

Charity Trustees

10.15 pm

Tom Levitt (High Peak) (Lab): Thank you, Mr. Speaker.

We all know that being the trustee of a charity or community organisation is a responsible and important role. Indeed, trustees are the keepers of a charity's soul. They define and perpetuate its mission and direction; they are its ultimate managers; and they uphold standards of good governance. They do not run their charities on a day-to-day basis. Nor do the vast majority of trustees gain financially from their involvement. They take an interest, however. They care about those who work for their organisation, as either employees or volunteers, and for the charity's beneficiaries.

Trustees have duties that are laid down in law. They have a duty of prudence: to ensure that the charity is and will remain solvent; to use charitable funds and assets reasonably, and only in furtherance of a charity's objects; to avoid undertaking activities that might place a charity's endowment, funds, assets or reputation at undue risk; and to take special care when investing the charity's funds or borrowing funds for it to use.

What I have described sounds like a very tall order, and a very responsible, if not daunting, position. That need not be the case, however. Trustees act collectively, sharing those burdens of responsibility. It is what is in their hearts and their heads, not what is in their wallets or their diaries, that makes a good trustee. Having said that, everyone knows that if you want something done, you ask a busy person.

In England and Wales today, there are 816,825 known charity trustees, and probably many more, according to the Charity Commission. They are busy people, and a small number are trustees of more than one charitable body. They are divided roughly equally between males and females and their average age is 57. Only one in three are under the age of 50, and just 2 per cent.-one in every 50-are under the age of 30. One in 20 are from a black or ethnic minority background.

A typical board of trustees will have six members-three is the minimum-although larger organisations have correspondingly larger trustee numbers. Perhaps 2,000 trustees are appointed or re-appointed to their posts every week. That is not a large number, when we consider that, on average, eight brand-new charities are created in every constituency in the country each year, each with its own board of trustees. I am a trustee myself; I chair the board of trustees of the Community Development Foundation.

We know that three quarters of our population engage in volunteering and voluntary activity at some point each year, many of them on a regular basis. But, when asked how they might act to support a local charity, fewer than one person in 20 responded with the idea of becoming a trustee. Four out of every five charities say that they recruit trustees principally by word of mouth. Is it therefore any surprise that there are reckoned to be 1 million vacancies for trustees in Britain today? According to the National Council for Voluntary Organisations, almost half of all trustee boards say that it is more difficult to recruit trustees today than it was a year ago.

My purpose in stimulating this debate today is to ask the Minister—a good friend with a real feel for the third sector and volunteering—what she is doing to support, recruit and retain trustees, without whom our voluntary organisations simply would not exist. I put it to her that charities need to plan to replace existing trustees when they retire and to attract people with a range of skills, experience and perspectives that can contribute to the successful running of their organisations, while at the same time understanding and reflecting the communities they serve.

We need to invest in trustee recruitment for the sector to ensure that there are enough people to run our voluntary and community organisations across the country. Charities need to use open and broad selection methods to reach out to an ever wider group of people as potential trustees. Word of mouth is not enough. Professional recruitment, newspaper advertising and head-hunting do not always feel appropriate for, say, a charitable endowment trust with a just few hundred pounds to give away to young people in a particular parish each year.

I commend to the Minister the work of the charity trustee network—an organisation that does what it says on the can. Its trustee finder website is excellent, a great facility for putting the right potential trustee in touch with the right charity. Within five miles of where we are sitting tonight, I found easily 100 opportunities to volunteer as a trustee or a chair of trustees or a treasurer for a voluntary organisation. When I put my home postcode of Buxton into the search engine, I found just six vacancies, three of which were with the same charity. Toy libraries are valuable institutions, I am sure, but they are not everyone's cup of tea. I do not believe that six is a true representation of the vacancies on trustee boards in my constituency.

What I am saying is that this is London—a city full of volunteering opportunities, not least as trustees, with a strong element of competition for people's time and energy, with millions of people packed into a relatively small area. That there are hundreds of known vacancies for trustees here reflects the low awareness and possibly low prestige that the trustee role enjoys as well as a lack of volunteers ready to fill the vacancies.

In Buxton, I guess that six reflects not a calm complacency in a quiet trustee marketplace, but a lack of awareness of the trustee finder facility, even though there are typically 5,000 trustee vacancies advertised on it at any one time. I am sure-indeed, I know, having been for a time a trustee of my local citizens advice bureau and of an endowment trust-that the right trustees with the right blend of skills are difficult to come by.

These observations are broadly backed up by the experience of the trustee bank page of the National Council for Voluntary Organisations website. The NCVO believes that about half of all boards have between one and five vacancies for trustees. In its report "Board matters", the organisation New Philanthropy Capital reported that the marketplace in which new trustees are to be found is fragmented and very difficult to navigate.

The NCVO is the lead partner for the leadership and governance national support service, funded by Capacitybuilders, which aims to increase the supply of board members and improve the recruitment and induction processes of front-line organisations. It is working with local organisations to launch local trustee recruitment campaigns, increase the awareness of trusteeship among the public, and work with boards to prepare them for recruitment.

Given that trustee finder is partly funded by the Cabinet Office, will the Minister look at the various ways of recruiting trustees and assess whether the geographical spread of trustee vacancies reflects the true position; how long trustee vacancies are advertised for on average and what conclusions can be drawn from that; and how awareness of trustee finder and other recruitment processes can be raised throughout the country?

Perhaps I am putting the cart before the horse. Perhaps we need to consider why people might want to become trustees in the first place, before they find out about what vacancies exist. Pushing people towards a website is all very well, but there are other ways of promoting trusteeship. People become trustees for a number of different reasons. It might be, for example, to acquire transferable skills, or as a result of the desire to do something different or because of the inspiration one gets from working with staff, trustees and service users.

The NCVO found that 81 per cent. of trustees said they became a trustee to help the good cause associated with the organisation, while 56 per cent. had a particular skill they felt would be of use to the organisation; 37 per cent. wanted to shape how things happened; and others gave other reasons, including their own personal development-and why not? Rodney Buse, the chair of the charity trustee network, also reports that both the Institute of Chartered Accountants and the Whitehall and Industry Group actively promote trusteeship among their members. Whether they use another website in which the NCVO is involved-Trustees Unlimited-for this purpose, I do not know, but they should, as it acts as

a brokerage for trustees seeking charities and vice-versa, as well as a source of good practice and information for trustees.

The Cabinet Office has a good reputation generally for promoting volunteering within its own work force. I understand that employees are encouraged to take several days off work each year to carry out voluntary work, but may I ask my right hon. Friend whether this specifically includes trusteeship? Are opportunities for trusteeship brought to employees' attention within the Cabinet Office and Government service generally?

Let us consider for a moment these two fictitious adverts. The first is: "Come and be a trustee at our charity. Four times a year, you will sit in a cold church hall with half a dozen others who share the same sense of obligation. You'll be told about the crumbling fabric of the building, which is your responsibility. You'll be told about the finances which are dire, thanks to the low interest rates affecting the endowment fund-also your responsibility. You may have to take difficult decisions about the future of a couple of employees, something which you consider yourself totally unqualified to do-and all of this for no money."

Now let us compare that with: "Come and be a trustee at our charity. At least four times a year, you'll meet with a diverse group of other community members who share your passion. You'll be presented with an opportunity to turn our centre into a real community asset as you take collective decisions on key areas of activity, working closely with a professional manager who is responsible for day-to-day affairs. Although as a body trustees may have to take difficult decisions from time to time, training and support are available. Your reward: knowing you're making a real difference to your community." It is important to talk-up and sell the idea of trusteeship, and to provide the resources for the training and skills acquisition that trustees need.

I looked on the charity trustee network website again to search for trustee training. Of the nine courses available from different providers in the first week of December alone, eight were in London. In the category "north of England", which appears to include both Manchester and Middlesbrough, there were just six courses spread over the next six months. Typically, they cost £200 or more to attend, which is a lot of money if someone is considering becoming a trustee on a small community board. There are courses available from councils for voluntary service at considerably lower cost, but I ask my right hon. Friend to make sure that training for trustees and would-be trustees is available online throughout the country and at a realistic price so that those from low-income backgrounds can benefit from it.

I have already said-and it is blindingly obvious-that members of boards of trustees need to come from diverse backgrounds, not only in order to reflect the communities, real or virtual, that they represent, but so that we bring forward the right combination of skills to their roles. Those skills need to be diverse. Not all

members of a board need to be financial whizz kids, nor do they all need to be good people managers or experts in the core mission of their organisations.

Does my right hon. Friend recognise that not just the skills that trustees bring but those they acquire as trustees are valuable and should be measurable? These skills and expertise may be in the fields of finance, company, employment and charity law, health and safety, equal opportunities and an almost endless list of further skills. Becoming a trustee can, and should, be encouraged as a valuable entry on a CV.

My final point is about the challenges that trustees face, other than those of recruitment and skills. Whatever those challenges are, trustees have a friend in the Charity Commission. Over the years, but perhaps especially under the wise leadership of Suzi Leather and Andrew Hind, the commission has become less of a burden, and more of a critical friend to the sector: less distant and more engaged; less of a regulator and more of a mentor to the sector generally and to trustees in particular. I recommend guidance leaflet CC3a, "The Essential Trustee: an introduction".

Last month, we celebrated the re-launch of a compact for the 21st century. The new compact will help trustees in their relations with partner organisations, protecting the interests of both public and third sector bodies when they come together in partnership, and in this age of commissioning-to which I shall return in a moment-it is vital that the compact is relevant and appropriate and that all trustees are aware of it. Comments from all sides of the debate following the launch of the refreshed compact on 16 December give reason to believe that the compact is still relevant and appropriate, and we must make sure that all trustees are aware of it. Will my right hon. Friend confirm that the measure that I put forward in an unsuccessful ten-minute Bill in the previous Session to put the Commission for the Compact-not the compact itself-on a statutory footing still has Government approval and is still on Ministers' radar?

Government are, and always have been, one of the voluntary sector's biggest funders, both through grants and tax concessions. At a time when Government funding to the sector has been both growing and changing in nature, towards the contractual commissioning of services, trustees face challenges. How far, for example, should taking up funding opportunities determine what services they provide? How can the temptations of "mission creep" be avoided in these circumstances? How do we develop the skills for working in a more competitive, contractual environment? Can we afford to say no?

There is no single or simple answer to these questions, but trustees must work together collaboratively and either stick to their historical mission-which is, after all, one of their fundamental responsibilities-or change it on their terms, at a time of their choosing, while taking the organisation with them. These decisions are big challenges to trustees, and so is surviving an economic recession. At a time

when interest rates on endowments are low, borrowing is difficult and charitable donations are not flowing as well as they did, trustees are presented with new challenges. Growing organisations may have to check their growth. Static ones may find themselves asking real questions about their future. Questions of merger and the protection of assets present new and real difficulties to trustees.

A third challenge is professionalisation. As organisations grow, their operation becomes more sophisticated, they take on employees as well as volunteers and they operate in a different market, albeit with the same core mission. The small-time trustee may get left behind as a different mix of skill and experience may be required on the board of a growing organisation. Organisations may outgrow their trustees and, indeed, ambitious trustees may outgrow their organisations. The one consolation is that the bigger the biggest players grow, the more room there is for new saplings to germinate, and so the cycle turns.

I am sure that my right hon. Friend will wish to take this opportunity, as I do, to say thank you to that band of almost 1 million people who give up their time and energy to be a trustee. Many, if not most, volunteer in other ways too, and their organisations really are part of the glue that holds our society together. For them, the activists' talk of "broken Britain" is inaccurate, misplaced and insulting. They know that what they are doing is right and in a noble cause, and that their motives are unselfish in the extreme. They know what would happen without them; the voluntary organisations on which we increasingly rely to deliver sophisticated and personalised services, on both informal and formal levels, depend on them. They know that being a trustee means that when someone brings their skills and experience to an organisation they not only bring comfort to its beneficiaries, but they personally gain more skills and experience at the same time. They know that they do not deserve to have to struggle to recruit trustees and that they should not need to pay or to travel excessively to gain the skills their organisations need. They also know that they currently have a Government who are well disposed towards the third sector generally, who regard the public sector and the third sector as partners and who believe that together we can achieve more than we do apart.

Although, on the face of it, there is cross-party agreement on the value and role of charities themselves, underneath the water line the similarities in the approach of the main parties are perhaps less obvious. But whether the trend towards partnerships, co-working between sectors and generous funding continues, or whether charities find themselves standing on their own two feet and working more independently, without the support, funding or structures that partners can bring, the role of the charity trustee is likely to become even more important in the future than it is today. I hope my right hon. Friend will now take the opportunity to assure our army of trustees that such challenges are opportunities for us to work on together, rather than threats to them alone.

10.32 pm

The Minister of State, Cabinet Office (Angela E. Smith): I congratulate my hon. Friend the Member for High Peak (Tom Levitt) on securing this debate and thank him for doing so. You will be aware, Mr. Speaker, that he commands huge respect and affection in the sector for his work over many years and for his support for the sector throughout his time in the House and previously. I pay a personal tribute to him for his enthusiasm and, in particular, for his support for, and role on, the Commission on the Future of Volunteering. He will recall that when we were both new to this place, we joined the all-party group on the community and voluntary sector—he has become its distinguished chair.

My hon. Friend knows that this Government have a long and proud track record of supporting the third sector. I am pleased that he has chosen trustees as the subject of this debate, because, as he has outlined, although they often play a crucial role, it is too often uncelebrated and unrecognised in the sector. I have no hesitation in placing on the record my thanks and appreciation for all the work that they do. I hope that this debate will assist in raising awareness of the vital role that they play.

I know that my hon. Friend is, as he said, a past and current trustee, so he speaks on this issue with authority and personal knowledge. He has given us some statistics, such as the number of trustees. The Charity Commission estimates that there are more than 800,000 charity trustees in the country. Although a trusteeship may be viewed by some as perhaps less exciting than some other volunteering opportunities, no third sector organisation, from the smallest community group to the largest brand-name charity, could operate without the leadership, commitment and strategic direction of their trustees. I loved the phrase that he used for them: the "keepers of a charity's soul".

Unfortunately, as my hon. Friend has said, when we hear the word "trustee", we often hear about bureaucracy and difficulty, but we hear less about the rewards. We should celebrate the rewards of being a trustee. I wish to say a few words about that before discussing some of the Government action to support some of the issues that he has raised. Trustees freely give their time and talent to be rewarded not financially but by seeing the difference that their charity makes. Whether it works on a local, national or international issue, they get huge personal benefits from the activity.

A good example is a young person I spoke to who became a trustee of a charity. The skills and experience that that young person gained helped to provide a platform for employment or further education. My hon. Friend will recognise those benefits from his experience as a trustee. Let me share a quotation from a young person who is on the board of the Government-funded youth volunteering charity, v. He is 25 and he said:

"I really like the fact that I am equal at the meeting and the other trustees see me as an equal. I enjoy seeing the impact that I have."

My hon. Friend asked about measuring the skills and experience gained. Some interesting work has been undertaken on this by the volunteering charity, v, which enables young people to record those skills and experience. It is new, but it shows us how other volunteers can have their skills and experience measured.

I could easily spend the rest of my speech talking about the virtues of trustees, but I want to turn to the questions and issues raised by my hon. Friend. There were three main themes. The first is the need to make it easier to find opportunities to be a trustee. As he said, about 58 per cent. of people who volunteer hear about opportunities from somebody who is already a volunteer. That shows the power of recruitment by word of mouth, but how does an individual who is interested in volunteering or being a trustee but who does not have links to an existing volunteer, trustee or organisation find opportunities? How does someone easily find an opportunity that meets their interests and motivation? That is a particularly important focus of Government work, as a survey of organisations showed that 17 per cent. did not have sufficient trustees to meet their objectives.

In response to that problem, as my hon. Friend will know, since 2001 the Government have funded the national volunteering database, "Do-it", which contains more than 900,000 opportunities. They include many trustee roles and, crucially, in order to aid searching for opportunities the "Do-it" database is searchable by postcode and also by interest so that individuals can find opportunities to volunteer quickly and simply.

Trustee opportunities from "Do-it" are also provided to the charity trustee network's trustee finder service, as my hon. Friend said. On his specific questions, the CTN does not capture information on how long vacancies are advertised for. I can report that nearly 1,500 searches of vacancies are made each month using the service and that almost all users of the service have said that they will use it again. We are continuing to work with CTN on the development of this service. Let me share with my hon. Friend a quotation from a user of the service that I received this week. A lady called Selima Gurtler, who is the founder and chief executive of East meets West-The Peace Charity, said:

"I know you will be really pleased to know that I have found two fantastic trustees via your website. I am absolutely thrilled!"

We should use this as a way to publicise the value to organisations of seeking trustees as well as to get the better geographical spread to which my hon. Friend referred. A good opportunity to promote the website will be the fact that next year is European year of volunteering. I think that we should use that further to promote trusteeship and trustees.

Of course, as my hon. Friend said, online methods rely on an individual's having positively decided to become a trustee. The evidence shows that one of the main

reasons that people do not volunteer is that they are not asked. In 2005 the Charity Commission, working with a number of partners, did just that and asked people to become a trustee through the "Get on Board" campaign: 900 people registered an interest in becoming a trustee in the first three weeks and more than 7,800 people have now registered an interest in becoming a trustee through the campaign. Leading on from that work, we are also providing help for organisations to review the make-up of their boards and develop better recruitment and induction procedures, including local and regional training, as well as to develop simple tools and best practice information.

May I thank my hon. Friend for his comments about promoting volunteering in the Cabinet Office? Civil servants in the Cabinet Office are encouraged to volunteer for up to five days a year. That is organised through the organisation TimeBank, which I know that he knows. The scheme offers civil servants a range of opportunities including trusteeship and I will look for opportunities to promote trusteeships further in that scheme.

As crucial as it is to recruit new trustees, it is equally important to retain the expertise of existing trustees and to provide support to them. My hon. Friend was part of the 2008 commission on the future of volunteering and will know that one issue raised by organisations and individuals consulted by the commission was the "legal responsibilities of trustees" and their "increasingly demanding role". Being a trustee is not to be undertaken lightly, but I assure my hon. Friend that where the Government can take action to support trustees and make their role easier, we will do so.

Prior to the commission's report in 2008, as my hon. Friend knows, the Government introduced the Charities Act 2006, which brought into force a number of provisions to address concerns about the potential legal responsibilities and liabilities of trustees. The Act granted the Charity Commission a new power to relieve trustees from personal liability for breach of trust or duty where they have acted honestly and reasonably and ought fairly to be excused. The Act also recognised that it is reasonable for charities to buy trustee indemnity insurance, and it removes most of the obstacles to this. Trustees may pay the premiums with the charity's money, subject to certain limitations and conditions.

As well as these legislative changes, the Government have worked closely to ensure that practical support is available to trustees in three ways. In my hon. Friend's comments, he specifically asked about training and support being made available online and not being so expensive that it excludes those whom it would benefit. I know that he is aware of the Charity Commission's excellent publication, "The Essential Trustee", which sets out in plain language the key points and information that all trustees should know. That has been made widely available in different formats. A version for people with learning difficulties will be available soon.

The Government also fund the charity trustee network, which supports charity trustees across England and promotes good practice in trustee recruitment and retention. Membership of the organisation provides access to events, support networks, legal advice and extremely useful publications. I will look again at the geographical spread and see whether there is more that we can do to address the points that my hon. Friend raised on that issue.

The Office of the Third Sector funds activity to help trustees understand governance roles and to help organisations identify the governance system that is proportionate and appropriate to meet their individual needs. These are specific ways in which we are supporting trustees, but I would like to highlight our work to reduce unnecessary burdens, particularly in the context of reporting and monitoring. Two examples are the changes that we have made to charity law and accounting and reporting thresholds, and the joint Office of the Third Sector/ National Audit Office guidance to reduce red tape associated with the £12 billion a year that the sector gets from the Government.

The opportunity to be a trustee should be as open as possible. My hon. Friend spoke of the make-up of trustees in society, and I know that he shares my concerns on the issue. The Charity Commission's research shows that trustees are predominantly over 30 and male. Given that charities deliver support to a wide range of different people within our society, it would be good to see this reflected in the people setting the direction of the organisations. In many ways this is an issue for the sector itself, but the Government's role is to provide support to the sector in this area, and we want to continue to do so.

My hon. Friend spoke about the compact and the need to ensure that trustees are aware of its value. I am sorry that he was not successful in the recent ballot for private Member's Bills, and I can confirm that the Government have the issue on their radar, support the commission for the compact being placed on to a statutory footing and are looking for a legislative vehicle for that. Given that the passage of legislation takes time, we are looking at the changes and improvements that can be made in the implementation of the compact without the need for legislation. I am happy to discuss that further with him.

I opened my speech by stating that without trustees we would not have the vibrant and healthy third sector that we have in this country. Trustees of many organisations have even more important roles to play as their organisations face the challenges of the recession. My hon. Friend raised some issues along those lines. To support these trustees the Charity Commission has begun an initiative called the "big board talk". This asks 15 questions to help trustee boards look at the options and opportunities available to them in the recession. It is intended to be a practical tool that can be used by all charities, particularly small to medium-sized ones, to help inform their board and planning discussions.

I thank my hon. Friend for raising what I believe is a very important matter, and place on record his commitment to the third sector, which has been unstinting throughout his time in Parliament and before. I can assure him that by raising the debate tonight, he has drawn attention to the value of trustees and the need to encourage and support them, and allowed me to place on record my thanks and appreciation. I have outlined some of the action that the Government are taking, and I assure him that I share his commitment and that we will remain focused on the issue.

Question put and agreed to.

10.45 pm

House adjourned.