

# National organisations with local groups

A model of collaborative working

## How this model can help

This is one of a series of models covering the different ways that voluntary or community organisations can work together. It is aimed at chief executives, managers and trustees.

The model outlines how organisations with a national body and local groups can work together. They may be separate organisations together forming a **federal structure** or may legally all be part of one organisation with a **branch structure**.

The model describes good practice for such organisations – in new or existing structures. Case studies illustrate how organisations operating as a network under the same name handle different issues.

**This guidance is no substitute for legal advice.**

It is useful for organisations at any level of a federal or branch structure asking:

- What are the features of a federal or branch structure?
- How can you maintain good relations between different parts of the structure?
- What impact does organisational structure have on the way that we work?
- What should we consider if changing structure?

The Charity Commission encourages charities to seek its advice on legal and regulatory issues and to take professional advice where relevant.

Please visit [www.ncvo-vol.org.uk/national-local](http://www.ncvo-vol.org.uk/national-local) for more detail, including additional case studies.

## National organisations with local groups

National voluntary organisations may operate solely from one centre or they may have local bases across England, or the UK. Organisations with this combination of a national body and local presence may work collaboratively in a federal structure or in a branch structure.

Organisational structures often develop organically over time. Many of them improve outcomes for beneficiaries by combining the ability to coordinate national activities, such as campaigning, with the flexibility to respond to local needs that may vary over a wide area.



The Baring Foundation



The Collaborative Working Unit is supported by the Baring Foundation, the Bridge House Trust and the Lloyds TSB Foundation.

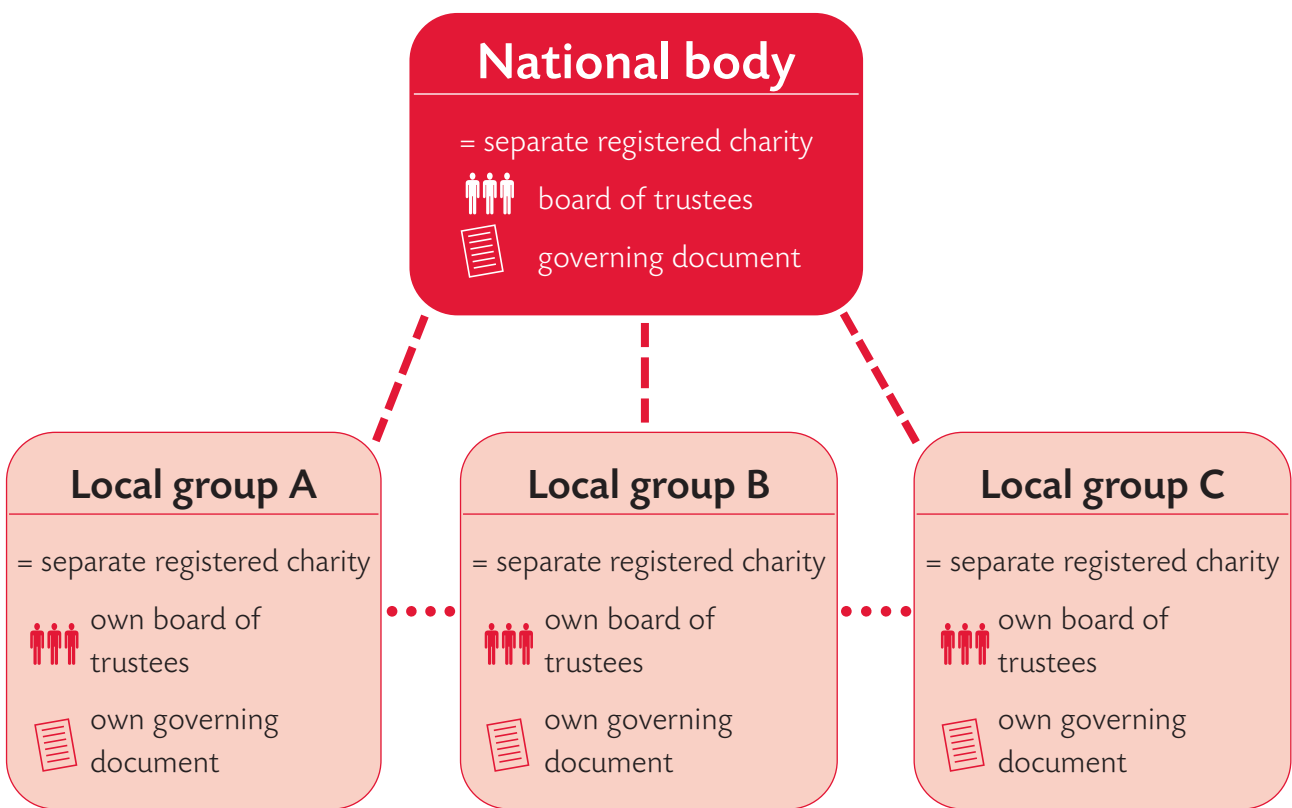
When relationships between parts of a network break down, the effects can be time consuming and damaging so it is worth giving time and resources to managing relations effectively.

The local organisation may be known as a local group, a branch, an affiliate or a member organisation. This model uses the terms, **local group** and **national body**, irrespective of the structure they belong to. It uses **networks** to refer to both federal and branch structures. The case studies use each organisation's own terms. The terms 'federal' and 'branch' themselves are often used interchangeably and for widely varying structures.

**What are the features of a federal structure?**

Organisations which comprise both a national body and a number of independent local groups have a federal structure. The national body may retain some control over the local groups, but on other issues, the local groups have autonomy (a set-up with parallels to a franchise in the private sector). There should be no fundamental difference between the charitable objects of the organisations in such a network, although their geographical area of benefit will vary.

**Federal structure**



*Organisations may not be registered charities as shown here.*

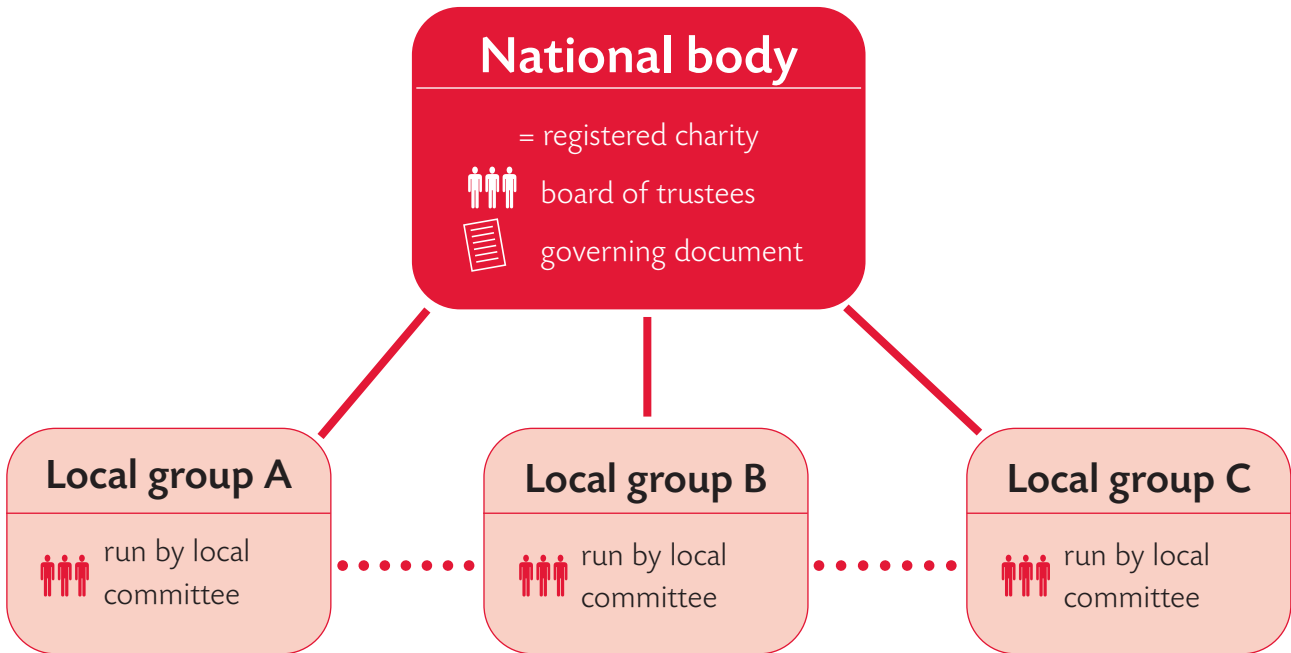
**Key**

- formal governance by national body: local committees report to national body
- some independence from national body
- informal networking

### What are the features of a branch structure?

A branch structure is constitutionally one organisation. It comprises a national organisation with regional or local branches. The branches are part of the national organisation and share its governance structure and charitable aims.

#### Branch structure



Organisations may not be registered charities as shown here.

Branches which form part of one organisation may also be known as local committees, supporters' groups, friends' groups, members' groups, communities or parishes.

#### Advantages of national organisations with local groups

Federal and branch structures provide organisations with a balance between national presence and grassroots involvement. The benefits of this combination may include:

- a way of achieving charitable aims at local level, across counties or regions
- responsiveness to need as a local group is closer to the client group
- fresh opinions and ideas, reflecting experience on the ground
- a useful structure for local involvement by service users and volunteers, including fundraisers
- a pool of potential partners for local groups keen to do joint projects who already understand the work and are culturally compatible
- a strong campaigning voice based on local feedback
- a way of mobilising local support for national campaigns
- influence on local decision-making at all levels from local to national, e.g. lobbying MPs in their own constituencies
- clear, coordinated image with one well-known brand name
- consistency across a wide area, e.g. in the range of services offered, quality standards.

## Challenges

Federal and branch networks are complex structures dependent for success on good governance, management and communication skills - all of which take time, effort and resources. Potential areas of difficulty may include:

- tension within the network, e.g. fundraising; influence of the national body
- appointment and training of trustees
- decision-making and strategy
- internal communication
- ensuring consistency in quality standards
- ensuring fair treatment of a high volume of staff and volunteers.

## Good practice

*"Keep your charitable objects in mind. It's not about empire building. All of us in the federation are working to the same end."*

Louise Smith, Governance and Quality Assurance Manager, Relate

## Organisational aims

Effective governance and communication are key to successful working relationships between national bodies and local groups. Trustees need to keep under review how an organisation's structure can help it achieve its aims for beneficiaries.

Typically, the objectives of national bodies specify that they provide advice and guidance to local groups. Local groups' objectives usually focus on helping clients locally. Organisations are failing their beneficiaries if they do not fulfil the charitable aims laid down in their **own** governing document.

## Communicating roles

It is the trustees' decision how far to embed the roles and responsibilities of organisations in their governing document. Otherwise, they should be set down in writing elsewhere.

You should explain organisational structure in plain language and point out its implications for the way that staff, volunteers, beneficiaries and other stakeholders work together. Local groups may be required to sign up to such procedures.

- Local groups need to be clear on the powers and role of the national body as described in their governing document. The national body, equally, should be clear on the level of autonomy of local groups.
- Make these explanations available to stakeholders when they are introduced to the organisation and for later reference.

As part of its focus on benefit to the client, Relate has circulated a list of definitions, describing how parts of the Relate Federation relate to each other. This helps ensure that everyone is clear on how different parts of the Federation contribute to its charitable aims.

### **Avoiding and managing conflict**

*"We are not prescriptive. It's about trying to achieve consensus."*

**Lee Smith, Director of Network Support, Mind**

Without two-way communication, misunderstandings in a network of organisational relationships can escalate into serious problems. Mediation can be the answer to internal disputes, but there are costs involved and prevention is better than cure. A transparent, consistent management style and explanation of decisions made by the national body can counter perceptions of unfair treatment.

- Communicate regularly with local groups - ask which method they would find most effective.
- Encourage local groups to feed in to ideas and planning at national level.
- Encourage the national body to keep local groups up to speed on thinking at national level and to explain how local input has contributed to this.
- Organise regular meetings between the national body and representatives of local groups.
- Lay down procedures for managing dispute between parts of the structure.

### **Can structure affect how you work?**

#### **Fundraising**

Most local groups in both federal and branch structures can fundraise for themselves. But sometimes a national body may fundraise in the area of a local group. It is essential that fundraisers explain which part of their network they are fundraising for in fundraising material. Without clarity on the destination of the money raised, there may be auditing problems at year end.

- If a local group is collecting for its own local purposes this needs to be made clear to the public. If a local group is collecting for its national body this also needs to be made clear.
- Equally, when promoting legacies, all organisations should ask legators to state whether they wish to leave a legacy to the national body or the local group.

Fundraisers across the organisation need to maintain regular contact to ensure they have a consistent approach.

## C A S E S T U D Y

### Age Concern – fundraising

*"In a federal structure, things take time, everyone needs to be consulted and it is especially sensitive as money is involved. We have worked hard to build trust and confidence."*

**Ailsa Ogilvie, Income Generation Director, Age Concern England**

Around 400 independent registered charities make up Age Concern, the federation in England. Most Members are local Age Concerns. The only national Member is Age Concern England (ACE).

The fundraising activities that Age Concern England develops often have a local angle.

- Its 'wear a hat day' was promoted nationally by ACE while local Age Concerns encouraged schools and companies to get involved.
- Age Concern is Tesco Charity of the Year 2005. The relationship is managed nationally, with local Age Concerns involved in delivery. Income raised by Tesco stores goes to the Age Concern with which that store is matched.

Age Concern's Income Generation Partnership is the body through which Age Concerns across the federation have agreed a joint income generation framework. Local Age Concerns are invited to sign up to the Partnership which aims to maximise fundraising potential across Age Concern by:

- sharing information and learning from other parts of the federation
- coordinating activity
- increasing opportunities for Age Concerns to fundraise together.

The proportion of income due to a local Age Concern varies according to:

- the cost to ACE of each fundraising activity
- whether the local Age Concern is directly involved in delivery
- the type of income generation activity.

[www.ace.org.uk](http://www.ace.org.uk)

### Governance

Governance arrangements in federal and branch organisations can vary considerably, but must always take into account what is most effective for the organisation's beneficiaries.

- The governing documents of national bodies in some federal structures may require a number of trustees of local groups to sit on the board of the national body.
- In branch structures, the national body's governing document often requires the national board to include local committee members.

## C A S E S T U D Y

### Mind – governance

*"We are not parent to the Local Mind Associations. Mind wants to protect the independence of LMAs and empower them, just as they respect the autonomy of their clients to make their own decisions."*

Lee Smith, Director of Network Support, Mind

The Mind network comprises over 200 independent Local Mind Associations (LMAs) affiliated to the national Mind organisation.

All Mind organisations have the same main charitable objects, but can achieve these aims in different ways. Mind recommends that LMAs use their model Memorandum and Articles of Association (their governing documents). These are based on the national equivalent with the option for LMAs to add additional charitable objects in line with Mind's main aims.

*"We allow LMAs to be who they are. The diversity in our network is a strength."*

Frances Brown, Executive Officer, Mind

Seven trustees on Mind's Council of Management are elected from LMAs: one from each English region, with two from the South East, and one from Wales. Some LMAs expect their regional trustee to represent their local concerns at national level. But under charity law, trustees cannot be mandated to represent particular interests. Mind's regional trustees are informed by their local experience, but cannot represent it at national level. Mind's current governance review aims to address this issue, among others, by creating a forum as a means of real stakeholder engagement.

[www.mind.org.uk/About+Mind](http://www.mind.org.uk/About+Mind)

### Legal responsibilities

Charity trustees have a legal obligation to carry out **risk assessments**. In federal structures, this responsibility lies with the trustee body of each charity. Where an organisation has only one set of trustees, the responsibility for risk assessment lies with them. It includes risks associated with the national body itself and its local branches.

In federal structures, legal title to **property** is held by each separate organisation. In branch structures, legal title to property across the network is often held by the national body, but individual situations vary. This is a complex area where Charity Commission advice is recommended, particularly if organisational structure changes or local groups close.

## Changing your structure

Improving services to beneficiaries is the ultimate reason for changing an existing structure or developing a new one. The Charity Commission recommend that organisations contact them early on for advice on legal and regulatory issues.

A steering group to give direction to your restructuring should be representative of all stakeholders from across the country.

- Have you reviewed all the options and conducted a feasibility study?
- Take into account how working locally or regionally would affect all areas of your work. It may not be appropriate to apply the same blueprint for all local groups, but you must explain why variations are necessary to meet local need.
- Check what is possible according to your governing document. If you are unsure or wish to make changes beyond its scope, seek advice from the Charity Commission.
- Change can cost money. Can you set aside funding for the process?
- How will change affect how money needs to flow through different parts of the organisation?

### C A S E S T U D Y

#### The Wildlife Trusts – working regionally

There are 47 Wildlife Trusts across the UK, Isle of Man and Alderney. Each is an independent charity with a clear geographic remit. Trusts are affiliated to The Royal Society of Wildlife Trusts. Together the 48 charities are known as 'The Wildlife Trusts'.

Political and legislative powers in the UK, and associated funding, are increasingly being delegated to national and regional assemblies. The Wildlife Trusts is re-aligning its resources to reflect this change.

In the South West, nine Wildlife Trusts have formed a new charitable company, The South West Wildlife Trusts Ltd, with its own Director of Regional Programmes.

*"The South West Wildlife Trusts is a great vehicle to deliver work at a regional level and make our voice heard. We can choose the most effective route for delivery, either locally, regionally or nationally. For example, Cornwall Wildlife Trust provided local evidence to The Wildlife Trusts' national Marine Policy Officer to influence the new Marine Bill."*

**Trevor Edwards, Director, Cornwall Wildlife Trust**

[www.wildlifetrusts.org](http://www.wildlifetrusts.org)  
[www.cornwallwildlifetrust.org.uk](http://www.cornwallwildlifetrust.org.uk)

## C A S E S T U D Y

### Friends of the Earth – support to branches

Friends of the Earth England, Wales and Northern Ireland works through local groups. These groups are constitutionally branches of the national body and remain bound by national policy, but can campaign as they wish on issues that have local relevance.

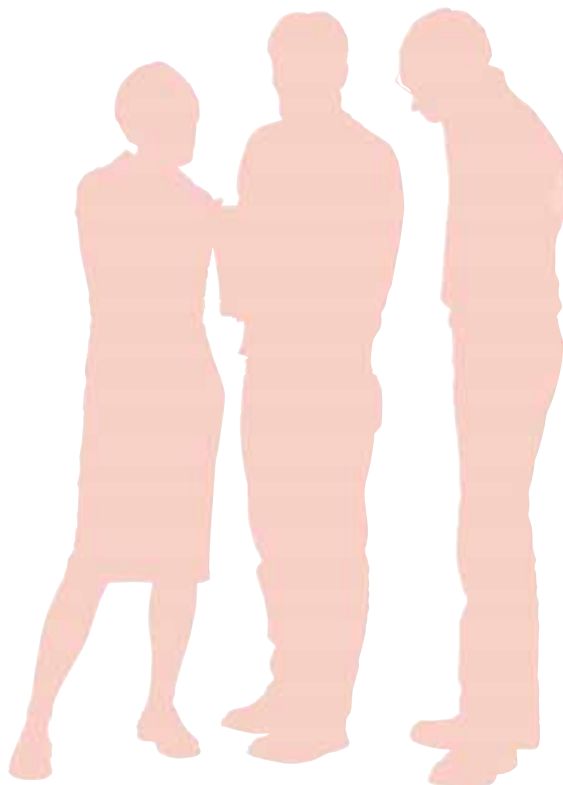
Friends of the Earth comprises two organisations:

- Friends of the Earth Limited is a registered company. Some of its campaigning and lobbying activities make it ineligible for charitable status.
- Friends of the Earth Trust is a registered charity which concentrates on education and research.

The local groups belong to Friends of the Earth Limited as they have a campaigning purpose like their national counterpart.

Friends of the Earth employs regional Network Developers. It also has a central team to develop core support and resources for local groups. Together they form the Capacity Building team which acts as a link between groups and Friends of the Earth, helping them access the specialist support offered by the national organisation.

<http://community.foe.co.uk>



## C A S E S T U D Y

### **Victim Support – quality standards**

Victim Support has a federal structure. Its independent quality and standards inspectorate assesses governance, use of central funding, compliance with its National Standards and disseminates good practice.

Where a member charity falls short of the National Standards, the national association works with them to:

- identify the member charity's needs
- raise standards through additional support or training.

Were a member charity to breach the standards, Victim Support could review its membership of the national association. The outcome of inspections informs decisions about renewal of funding for members who might have their grant renewal limited to one year instead of three.

The national association's quality and standards inspectorate is made up of Victim Support employees, supplemented by lay inspectors from member charities. The inspectorate communicate the benefits of review by peers who understand Victim Support's aims, yet have enough distance to be objective. Explanation of the purpose of inspection has been key to its acceptance.

[www.victimsupport.org.uk/vs\\_england\\_wales](http://www.victimsupport.org.uk/vs_england_wales)

## C A S E S T U D Y

### **Campaign to Protect Rural England**

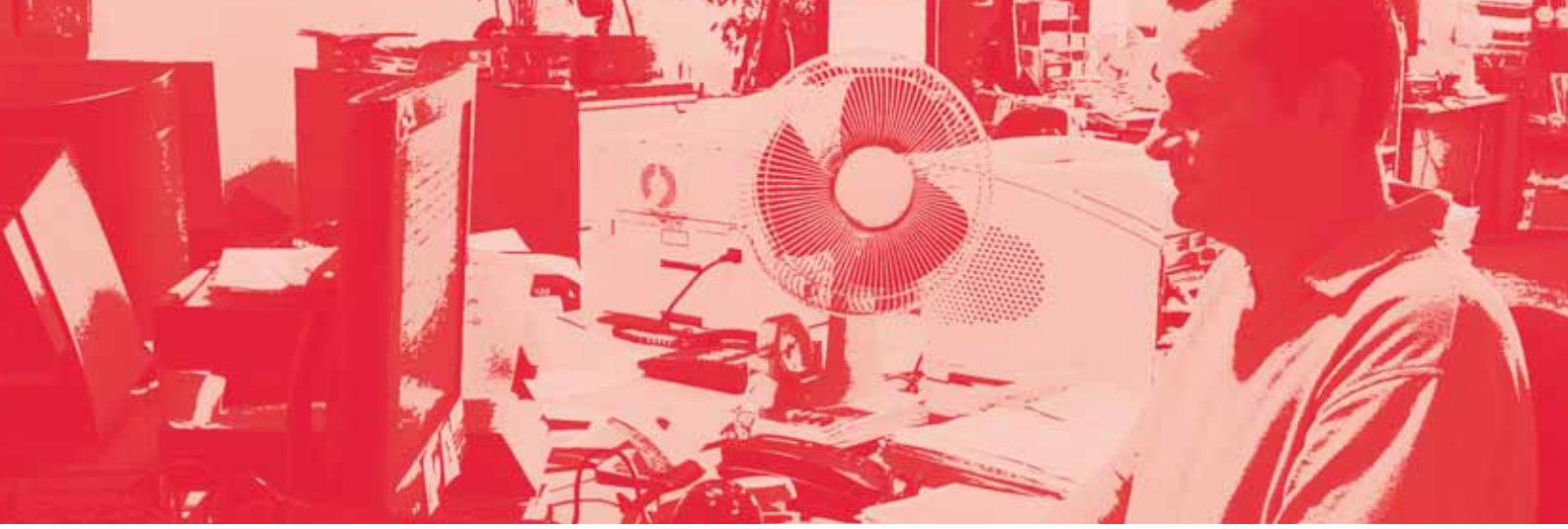
The Campaign to Protect Rural England (CPRE) operates as a national network of 43 county branches, over 200 district groups, nine regional groups and its national office in London. The county branches are independent registered charities sharing the CPRE name. The district groups are each part of a county branch. The regional groups are part of the national organisation and share its charity number.

#### ***Individual membership***

When somebody joins CPRE, the application is always processed and acknowledged by the national office and entered on a central database. Each week, the branches are told of new members so that they can welcome them. On a quarterly basis, new subscriptions are shared out with 50% going to the branch and 10% to the region. The remaining 40% is kept by the national office.

[www.cpre.org.uk](http://www.cpre.org.uk)





## Further advice and support

### *Collaborative Working Unit*

email [collaborate@ncvo-vol.org.uk](mailto:collaborate@ncvo-vol.org.uk)

telephone 020 7520 2440

[www.ncvo-vol.org.uk/collaborate](http://www.ncvo-vol.org.uk/collaborate)

### *Charity Commission contact centre*

telephone 0845 300 0218

email [enquiries@charitycommission.gsi.gov.uk](mailto:enquiries@charitycommission.gsi.gov.uk)

[www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)

### *NCVO's HelpDesk*

telephone 0800 2 798 798

textphone 0800 01 88 111

email [helpdesk@askncvo.org.uk](mailto:helpdesk@askncvo.org.uk)

### *Local support*

Councils for Voluntary Service [www.nacvs.org.uk/cvsdir](http://www.nacvs.org.uk/cvsdir)

Rural Community Councils [www.acre.org.uk/rcclinks.htm](http://www.acre.org.uk/rcclinks.htm)

### *Disclaimer*

NCVO cannot accept liability arising from reliance on this information. It is for guidance only and should not replace legal advice.

## **NCVO's CWU**

The Collaborative Working Unit offers information and advice to help voluntary and community organisations make decisions about whether and how to work collaboratively. It serves the managers and trustees of voluntary organisations and infrastructure bodies as well as engaging with funders and policy makers.

### **Collaborative Working Unit**

NCVO, Regent's Wharf, 8 All Saints Street, London N1 9RL