



Governance at North East Child Poverty Trust

Introduction

The North East Child Poverty Trust (NECPT) is an Incorporated Charitable Organisation (ICO) registered with the Charity Commission in April 2015.

The Trust's mission is summarised in the objectives established in our Constitution:

"To mitigate and relieve child poverty in the North East of England by:

- Raising awareness of the issue of child poverty
- Improving knowledge and understanding of the causes and consequences of, and solutions to, child poverty
- Working collaboratively with public services, voluntary bodies, employers and young people to address child poverty."

Good governance is an essential prerequisite for organisational success. Good governance helps us to do the right things in the right way for our overall mission and the charity's beneficiaries.

NECPT has adopted the principles of the **Charity Governance Code** agreed by a range of national representative bodies of charities, voluntary and third sector organisations and supported and endorsed by the Charity Commission. The Code sets out seven principles to be observed by organisations adopting it:

- **Organisational purpose:** The Board is clear about the charity's aims and ensures these are being delivered effectively and sustainably;
- **Leadership:** Every charity is led by an effective Board that provides strategic leadership in line with the charity's aims and values;
- **Integrity:** The Board acts with integrity, adopting values and creating a culture which help achieve the organisation's purpose;
- **Decision making, risk and control:** The Board makes sure its decision making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored;
- **Board effectiveness:** The Board works as an effective team, using the appropriate balance of skills, experience and backgrounds and knowledge to make informed decisions;
- **Diversity:** The Board's approach to diversity supports its effectiveness, leadership and decision-making;
- **Openness and accountability:** The Board leads the organisation in being transparent and accountable. The charity is open in its work unless there is good reason not to be.

NECPT Trustees are expected to fulfil their duties with these principles in mind and to observe the Guidance of the Charity Commission, in particular the Guidance set out in CC3 **The Essential Trustee**.

The role of the NECPT Board

The Board directs the affairs of NECPT. The Board's responsibilities include:



1. Setting the strategic direction. Owning, supporting and demonstrating the mission, vision and values of NECPT;
2. Approval of key policies for the organisation expressed through the Corporate Plan;
3. Setting the financial framework through the Business Plan and Budget;
4. Ensuring there is a current strategy for identifying and managing risk and overseeing systems to give assurance about how these are managed;
5. Compliance with legal requirements and any regulatory obligations; and
6. Oversight and accountability for the performance of staff where employed or contractors and consultants engaged by NECPT.

Board Membership: Characteristics, skills and experience

The Board has 10 members all of whom act in an independent capacity exercising judgment, skill and knowledge in furtherance of the interests of NECPT. Trustees are appointed for a three year renewable term. There is currently no time limit on Trustee service. Some members are appointed from nominations received from the North East Child Poverty Commission (NECPC) with which NECPT has a close working partnership. These Trustees will always be in a minority of the NECPT Board constituting no more than 40 per cent of the membership. As with other Trustees, nominees from NECPC use their independent judgment when dealing with NECPT matters. The Chair of NECPT Trustees will always be appointed as an Independent Member.

NECPT will recruit Trustees who are passionate about ending child poverty. This may involve career or personal experience and/or knowledge as well as a strong interest in the role of charitable and voluntary organisations. We also want to recruit a broad range of people and backgrounds. The following table summarises the additional characteristics, qualities and skills and competencies required:

Personal characteristics	Experience and skills	Personal Competencies
Commitment to NECPT's mission	Wide range of knowledge of social and economic factors	Effective communication
Commitment to ending poverty	Operations and management	Team and partnership working
Knowledge of NECPT operations	Financial literacy	Customer focus
Commitment to championing diversity	Corporate effectiveness	Demonstrate responsibility
Sharing vision and values	Strategic approach	Leadership

How the Board works

At present NECPT does not employ staff. Trustees individually and collectively play a vital role in developing strategies and plans to fulfil our mission as well as enhancing what we can achieve through working with partners from the charity, voluntary and statutory sectors. This reinforces the importance of how collaborative working is an essential characteristic of the Trustee Board's operations with a particular emphasis on:



- Working as a team in the best interests of NECPT and its beneficiaries;
- Supporting NECPT's mission, vision and values and demonstrating them in practice;
- Working by consensus with open discussion based on proper consideration of information and a commitment to the decisions taken by the Trustee Board as a whole;
- Demonstrating public and private respect for each other as colleagues and behaving in the same way towards partners and contractors;
- Respecting confidentiality of information where disclosure would adversely affect NECPT's work or reputation.

Formal standards for the conduct of Trustee meetings are set out in the Constitution.

NECPT Code of Conduct

Trustees are committed to act at all times with integrity and solely in pursuit of the objectives of NECPT as specified in the Constitution. This Code of Conduct specifies how Trustees fulfil those duties.

Trustees have committed to support the Governance Principles set out in this document. That means Trustees act with integrity, selflessness, objectivity, openness and honesty and are accountable through their leadership for the public reputation of the charity. In particular, private and personal interests do not influence decision taking and there is no personal gain from the position of Trustee.

Clause 7 of the NECPT Constitution deals with conflicts of interest and conflicts of loyalty and is quoted in full below:

'7. Conflicts of interest and conflicts of loyalty

A charity trustee must:

- (1) declare the nature and extend of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the CIO or in any transaction or arrangement entered into by the CIO which has not previously been declared; and
- (2) absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the CIO and any personal interest (including but not limited to any financial interest). Any charity absents himself or herself from any discussions in accordance with this clause must not voter or be counted as part of the quorum in any decision of the charity trustees on the matter.'

In order to demonstrate openness and accountability Trustees each enter appropriate details on The Register of Interests maintained by the Secretary to the Board.

Financial policies and controls

Reserves Policy

On setting the reserves policy the trustees have taken into account guidance from the Charity Commission stating that small charities should consider financial risk for the possibility of unforeseen expenditure. With this in mind the trustees will set a target minimum unrestricted reserve of £100 for



NECPT which has been derived from the need to set aside a reserve for unexpected volunteer expenses. This will be reviewed on an annual basis to ensure that the minimum reserve is adequate to suit the charity's needs. Should the level of unrestricted reserve dip below the minimum level a strategy will be set to fundraise to the required level to mitigate against financial risk.

Policy & Procedure for Approving Expenditure & Payment of Suppliers

The following policy and procedures have been put in place based on the current charity size. Should the charity expand significantly the policy will be reviewed to ensure that the procedures are fit for purpose.

Any expenditure above £250 will be reviewed and approved by the board. Any expenditure below this can be reviewed and approved by the treasurer and 2 cheque signatories (of which are board members). All payments are currently paid by cheque and 2 signatories are required. It is the responsibility of the treasurer to ensure that any payments to suppliers are backed by relevant invoices and copies retained as evidence.

Substantial expenditure valued over £1,000 should be put out to competitive tendering with at least 3 quotes obtained and the supplier approved by the board.

Trustees may from time to time need to travel on behalf of the charity. In such cases they will be reimbursed for either mileage (at the set HMRC rate of 45p per mile) or for train fares. Travel of this nature must first be approved by the treasurer to ensure that there are sufficient unrestricted reserves in place.

Governance Policies

The principal references for further study in relation to this advice on NECPT governance are:

- Constitution of North East Child Poverty Trust registered by the Charity Commission on 7 April 2015
- The Charity Governance Code: <https://www.charitygovernancecode.org/en>
- Charity Commission Guidance:
 - The Essential Trustee: what you need to know, what you need to do
 - Charity Finance: Trustee Essentials
 - Charities and Risk Management

All Charity Commission documents can be accessed at:
<https://www.gov.uk/government/organisations/charity-commission>