



Cass Business School
CITY UNIVERSITY LONDON

Tools for success: doing the right things and doing them right

1. Introduction



Centre for Charity Effectiveness

Enhancing performance, developing talent

Foreword >>3

The authors >>4

Cass Centre for Charity Effectiveness >>6

The purpose of this toolkit >>7

How to use this toolkit >>8

Common terms used in this toolkit >>10

Index of key topics >>13

Authors' disclaimer

The authors have endeavoured to ensure that the information given within the guides is accurate and reliable at the time of production, however, this should not be considered as formal advice.

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Published by Cass Centre for Charity Effectiveness

October 2008

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ISBN 978-0-9560543-0-2

Foreword

We were delighted to provide the funding for Cass Business School's Centre for Charity Effectiveness to develop this publication, *Tools for success: doing the right things and doing them right*. It is part of our drive to build capacity within the voluntary and community sector and we hope that it will provide small organisations with the basic guidelines to help run an effective charity.

The City Bridge Trust is the grant-making arm of Bridge House Estates, an ancient charity whose prime objective is to maintain the City of London's five Thames bridges. Since 1995 we have been using surplus funds to make charitable grants within the Greater London area. We regularly review our grant-making processes and one of our biggest challenges is how we distribute income wisely, efficiently and with maximum impact. Our desire is to be much more than a grants factory and during the past few years we have been spending an increasing amount of time with our grantees, building longer-term relationships

There is more to monitoring and evaluation than compliance, number crunching and the endless counting of short-term outputs. We want to support our funded partners in developing sustainable organisations better able to deliver long-term impact. The first step in developing a sustainable organisation is to understand the basics and then to get them right.

This toolkit recognises that smaller organisations have resource constraints and so is designed to enable you to assess where you are now, your strengths and weaknesses, and then to be able to focus your efforts on those areas that need strengthening.

We hope that you will find this publication useful and that it will help increase the impact that your organisation can make.

Jenny Field
Principal Grants Officer
The City Bridge Trust



The authors

Fiona Ash is a consultant at Cass CCE and a recent graduate of the MSc in Voluntary Sector Management. She runs her own consultancy practice, advising organisations on HR, organisational development and charity management and is the author of *The chief executive's first 100 days*, the popular acevo publication. She is a trustee of a well-known animal rescue centre, a director of a start up charity supporting women in and released from prison and a director of a US commercial company. Her earlier education includes an MA in employment law, she is a Fellow of the Chartered Institute of Personnel and Development, and has extensive experience in charity management at a director level.

Caroline Copeman is a Senior Visiting Fellow at Cass and head of the Cass CCE Leadership Development practice, with particular interest in strategy, organisation development and leadership. Caroline was the lead author for the NCVO publication *Tools for tomorrow*, the best selling guide to strategy development and implementation for the voluntary and community sector. She has also recently produced a NCVO guide to scenario planning – *Picture this*, and co-authored a guide to strategic analysis – *Looking out* – published by the Performance Hub. Caroline is a trustee of CRI, has taught on the MSc in Voluntary Sector Management for the past 10 years and has an MBA from Henley Management College.

Atul Patel is course director for the Cass MSc in Voluntary Sector Management, head of practice for Equality and Diversity and a consultant and Visiting Fellow at Cass CCE. He is a co-author of the NCVO publication *Tools for tomorrow* and led the development and writing of NCVO's 'Getting ready for enterprise' toolkit, a resource for organisations wishing to build sustainable funding. He is a trustee of Womankind World-wide and a non-executive director of the London and Quadrant Housing Trust. Atul is a qualified social worker and specialised in work with children and families, spending 16 years in the statutory and the voluntary sector working at all levels of management.

Stella Smith is a consultant at Cass CCE, with her own consultancy specialising in third sector change management, organisational review and management development in the third sector. She worked in strategy and change at RNIB and in user involvement at Centrepoin. She has been a VSO volunteer teacher trainer in China and subsequently a VSO Trustee. Stella graduated with an MBA in 2004 and is now an Associate Lecturer at the Open University Business School. She is a trustee of the UK Greenleaf Centre for Servant-Leadership and a volunteer refugee mentor at Time Together.

Acknowledgements

The production of this toolkit would not have been possible without the work carried out by Cass CCE staff Denise Fellows, Adah Kay and Ruth Lesirge; they contributed to the development of the initial concept, in subsequent research and editing.

Nine organisations gave generously of their valuable time by helping us with both design and making sure the content is relevant. We are very grateful to: Hammersmith and Fulham Refugee Forum, Brent Carers Centre, Latin American Women's Aid, Bosnia-Herzegovina Community Advice Centre, Home-Start Haringey, Carnford Good Neighbours Scheme (Hillingdon and Hounslow), Genesis Trust, Medaille Trust, Haringey Community Link.

Cass Centre for Charity Effectiveness



The Cass Centre for Charity Effectiveness (Cass CCE) exists to maximize the effectiveness of organisations and individuals within the voluntary and community sector. We achieve this through the delivery of post-graduate programmes,

research, talent development and consultancy services. For more information visit our website at: www.cass.city.ac.uk/cce

Cass CCE wrap-around service

Cass CCE has structured a diverse support package for those using this toolkit. We recommend that you register now on our website at: www.cass.city.ac.uk/cce/resources/TFS

You will then receive free of charge:

- **Advice:** through access to our e-learning network you can question our expert panel in special interest groups and collaborate with other users of the toolkit
- **Newsletters:** bi-monthly electronic articles from Cass CCE
- **Support** of others like you – peer support is often overlooked but can be very beneficial. You can join a special CBT grantees network and collaborate in your learning
- **Updates:** we will be on the look out for any changes in policy or law, or improvements we can make to this toolkit and we will make updates available online.

In addition you may wish to take advantage of the range of other services on offer via the Cass website:

- **Expert support on a 1:1 basis:** Cass CCE can provide you with a Cass coach
- **A range of public courses and talks.**

The purpose of this toolkit

The purpose of this toolkit is to help small voluntary and community organisations ensure that the basics contributing to long-term sustainability are in place, enabling them to become organisations in which others want to invest.

The toolkit will help organisations:

- identify their areas of strength, areas where they already have the basics in place
- identify capacity gaps
- work on building capacity, to get all the basics right: make sure they are consistently doing the right things and doing them right
- gear up for the next step in order to implement a recognised set of quality standards such as PQASSO® – the practical quality assurance system for small organisations designed by Charities Evaluation Services. Independent data suggest PQASSO is by far the most widely-used quality system in the voluntary and community sector (VCS). For more information, see www.ces-vol.org.uk

Who this toolkit is for

This toolkit is intended for use by any small voluntary and community organisation wishing to invest in its long-term sustainability. City Bridge Trust (CBT) funded the Cass Centre for Charity Effectiveness to produce the toolkit, construct a package of support to surround it, and to promote the toolkit widely across the sector.

The tools, templates and checklists provided in the guides that make up the toolkit have been designed for use by both staff and trustees (management committee members). We have assumed that users of the toolkit have little time, but recognise that investment now will save time later.

Core principles

Our principles in developing the toolkit are to:

- avoid duplication
- focus on the basics – that is the minimum needed for long-term sustainability
- encourage a clear focus on beneficiaries
- value diversity and have diversity management at the heart of all activities
- encourage the collection of evidence to demonstrate accountability and success.

How to use this toolkit

Basic framework

The toolkit is built around seven areas of organisational capacity crucial to long-term sustainability. They are:

- **Compliance** Are we legal?
- **Governance** Can we demonstrate accountability?
- **Direction** Do we know where we are going?
- **Finance** Have we got the financial resources to meet our obligations?
- **People** Have we got the right people and skills?
- **Operations** Are we efficient and effective in meeting our objectives?
- **Networks** Do we work well with others?

Each area of organisational capacity has its own guide complete with tips, tools and templates to help develop capacity, along with signposts to other resources. We have only included the basics in the guides – the minimum you need to ensure sustained effectiveness.

Self-assessment

To encourage you to make best use of your time, we have provided a self-assessment tool. By following the questions, we will take you through the crucial areas of organisational capacity.

In this way you can then identify those areas where you already meet the basics, and those where you need to do more work.

What happens next will be up to you and could include celebrating your achievements; making a priority list and plan what to tackle next; deciding to really go for it and follow up our pointers for the next stage: implementing a set of quality standards.

Symbols used in this toolkit



where to find out more information



checklists; things to do



notes; hot tips; warnings



commonly-used tools; sample activities

Common terms used in this toolkit

Assets: Probable future economic benefits resulting from past activities that will affect organisational capacity.

Beneficiary: Those expected to benefit from a project, programme or organisation.

Compliance: Conforming to regulations and legislation (and being able to demonstrate this).

Constitution: The legal document that, in written form, establishes the rules and principles, powers, duties, structures and processes of the organisation.

CVS: Council for Voluntary Service: local support organisation that provides help and resources to front-line charity organisations in its area.

Dependants' leave: If you are an employee, you have the right to unpaid time off work to deal with emergencies involving a 'dependant' – a husband, wife, child or parent, or anyone living in your household as a member of the family. A dependant may also be anyone who reasonably relies on you for assistance.

Diversification: Establishing a broad portfolio (e.g. in terms of services investments or funding streams) in order to minimise risk and create choice.

Evaluation: Using information from monitoring and elsewhere to assess the performance of an organisation or project against its stated aims or outcomes.

Governance: The process of oversight by trustees/board that ensures that the organisation works to its aims, uses its assets to pursue those aims and acts at all times in the interests of beneficiaries.

Impact: All changes resulting from an activity, project or organisation. It includes intended as well as unintended effects, negative as well as positive, and long-term as well as short-term.

Induction: An event or programme of activities to welcome, orient and introduce a new recruit (staff, volunteer or trustee) to the structures, procedures, people and culture of the organisation.

Liability: An obligation that may put an organisation at a disadvantage. Often associated with past obligations causing future transfer of assets, delivery of service or other duty, and/or yielding of benefits.

NCVO: National Council for Voluntary Organisations: a national membership organisation that provides help and resources to local support and front-line organisations.

Networking: Exchange of information, knowledge and experience between people sharing common issues and concerns.

Outcomes: The changes, benefits, learning or other effects that result from what the project or organisation makes, offers or provides.

Outputs: The direct products, services or facilities that result from an organisation's or project's activities.

Performance indicators: Well-defined information which shows whether something is happening (or not) as a result of actions and/or investment made.

Performance management: A process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. It establishes a shared understanding about what needs to be achieved, and an approach to leading and developing people which will ensure that it is achieved.

Quality standard (e.g. PQASSO®): A quality framework that sets out a level of good practice and can be used by any organisation to assess and diagnose its activities, in order to improve performance. It can be externally assessed.

Risk: A potentially damaging outcome of an event or situation. It could be external or internal to the organisation and could have major or minor effects or none.

SOFA: Statement of Financial Activities. A charity’s SOFA shows all the incoming resources becoming available during the year and all its expenditure for the year, and reconciles all the changes in its funds.

SORP: ‘Statement of Recommended Practice: Accounting and Reporting by Charities’, published by the Charity Commission, providing guidance on the format and content of charity accounts and annual reports.

Stakeholder: All individuals and groups who are affected by, or can affect, a given project, programme or organisation.

Statutory body: An institution empowered by the state through legislation to establish policy, regulate, fund, and provide services.

Strategy: A way of mobilising an organisation in its direction of travel: setting direction, analysing what the organisation needs to do, planning, implementing, and evaluating the plan.

Sustainability: The ability or facility to remain robust and last into the longer term: continuing to exist and being maintained at a defined level of strength indefinitely.

Target: The aspired quantity and quality of outputs and outcomes; specific, measurable and time-bound results.

Trustee: In legal terms, the holder of property in trust on behalf of beneficiaries. For most voluntary and community organisations, trustees are board members with defined duties under the constitution; the persons having the general control and direction of a charity. A trustee may also be called a ‘management committee member’ or similar.

Index of key topics

Topic or subject	Guide
Board composition, skills and development	Governance guide
Boundaries and board delegation	Governance guide
Communication and consultation	People guide
Compete, collaborate or complement?	Networks guide
Complying with the law	Compliance guide
Drafting and implementing HR policies	People guide
Employees and volunteers	People guide
Employment cycle	People guide
Ensuring effective decision making and accountability	Governance guide
Finance strategy	Finance guide
Financial management system	Finance guide
Gaining feedback from service users	Governance guide
Generating income	Finance guide
How to develop a mission	Direction guide
How to develop a plan	Direction guide
How to develop a policy	Compliance guide
How to develop a vision	Direction guide
How to develop informal networks	Networks guide

Tools for success: doing the right things and doing them right

Topic or subject	Guide
How to identify and map key players	Networks guide
How to monitor and evaluate performance	Operations guide
How to prioritise and set objectives	Direction guide
How to understand your work and the environment	Direction guide
HR policies and procedures	People guide
Internal environment	Finance guide
Involving beneficiaries and service users	Direction guide
Involving stakeholders	Direction guide
Learning and development	People guide
Legislation must we be aware of	Compliance guide
Policies we must have	Compliance guide
Record keeping	People guide
Recruitment and selection	People guide
Reviewing general performance including strategy and finances	Governance guide
Risk management	Governance guide
What is financial management?	Finance guide
What is operations management?	Operations guide

1. Introduction

2. Self-assessment

3. Compliance

4. Governance

5. Direction

6. Finance

7. People

8. Operations

9. Networks

Tools for success:

doing the right things and doing them right

We have developed a toolkit with guides for the seven key areas of organisational capacity that are fundamental to a charity's success.

The toolkit is intended for use by any small voluntary and community organisation wishing to invest in its long-term sustainability.

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published October 2008

ISBN 978-0-9560543-0-2

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