years with Capacitybuilders. The Code was formally launched in July 2005 and has received support from a range of national voluntary and community sector infrastructure organisations.

Purpose of the Code

During the initial consultation process for the set up of the Code (2005) the majority of participants felt that there were principles that applied to all organisations with regard to governance. When asked whether it would be useful if these were set out in a single code the majority of participants agreed. All parties felt that it was important that existing work in this area was taken into account when establishing a new system.

It was felt by some that there was a need to build in mechanisms for review. The 'comply or explain' principle was thought to allow flexibility of implementation. It was also recognised that the Code must stick to universal principles that apply to the whole voluntary and community sector. The Code could then be tailored to individual circumstances. There was no consensus of opinion as to whether there should be additional codes or annexes specific to particular organisation types or sizes.

Early feedback on the Code showed mixed reactions, particularly from smaller organisations but in general most welcomed the formation of a single code. However, some felt it aimed for very high standards "*that had been set by experts whose expectations of practice are too far removed from the everyday reality of those they serve"*. As such it was seen as a bit "OTT". There were a variety of comments on specific elements of the Code. The issue of whether there was any mandatory compliance element was also discussed.

The Hub's promotional and support activities of the Code

The Hub's programme included a range of activities to promote and support good governance; those specific to the Code of Good Governance undertaken from July 2005 to December 2007 are as follows:

- Mass mailings to the sector, through the Charity Commission and infrastructure partners, and to consultants, charity lawyers, accountants and academics
- Over 100 workshops for frontline organisations, delivered in partnership with other organisations (infrastructure, umbrella, federal etc), as part of an introduction to governance programmes
- 9 regional champions with an awareness-raising and promotional remit
- Toolkits, case studies, and other resources developed to help organisations interpret, use and implement the Code
- Training / events programme with development workers / consultants
- Over 20 pilot projects to help particular groups interpret the Code for their own use and provide learning for others, plus round table meetings with key target audiences
- Benchmarking project, BoardsCount, based on the Code, involving over 100 organisations
- Embedding the Code in new resources and tools such as the development workers competencies framework and trustee e-learning system
- Encouraging established tools and Standards to refer to the Code, scoping options for 'passporting'
- Events and resources for funders, on using the Code to assess good governance
- An online charter encouraging organisations to sign up to the Code
- Marketing and media activities, plus presentations and workshops at over 250 events
- Partnership work to develop shared international / European good governance principles

Hub resources on the Code include:

- The Pocket Code
- Full Code
- Learning to fly (an interpretation of the Code for smaller community groups)
- Code of Governance Toolkit

- Website resources e.g. case studies, health check and Code assessment charts
- Development workers' resources, e.g. Play Your Cards Right on the Code and A-Z Postcards
- Events and workshop materials, e.g. presentations

Other research about the Code

Since 2005, there has been research and feedback on the Code by a number of organisations. In general these reports found that organisations were aware of the Code even if they were not all using it. The ACEVO Commission of Inquiry in 2007 found that 88% of those questioned were aware of the Code with approximately half that number implementing it. Trustees were generally aware of the Code of Governance and showed positive attitudes to the frameworks that were being brought into the sector (Williams and Herbst 2005). 61% of 607 trustees and chairs of voluntary and community organisations, surveyed in 2006, said they were aware of the Code of Good Governance (OPM 2006).

Other research has shown that only one third of organisations involved in a benchmarking study had discussed the code formally at a board meeting and only one eighth had done any detailed work to review their practice against the code (BoardsCount, Governance Hub 2007).

Hub materials were generally known and valued among governance advisers as well as trustees (Spear *et al.* 2007). The Hub was valued for its clear, principled and ethical approach, and for being a single point of reference. However, particular groups such as social enterprises have their own channels of communication in terms of information and support particularly via umbrella bodies for the particular type of social enterprise. Links need to be made with these groups otherwise many social enterprises will not know what is available (Cornforth et al, 2007).

The Code of Good Governance may become part of a 'body of expertise' which each trustee may build up over time (Williams and Herbst 2006b) as they develop in their role. The action arising most frequently from reading the Code is a modification within an organisation of their approach to development and support for Board members (OPM 2006).

Much of the available literature on the Code and its use in the sector argues for its use as a tool for organisations to benchmark their own governance. Some reports, such as BoardsCount (2007), take this a step further by arguing that compliance with the Code should be included in each organisation's annual review. The same report, however, found that only 11% of respondents had published compliance with the Code in their annual review, while 42% were planning to and half had no plans to.

Documents referred to:

- Original comments and feedback at the launch of the Code.
- Code feedback and training materials
- Project partnership reports relating to the Code
- Trustee Recruitment and Induction Research Report (Charity Commission July 2005)
- Support and Resource Needs of Trustees and Chairs in Voluntary and Community Organisations, (OPM, September 2006)
- Governance Advisers Support Need Analysis (Williams and Herbst, 2006)
- Mapping Governance Learning and Support for Chairs in England (Williams and Herbst, 2005)
- National Trustee Survey (nfpSynergy, 2006)
- Acevo Commission of Inquiry Report (2007) and Hub's response
- Board's Count research report (Transform Consulting, 2007)
- For love or money: Governance and social enterprise (Roger Spear, Chris Cornforth and Mike Aiken, , Open University, Milton Keynes, UK, 2007)

Section 3: Quantitative survey

The survey was available both online and as a paper questionnaire. The online survey was live from 23rd November 2007 until 7th February 2008. The paper survey was mailed out to nfpSynergy's trustee mailing list and was distributed at a number of conferences and governance events. 116 completed paper surveys were received. 689 individuals clicked on the online survey which resulted in 497 completed questionnaires. In total 568 usable responses were received from a variety of organisations (80% online, 20% by post). We believed that the response rate represents a healthy cross-section of the sector however, it cannot be considered to be a representative sample and therefore findings are confined to the group canvassed. It is probable that the sample is biased to being positive about the Code – since those who have no experience of the Code were less likely to fill the survey in.

Please note that the base (the number of people asked a question) changes throughout the survey depending on who they are and their previous responses. Therefore, it is important to look at the 'base' number given in the bottom left hand side of every chart to be clear about the absolute number of respondents.

The data have been analysed by standard 'breaks', which are respondent's capacity and age, and board size, income/turnover, number of paid staff and regions of work of their organisation. The final break which we applied was by the two methodologies used - paper and online - in order to monitor their consistency. Breaks have been reported wherever there are significant differences within the data. Where they are not mentioned, that is because there are no significant differences.

Respondent profile

Nearly two thirds of respondents are staff; just over a quarter are trustees. The staff have a variety of roles, but they are all involved in governance at board level and are responding to the questionnaire in that light.

The majority of organisations surveyed take the legal form of companies limited by guarantee or shares (67%). Most organisations are registered charities (89%) and work in a variety of sectors. Where possible, we analysed responses by the characteristics of the organisations. However, due to the small numbers contained in each of the smaller categories, it was not possible to use these variables for further analysis.

The survey also achieved a good spread in terms of the size of the organisation based on income and on number of paid staff (a detailed breakdown is available in Appendix 1 to this report). It is worth noting that the distribution by income within this sample – with the majority of organisations falling mid-range – is different from that of the sector as a whole, which features many more small charities. The fact that smaller charities are somewhat underrepresented in the sample may be due to the fact that larger charities are more likely to spend time on governance. However, our research specifically targeted these smaller organisations through the consultation events, so we are confident that we have canvassed their views. Analysis of governance on the basis of organisation size often produced interesting results, which are reported where appropriate.

Trustees who responded to the survey represent a good spread in terms of both gender and age. The vast majority of respondents are from a white ethnic background and are not disabled. The sample includes new trustees as well as those who are more established in their roles. There is a wide variation in the amount of time trustees spend on their role, ranging from less than 5 days per year to over 50 days per year. Trustees in smaller organisations are by far the most likely to give over 50 days a year as a trustee (27%). Medium-sized organisations are most likely to fall mid-measure, with the highest percentage of trustees giving 11-20 days per year.

Personal contacts and relationships are very important in the recruitment process. Trustees from larger organisations are more likely to have been approached by someone from the organisation (53%), whereas in smaller organisation's trustees are most likely to have been previously involved with the organisation in a different capacity (24%), or even to be a founder of the organisation (16%).

Staff demographics are not dissimilar from those of trustees. Staff in our sample tend to be predominantly male (60%), which differs from the picture for the sector as a whole. Staff have been in their current role for a variety of time, the most frequently cited of which was 1-3 years (28%). Overall, there is a good spread of length of experience.

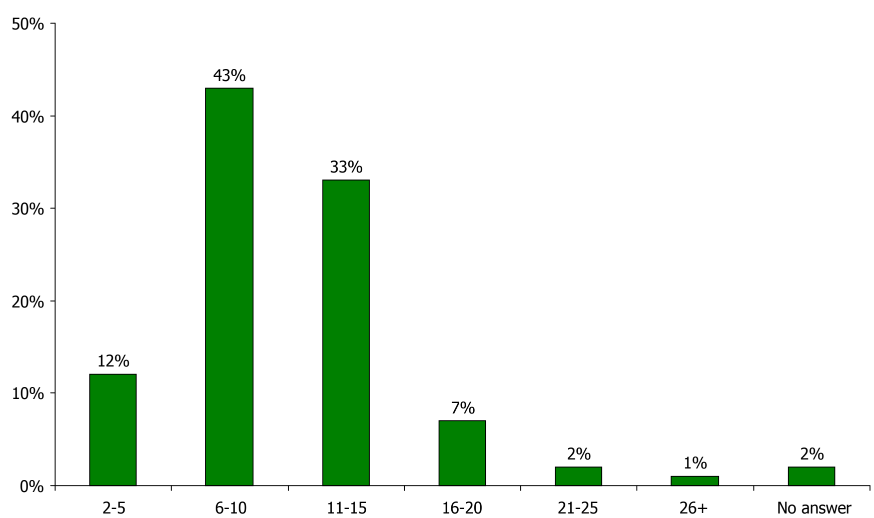
The time spent on board activities is similar to that stated by trustees, with the most frequent at 11-20 days (24%). Respondents from larger organisations are most likely to spend over 50 days a year on governance (26%). This may be due to the greater resources available in larger organisations, allowing some to even devote a full-time position to governance.

Further data about the profile and response rates is included in Appendix 1 at the end of this document.

Boards and governance activities

Chart 1: Number of trustees

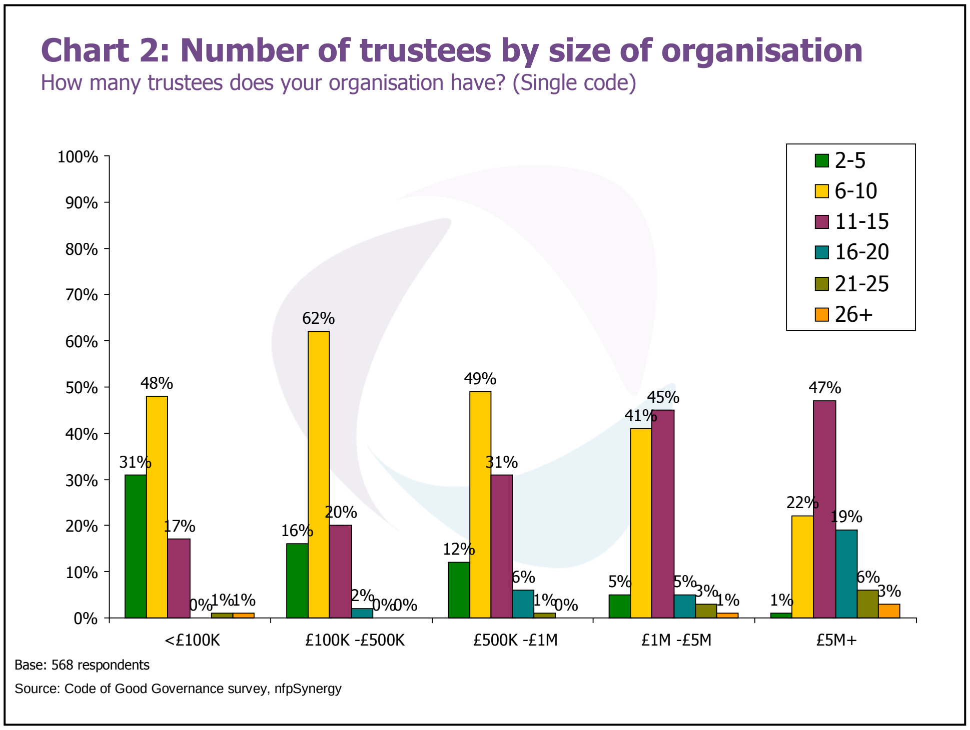
How many trustees does your organisation have? (Single code)



Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

The vast majority of organisations taking part in the survey had boards of between 6 and 15 people (see chart 1). 12% had very small boards of 2-5 and 10% had boards of over 16 people with one percent having a board of over 26 people. Below we look at board size by organisation income and number of staff.

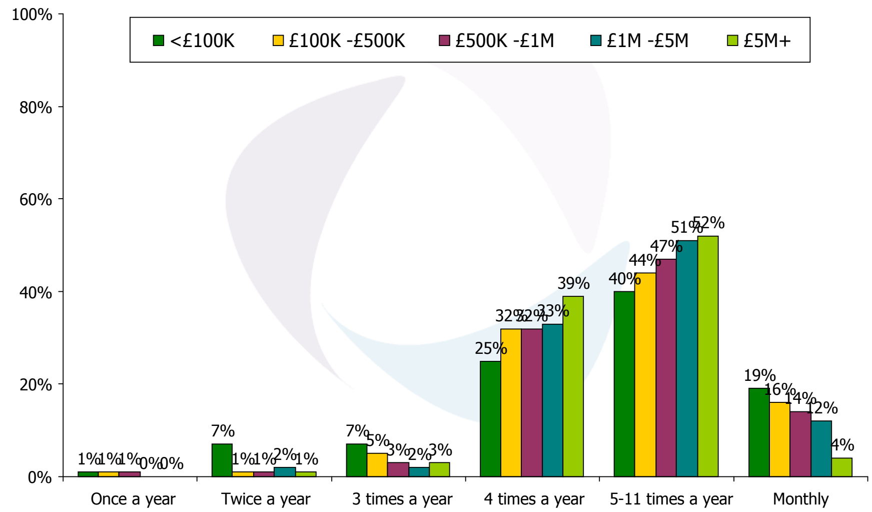


When we look at board size in comparison to organisation income, there is a direct correlation between the two (see chart 2). The smaller the organisation the fewer board members it has and the larger the organisation the more board members.

Chart 3: Frequency of board meetings

How often do your trustees or board meet?

By organisation income/turnover



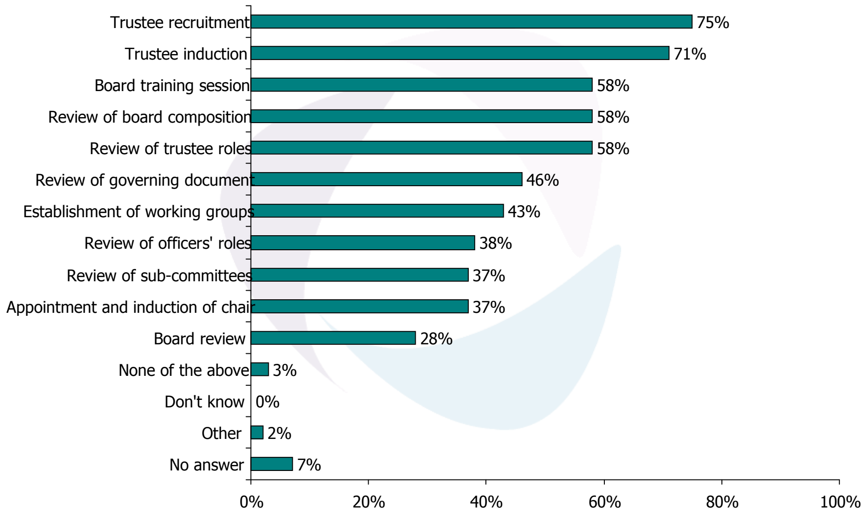
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

The same applies, to an extent, to frequency of board meetings (see chart 3) in comparison with organisation income. Income and frequency of board meetings are in direct correlation with the exception of organisations holding monthly board meetings. Larger organisations are most likely to have boards that meet 5-11 times a year, whereas smaller organisations are most likely to have boards that meet on a monthly basis. This may relate to a theme which emerged within the consultation groups, of greater investment of time on the part of trustees in very small, often young organisations. In these settings trustees may also be involved in the day-to-day running of the organisation. The question did not differentiate between full board meetings and sub/exec committee meetings, therefore the frequency could include these.

Chart 4: Activities undertaken by organisations

Which of the following board review or development activities has your organisation undertaken in the last two years? (Multicode)

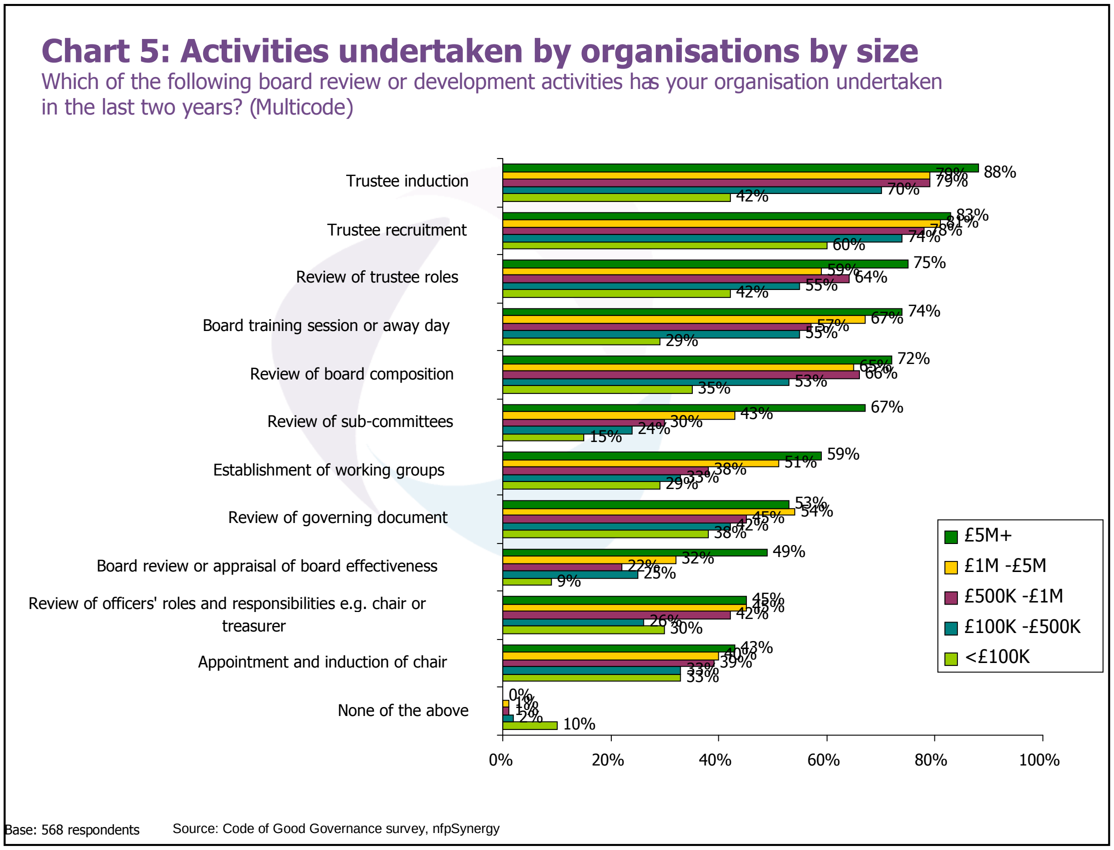


Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

The survey asked respondents to indicate which board development activities their organisation had undertaken (see chart 4) in the previous two years. Please note that respondents could tick more than one option. Only 3% indicated that they had not had any development or review work with their board; and from the high percentages on the graph above we can see that there is a lot of activity in this area.

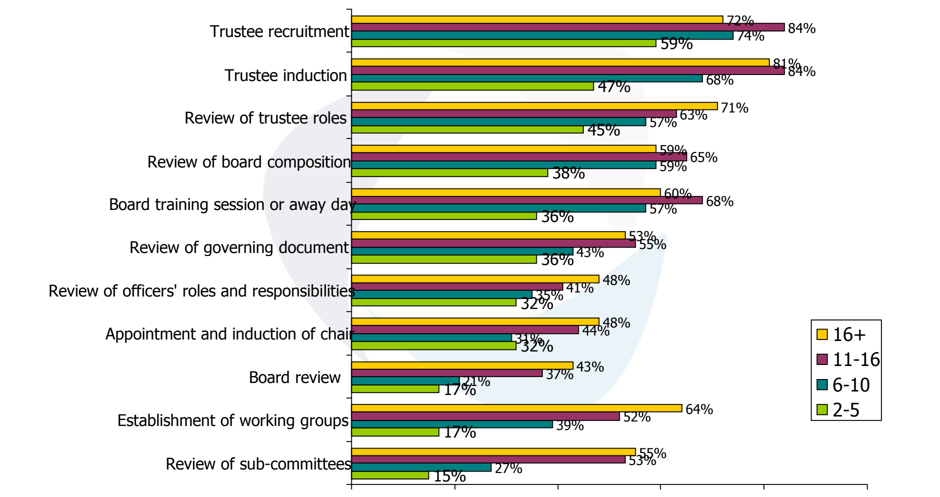
75% of respondents indicated that they had recruited trustees in the previous two years, closely followed by 71% who had inducted trustees. As we will see later this correlates with information from the qualitative part of the study where respondents say that trustee recruitment is one of the key issues for boards. It also correlates with board composition review, and possibly, reviews of trustee roles, which were undertaken by over half of all the respondents in our survey.



When we look at the spread of these activities compared to organisation income (see chart 5), we see that larger organisations are more likely to have undertaken a variety of board-related activities. This may be because they have greater amounts of resources to devote to governance. Smaller organisations may see their time and economic resources diverted to more pressing day-to-day issues.

Chart 6: Activities undertaken by number of trustees

Which of the following board review or development activities has your organisation undertaken in the last two years? (Multicode)

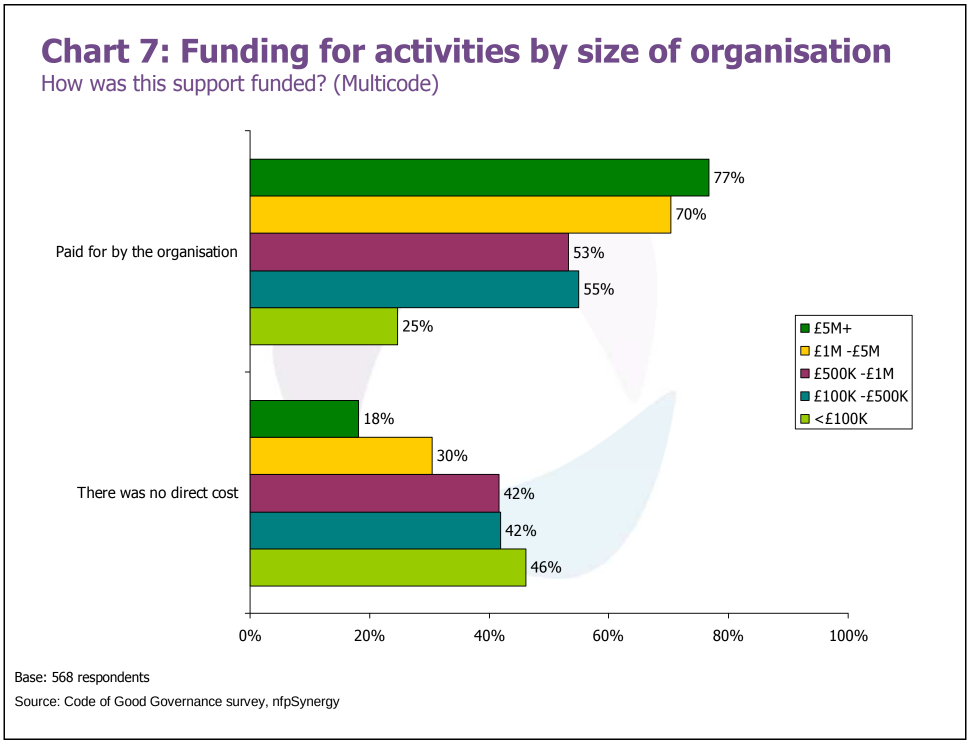


Base: 568 respondents

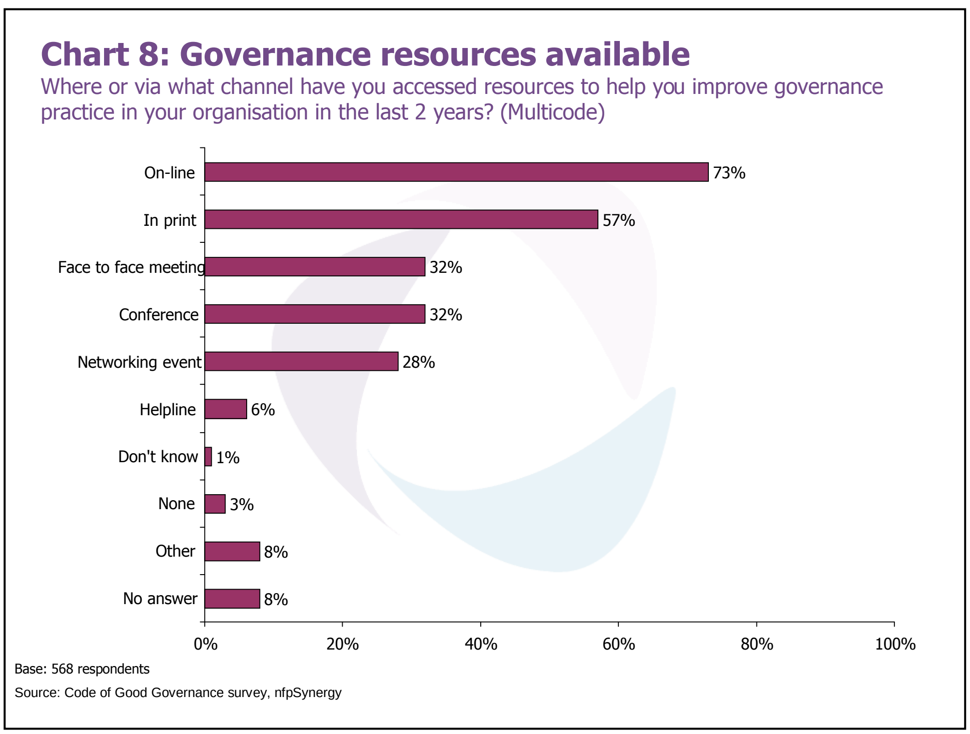
Source: Code of Good Governance survey, nfpSynergy

Different board sizes are associated with different types of board development activities (see chart 6). This chart shows how larger boards are much more likely to have engaged in activities such as the establishment of working groups and the review of sub-committees (probably due to the fact that larger boards are often found in large organisations), as well as review of various aspects of governance. Mid-sized organisations, on the other hand, are more likely to have recruited trustees and organised training or away days.

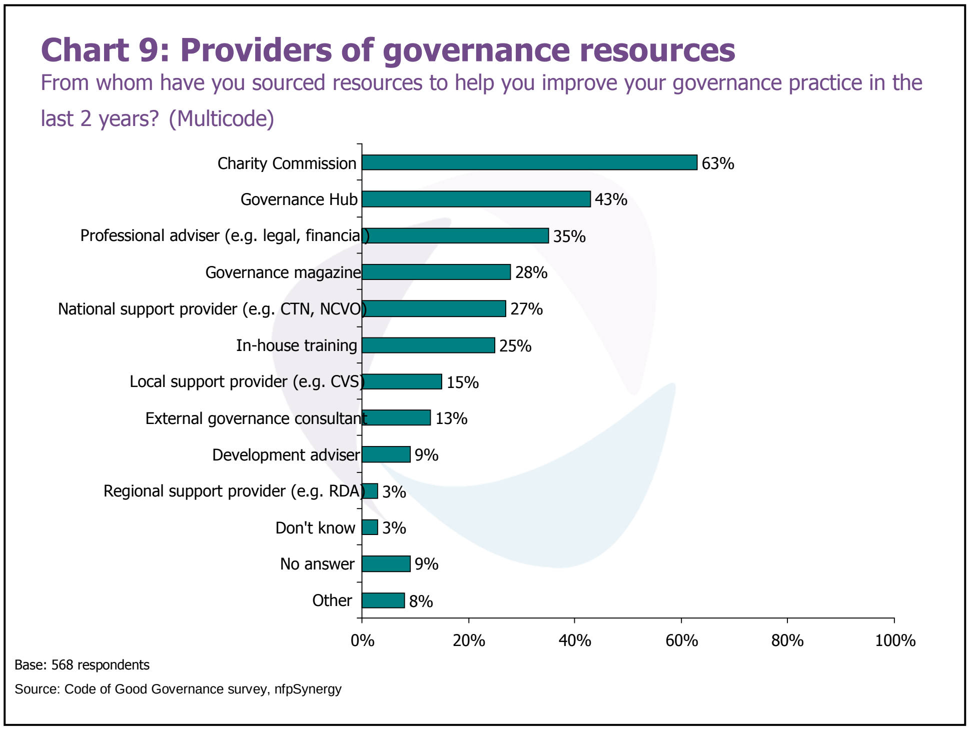
The survey asked how this development work had been funded. For the majority it had been paid for by the organisation, while a third stated that there had been no direct cost. 6% had had this work donated or funded by a grant. And in addition to donating their time, 5% of trustees had paid for this work themselves!



There is a strong correlation between the organisation's income and the way in which board development activities are funded (see chart 7). In organisations with a higher income, activities were more likely to be paid for by the organisation. Organisations with lower levels of income, on the other hand, were more likely to engage in activities which had no direct cost.



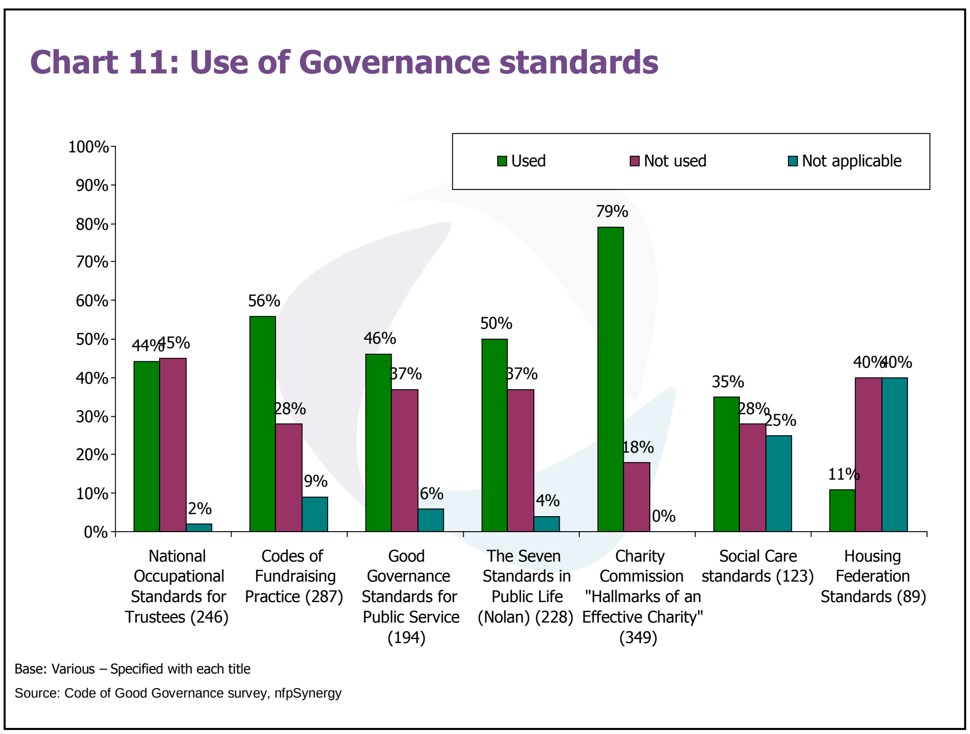
Online resources were the most frequently accessed by our respondents (see chart 8), probably because they are the most easily accessible. Printed resources were heavily used with over half the sample using these. Face to face meetings and conferences were used by nearly one third of respondents, with networking events not far behind. It would seem that while these types of events are important, resources that are easily accessible are more frequently used.



Respondents have used a variety of organisations to gain resources to improve governance practice (see chart 9 - please note that respondents could chose more than one option for this question). The Charity Commission was the most frequently cited source of resources on governance. This is perhaps not surprising due to the Commission's regulatory role and the fact that 89% of respondents are registered charities. The Governance Hub was next with 43% of respondents using their resources. We don't believe that there is a 'Hub' bias in this result as the survey was disseminated through a diverse distribution list. National and local support providers / VCS infrastructure added together comprise 42%.

Just over one third had consulted a legal or finance professional to gain information. Governance magazine was a source for 28%, while other national support providers such as CTN or NCVO were consulted by 27%. Governance advisers and development advisers were used by 13% and 9% of respondents respectively.

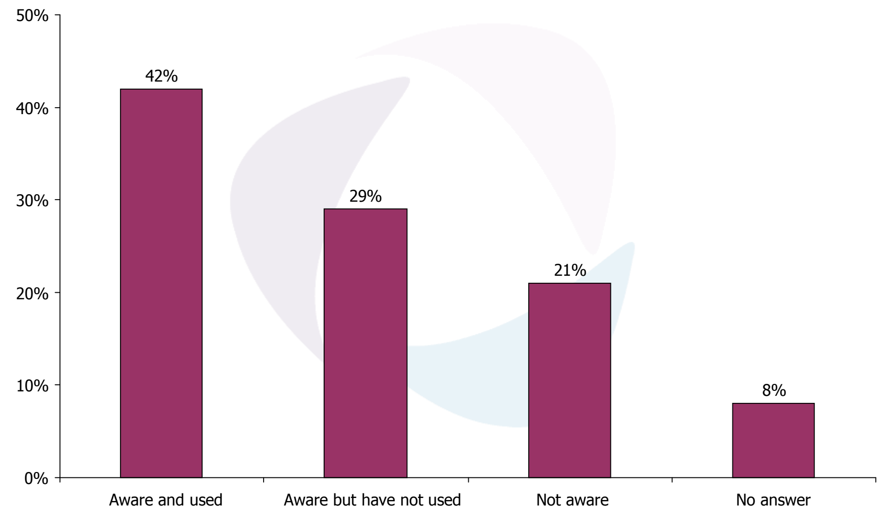
There is a fairly high level of awareness of the Charity Commission's "Hallmarks of an Effective Charity" which is not surprising when looking at the results of the previous question about sources of information (see chart 10). Just over half of respondents were aware of the "Codes of Fundraising practice" (which have been in place in various guises since the early 1990's). The National Occupational Standards (NOS) were known by 43% of respondents (These standards for trustees were launched in May 2006). There is also high awareness of public sector standards.



We then went on to ask those who were aware of the various standards which ones they had used (see chart 11). Usage levels generally follow the awareness levels from the previous question. "Hallmarks of an Effective Charity" had been used by most of those who were aware of it, followed by the Codes of Fundraising Practice and the Nolan principles. Of those who were aware of the NOS, just under half had used them. Like the Code, the Standards are very new.

Chart 12: Awareness and use of the Code of Good Governance

Are you aware of the Code of Good Governance?



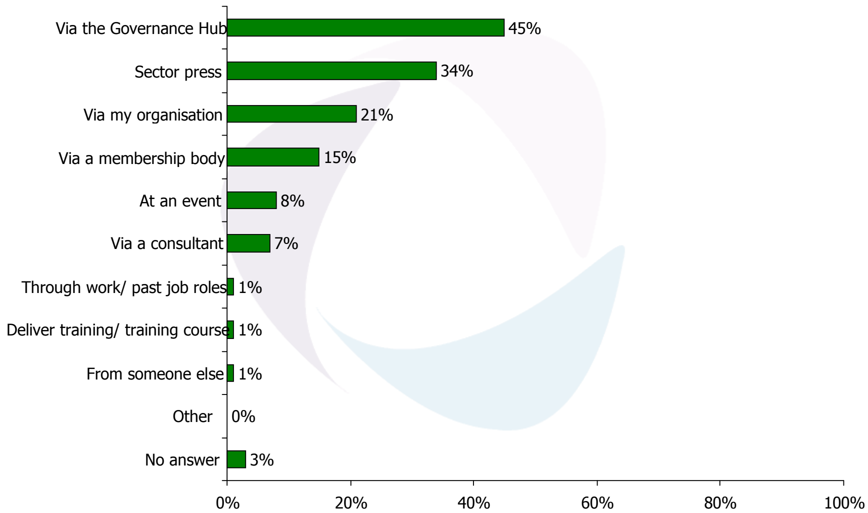
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

Overall 71% of respondents were aware of the Code of Good Governance (see chart 12). This was a very positive outcome bearing in mind the Code has been in existence for less than 3 years. This figure compares with 88% of respondents in acevo research amongst chief executives in 2007 (and 79% of respondents using the 'Hallmarks' document from the Charity Commission). Our data highlights CEOs as one of the main driving forces in using the Code within their organisation, so this high level of awareness in the acevo research is not surprising.

Chart 13: Sources of awareness of the Code

How did you become aware of this code? (Multicode)



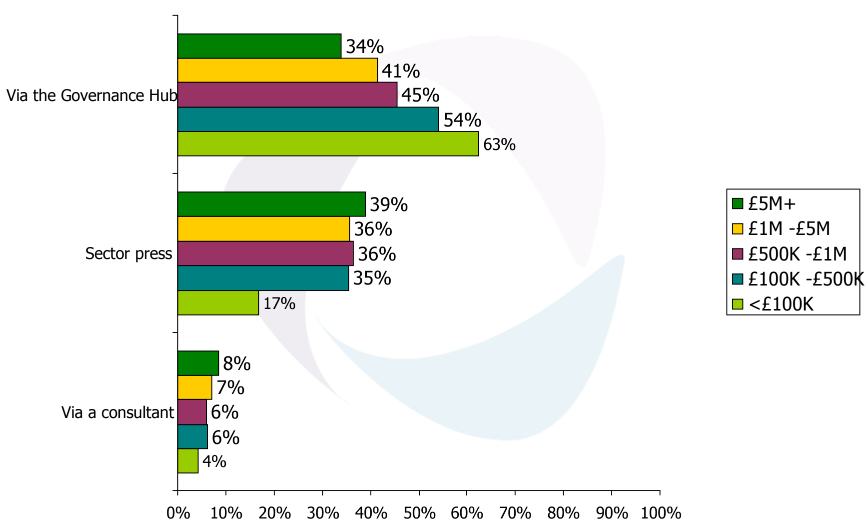
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

The survey then asked those respondents who were aware of the Code about how they had heard about it (see chart 13). Nearly half said that they had become aware of it through the Hub and 34% had heard of it through the sector press. This chimes with some of the qualitative interviews where respondents had been aware of the Code because they had attended launch events back in 2005. The Hub's Code multi channel and multi partner marketing and distribution programme has clearly been effective.

Chart 14: Sources of awareness of the Code by size

How did you become aware of this code? (Multicode)

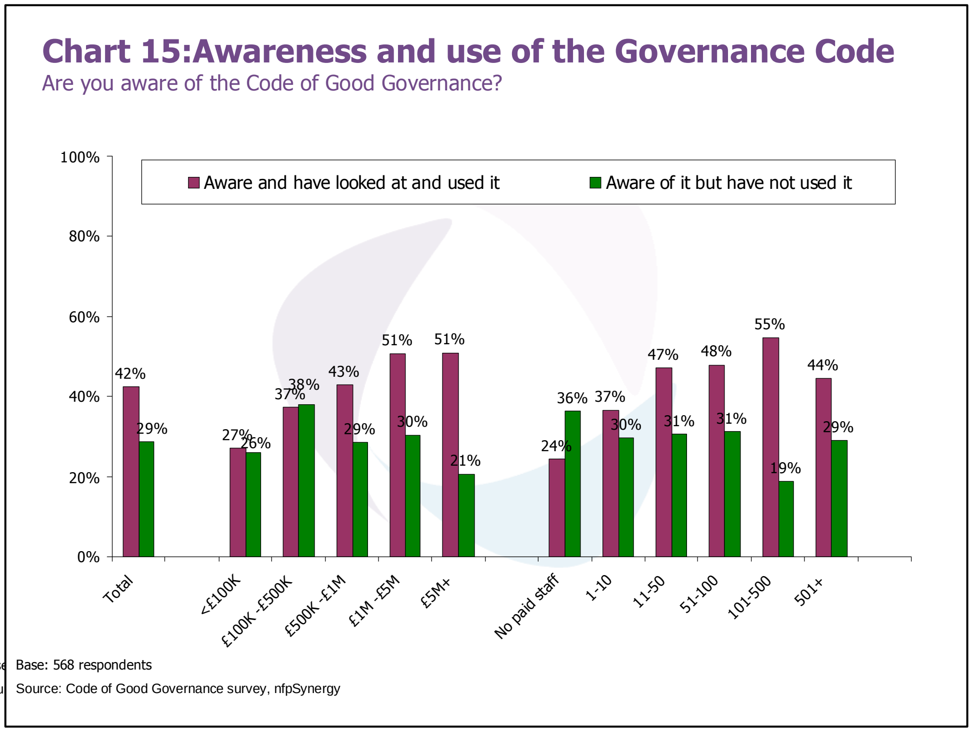


Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

Smaller organisations are more likely to have become aware of the Code through the Governance Hub, while larger organisations are slightly more likely to derive their awareness from sector press (see chart 14). This may be due to the fact that smaller organisations are less likely to have the time and resources to invest in keeping up with sector press.

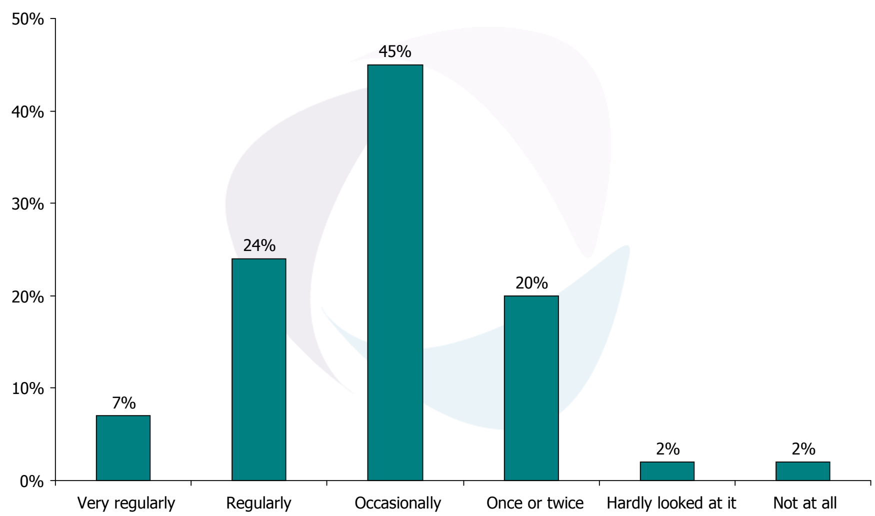
This data also shows that the influence of consultants in raising awareness is limited, even among those organisations that have the resources to employ them. This may be partly due to the fact that awareness may come from other sources in the first place and a consultant may subsequently come into play.



When we look at those who are aware of the Code and break it down by organisational income and staff numbers (see chart 15), perhaps unsurprisingly, larger organisations were more likely to have used the Code than smaller ones, both in terms of income and number of staff employed.

Chart 16: Use of the Code

How frequently have you used the Code in your organisation?



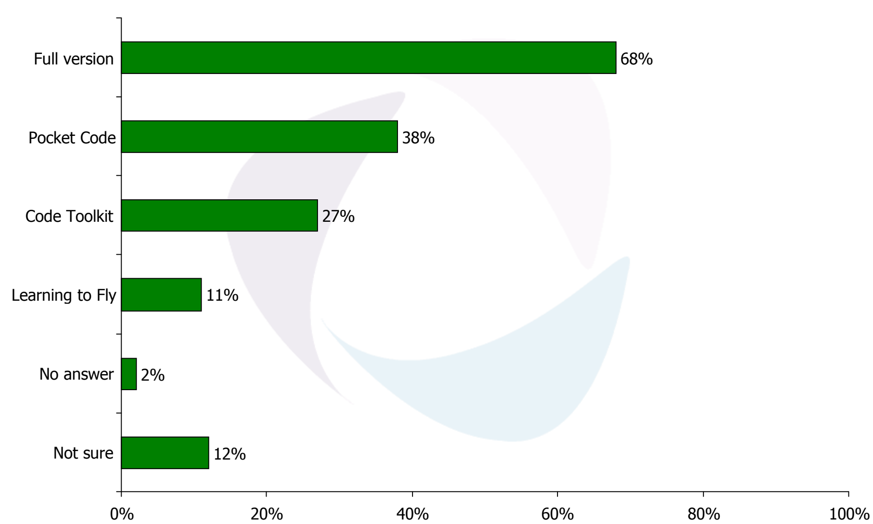
Base: 240 respondents who are aware of and have used the Code

Source: Code of Good Governance survey, nfpSynergy

Occasional use appears to be the most frequent way for organisations to make use of the Code but with a healthy 24% saying they use the Code regularly (see chart 16). Only a very small minority of respondents claim to be aware of the Code but to have hardly looked at it.

Chart 17: Use of Code publications

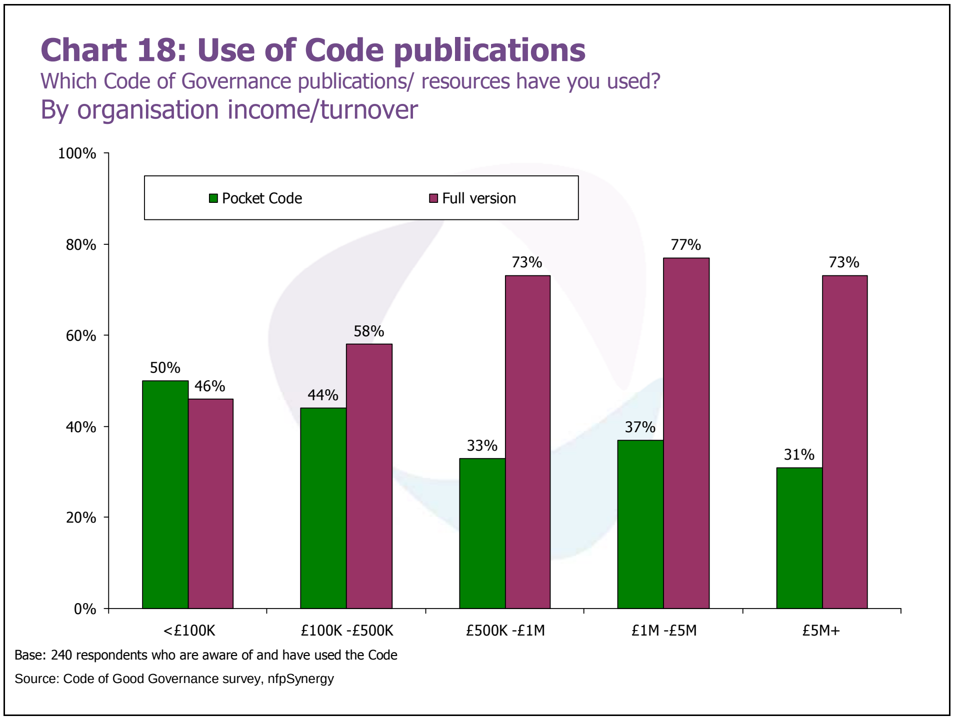
Which Code of Governance publications/ resources have you used?

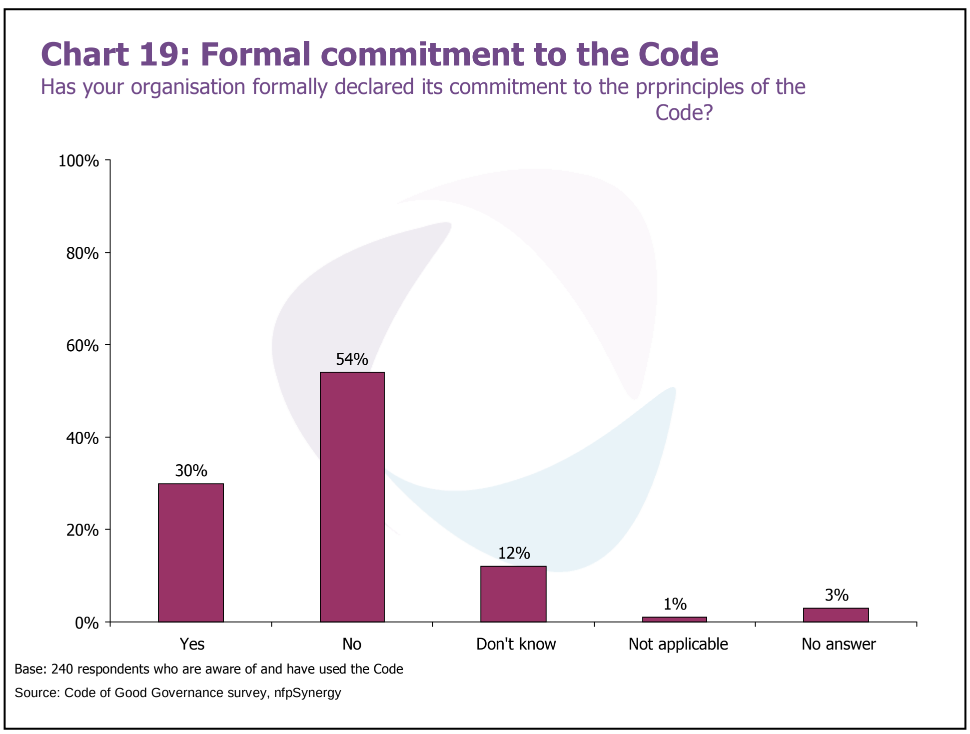


Base: 240 respondents who are aware of and have used the Code

Source: Code of Good Governance survey, nfpSynergy

When we looked at which Code publication people had used interestingly, more respondents had used the full Code than the pocket version (see chart 17). When we talked to people in the consultation groups the pocket version was the one participants preferred. Chart 17 also shows that a quarter had used the toolkit. There is some correlation between size of organisation and publications used, with larger organisations more likely to use the full version of the Code (see chart 18).

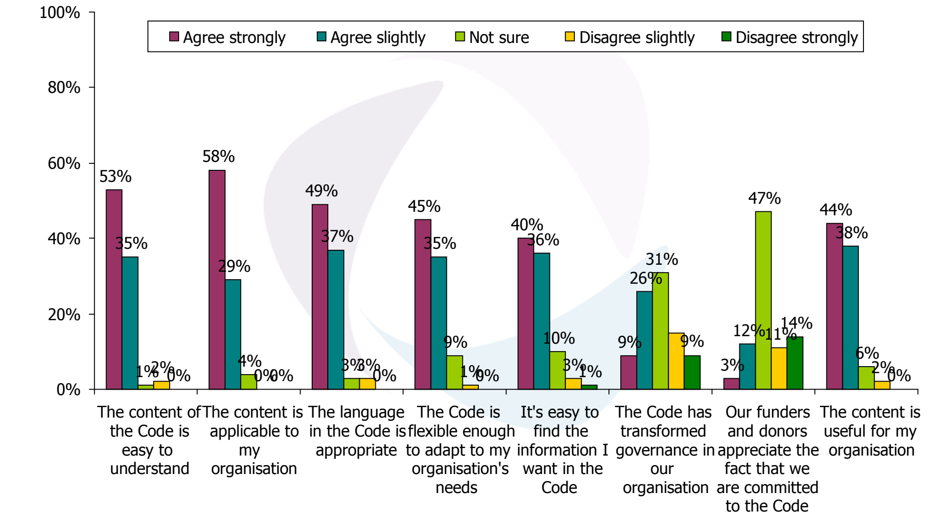




Over half of respondents had not made a formal commitment to the Code (see chart 19), but there is a relatively high level of 'don't know' responses to this question. However, more positively, nearly one third had declared their commitment, (‘declaring’ could mean a number of things, e.g. it could mean in the annual report, in a board meeting, in the accounts, etc.)

Chart 20: Perceptions of the Code

For all the statements below please indicate how strongly you agree or disagree with them in relation to the organisation you have chosen



Base: 240 respondents who are aware of and have used the Code

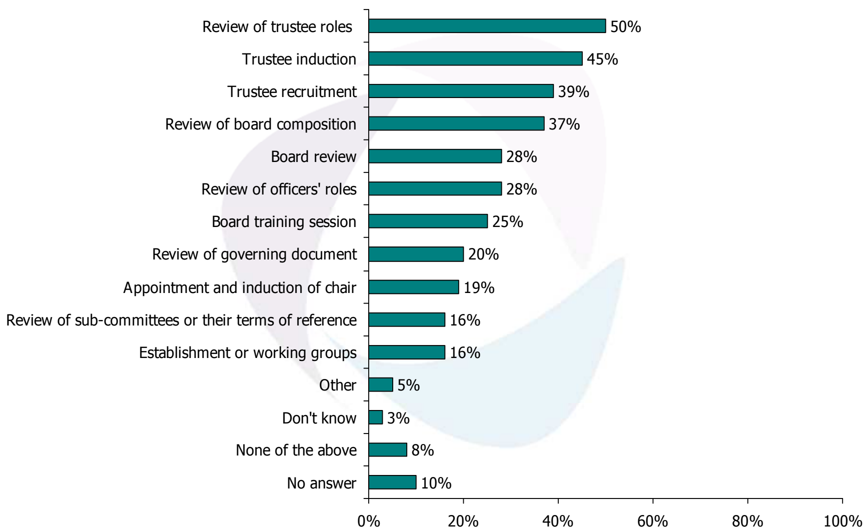
Source: Code of Good Governance survey, nfpSynergy

There are high levels of agreement to nearly all the statements of perception (see chart 20) showing a highly positive view of the Code and its contents. Please note that these figures refer to those who have used the Code (240 respondents). 88% percent of these respondents agree that the Code is easy to understand and 86% feel that the Code is applicable to their organisation. The Code is seen as flexible, using appropriate language and easy to navigate. Furthermore, over a third of respondents agree with the very strong statement that the Code “has transformed governance in my organisation”, an extremely positive response. Another third are not sure, and slightly less disagree with the statement.

When we asked about funders perceptions of their commitment to the Code nearly half of respondents stated they didn’t know. This is interesting because it shows that either that there are many funders who are not aware of the Code or who wouldn’t make a stipulation that organisations should be committed, or it could indicate that organisations don’t know how funders assess their governance. This slightly contradicts feedback we received through the qualitative element of the research that certain funders (particularly larger ones) are demanding a demonstrable degree of engagement in governance (although not necessarily proven through Code compliance) in order to be eligible for funding.

Chart 21: Activities undertaken using the Code

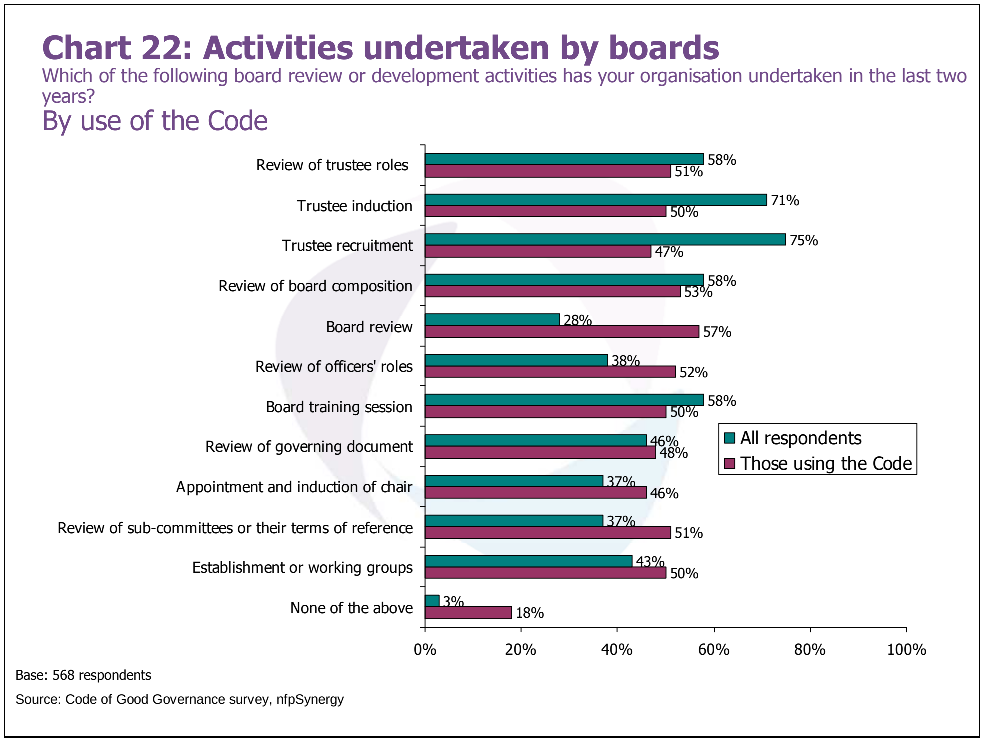
How is the Code being used in your organisation i.e. what has it prompted or enabled you to do?



Base: 240 respondents who are aware of and have used the Code

Source: Code of Good Governance survey, nfpSynergy

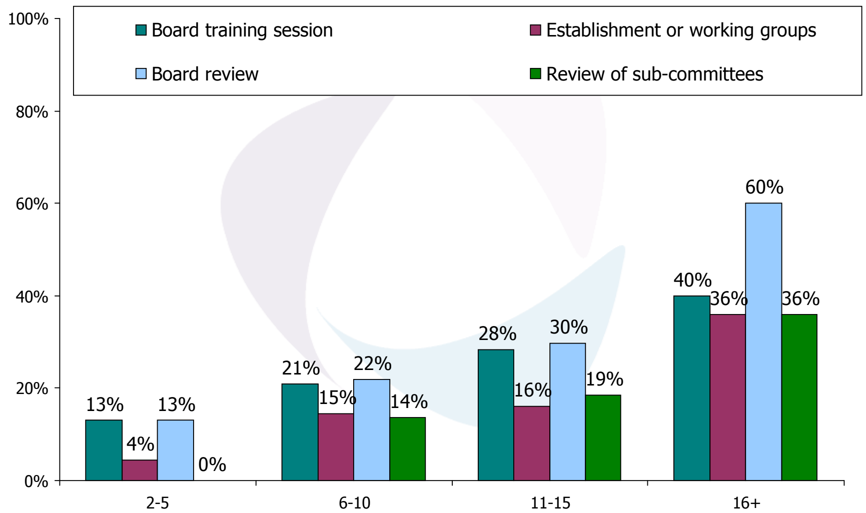
The Code has been used for a wide range of activities within responding organisations (see chart 21 below - please note that respondents could tick more than one option). As with the previous questions (see charts 4, 5 and 6) about governance activities the most frequently cited activities are those around review of trustee roles, board composition, trustee recruitment and induction. It is also notable that 28% (nearly 1/3) had used it to do a board review, a significant governance development activity which is often assumed to be neglected.



Respondents who have used the Code are more likely to have undertaken a number of board-related activities (see chart 22). In particular board reviews, review of officer's roles and review of chairs and sub-committees are much more likely to have occurred in organisations which have used the Code. This data shows that the Code is having a substantial impact on the approach to governance of those using it.

Chart 23: Activities undertaken using the Code

By number of trustees



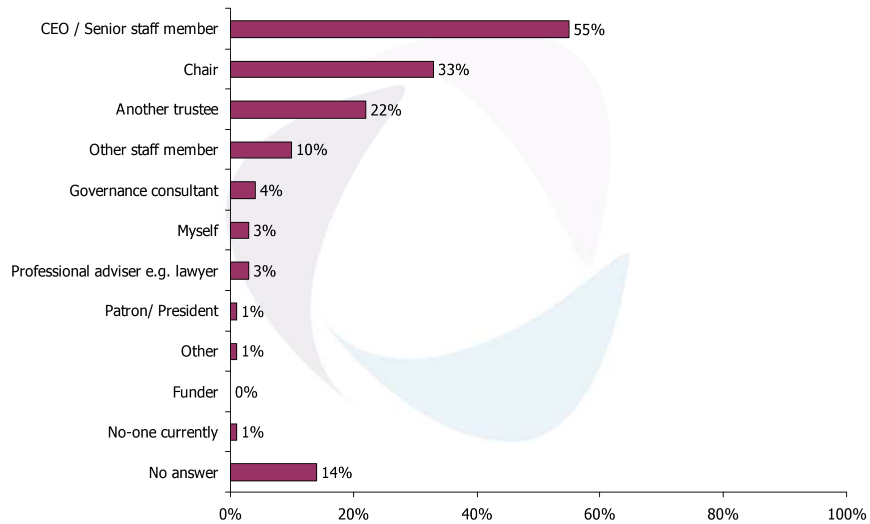
Base: 240 respondents who are aware of and have used the Code

Source: Code of Good Governance survey, nfpSynergy

When we look at some key areas and break them down by board size we begin to see a difference (see chart 23). Those with large boards are engaged in more activities using the Code than smaller ones. Board review in particular seems to be an activity for larger boards. It is unclear whether this is simply a function of having a larger working group, an indication of larger boards having more time and support for this activity or whether it is an indication of increased difficulties in boards of this size.

Chart 24: Drive to use the Code

Who is driving use of the Code in your organisation?



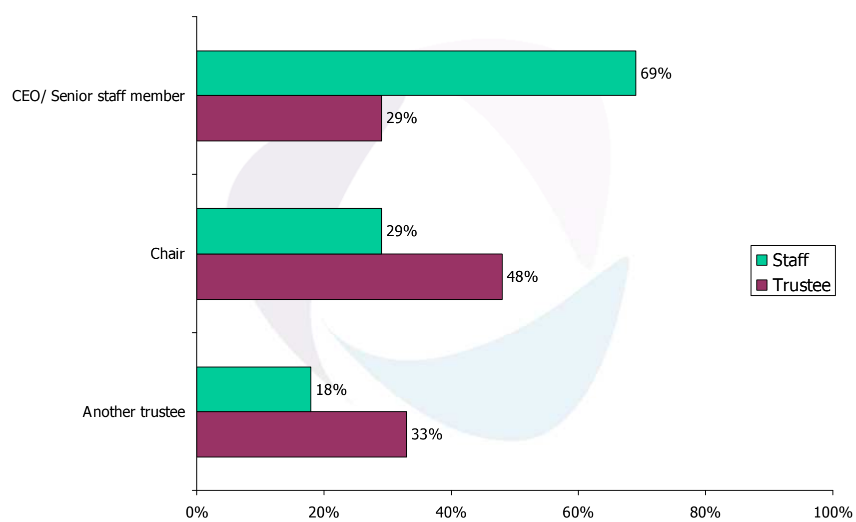
Base: 240 respondents who are aware of and have used the Code

Source: Code of Good Governance survey, nfpSynergy

When respondents were asked who was driving the use of the Code the CEO or another senior staff member was the most commonly cited individual (55%) (see chart 24). However, trustees are equally likely to be driving this initiative with the Chair slightly more likely to be the key driver (33%) than another trustee (22%). Staff members were more likely to say that staff were driving the initiative and trustees were more likely to say that trustees were driving the initiative (see chart 25 below).

Chart 25: Drive to use the Code by role

Who is driving use of the Code in your organisation?

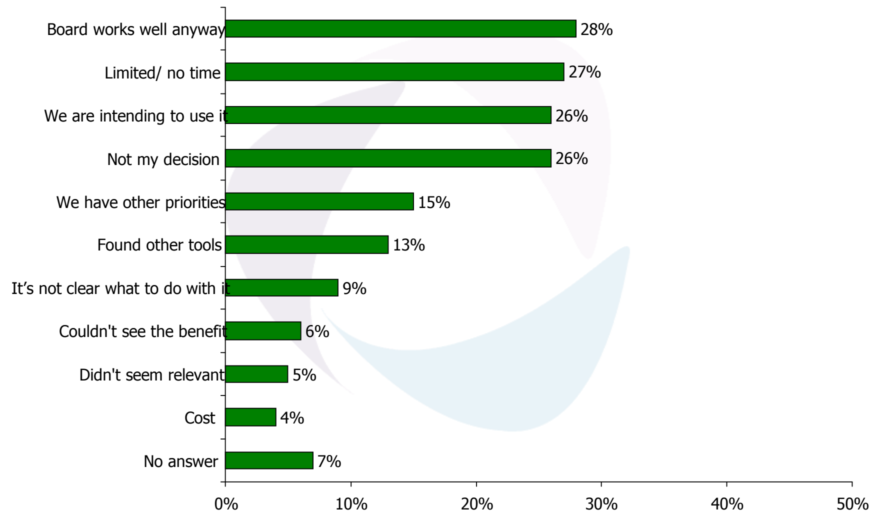


Base: 240 respondents who are aware of and have used the Code

Source: Code of Good Governance survey, nfpSynergy

Chart 26: Reasons for not using the Code

If you haven't used the Code please tell us why not.



Base: 163 respondents who have not used the Code

Source: Code of Good Governance survey, nfpSynergy

We examined the reasons for not using the Code from those respondents who had heard of the Code but not used it (see chart 26). Interestingly, over a quarter of those who are not using the Code feel that their board works well anyway. It is not clear whether they are using any other codes or standards in order to measure this. A quarter feel that there is not enough time to use the Code; this is an issue that came up frequently in our qualitative consultations around the country. Positively, a further quarter were intending to use it in the future.

Section 4: Qualitative findings

There were a number of qualitative research elements in this project; consultation events, expert interviews and in depth interviews with those involved in governance.

Consultation events

Consultation events were held in Bristol, Manchester, Birmingham, Brighton, Wales and London. Some of these events are organised by third parties, some piggy-backed on existing events, and some set up from scratch. Events were held to reach specific types of groups to ensure representation across the sector: there were events that targeted BME organisations, very small organisations, rural and large charities. At all events there were a mix of attendees from different sectors and also from different roles, for example, there were a mixture of trustees, chairs, or senior staff who were involved in governance. Where there were low numbers, these have been made up by doing extra telephone interviews to a broad range of views was canvassed. There were also a number of independent governance consultants who attended events.

Expert interviews

We interviewed a range of people with expertise on governance and/or the third sector; these have proved a key part of the process. The people interviewed were:

Jolanta Lasota	Turn2Us (former head of the Governance Hub)
Ben Kernighan	NCVO
Seb Elsworth	acevo
Karen Heenan	CTN
Kevin Curley	NAVCA
Linda Laurance	Governance consultant
Tesse Akpeki	Governance consultant/Bates Well Braithwaite ON Board
Shirley Otto	Management Development Network
Colette Williams	ACRE
Mark Parker	BASSAC
Julia Unwin	Joseph Rowntree Foundation
Sara Robinson	Arts sector consultant
David Carrington	Governance Consultant/ Bates Well Braithwaite ON Board
Anne Marie Piper	Farrer and Co
Gill Edelman	Chair of the Governance Hub
Louise Thompson	ICSA

In addition, representatives from a number of regulatory bodies were interviewed.

Michael Cook	Financial Services Authority
Rosie Chapman	Charity Commission
Sara Barnard	CIC regulator

General awareness and understanding of governance

Key issues

- The importance of a strong board and the **quality of the board** as well as the importance of the role of trustees in maintaining **organisational independence**
- **Understanding governance** and having a shared view of what it means within an organisation
- **Recruitment** is a long term issue but a shortage of trustees and lack of time mean governance gets pushed to the side
- Getting **interest in the issue**, governance is seen as boring, complicated and time consuming, a Code on Governance as even more so
- Other board issues were **strategy vs operations and service user involvement**
- **Funding** - how organisations can find stable funding. In addition big funders are now beginning to drive good governance

Quality of the Board

The importance of a strong and informed board was agreed by all participants in the research. It was reiterated in all groups that trustees <u>must</u> take their role seriously. Processes for managing public money and gaining and maintaining public confidence were seen as coming from the top. Governance was seen as 'How do you keep organisations safe to deliver?' Some felt that in the current climate of increased government contracts, "*trustees must safeguard the independence of the organisation"*. With one expert thinking further into the future "*the real challenge is actually how you hold the charity in trust for today and tomorrow's beneficiaries and that's a rather different focus."*

Understanding of governance

Participants in the consultation groups reported very mixed levels of understanding about governance in their organisations. The word 'governance' itself proved problematic for some people, while others felt that *"I don't think people know what governance is. They get scared."* Where there is understanding, some groups felt that this was by key individuals (who may have their own version), and may not be shared by all.

One trustee stated that when his organisation tackled governance issues full on "*We had some spectacular rows!*" because there was a mixed board, and people from different backgrounds had their own version of what governance was and what it meant for the organisation. Trustees' views on governance and very many other fundamental issues had not ever been fully discussed or articulated.

Recruitment and time

There were a number of governance issues that organisations were struggling with. Time was the most frequent reason given for not tackling governance issues within organisations. This cut across all sizes of organisations but was particularly the case for smaller VCOs but also includes groups where there were not enough trustees on the board to undertake the amount of work needed. Issues with time can lead to conflict between what is outlined in the Code and the reality of what can be done.

"I think getting people onto boards is probably the biggest issue which is partly to fill gaps and partly to ensure that boards refresh themselves regularly enough so that organisations constantly get new ideas and perspectives of a diverse range of people. I think diversity is important partly because of some of the evidence that says it hasn't been achieved."

Interest in the issue
Overall, governance was felt to be a huge topic, as one respondent said *"There's a lot of it".* This was seen to be a barrier for some as it was seen to be a mammoth task and difficult to know where to begin. It is also seen as bureaucratic and boring so one of the issues is trying to engage boards in the first place. "*I would imagine that those that aren't aware of the Code probably have a misconception that it will be very technical or very bureaucratic or commit them to certain processes which they feel are inappropriate."*

Respondents felt that it is hard to get people involved in their organisations in the first place so something that adds to the workload is seen as negative. Governance compliance is seen as a huge area for volunteers to monitor, there is a need for a set of 5-6 core points, and marketing to show trustees the benefits.

Strategy vs operations and service user involvement
Other issues that came up frequently in the consultation events were the struggle to move from an operational board to a more strategic board - that stepped back from day to day decisions. This was particularly the case for organisations that had experienced a period of growth and had not moved away from the need to be very involved in service delivery.
"My own view is that one of the biggest challenges …is how you make a group of people work effectively together and in a sufficiently strategic way."

Service user involvement on the board and the issues that this raised were key for a number of respondents. It was felt to be a "tricky" subject, particularly because of levels of information that were felt to be appropriate for this group. Decision making and levels of authority was another issue that respondents struggled with, what was appropriate for the board/organisation.
"I think the engagement with stakeholders and the public is not just a question of transparency, it's a challenge."

Funding
Funding was a constant problem for participants, particularly getting longer term funding that enabled them to plan ahead. This focus on funding often meant that other issues that were known to be important, such as governance, were put to one side. An issue that emerged with the expert interviewees was to what extent funders should be using the Code as a way of assessing the Governance standards of those organisations applying for funds. There were mixed views about whether this is a good or a bad idea!

"I think interestingly funders could take a view in being more demanding with the questions that they ask in relation to governance. It is absolutely appropriate if they say 'I only want to invest my money in this particular organisation or an organisation that does this."

"There is a worry that we [say] to funders ….. to use the Code as the benchmark because that's going to cut out a lot of smaller organisations and they won't get access to funding."

Awareness of the Code

Key issues

- There was a relatively **high level of awareness** of the Code, but fewer organisations who had actively used it
- Organisations had a very **positive view of the content** and scope of the Code, it is seen to go beyond the basics to cover best practice
- **Reasons for using the Code** varied from using it in a period of crisis, to choosing the Code after having reviewed all the available information

General awareness of the Code
There was a mixed level of awareness from organisations and consultants about the Code in the consultation groups. Some participants had used the Code extensively, others were aware of it but had not used it, while others still had never heard of it, despite being interested and involved with governance issues. Some participants and interviewees however, confused the Code with other governance documents, particularly the Essential Trustee.

Awareness had come through a variety of channels, the Hub, local infrastructure bodies, the sector press and committed individuals. A number of organisations had come to the Code during a period of crisis on their board, and needed something to help them through that situation.

"…research has shown that [awareness of the Code] is very high …. which considering how old it is (and whilst awareness is higher than usage) is a really big thing."

Positive views of the Code
In the main, respondents had a positive view of the Code. "*Extremely useful benchmark of good practice… it is helpful to have an external benchmark*". It was seen to be rigorous, useful and user friendly, with respondents feeling that it pushes boards in useful ways, acting as a catalyst for change.

"I see it as an incredibly valuable document to catalyse thought in the sector around governance and provide very clear kind of guidance for development. And we've recently developed our own governance review service, which is an on-line performance assessment for boards. And that's based entirely on the principles within the Code. So it's our point of reference for what we consider good governance to be."

"… in broad terms I think the content of the Code itself is high class. It covers all the ground and covers it well"

Reasons for using the Code
The Code was often used by organisations in a crisis. Something had gone wrong and the board needed an external framework to help them tackle or solve the problem. In this situation the Code was seen as an invaluable resource that helped boards solve the issue at hand. However, it does not appear that many of these organisations went on to use the Code once the crisis was over. While this is not an absolute necessity it may help strengthen the organisation's capacity to prevent crises in the future.

Where an organisation was aware of the need for good governance practices to be in place and went looking for something to help them, the Code was seen as a really positive thing. These were organisations that were quite developed in their thinking before they come to the Code.

Some respondents had chosen to use the Code in their organisation because it goes beyond the basics of governance to what is good practice. This was seen as very positive for those boards who were striving for excellence. In addition, having a specific code for the sector was seen as good because it was felt to bind people together on a board and give them a common framework to work within, especially if they came from different backgrounds.

Resources and activities

Key issues

- **Essential Trustee** and **Hallmarks of an effective charity** were the most frequently cited sources of information on governance. Both were felt to be clear and understandable. The self-assessment checklists were particularly praised.
- **Other codes and standards,** PQASSO, NOS, were frequently mentioned by participants in the research.
- Some federated and membership organisations have their **own code** that members must sign up to or comply with. e.g. Age Concern.
- **Consultants** were seen as a really important part of the mix.

Governance resources

A variety of other governance materials were cited as useful by participants.

- Charity Commission self-assessment checklists, The Essential Trustee and Hallmarks of an effective charity
- NCVO assessment tools for trustees
- NOS
- PQASSO

There are lots of different sources of information on governance produced by a variety of organisations, in addition, there are those created by umbrella organisations for their members, and those created by consultants. Hallmarks and The Essential Trustee were the most frequently mentioned. Both were felt to be clear and understandable. The self-assessment checklists were particularly praised.

Other codes

Other codes and standards were also discussed although they had been implemented less frequently. Both were seen to be quite an undertaking to complete. NACVA, ACRE, codes were mentioned as well as other codes for more specific organisations such as the Housing Federation code and VISIBLE Community from Community Matters.

There were also a number of other codes from outside the sector that were used by some organisations, though by no means the majority, such as the Combined Code on Corporate Governance and the Nolan principles.

Development of new codes

Some federated and membership organisations have their own code that members must sign up to or comply with. e.g. Age Concern. The Code has also been used to develop other codes for federated and membership organisations and therefore be seen to have a wide reach.

"I think there are a number of ways in which [the Code] is referenced in other people's documents, it's picked up in the structure of training courses and accreditation schemes, those things I think begin to indicate that the Code is having an influence that is beyond merely being a document on a website."

"Flowing out of it has been some really good toolkits and materials and some lovely training resources. That is great news because it is raising the game of opportunities for development for trustees."

Consultants
Consultants were mentioned (and some took part in the research). However, many small charities bemoaned the fact that they could not afford to employ them, even if they recognised a need. Many medium and large charities had used consultants to help them negotiate the process, either because their board did not have the skills to go through the process alone or they needed a consultant to kick-start the process and show them the way. Consultants were seen as invaluable particularly in terms of 'interpreting' governance as a subject.

Where is the greatest need for the Code?

Key issues

- Many participants grappled with the issue of whether the Code had **applicability** right across the Third Sector
- The **Code principles** were felt to be applicable to all organisations irrespective of their size. However, organisations of different sizes and different resourcing levels may **engage with the Code at different levels**
- Benchmark, standard, checklist or guide?

Applicability across the sector
One of the issues that many interviewees grappled with was to what extent the Code had applicability right across the Third Sector. At the same time many confirmed that they believed that the Code's principles were the right ones and addressed the key issues.

"I think the principles can be executed in very diverse ways that are appropriate for that organisation. But…I would certainly argue that its strength lies in its applicability right across what we all know is an incredibly diverse sector."

"I think people need to retain a certain amount of common sense and flexibility in the way that they interpret this and understand that this is covering a hugely diverse range of organisations in different areas."

"How can it apply to the third sector in the widest definition of that or how can it be adapted to apply to organisations with different legal forms? Obviously you don't want a version for all the different legal forms, given that charity runs across many of them, you could end up with eight codes."

Different codes for different sizes?
As alluded to above there was much discussion in all the groups about whether the Code and all the principles were applicable to all sizes of organisation. The need for and complexity of governance was seen to be a by-product of growth for larger organisations. And therefore the obligations for smaller organisations would be different.
"*I felt most vulnerable when I was chairing a small charity. We were employing 7 part-time staff and dealing with 50+ children, meeting once a month. We were conscious that we did not have time to do things professionally and we were 'muddling' through, but were also conscious of our responsibilities as trustees.*"

A consistent challenge was the difficulty that small organisations had in engaging with the Code – from a resource and from a cultural point of view

"A lot of the smaller organisations where they're not incorporated, it's even more important that they understand these legal responsibilities. So I think that one of the biggest issues is getting

that through to them without actually putting them off and scaring them, saying "my goodness, I really don't want to be part of this thank you."

"Smaller organisations need a bit more explanation and also being reassured that they don't have to follow it to the letter, it's a working document, it's guidance, it's not mandatory but the Commission is taking an interest in all organisations now who give them a return that they are on a 'comply or explain' basis and that's really as it should be"

This seemed to point to having different codes for different sizes of organisation or stages of development. However, with further discussion most participants felt that "*The principles are the principles, they apply whether you are tiny or huge*." The way that they are implemented is the key. For example, small organisations may have to be realistic about the impact of the Code – we will never find another chair so the section on Board renewal may be slightly different for this situation.

In the end, as with many things it comes down to resources, "*we need outside help to implement it"* was a common refrain from respondents, again, this was particularly from smaller organisations.

Benchmark, standard, checklist or guide?
There was much discussion in the groups and in the interviews about the role of the Code on the spectrum from an example of good governance practice, to being a practical governance tool, or a mandatory regulation. There was confusion about what being 'good at governance' looked like and how organisations could tell when they had achieved this.

"We've got every policy you can think of. What we don't have is a way of, without somebody going home and doing a massive bit of homework, just checking ourselves off against a Code of Governance. … it would be nice if [when] you did the benchmarking, it said to you, 'Yes, you're 80% there but you need to work on X, Y, Z."

"But, some of it, I think there is more scope, definitely, for some kind of benchmarking assessment. But also, I think some of it is the kind of instinctive 'Yes, we know if we're doing this or not'."

How to further embed the code?

Key issues

- Trustees often don't **understand what their role** is so don't even get as far as the Code. There is still some basic work to do. The Code needs to have a better introduction, tell people why it is a good thing, what they can get out of it and what the benefits are.
- Need more **help on how to 'do' governance**, particularly for small organisations who do not have the resources to buy in help.
- Position the Code with the **other resources** available, why is it different, what is good/better about it? Many organisations feel overwhelmed by the **volume of resources** on governance, and are not sure where to turn.
- There were many **governance advisers** who took part in the research who had not used the Code in their training. Some were not even aware that the pocket version existed. Need closer links to CVS, more training for trustees.

Trustees need to understand their role
A basic issue that came up frequently was the fact that trustees do not always know what their role is. A key element of this for many respondents was to ensure their trustees are aware of

their liabilities. In addition, a view that came from the experts was that there were many able trustees "*particularly professionals, [who] join the board and then leave their brain outside the room, so they may have experience in HR or personnel or project management or PR but don't actually make it available in the room."* Another respondent complained of people *"who are clearly competent in the private or public sector arriving at the Board of a charity and somehow losing all of the skills."*

Help on how to 'do' governance

There is a need for real clarity for some organisations. What's the board's job? Does it have the capacity to take action when things go wrong? How does it know if things go wrong? The Code states that board functions must be clear, but some still needed more help on what those functions are. As stated above, if trustees do not know what their role is they won't get this far. Some respondents felt that trustees' understanding of governance depends on their previous experience. For those who have none, the Code can be impenetrable. In a way the Code speaks to people who already know of it or at least have an idea of what being a trustee entails. At the extreme end as one respondent put it "*How can you make an incompetent board, competent?*"

"I think there potentially is value to something that helps you with the nitty gritty of implementing it but not through making the code itself longer."

"One of the things that I think is confusing in the code is that issue of if you're not compliant then you need to say why not but nowhere does it give any example of where you might legitimately be non-compliant."

Perhaps one of the strongest calls from respondents was for simpler ways of helping organisations implement the Code. For some this is all about an implementation checklist and for others it is a Code whose scale of tasks are proportionate to the organisation that is implementing it.

"Actually, even the small ones said to me, 'Just give me something I can tick because… it's very frustrating to be given a policy document – which is what the Code is – without an implementation document that helps me get through it."

"I think easy, simple, straightforward ways of starting the process are really important. I think there need to be tools to help you sustain interest and engagement over the probably a two year period that it will take to make any real difference to a board's performance."

When looking at the Code in detail, smaller organisations in particular felt that there should be more emphasis on 'how to do governance' and 'what must an organisation do?' than there currently is. This may be because they were not aware of some of the other materials but also because they wanted more practical guidance. Respondents liked the fact that the principles were applicable to all organisations and therefore were quite open but some felt that when you use the Code it was not clear where you were in the governance journey, when have you arrived? When have you got good governance?

"Where do you start with it and how do you take the code forward? I don't think that's easy unless you have an intimate understanding of the code".

Tick boxes were seen as a useful tool to enable organisations to see where they are in the process. Others however, were aware that there's a limit – it's impossible to have something that meets all needs.

Many participants felt that the Code is good for big charities, but small charities need more help in understanding it and implementing it. As one respondent stated, "*My trustees would panic if I gave it to them"*. Therefore it was seen to need interpretation, it can't be used as it is.

Participants also recognised that to fully engage with the Code took time and resources. This was often not available, particularly for small organisations.
" *We've done a review against it, but for a small organisation (we're just about to take on our fifth member of staff), it's really heavy going …… and produces a long action plan ensuring we can tick each one of these boxes."*

Help through the resources
Many respondents were aware of the breadth of other standards and resources in the sector and the need for the Code to mesh with them. Organisations feel overwhelmed by the volume of resources on governance, and are not sure where to turn. In some cases the response is to stick their head back in the sand and not do anything at all. For one small organisation "*There are so many sources it is which one you stumble across first."*

"I really do think anybody who is running some sort of standard should get together and draw some sort of map for people and do some sort of passporting through the standard. So, if you've done PQASSO, it should have Code built into it so that it just says, 'Yes, you've done PQASSO; you've done the Code as well.' Because I think there are too many standards and too many people finding it hard to negotiate around them."

Governance advisers
There were a surprising number of governance advisers that attended the consultation events who were aware of but had not read or used the Code. This seemed to be partly because they were comfortable with the resources they were already using, materials that they had developed over a period of time, based on their own experience and other sources (Hallmarks, NCVO checklists etc).

CVS's were also seen as a key route for smaller organisations to get to hear about the Code and to learn about governance in general.

"CVS's are a really absolutely critical route and, if you don't have them on board, you won't get any small organisations on board with this. They are the main drivers. A lot of them spend/have spent a lot of time and money promoting things like the Code and are very enthusiastic and very good at this stuff."

"What membership bodies should be doing is something that, when they sign up people to their membership, they sign them up to the principles with the Code at the same time."

How to further promote the Code?

Key issues
- Further work **to promote the code** in the sector so that organisations (particularly small ones) get to hear about it.
- Current Code **resources are seen to work** well but could be improved

Promote the Code

Respondents talked about the need for further promotion of the Code. Some organisations still don't know about it, particularly small community groups. It was felt that there needs to be closer links with CVS's to reach these groups.

Case studies were seen as a useful tool. Identify charities which have good processes in place and use them as examples.

"But, actually, most charities just want someone to help them do it."

"I think my work with governance with some of the bigger organisations has shown some fairly fundamental gaps in some of their things but I think they do have a role in championing good governance within the sector and I do think they can lead the way and perhaps should be taking a more active role in that."

How do the Code resources currently work?
There were a lot of spontaneous comments about the different code formats, particularly a dislike of the full Code and affection for the pocket guide.

Full code – it is seen as a very complete document but can be scary and intimidating
"I think that is a barrier to people using the Code if they get a copy of the full Code of Good Governance….. it's such a huge document, the summaries … are fine but sometimes, the full Code can be off-putting."

Pocket code – this is the resource that is most liked but the introduction needs work and could help the positioning of the Code.
"The other thing I liked about the code, is the little pocket version we used quite easily because if we waved the A4 version at them they all began to look a bit pale at the gills …"

Learning to fly – there was very little positive response to this resource. It was felt to be patronising, it doesn't link to the other resources in an obvious way though some found it useful simply because it had signposted them to the Hub and other resources.

Toolkit – not widely used, as it was felt to be expensive. Some also felt that it takes considerable time to work through all the exercises. However, these were felt to be worthwhile and provided a structure for boards to use.
"I think the toolkit works well….there are a range of other resources which have now been produced which back it up, like the learning stuff and so forth. All of these I think make the Code a much more useful tool, it's just the publication itself, but if you go for the publication itself, actually it's a bit too much."

Language – the language of the Code was felt to be off-putting or alienating by many. This was particularly the case with small organisations and BME organisations. Detailed comments on the language issues are included below.

Layout and design – it was felt that a different design might help respondents engage better with the Code, change the layout and the use of pictures were mentioned particularly. Some respondents questioned whether the principles were in the right order and that changing this may help lead users through the document in a more effective way.

Signposting for support and guidance needs to be improved in all the documents, with an overview of how they work together.

Specifics – comments and suggestions from the consultation events

Comments on the use of language

- *Title – VCS might exclude some*
- *Language – board and trustee not applicable to all*
- *Probity - must be a better word than that*
- *Language is for larger organisations*
- *'Prudence' what are you talking about?*
- *Don't like the word Stakeholder.*

Definitions

- *What is the difference between what is strategic and what is operational? Need something to help us see.*
- *Legitimate interest needs defining*
- *Ethical stands, sounds simple but it's easy to be wrong footed.*
- *Performance appraisal, this is the one that often gets ignored as most boards don't want to look at their own performance. Is there a better way to title it?*
- *People often don't understand what 'delegation' is, it needs to be more clearly explained.*
- *High ethical standards – different for different sets of people.*
- *High performance board – doesn't mention appraisal in this one, its in the next one*

Need the right skills to implement

- *Need skills and experience to be able to ask the right questions. Although sometimes just need someone to say 'I don't understand' (we did this and found we had huge financial mismanagement issues that we wouldn't have discovered if we hadn't asked the obvious).*

Do they mean us?

- Many don't have a CEO, this actually goes beyond the CEO to all staff. And what about volunteers?

Hard ideas to put into practice

- *Appraisal can be very difficult when you're looking at volunteers. But you need to tackle these issues.*
- *It seems obvious here written down but we are very poor at this.*
- *There is a point that openness can be a problem. Comes across as woolly nonsense yet it is an important principle.*
- *Federated/ franchises – difficult to support as many do not have any control over the groups. Variety within one structure can be amazing. Different groups at different levels.*
- *People don't understand why it might be an issue – touchy subject.*

What could improve it?

Respondents made many specific suggestions of changes that may improve the presentation and delivery of the Code:

"I've gone on about having more accessible guidance and I do think something with humour, a video arts thing or a 'Vicar of Dibley' episode or interactive theatre group things would be better ways of unpacking some of these governance issues."

- Templates, model procedures, off the shelf examples.
- Could produce different versions for different groups (same content different title)

- See all principles at a glance
- Use examples of bad practice
- Use humour
- Put more emphasis on the trustees' responsibilities/liabilities
- Merge the tools/standards
- Role play video
- Add a glossary
- Add more on collaboration
- Makes it clear that there should not be different levels of compliance

Part two: conclusions and recommendations

The second section of this report covers the conclusions and recommendations. In a sense this is cutting the cake another way and looking at all the themes that emerged from the research and what they mean.

The Code is seen as a hugely positive document and the following themes and recommendations detail how it may become more powerful and effective.

Section 5: Key conclusions by theme

Theme 1: The Code has been hugely welcomed by the Sector
It is difficult to think of another sector-wide initiative that has received such widespread support in such a short space of time. The code was barely a twinkle in the eye of a few individuals in 2004, it was launched in 2005, and by 2007, 88% of acevo CEOs were aware of it and 70% in this wider sector survey. Participants in the research for this review were universally positive about the Code in general. Other initiatives such as the development and launch of the Fundraising Standards Board took longer and have been the focus of a range of negative media stories and schedule delays.

Another way to gauge its success is to witness the number of people we interviewed who claimed their organisation to have been instrumental in the launch of the Code. They can't all be right! Or they could be right and one of the reasons for the Code's success, is its wide level of sector body leadership plus Charity Commission endorsement, resulting in wider engagement throughout the sector.

The important point is that the Code of Good Governance has a substantial reservoir of sector goodwill and support and has done so from day one. This is no small achievement. The investment in the promotion and marketing of the Code through the Governance Hub was timely and successful[1].

The success of the Code is also evidenced by the fact that arts organisations, social enterprises and community organisations are believed to be developing their own versions of the Code. A Code of Good Governance for the sector was an idea whose time was right.

At the heart of the Code's success is the fact that Code principles are universally applicable and universally supported (other than requests for linguistic and styles changes).

Theme 2: The nature of the origins of the Code meant that at launch it was generic in its appeal and broad in its targeting
One of the objectives of the Code when it was launched was that it would support self-reporting of compliance against an agreed standard of good practice. In line with the Combined Code for the corporate sector, the notion of 'comply or explain' is at the heart of the Code of Good Governance. The Code was envisaged to be something that organisations would voluntarily sign up to or explain why they couldn't.

[1] A total of £4,483,296.04 was invested in the Governance Hub between 2005 and 2008.

There is an ambiguity about the purpose of the Code which was inherent at the launch of the Code and this still remains. At one level (and in our view) it is clearly a set of standards of governance against which organisations can measure themselves. Indeed much of the feedback we have received is from organisations who want to know how they can better measure themselves against the standards of governance that the principles entail.
There is debate about whether the Code sets out a standard for governance or merely a framework to which organisations can aspire. The paradox appears to be that while the Code sets out a framework for governance to which organisations are asked to be able to 'comply or explain' where this journey of compliance will end up is not clear.

The Code's launch coincided with that of the Hub, meaning multiple messages and benchmarks were simultaneously promoted, as the Hub developed its marketing and communication plans and began to establish its profile in the sector. The Code was embedded in the Hub's business plan from the outset, with Code implementation strategies prioritising dissemination and promotion through new governance development initiatives and through the project partnership framework.

The Hub set targets for Code awareness and uptake over a five year period[2]. However the full Code document sets out a very broad set of strategic goals for the Code:

The Code aims to help enhance the effectiveness of voluntary and community organisations by:

- *Clarifying what effective governance looks like and how governing bodies can govern effectively*
- *Reassuring an organisation's stakeholders about the way organisations are governed: and:*
- *Maintaining and enhancing public confidence in organisations and in the voluntary and community sector.*

With these kinds of aspirations the Code was always going to have a substantial task living up to them. Indeed one of the issues for the Code is that there wasn't sufficiently widespread consultation about the Code in its final version before it was launched. Instead the Code was launched on the basis of the consultation undertaken with a commitment by the Hub to promote and support it, and to undertake a sector wide review to inform its refinement and development based on a 2 year period of usage.

For this reason the targeting of the Code to particular types of organisations from the beginning of its existence is a key ingredient in understanding how well it has reached those key target audiences today. The Code underpinned many Hub commissioned activities/programmes, which resulted in its significant reach and subsequent awareness levels. The Hub's emphasis was on promotion and dissemination of the Code as a set of principles and development of a range of resources and support to enable its use as a tool for governance improvement, without an explicit strategy, or even goal, for developing the Code as a self-regulatory tool beyond the expected 'comply or explain' mechanism. This was a different emphasis to that of, say, the fundraising standards, where the primary focus is about maintaining/improving trust and confidence in the sector. Future marketing strategies will perhaps need to focus more explicitly

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[2] In the 2007-2011 business plan for the Code the targets were for 90 of the largest charities, 1000 VCOs to be signed up and for 30 of the top 300 funders to be using the Code for assessing quality of governance in organisations applying for funding by 2011. By May 2008 221 organisations had indicated their compliance with the Code on the Governance Hub website (386 state that "my organisation supports the Code's principles" and 280 that "My organisation is taking steps to improve its governance based on the Code"). There is no reference to social enterprises or other non VCO organisations. In the original plan for the Governance Hub the reference to the Code was limited due to the fact it hadn't been launched at that stage.

on what needs to be done to convert Code awareness into to action and the mechanism by which Code compliance should be demonstrated.

Theme 3: The language and style of the Code need to be more accessible
The issue here is two-fold. Some of the language is not readily accessible to the average trustee e.g. 'probity' is not a word in common usage. Moreover neither the full nor pocket version of the Code contains a glossary to explain terms which may be unfamiliar.

There were many comments particularly in the consultation events that the language of the Code is problematic, particularly for smaller organisations. One expert interviewee commented

"The worst aspects, what doesn't work well, I think it's partly there is a language of governance which, despite its best effort, it has not been able to avoid but I think there's also this problem of in its full form it's quite intimidating to the 150,000 charity organisations which do not have big resources."

"Most charities are run by volunteers and finding the time to actually get through the exercise is quite significant. I think understanding it: it's a pretty meaty document and it kind of probably needs to go into a much easier to read, plain English. I mean, it's pretty easy to understand but it looks a bit uninviting to read."

The evidence from our research is the general language of the Code could be made much more accessible and universal. Indeed a number of terms are probably better not used in a document designed for widespread use by people from a wide range of backgrounds and with a spectrum of skills and experience of committees.

However there is a fine line between being clearer and simpler and being patronising. 'Learning to Fly' as a document designed to appeal to community organisations, was disliked by all those who commented on it. So we accept that to create a language for the Code that is accessible without being patronising is not necessarily an easy task. The use of plain English and a glossary should go some way to mitigate the use of technical words. Indeed there is no way round the use of some terms such as 'governance' since it's important to raise awareness of what it means.

A more subtle variation of the language problem is that some of the terminology is inappropriate for particular audiences. At its most stark it is unlikely that a social enterprise would see the Code as appropriate when it has '*for the voluntary and community sector'* emblazoned on the front cover. This bias means that many told us that people judged the Code's relevance by its appearance. One expert in the arts Sector commented *"In our work when people actually got to grips with the substance of the Code they found it really useful, but if they just looked at the cover they were completely put off."*

The key issue is whether the Code was, at launch, and whether it should be now, targeted at all charities (the vast majority of arts organisations are charities for example), the broader Third Sector (as now represented through the Office of the Third Sector) or just the Voluntary and Community Sector (though the definition of that is unclear).

This issue will be explored more in the next theme.

Theme 4: Refining the Code for a variety of audiences (while retaining its universal principles)

The core set of principles on which the Code is based are felt to be right and interviewees felt that the universality of the Code's principles was one of its most important features. Respondents from all sizes of organisation felt that it was important that these were not diluted and there were not different 'levels' of the Code. There may be different levels of engagement and achievement in relation to it but the core should remain the same for all.

Despite this, we were told by many interviewees that the Code was good but not quite right for their type of organisation. Indeed the need for tailored versions or variants of the Code was expressed implicitly or explicitly by the majority of those we interviewed.

"It's not designed to fit any particular organisation's dynamic or culture."

We were told that a tailored version of the Code (i.e. one that reflects the context of a particular sub-sector) would be useful for international/large organisations, for social enterprises, for arts organisations, for community organisations and for organisations without staff.

The desire for tailored versions is driven by two issues. Firstly it's a perceptual problem. Organisations don't perceive the Code to be for them, and they don't perceive its contents will be of value. So they don't engage with the Code even though, were they to do so, they might well find it useful.

The second motive behind tailored versions is so that the Code could address specific issues relevant to the particular group they are for. For example, a tailored version for international organisations would contain the core principles and in addition could address the issue of obeying the law in countries rife with corruption or where compliance could put staff or partners in danger. A tailored version for community organisations could tackle their typical size, typical governance challenges and give examples of good practice.

A related issue to tailored versions of the Code for different types of organisations is the issue of geography. It is ambiguous whether the Code covers all four nations of the UK. It clearly covers England. However while there is no governance related reason that we can see that stops the Code being UK-wide, it doesn't appear to be being used in this way e.g. by English registered charities who work across the UK.

We believe that it is vital that the Code is developed to cover all four nations of the UK. Very few large charities only cover England, many cover England and Wales, or all four nations (and most other variants as well). It can make no sense that a large charity might potentially have up to four different Codes that it might need to adhere to.

Theme 4b: Smaller organisations need tailored and specific help and support.
There were a number of comments from the consultation events and case study interviews that trustees from smaller organisations might be more likely to use something which is positioned to help them run their organisations better. If the code were positioned as a tool to improve the effectiveness of an organisation (rather than a tool to improve governance) then it might be seen as more useful and relevant.

Different organisations have different starting points when it comes to their interaction with the Code regardless of their size. Therefore there will be different types and levels of support required by organisations in implementing the Code.

However, it is worth pointing out that the results of the survey and the feedback from the interviews and the consultation events show different facets of the same challenge. While 42% of all respondents were aware of the Code and had used it, the figure was higher at 51% for larger organisations (above £1 million turnover) and lower for smaller organisations (27% for those organisations below £100k and 39% for those organisations with a turnover of £100-£500k).

There is a role for larger organisations in promoting the Code and this could be quite powerful, but this should be put in the context that all the trustees from smaller organisations who we talked to in consultation events and case study interviews, commented on how busy and time-pressured they were in their roles as trustees. They also have less access to information and support from within the organisation.

Of course, the smaller the organisation the less clear the divide between governance and management. Where there are no staff in a charity, trustees often do all the governance, all the management and all the work (with help from other volunteers). Small organisations' trustees don't necessarily do less governance but they almost certainly do more management than the trustees of larger organisations.

The governance needs of a small organisation with a handful of staff are very different from those of an organisation with hundreds of staff and operating across a range of sites. The Code needs to be able to be relevant to the largest and the smallest organisations. This proportionality means that the Code won't always be relevant to all organisations at all times: this could be because the frequency of a governance review is different depending on organisational size or that the specific approach to renewal or delegated authority or leadership are different depending on the type of organisation in question.

Theme 5: The Code principles need to dovetail with other standards and codes
There are now a number of different standards and Codes which charities can use, aspire or sign up to. These include the Nolan Standards, the NACVA quality standards, the PQASSO quality mark, The Housing Association Code, the ACRE membership standards, the National Occupational Standards for trustees and a number more. The Charity Commission has two documents which are also relevant: the Essential Trustee and the Hallmarks of an Effective Charity. While neither of these are technically standards or Codes they are extremely popular documents and provide guidance and advice to many who use them in that way.

This plethora of codes and standards present the Code with a challenge. If the Code of Good Governance is to become the standard for governance in the Third Sector then it needs to mesh with these other standards or risk being sidelined. In other words, it's unlikely that an organisation would actively work to achieve the NACVA standards and the PQASSO quality standard (both of which contain governance components) as well as the Code.

This means that the Code needs to make sure that its principles are embedded in the other codes which might be used instead of the Code of Good Governance. We do not underestimate the scale of what we are proposing nor the significant barriers to embedding the Code in other standards. Indeed even if all other relevant codes or standards agreed to include the Code's principles tomorrow the lag time before these amends were incorporated, due simply to the normal cycle of revisions, would probably be several years, and there is the challenge of keeping revisions in synch on an ongoing basis.

Theme 6: Users need help to implement fully the Code's principles
One of the more surprising findings in our research is that the Code appears to be most likely to be used to maximum effect when a board is working with an external consultant or a focused CEO, Chair or individual responsible for governance. In other words the Code needs a champion

to reach its full potential in the governance of an organisation. The impetus for change can be a new chair or CEO or a crisis caused by budget problems or a change in staff or trustees.

This is particularly the case for small organisations. We heard over and over again that small, community based groups do not have the time and/or resources to engage effectively in governance development. Its not that they don't want to, they simply don't have the time. They are also less likely to have the expertise in–house. Providing resources and support for these groups is key to embedding the Code (and good governance practice) in the sector.

This issue was also apparent because expert interviewees commented that while many were keen to comply with the Code it was relatively time consuming to know whether or not an organisation was complying. This is partly because there are 108 different areas specified in the full Code against which a board needs to assess itself and with which it needs to comply. However the need to review against the Code is cyclical and every board will find the right interval between reviews. Another challenge is that the interpretation of compliance is often highly subjective: one trustee may believe a board is diverse and reflects its stakeholders while another believes it does not.

Our overarching conclusion is that the Code needs support for it to be used to its fullest potential. This may be through governance advisors or consultants, it may be through a set of implementation checklists, or a set of web-based resources or a range of other resources. A number of people wanted more use of DVDs and You Tube-style video clips showing examples of boards tackling governance issues in a way that exemplifies Code principles. As it stands, without support, the Code is only rarely used to its full potential.

Theme 7: Interest but less support for clear governance benchmarks.
A number of respondents were aware that other sectors such as housing and NHS trusts set much clearer parameters on board best practice. Some other codes, apparently, are much clearer, for example about how long an individual can be a board member for, how big the board can be, or how many days a board member might be expected to spend on board duties.

There was less support for (but some interest in) equivalent benchmarks in the Code of Good Governance which might set out similar parameters for Third Sector organisations. This was seen as something that could work for larger organisations but which might spell the demise of some community organisations (if for example, a trustee couldn't stay for more than a set period). If the Code were to be developed to have specific benchmarks then a version of the Code for larger organisations would be the logical place to trial this approach.

Theme 8: The Code is an established governance resource and needs to be developed if it is to be more effective at raising the quality of the governance across the board.

The evidence from the online survey is that many organisations have found the Code to be a powerful tool for improving their governance (see section 4). This survey evidence was borne out by the interviews. While a number had used the Code to deliver a 'revolution' in governance many had simply used it as a resource to improve governance. It is a significant achievement that the Code is enabling better governance.

To us as researchers and reviewers of the Code the initial concept of the Code appears to be that it should be something against which organisations can measure their own governance performance. We believe that the 'comply or explain' concept set out in the pre-ample of the Code is evidence that the Code is a governance standard.

However 'comply or explain' on its own does not appear to have worked well as yet. We are only aware of one household name charity (Oxfam) that makes clear it's compliance in its annual report; however the information on the level of sign-ups through annual reports is anecdotal.

At present the demonstration of compliance is through the 'comply or explain' mechanism on the governance hub website. There is no requirement to demonstrate further how the organisation has complied. What we have seen in our interviews, our consultation events, and our case studies interviews there is an appetite for the Code to have a greater impact on funders and the overall standards of governance in the Sector. However we have seen less appetite for what we believe are the necessary steps to achieve those ends: a more formal approach to demonstrating that an organisation meets the principles of the Code.

Our view is that if the Code is to grow public trust and confidence or act as a hallmark of quality governance to funders it needs to move more down the route of self-assessment, independent validation and more rigorous compliance mechanisms (with steps along the way perhaps being supported by research and/or consultation). We set out five compliance options in recommendation 9 of section 6. Further research would help understand what kind of compliance mechanism funders and other stakeholders might see as evidence of a high standard of governance.

We are aware that this view is not universally shared and that ambiguity about both the initial concept of the Code and its future purpose in the eyes of key stakeholders is not clear

The recommendations and 'framework for planning' will look in more detail about what needs to happen if the Code is to move in this direction. This could include integrating the Code into the membership sign-up of sector bodies; heavier signposting to the Code or encouragement of reporting against the Code, by the Charity Commission and other sector bodies; the influence of funders or explicit reference to the Code in voluntary sector undertaking within the Compact and a more explicit approach to demonstrating compliance

It is not our job to say where the Code's journey should end up – this is the job of the new stewards of the Code and the sector. We are simply saying the Code to date has not moved as far enough along that route in order to achieve one of its original objectives.

Theme 9: Who owns the Code after the end of the Governance Hub and who creates a strategy and plan for the Code?

There is universal agreement that one of the reasons for the success of the Code is that it is owned by the sector and not by any one organisation. However many people pointed out that once the Hub ceases it is not clear who will own and drive the Code. This is not just that the new National Support Services have a different scope and remit and are smaller in scale and budget, but also that the future of the core group or an equivalent body is not known.

Aligned to the issue of ownership of the Code is the issue of the strategy for the promotion and development of the Code. Once the Hub has gone it is not clear whose job it will be to promote the Code, devise the strategy for its promotion, or carry it out. This is partly a concern because there is so much support for the Code but also because having commissioned this review it is not clear who will implement the recommendations after the middle of 2008[3]

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[3] Since our research was carried out the founding group of acevo, Charity Commission, CTN, ICSA and NCVO have agreed to take on stewardship of the Code. It should be pointed out that the Commission's role

in the foundation of the Code was always different from that of the other four "founder" organisations. Their role was to advise, encourage, support and facilitate, but never to direct or decide.

Section 6: Recommendations

(in rough order of implementation)

Recommendation 1: The Code needs a sustainable funded home after the end of the Governance Hub

We believe the ownership option chosen needs to meet a number of criteria in order to maintain and build on the existing support for the Code:

- It continues and extends the current cross-sector ownership of the Code. It may even need to bring in other partners into the decision-making circle.
- It provides sustainable future ownership for the Code over the next ten years (one of our objectives is for an implementation plan for the next ten years)
- It provides clarity about ownership of the intellectual property rights after the demise of the Governance Hub
- It maximises funding and funding opportunities

Recommendation 2: The Code needs an implementation plan and business and marketing plan

This review has delivered a framework for planning which has been developed in consultation with the Code Steering Group and incorporates the core elements of what is needed for the next 3 years. There is also a need for a longer business plan and strategy renewed on an annual basis. This should cover:

- What level of staffing is needed to deliver the Code's goals
- What are the key target audiences for the Code
- Which Code resources will be developed and in what timescales for marketing the Code
- How any goals set for the Code will be achieved

Recommendation 3: A second edition of the full and pocket code is needed.

The first edition of the Code was produced in 2005. The time is right for an updated version not only to reflect changes in charity legislation e.g. the public benefit test, to incorporate a range of administrative changes such as the launch of the Fundraising Standards Board and the creation of the Office of the Third Sector but also to adapt the language to be more focused on the users of the Code. In particular there needs to be greater emphasis on how the Code should be used, the benefits of using it, the creation of a glossary, and the creation of an implementation checklist. We believe it would also be useful to produce an analysis by the type of response that is required by trustees. What are the laws that must be obeyed? What are the written documents that are needed by a board? What are the types of skills that are needed on a board? Any new version of the Code should aim to achieve the plain English award (Crystal Mark). This could also provide an opportunity to review all the materials that support the Code.

Recommendation 4: The Code needs to be adapted for different target audiences (while the principles remain the same)

We are convinced that producing tailored versions of the Code aimed at specific target audiences would improve the take up of the Code by those groups. These versions would 'contextualise and interpret' the Code for those specific audiences. We believe that exactly which versions are the highest priority is an issue for further discussion by the Core Group or its successor and indeed a first step is to clarify whether the Code is for the VCS or the wider Third Sector. Other Hub research reports may provide evidence (e.g. For love or money: Governance and social enterprise, Spear *et al.* 2007).

Our candidate list of tailored versions includes:

- The community sector
- Arts organisations
- Large and multinational organisations
- Social enterprises
- Welsh, Scottish and Northern Irish organisations (three separate versions)

This does not mean that the core principles of the Code vary between the groups simply that the 'topping and tailing' of each document reflects the needs, nuances, language and concerns of that audience. The model and process for agreeing which versions are the highest priority and the most appropriate should fall to the new stewards of the Code.

The Founding Group who are taking back stewardship of the Code will need to ensure that the ownership of the intellectual property of the Code and of the principles is clarified. For example, to what extent can the Code's owners have the right to 'franchise' the principles for adaptation by other groups (or perhaps more important to what extent can the Code's owners can withhold the right to produce a version or withhold the right to publish a version if it is felt not to be up to the required standard).

An alternative way to view the Code is that it is really a set of governance principles which are universally applicable to third sector organisations. It is these that the new stewards of the Code (if that remains the most appropriate term) are entrusted to look after. The Principles could then be presented in trustee recruitment materials (like the Nolan principles already are) and used as a board development tool.

While the principles would never change the context and wrapping into which they are put would change. This context and wrapping would carried out by the respective representative bodies for different parts of the sector who wished to produce their own tailored versions of the Code. In this respect the role of the Code (or perhaps more appropriately the Principles) stewards would be not to create any tailored versions of the Code but to approve those that other organisations created.

Recommendations 5: An implementation checklist needs to be developed for the Code
Users need help to make best use of the Code. We believe a simple checklist of questions which allows boards to self-assess their compliance with the Code is a key ingredient for taking the Code to the next stage of usage. This kind of checklist could be segmented so that there are versions for each trustee and senior staff member to complete (ideally in preparation for a joint session about improving compliance with the Code) as well as a version that applies to the whole organisation.

Recommendation 6: A DVD/Video version of the Code is needed
The Code as it stands is a very paper-based document. The full Code is 40 pages and even the pocket version requires a high standard of English. We believe that a video version of the Code using actors/volunteers to portray real-life dilemmas that boards can face and how the Code can help address them would make the Code much more accessible to busy boards. It could be watched at a board meeting (with perhaps a structured session with a video clip and discussion guide aimed to last 45 minutes) with the principles being addressed one at a time over the course of a number of meetings.

Recommendation 7: The Code would be more powerful it covered the whole of the UK
We can see no logical reason that the Code should only cover England. We believe that the Code should be reconfigured to cover the whole of the UK. While there are some changes to be made to the Code because of the different regulatory regimes, these are incidental compared to the

overarching principles which we believe remain valid in all four countries. Any changes to the Code can be incorporated into the second edition advocated in recommendation 3 or the versions discussed in recommendation 4.

We are aware that there it is not up to us or those currently involved in the Code to make the decision as to whether the Code is to be adapted for use in Wales, Scotland or Northern Ireland. We are equally aware that if the aim of the Code is to encourage take-up by organisations whose remit covers more than one country of the UK then at present the fact that the Code only covers England is a significant barrier. Consultation about how this can be taken forward needs to happen.

Recommendation 8: The Code principles need to meshed with other standards and Codes

The Code of Good Governance needs to be mapped with the other standards that include governance standards and the differences identified. Once this is done it can be worked out to what extent compliance or adherence to any of the other standards (e.g. the ACRE standards) will indicate compliance with the Code of Good Governance. A framework for the 'two way passporting' can then be created (e.g. any organisation which is compliant with PQASSO could then be automatically deemed to be compliant with the Code, and any organisation which is compliant with the Code is deemed to be compliant with that requirement of PQASSO). This could also provide some guidance for users as to which standard or tool was best suited to their purpose.

Recommendation 9: The Code needs to be embedded and promoted as a governance resource with further development of compliance and accreditation mechanisms over time.

The Code does not have a validated self-assessment standard – if indeed that is the right route for it to go down. There is no easy method of self-assessment and there is no independent accreditation or policing body. Indeed there are mixed messages about how far the Sector wants the Code to go down this route – with little enthusiasm for a process akin to the Fundraising Standards Board. There are a number of options for how the Code might develop mechanisms through which organisations demonstrate they are meeting its standards.

Next stage in the Code's development – making the Code more relevant

- The creation of a 2nd edition Code covering the updating to include the Charities Act 2006, the simplification of the language, the addition of a glossary, the rewriting of the introduction, and the addition of a 'how to use this Code' section
- The development of tailored versions for specific types of organisations so that boards are better able to engage with the Code.
- The development of easier and more robust mechanisms for board/organisation self-assessment. These mechanisms could include both a self-assessment process and an independent accreditation process for compliance with the Code
- Dialogue, research and consultation with funders will help understand how the Code can be used to provide assurance of achievement of a minimum level of governance standards
- And of primary importance is the need to secure financial support for the people and resources necessary to deliver the ambitions of the Code before, during and after the transition to a fully fledged governance standard.

Options for monitoring the number and quality of Code sign-ups

Option 1 – 'Comply or explain' as is.
There is currently a 'comply or explain' mechanism for the Code. This has attracted nearly 400 sign-ups since the Code was launched. The process of sign-up is simplicity itself – it is a matter of ticking a box on a website. There is no mechanism or requirement to demonstrate how the organisations have complied.

Option 2 – 'Comply or explain' with clearer guidelines and better documentation.
A second option would be to broadly keep the 'comply or explain' mechanism but clarify and standardise the process. So this for example could include requiring that a sign-up is renewed after a given time-period, that the board ratifies the sign-up, that a brief compliance statement is made and so on. It might be appropriate to relaunch this version of 'comply or explain' after the existing version has been suspended for a period of time.

Option 3 – Sign-up to the Code's standard with self-assessment process
A third option would be to include a clearer framework for compliance as well as a more definitive self-assessment process which boards can complete and then report back on should they so wish. The need for the self-assessment process/ implementation checklist (independent of its role in compliance) has already been set out in recommendation 5. This option would make one of the uses of that checklist to be as a vehicle for compliance.

Option 4 – Sign-up to the Code's standards with external validation of compliance
The fourth option would be to layer onto top of the processes set out in option 3 an external validation of compliance. This could be achieved by having a team of accredited assessors who would help ratify/verify/complement the self-assessment process that organisations were already doing.

Option 5 – Sign-up, external validation, clear guidelines and a policing and monitoring body.
The final option is about the creation of a central and independent body which monitors, records and validates the quality of sign-ups. This separation would be akin to the way that the Institute of Fundraising sets the standards for fundraising practice and the Fundraising Standards Board monitors compliance of its members with those standards through its complaints process. This option is the most expensive and complicated but also the one most likely to provide reassurance to external stakeholders about the quality of sector governance.

While all of these options will require a cost/benefit analysis to ensure that the full implications are understood this is particularly important for option 5. Option 5 is potentially the most expensive and the most high profile initiative. It is vital that the full financial and logistical impact of this option (as well as the other options) is understood before a decision is made how to proceed.

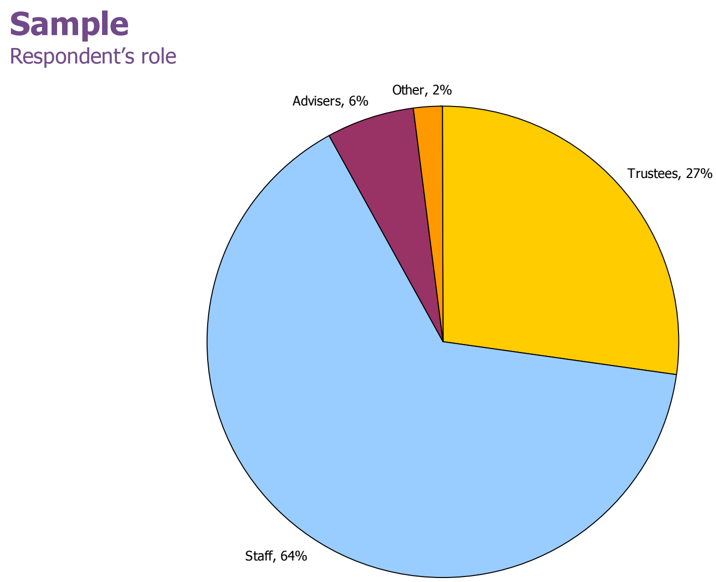
It is not our role to decide which of these options is the right one for the Code. This is the job of the Code's stewards in discussion and consultation with others. The level of compliance and adherence infrastructure is a function of the objectives that the Code has. If the objectives continue to be about public 'trust and confidence' then the compliance infrastructure will need to be more visible and more rigorous. If the objectives of the Code are more about being a governance resource, than a universal sector standard, then simpler compliance mechanisms will suffice.

In terms of timing, our recommendation is that for the next two-three years the Code develops its track record in developing and transforming board performance. The tailored versions can be tested and developed and the implementation tools trialled. At the end of this period the Code will be ready to move on to the next phase of its development: whatever its exact shape will be by then. In the interim other methods could be explored such as the licensing of board development tools and materials based on the Code or accrediting trainers and consultants which might provide alternative mechanisms for validating use of the Code.

Appendices

Quantitative survey: Respondent profile

Profile and response rate



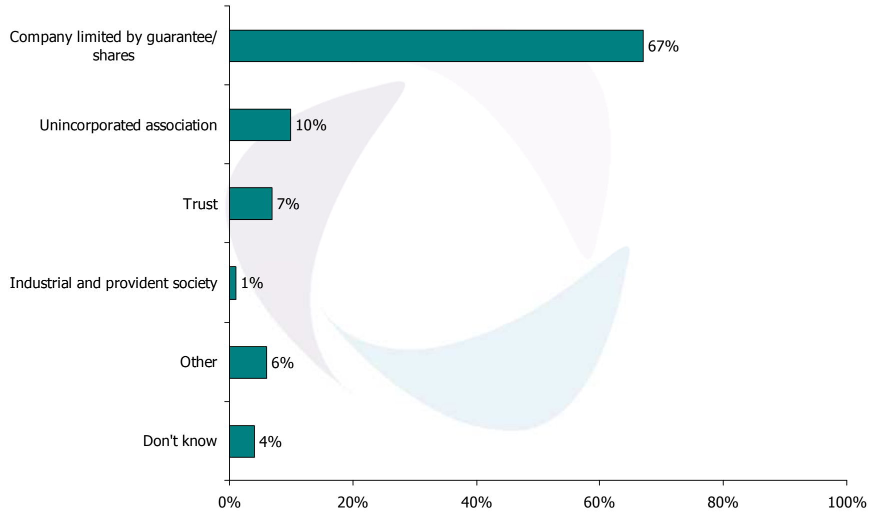
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

Nearly two thirds of respondents were staff; just over a quarter were trustees. The staff had a variety of roles, approximately one third were chief executives, one third senior staff, and one third other staff involved in governance. Although respondents have different roles they are all involved in governance at board level and are responding to the questionnaire in that light.

Type of organisation

What is the main legal form of your organisation? (Single code)



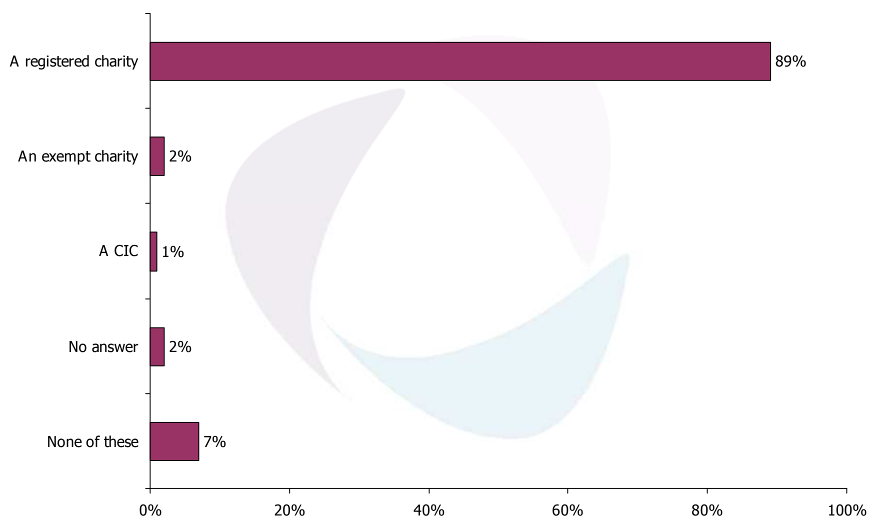
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

The majority of organisations surveyed take the legal form of companies limited by guarantees or shares. This is followed by unincorporated associations and trusts. It is worth noting that, where possible, we analysed responses by the characteristics of the organisations. However, due to these proportions this variable cannot be used to further investigate the data.

Type of organisation

Which of the following is your organisation? (Single code)



Base: 568 respondents

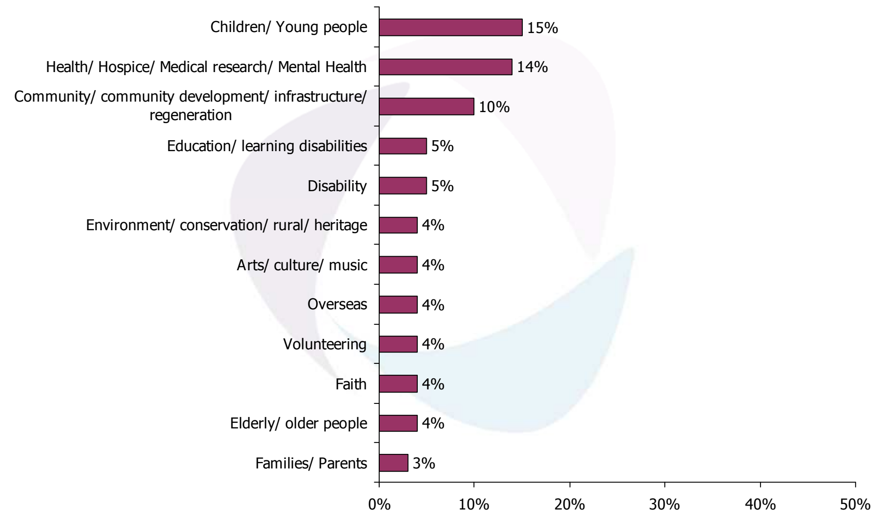
Source: Code of Good Governance survey, nfpSynergy

The vast majority of respondents to the survey were from organisations that were registered charities. Again, due to the small numbers contained in each of the smaller categories, it was not possible to use this variable for further analysis.

Type of organisation

What sector does your organisation work in (e.g. children, overseas, faith etc)? (Open)

Top 12



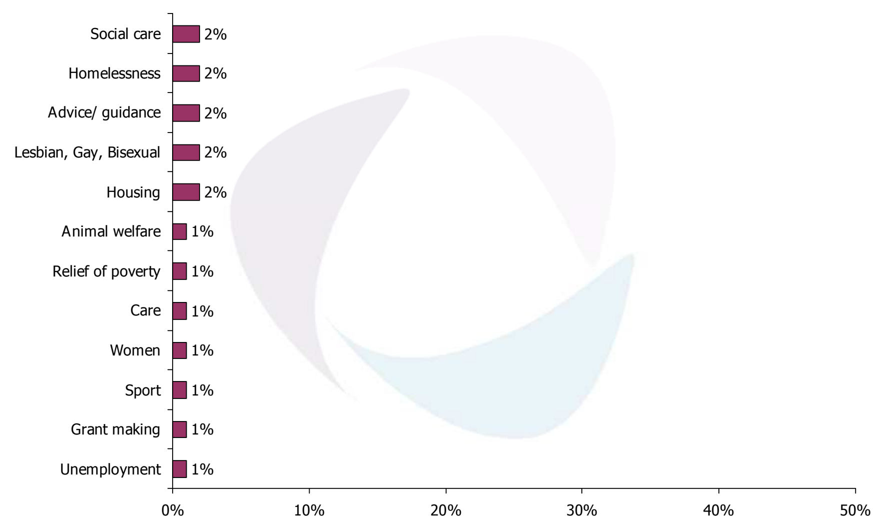
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

Type of organisation

What sector does your organisation work in (e.g. children, overseas, faith etc)? (Open)

Next 12



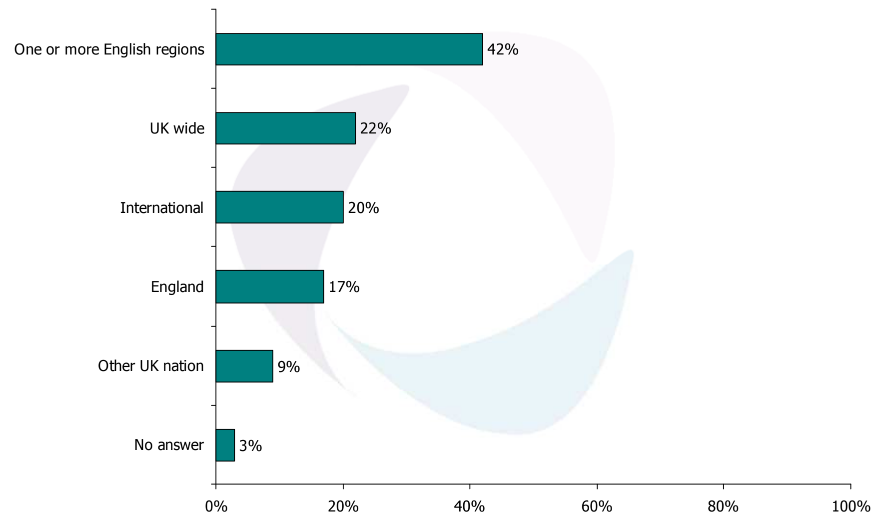
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

The organisations which responded to the survey work in a variety of sectors, giving a good overview of the sector. The best represented sectors were children and young people, health and medical and community development.

Type of organisation

Where does your organisation work? (Multicode)



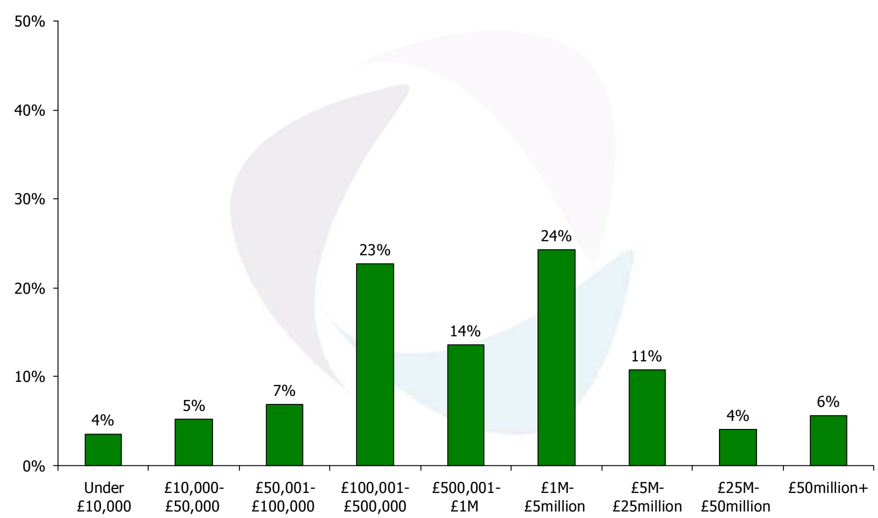
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

42% of organisations surveyed work in one or more English regions. All of the data was analysed by these groups, however generally it was found that regional variations with regards to governance were not significant.

Size of organisation

What is your organisation's total income/ turnover per year? (Single code)



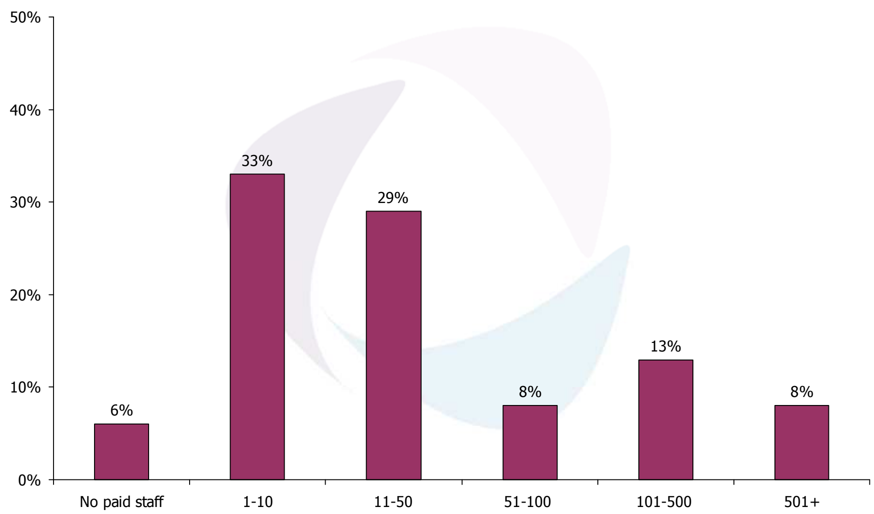
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

The survey achieved a good spread in terms of the size of the organisations. Most of the organisations fell mid-range, between £100,000 and £5m a year. It is worth noting that the distribution by income within this sample is different from that of the sector as a whole, which features many more small charities. The fact that smaller charities are somewhat underrepresented in the sample may be due to the fact that larger charities are more likely to look specifically at governance, as will be described below. However, our research specifically targeted these smaller organisations through the consultation events, so we are confident that we have canvassed their views.

Size of organisation

How many paid staff work in your organisation (if any)? (Single code)



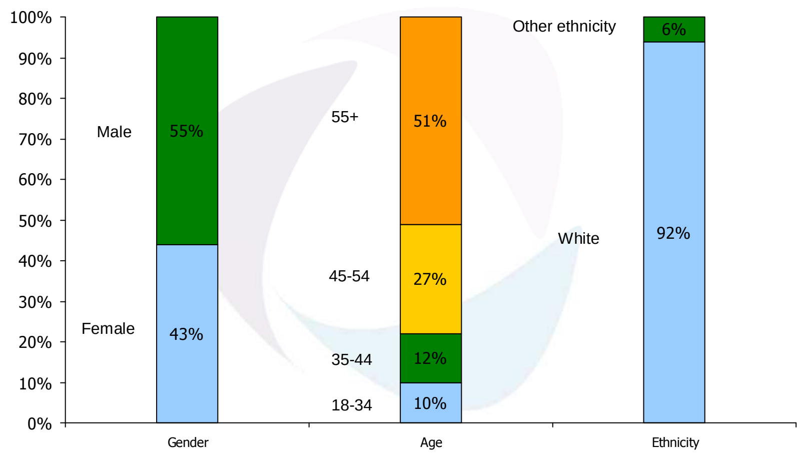
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

We also achieved a good mix of organisations by size in terms of number of paid staff. Analysis of governance on the basis of organisation size often produced interesting results, which are reported where appropriate.

Trustee profile

Trustee demographics
Gender, age and ethnicity

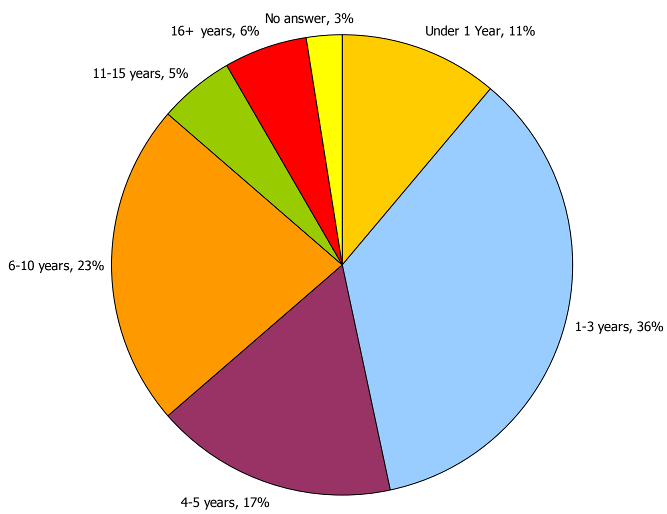


Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

Trustees who responded to the survey represent a good spread in terms of both gender and age. The vast majority of respondents were from a white ethnic background and were not disabled.

Length of trusteeship
How long have you been a trustee of this organisation?



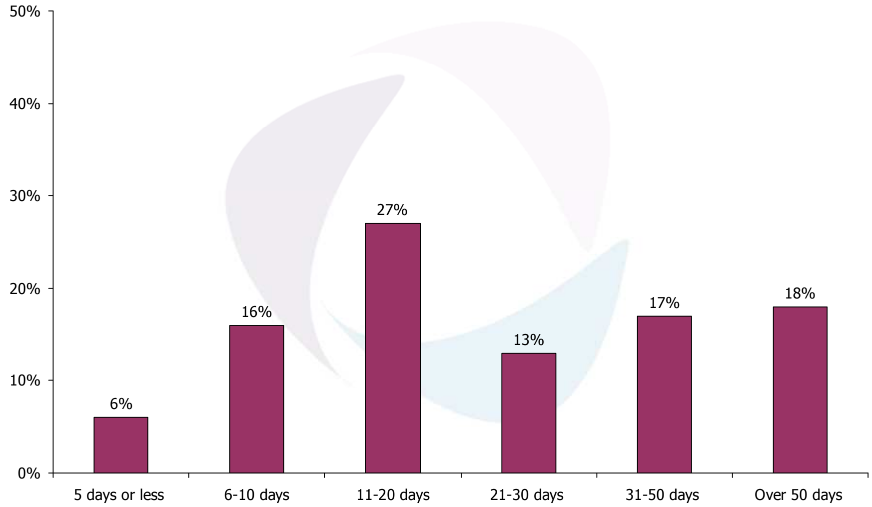
Base: 154 trustees (those who selected 'Trustee' as their role in question 2a/5)

Source: Code of Good Governance survey, nfpSynergy

There was a fairly even spread of length of time that trustees had been in their role. Though of course they may have been previously involved with the organisation in another capacity e.g. a staff member or volunteer who then becomes a member of the board. However there are new trustees as well as those who are more established in their roles.

Time given as a trustee

How much time per year do you give as a trustee? (Single code)



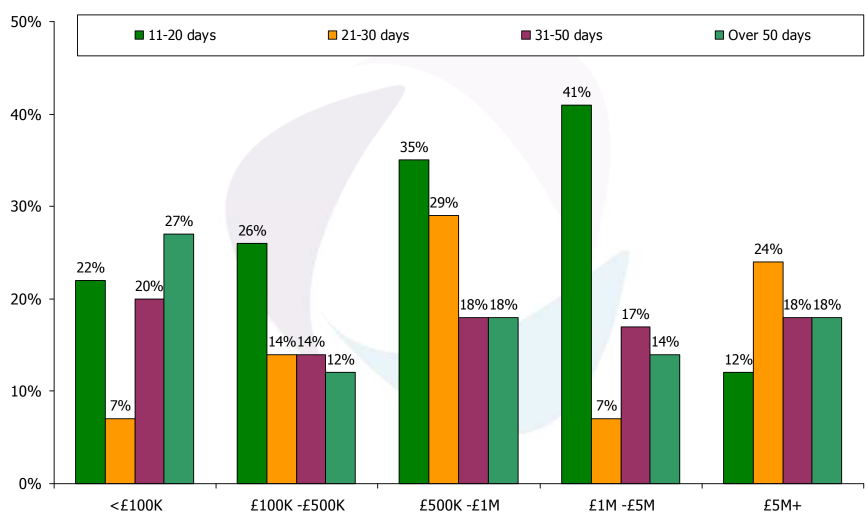
Base: 154 trustees (those who selected 'Trustee' as their role in question 2a/5)

Source: Code of Good Governance survey, nfpSynergy

There is a wide variation in the amount of time trustees spend on their role. One fifth of respondents spend less than 10 days per year on board business. One quarter give between 11-20 days, and nearly half give 21 days or more. A hard working 18% give over 50 days per year, equating to nearly a day a week.

Time given as a trustee

How much time per year do you give as a trustee? (Single code)



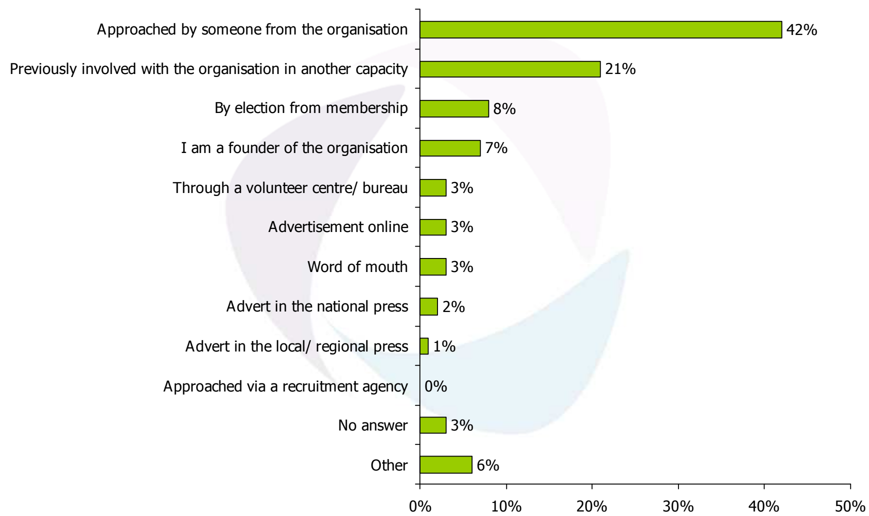
Base: 154 trustees (those who selected 'Trustee' as their role in question 2a/5)

Source: Code of Good Governance survey, nfpSynergy

There is no single clear and direct correlation between the amount of time given by trustees and the size of the organisation. However, trustees in smaller organisations were the most likely to give 31-50 days a year, and by far the most likely to give over 50 days a year as a trustee. Medium-sized organisations were most likely to fall mid-measure, with the highest percentage of trustees giving 11-20 days per year.

Trustee recruitment

How were you recruited to this organisation?



Base: 154 trustees (those who selected 'Trustee' as their role in question 2a/5)

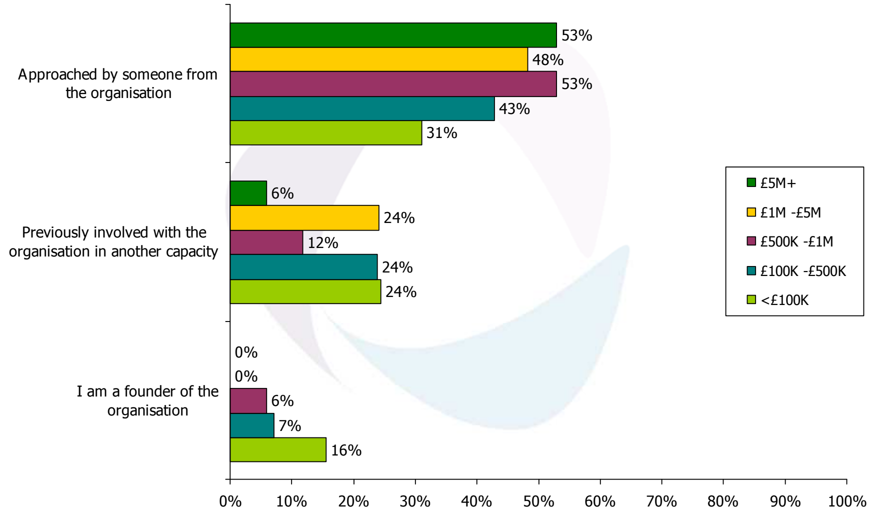
Source: Code of Good Governance survey, nfpSynergy

42% of trustees were approached by someone from the organisation, with a further 21% having had some previous contact with the organisation. Unsurprisingly, this shows that personal contacts and relationships are very important in the recruitment process.

Trustee recruitment

How were you recruited to this organisation?

By organisation income/turnover



Base: 154 trustees (those who selected 'Trustee' as their role in question 2a/5)

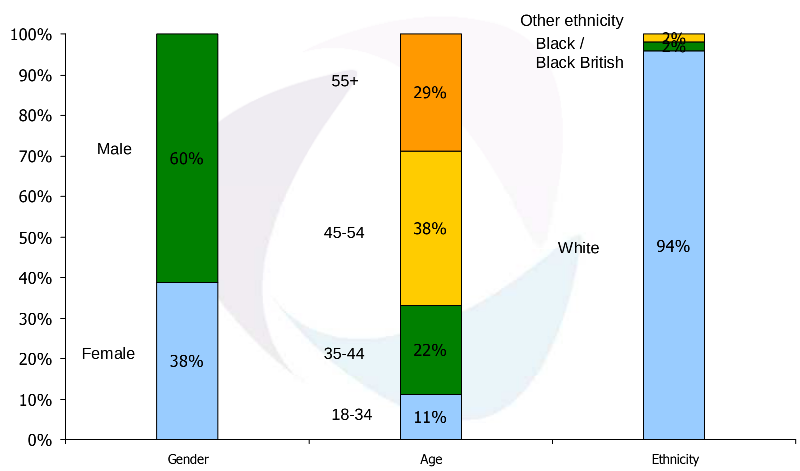
Source: Code of Good Governance survey, nfpSynergy

The size of an organisation has an impact on the way trustees are recruited. Trustees from larger organisations are more likely to have been approached by someone from the organisation, whereas in smaller organisations trustees are most likely to have been previously involved with the organisation in a different capacity, or even to be a founder of the organisation.

Staff profile

Staff demographics

Gender, age and ethnicity



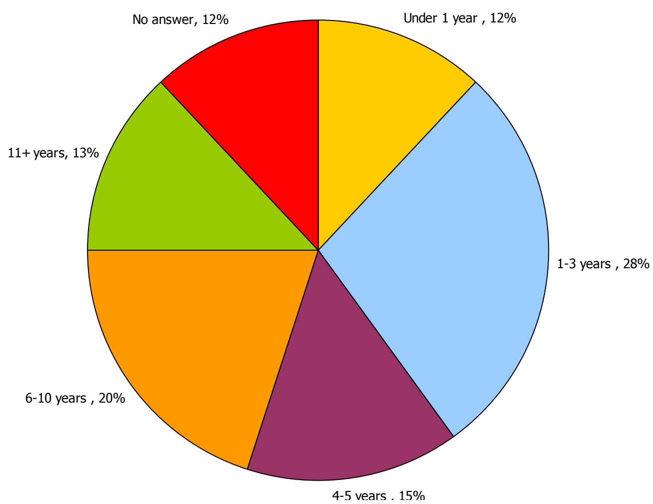
Base: 568 respondents

Source: Code of Good Governance survey, nfpSynergy

Staff demographics are not dissimilar from those of trustees. Once again, a good mix has been achieved in terms of gender and age groups. The gender split in this sample does not reflect the picture for the sector as a whole, in which staff tend to be predominantly female (based on NCVO data). This may highlight a tendency within the sector for male members of staff to be more likely to be involved in governance. It is also worth noting that the majority of staff respondents were CEOs or other senior staff members, who may more likely to be male (as the gender balance is not so even in VCS organisations at higher level positions).

Time spent in current role (for staff)

How long have you been in your present role?



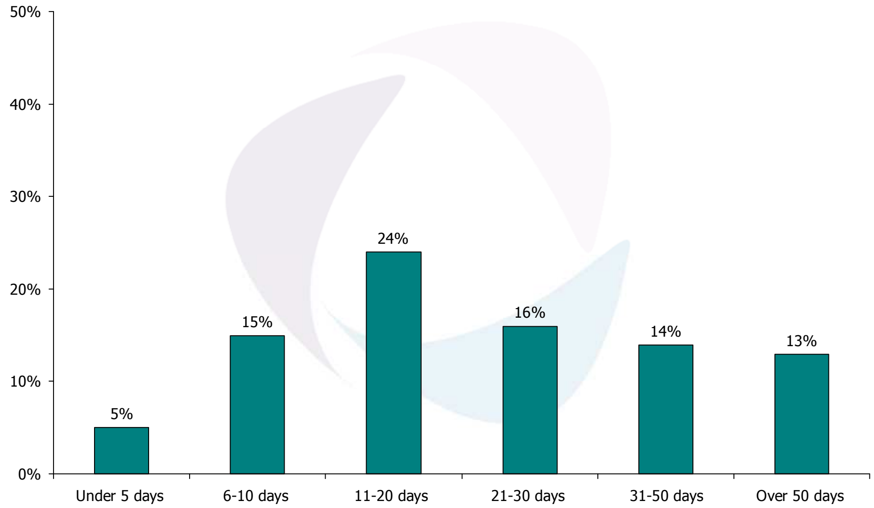
Base: 412 respondents (those who selected 'Staff' or 'Other' as their role in question 2a/5)

Source: Code of Good Governance survey, nfpSynergy

Staff had been in their current role for a variety of time, the most frequently cited of which was 1-3 years. Overall, there is a good spread of length of experience.

Time spent by staff on board-related business

How much time per year do you spend on board-related business?



Base: 412 respondents (those who selected 'Staff' or 'Other' as their role in question 2a/5)

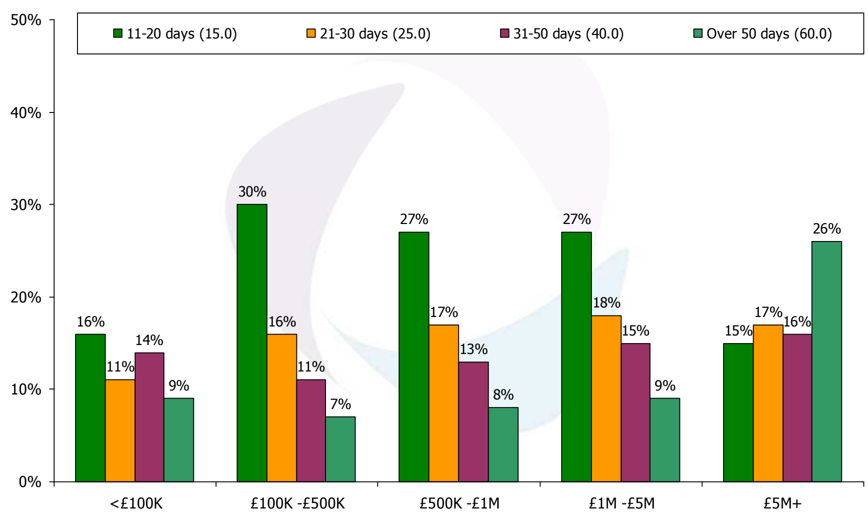
Source: Code of Good Governance survey, nfpSynergy

The time spent on board activities is not dissimilar to that stated by trustees, with the most frequent at 11-20 days. Respondents from larger organisations were most likely to spend over 50 days a year on governance. This may be due to the greater resources available in larger organisations, allowing some to even devote a full-time position to governance.

Time spent by staff on board-related business

How much time per year do you spend on board-related business? (Single code)

By organisation income/turnover



Base: 154 trustees (those who selected 'Trustee' as their role in question 2a/5)

Source: Code of Good Governance survey, nfpSynergy

Case studies

These case studies are included in a separate report.

Organisation	Size	Sector	Topic
Oxfam	very large	International Dev	Full scale governance review
Shelter	large	Housing	A governance review prior to appointing a new chair
*Groundwork UK	large	Environment	Getting the Code & governance embedded in a federated structure
*St Christopher's Hospice	large	Health/care	Full scale governance review
Plymouth Guild	medium	Comm	Basic governance in place but needed to go up a gear
Society of the Little Flower UK	medium	Faith	Definition of roles causing conflict
Connect	medium	Disability	Making governance accessible to all
Get Hooked on Fishing	small	Youth	Sudden growth, governance left behind
ADEPT Community Development Agency	very small	infrastructure	Funding crisis
Newmarket Community Partnership	small	infrastructure	Change of legal form
Allsorts Youth Project	small	LGBTU	Service user involvement & desire for board to be more strategic
Carers' Charity	very small	Carers	Board renewal and participation

*These organisations attended consultation events and were subsequently invited to become a case study.

Organisations who took part in the research

acevo
ACRE
Active Faiths Community Programme
AJRAF
Arts sector consultant
Asian Women's Network
BASSAC
Bates, Wells & Braithwaite
Big Lottery Fund
BMCEP
Boards Count
British Red Cross
Bushey Village Hall
Campbell Tickell
CASS Business School
Charity Commission
Chester Homeless org
Chinese Community Development Association
CIC regulator
Citizens Advice
Cleeve Leisure
Collaborative Working Unit
Commission for the Compact
Community Development Worker
Community Links Bromley
Community Matters
Crossroads Association
CTN
CVS
Emmaus UK
Faith Based Regeneration Network
Farrer and Co
Financial Services Authority
Getting on Board
GMCVO/other small board
Governance Consultant
Government Office for London
Greater Manchester Youth Justice Trust
Groundwork UK
Gujurati Cultural Association
HARP
Horwath Clark Whitehill
ICSA
Impact Coalition
IoD
JRF
Leicestershire Clubs for Young People
Linda Laurance & Associates
Management Development Network

NACVA
National Housing Federation
NCVO
Open University Business School
OPM
Pembrokeshire Mind
Practical Action
St Christopher’s Hospice
Social Enterprise works
Thames Reach
The National Deaf Children's Society
Trafford CVS
Turn2Us
Voluntary Action West Kent
VOSCUR

Code of Good Governance Survey

nfpSynergy
helping non-profits thrive

The Governance Hub has commissioned **nfpSynergy** as the independent partner to carry out an evaluation of the awareness, usage and influence of the Code of Good Governance. nfpSynergy will assess to what extent the sector is engaged in reviewing its governance and gather feedback on what tools and resources your organisation uses to support that process. It doesn't matter whether you have used the Code or not, or even if you have heard of it - your feedback will help us.

By "governance" we mean *'the systems and processes concerned with ensuring the overall direction, effectiveness and accountability of an organisation'.* We use the word 'trustee' to mean an individual who is a trustee, a board member, a member of the board of directors or a management committee member.

You may have more than one role e.g. a staff member at one organisation and a trustee of another. Please choose one organisation or role to refer to and respond consistently. Or you may be a governance consultant or adviser, in which case please refer to one of the organisations you work with.

Thank you for agreeing to take part. The survey is confidential, however, if you are happy to give us your contact details we may contact you in the future. Please return this questionnaire to FREEPOST RLUC – ZAGL – SKYX, nfpSynergy, 40, Bowling Green Lane, London EC1R 0NE. If you have any queries then please email: governance@nfpSynergy.net Please complete and return by January 15th 2008.

About your organisation:

Q1a) How many trustees does your organisation have? *(tick one only please)*	❑ 2-5	❑ 6-10	❑ 11-15
	❑ 16-20	❑ 21-25	❑ 26+
b) How often do your trustees or board meet? *(tick one only please)*	❑ Once a year	❑ Twice a year	❑ 3 times a year
	❑ 4 times a year	❑ 5-11 times a year	❑ Monthly
c) Which of the following is your organisation? *(tick one only please)*	❑ A registered charity	❑ An exempt charity	
	❑ A CIC	❑ None of these	
d) What is the main legal form of your organisation? *(tick one only please)*	❑ Unincorporated association	❑ Company limited by guarantee/shares	
	❑ Trust	❑ Industrial and provident society	
	❑ Other	❑ Don't know	
e) Which of the following categories does your organisation most closely fall into? *(tick one only please)*	❑ Faith	❑ General charity	❑ Social enterprise
	❑ Community group	❑ Museum	❑ Housing association
	❑ Co-operative	❑ Educational	❑ Other
f) What is your organisation's total income per year? *(tick one only please)*	❑ Under £10,000	❑ £10,000 - £50,000	❑ £50,001 - £100,000
	❑ £100,001 - £500,000	❑ £500,001 - £1m	❑ £1m - £5million
	❑ £5m - £25 million	❑ £25m - £50 million	❑ £50million +
g) How many paid staff work in your organisation (if any)? *(tick one only please)*	❑ No paid staff	❑ 1 -10	❑ 11-50
	❑ 51-100	❑ 101 – 500	❑ 501+
h) What sector does your organisation work in? (e.g. children, housing, animals)			
i) **Where does your organisation work?** ***(tick as many as apply)***	❑ One or more English regions	❑ England	❑ Other UK nation
	❑ UK wide	❑ International	

About you:

Q2a) Your role *(tick one only please)* *Please refer to your chosen role or organisation if you are involved with more than one.*	❑ Treasurer/Vice-chair	❑ Chair	❑ Trustee
	❑ CEO/other senior staff member	❑ Other staff	
	❑ Professional adviser (e.g. lawyer)	❑ Governance consultant	
	❑ Development adviser	❑ Other	
b) Are you:	❑ Male	❑ Female	

c) **How old are you?** ***(tick one only please)***	❑ 18-24	❑ 25-34	❑ 35-44	❑ 45-54
	❑ 55-64	❑ 65-74	❑ 75-84	❑ Over 85

d) How do you describe your ethnic origin? *(tick one only please)*	❑ White	❑ Mixed race	❑ Asian/Asian British
	❑ Black/Black British	❑ Chinese	❑ Other
e) Do you consider yourself to be disabled?	❑ Yes	❑ No	❑ Not sure

About your role: Trustees (staff please go to question 5, and advisers go to question 6)

Q3a) How long have you been a trustee of this organisation?*(tick one only please)*	❑ Under 1 year	❑ 1-3 years	❑ 4-5 years
	❑ 6-10 years	❑ 11-15 years	❑ 16+ years
b) How much time per year do you give as a trustee? *(tick one only please)*	❑ 5 days or less	❑ 6-10 days	❑ 11-20 days
	❑ 21-30 days	❑ 31-50 days	❑ Over 50 days
Q4a) **How were you recruited to this role?** ***(tick one only please)***	❑ Advert in the national press	❑ Advert in the local/regional press	❑ Advertisement online
	❑ Previously involved with the organisation in another capacity	❑ Approached by someone from the organisation	❑ Through a volunteer centre/ bureau
	❑ Approached via a recruitment agency	❑ By election from membership	❑ I am a founder of the organisation
	❑ Word of mouth	❑ Other	❑ Not sure

b) Why did you become a trustee of this organisation? *(tick as many as appropriate)*	❑ To gain skills	❑ To give something back
	❑ Out of passion for the cause	❑ Someone asked/persuaded me
	❑ Friendship/social	❑ Other

c) Are you currently a trustee for….? *(tick one only please)*	❑ One organisation	❑ Two organisations	❑ Three or more

Please go to question 6

About your role: staff/other roles

Q5a) How long have you been in your present role? *(tick one only please)*	❑ Under 1 year	❑ 1-3 years	❑ 4-5 years
	❑ 6-10 years	❑ 11+ years	
b) How much time per year do you spend on board-related business? *(tick one only please)*	❑ Under 5 days	❑ 6-10 days	❑ 11-20 days
	❑ 21-30 days	❑ 31-50 days	❑ Over 50 days

For all respondents

Q6) Which of the following board review or development activities has your organisation undertaken in the last two years? *(tick as many as apply)*

❑ Appointment and induction of Chair	❑ Trustee recruitment and induction
❑ Review of trustee roles and responsibilities	❑ Review of officers' roles and responsibilities i.e. Chair/Treasurer
❑ Review of Board composition (skills &/or diversity)	❑ Review of governing document: e.g. memorandum & articles
❑ Board training session or away day	❑ Establishment of Working Groups and their terms of reference
❑ Board Review or appraisal of Board effectiveness	❑ Review of Sub Committees or their terms of reference
❑ Appraisal of individual trustees	❑ Review/specification of levels of delegated authority

❑ None of the above	❑ Don't know	❑ Other

Q7) How were these development activities funded? *(tick all that apply)*	❑ Paid for by individual trustees	❑ Paid for by organisation	❑ Funded by a grant

	❑ Donated/pro bono	❑ There was no direct cost	❑ Don't know
Q8) Where or via what channel have you accessed resources to help you improve governance practice in your organisation in the last 2 years? (*tick all that apply*)	❑ On-line	❑ In print	❑ Networking event
	❑ Helpline	❑ Conference	❑ Face to face meeting
	❑ None	❑ Don't know	❑ Other
Q9) From whom have you sourced resources to help you improve your governance practice in the last 2 years? (*tick all that apply*)	❑ Charity Commission	❑ Governance Hub	❑ Development adviser
	❑ Professional adviser (e.g. legal, financial)	❑ National support provider e.g. CTN	❑ Regional support provider (e.g. RDA)
	❑ Governance magazine	❑ External governance consultant	❑ Local support provider (e.g. CVS)
	❑ In-house training	❑ Don't know	❑ Other

Q10) Which of the following governance standards are you aware of or have you used (if any)?

Please tick one box for each set of statements	Aware?		Used?		
	Yes	No	Yes	No	n/a
a) National Occupational Standards for Trustees	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
b) Codes of Fundraising Practice	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
c) Good Governance Standards for Public Service	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
d) The Seven Standards in Public Life (Nolan)	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
e) Charity Commission "Hallmarks of an Effective Charity"	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
f) Social Care standards	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
g) Housing Federation Standards	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5

Q11) Are you aware of the Code of Good Governance? *(tick one only please)*	❑ Yes – I am aware of it and have looked at it and used it (*please go to q**12***)
	❑ Yes – I am aware of it but I have not used it *(please go to question **19**)*
	❑ No - I am not aware of the code (*Please go to question **20***)

For those aware of/using of the code

Q12) How frequently have you used the Code in your organisation? *(tick one only please)*	❑ Very regularly	❑ Regularly	❑ Occasionally
	❑ Once or twice	❑ Hardly looked at it	❑ Not at all
Q13) How did you become aware of the code? *(tick all that apply)*	❑ Sector press	❑ via a consultant	❑ Other *(please specify)*
	❑ via my organisation	❑ via the Governance Hub	
	❑ At an event	❑ via a membership body	

Q14) Which Code of Good Governance publications/resources have you used? *(tick all that apply)*	❑ The Pocket Code	❑ Full version	❑ Learning to Fly	❑ Code Toolkit	❑ Not sure
Q15) Has your organisation formally declared its commitment to the principles of the Code? (*tick one only please)*	❑ Yes	❑ No	❑ Don't know		

Q16a) For all the statements below please indicate how strongly you agree or disagree with them in relation to the organisation you have chosen

Please tick one box for each statement	**Agree strongly**	**Agree slightly**	**Not sure**	**Disagree slightly**	**Disagree strongly**
a) The content of the Code of Good Governance is easy to understand	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
b) The content is applicable to my organisation	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
c) The language in the Code is appropriate	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
d) The Code is flexible enough to adapt to my organisation's needs	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
e) It is easy to find the information I want in the Code	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
f) The Code has transformed governance in our organisation	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
g) Our funders and donors appreciate the fact that we are	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5

committed to the Code					
h) The content is useful for my organisation	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5

Q16b) If you disagreed with any of the statements above, please use the 'final thoughts' box at the end to tell us why

Q17) How is the Code being used in your organisation i.e. what has it prompted or enabled you to do? *(tick all that apply)*

❑ Appointment and induction of Chair	❑ Trustee recruitment and induction
❑ Review trustee roles and responsibilities	❑ Review of officers' roles and responsibilities i.e. Chair/ Treasurer
❑ Review Board composition (skills &/or diversity)	❑ Review of governing document: e.g. memorandum and articles
❑ Board training session or away day	❑ Establishment of Working Groups and their terms of reference
❑ Board Review or appraisal of Board effectiveness	❑ Review of Sub Committees or their terms of reference
❑ Appraisal of individual trustees	❑ Review/specification of levels of delegated authority

❑ None of the above	❑ Don't know	❑ Other

Q18) **Who is driving use of the Code in your organisation? *(tick all that apply)***	❑ Chair	❑ Another trustee	❑ Patron/ President
	❑ CEO/senior staff member	❑ Other staff member	❑ Governance consultant
	❑ Funder	❑ Professional adviser e.g. lawyer	❑ Other

For those who haven't used the code

Q19a) If you haven't used the Code please tell us why not? *(please tick all that apply)*	❑ Limited/no time	❑ Cost
	❑ Board works well anyway	❑ Found other tools
	❑ It's not clear what to do with it	❑ Couldn't see the benefit
	❑ Didn't seem relevant	❑ Not my decision
	❑ We have other priorities	❑ We are intending to use it

Q19b) If you can, please tell us more about why your organisation hasn't used the Code in the 'final thoughts' box

Any final thoughts

Q20) Space to add any further comments. For example, what are the most useful aspects of the Code or how it could be improved.

We may want to follow up some responses to the questionnaire. If you are happy for us to contact you please write your name and contact details below.

Name:	**Organisation name:**
Email:	**Telephone number:**

Thank you for taking part in this survey. Please return this questionnaire to FREEPOST RLUC – ZAGL – SKYX, nfpSynergy, 40, Bowling Green Lane, London EC1R 0NE. If you have any queries then please email: governance@nfpsynergy.net **Please complete and return by 15th January 2008.**