



FEDERATED CHARITIES: A BRIEFING PAPER FOR CHARITIES, THEIR TRUSTEES AND FUNDERS

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Foreword by Tris Lumley, Director of Development at NPC

Many of the great challenges facing charities today stem in some way from a polarisation between localism and scale. Should a charity be close to its beneficiaries, and therefore rooted in its community, or able to play a role on a national stage through its size and influence? Should it deliver public services better than public or private sectors, or advocate for change in the system? Should it build on what's best in local charities—harnessing the power of volunteers and communities—or should it exploit the benefits of size—doing what's effective with efficiency and quality?

Few charities would claim to have the answers on how to balance these competing forces. Yet there may be some answers to be found in a model that has the potential to marry localism and scale—that of the federated charity. This paper is a first exploration by NPC of a model that is common in the charity sector, both in the UK and internationally. It brings together the views of a number of people embedded in federations, living every day with the realities of balancing the centre and the local branch. It outlines some of the key issues they identify in running a federated charity structure for the benefit of beneficiaries, and respecting the priorities of the whole and its parts.

Many of those involved in federated charities will find much here that resonates with their experience, and I hope this gives them fresh perspectives on how to tackle their challenges. But beyond this audience, I hope this paper sparks reflection by those across the social sector on how to balance the local and the national.

In future, federated structures may play a pivotal role in answering key questions about the role of charities. I believe that they have the potential to offer an alternative to the polarised choices of small and local or national influence. Federations may just hold the answer (if they can tackle their inherent challenges) to how to marry the bottom-up approach that so many in the charity sector yearn for with the top-down structure that they also need.

Introduction

A federated charity consists of one central and two or more local organisations that operate under a single identity. This paper sets out the core issues faced by federated structures. In the current climate, in which charities are under pressure from many sides, it is timely to ask where such structures offer advantages, where they present risks, and how these can be best managed.

Collectively, federated structures represent a significant proportion of the voluntary sector. In the UK, some of the highest profile charities—such as Mind, Mencap, Citizens Advice and YMCA—have federated structures, where a network of local charities is overseen by national headquarters or a governing body. In the US, 16 of the 20 largest charities have a federated structure. Federations exist both within countries and across international borders.

The complexity of these organisational structures presents a challenge for donors and funders trying to understand the effectiveness and impact of both individual charities and the movement as a whole. We hope this paper will help federated charities, trustees, and funders think through the implications of a federated structure—to leverage its strengths, mitigate its risks and maximise social impact.

This report is based on interviews with seven federated charities, desk research and discussions at a seminar held by NPC and The Clothworkers' Company for trustees of federated charities. The main themes discussed at the seminar are highlighted throughout, alongside the personal advice and expertise of the speakers and those in attendance.

NPC and The Clothworkers' Company seminar on trusteeship in federated charities 16 June 2014

The seminar was chaired by Iona Joy, Head of the Charity Unit at NPC. The panellists shared their perspectives on the nature of federated charities and the role of trustees in this structure, focusing on specific areas of expertise as detailed below.

René Olivieri (Chair, The Wildlife Trusts) outlined the overall pros and cons of a federated structure, how discipline in governance increases the power of the federated network, and drew on his previous experience of trying to align strategy and culture.

Lesley Dixon (Vice Chair, Mind and Chief Executive, PSS UK) introduced Mind and its federated model, discussed challenges such as brand risk, quality, consistency and reputation, and explained what Mind is currently doing to strengthen its model.

Krishna Maharaj (Chief Executive, City and Hackney Mind) discussed the benefits of being local, the challenges to the structure from government, and area benefit protocol—its relationship with other local Minds.

Nicholas Griffin (Vice Chair, Victim Support) drew on his experience to talk about the process of de-federation, the reasons and motivations behind it, and the challenges faced by the board.

Defining federated charities

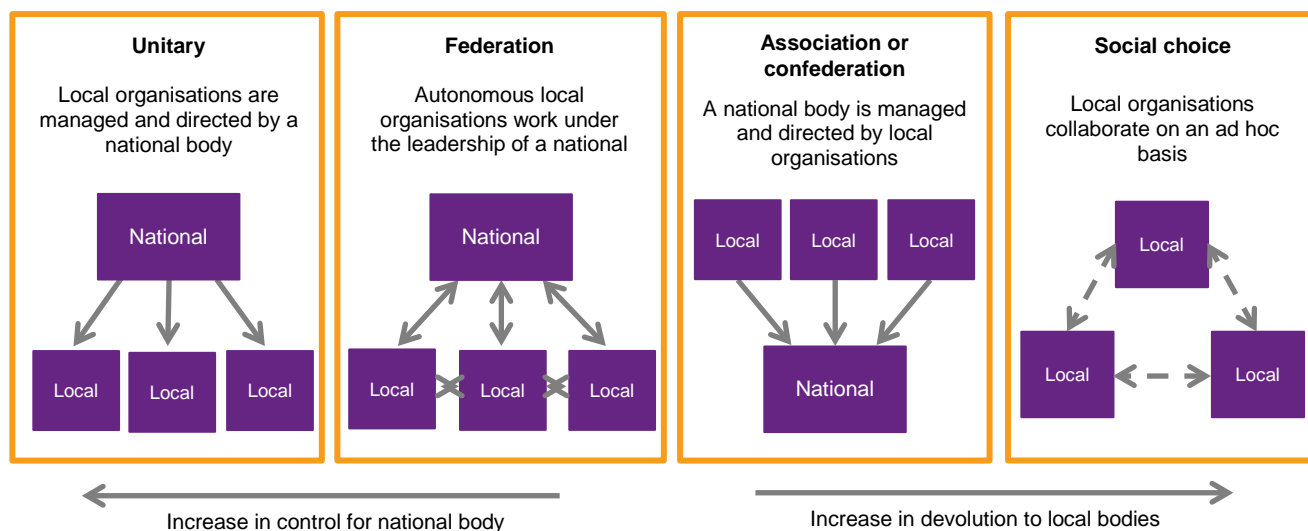
There is no standard definition of a federated charity. We have observed the terms 'federation', 'confederation', 'network' and 'association' being used virtually interchangeably. At their most basic level, federated charities are organisations with multiple semi or fully autonomous members linked to a central organisation. Beyond this, there are few commonalities of how federations are structured, managed or governed, even for federations of similar sizes. Among the federated charities that are household names, structures range from almost entirely decentralised to tightly modelled.

The Charity Commission lists 102 charities with approved governing documents: central charities that have developed their own governing documents which their local branches or organisations can use when registering their charity with the Commission. These contain objects and administrative provisions that are specific to a particular type of organisation and have been agreed in advance with the regulator. The list of organisations with approved governing documents does not cover all federations, however, and it is likely that the true number of federated charities is far higher. In all other regards, local and central entities of a federated charity are regulated in the same way as any other charitable organisation. They have their own charitable objectives, trustees and are liable for their own finances.

The variations in federated structures are perhaps most easily distinguished by looking at how they are formed, placing them on a spectrum from 'formal association' to 'social franchise'. At one end, a federation is formed when a group of independent charities voluntarily form an association with a central coordinating body. At the other, a central body develops a model organisation and is proactive in setting up independent charities as a social

franchise. Some networks with quasi-federal structures lack a permanent central body, but instead share responsibility for managing the collaboration.

The diagram below¹ explains some of the variations of federated structures in more detail:



What links all these different federated structures is a creative tension between the local and central organisations. For the purpose of this paper, we are primarily concerned with federations whose local or branch organisations are independent charities—with their own trustees, charitable objects and finances. However, many of the issues discussed in this paper will be familiar to all charities with strong branch networks.

Managing complexity

For any federated structure to deliver on its mission, the network must focus on having the greatest possible social or environmental impact. In support of this aim, the federated structure has two substantial assets: localism and brand. The former is its network of branches. Where services are rooted in the needs of their community—supported both by passionate and engaged leadership and local volunteers and donors—the organisation has legitimacy. And the federation's brand may help every organisation in the network with funding, access to decision makers and social and political support.

This dynamic helps to explain why federated structures are so popular and resilient. Among the largest federated charities in the UK, only Victim Support has become a single national body in recent years. Part of the reason it made this choice was because it wanted to deliver a consistent national service that could be monitored and evaluated more effectively. We look at Victim Support's de-federation process in further detail later.

In order to achieve greatest possible social impact, the structure must be well managed and governed. The governance of the federation itself introduces an additional level of complexity for leaders and trustees, both locally and in the centre. In addition to the internal and external strategic focus, the headquarters typically leads on managing the federation.

These complexities require non-trivial resource to manage—money, staff and volunteer time—which are typically met from the affiliation fees charged to branch or local member organisations. Costs associated with

¹ Adapted from the presentation given by Lesley Dixon at our seminar. Taken from Fellows, D. (2012) *Leading from the Centre – exploring leadership within the national bodies of federated charities*. CASS Business School. Originally from Hudson, B. A. and Bielefeld, W. (1997), 'Structures of multinational nonprofit organizations'. *Nonprofit Management and Leadership*, 8(1): p. 31-49.

administering regional offices or directorates will exist in any large organisation, but they have greater visibility in a federated charity because they take place *between* organisations.

Across the federated charities reviewed for this paper, the arrangements by which this interaction takes place vary substantially. Many federated charities operate democratic governance structures, in which individual members (or in some cases, employees and volunteers) of the federated organisation vote on substantive policy decisions. In others, the central body does not make policy, and simply provides support for the individual members of the network to carry out their services.

As one interviewee put it, in a federated structure you are not allowed to ‘*cut corners*’: the centre does not hold the power of veto over its members if they keep within the terms of affiliation, so change must be negotiated through consensus, rather than by diktat. If this sounds time-consuming, that’s because it is. As the chief executive of the British Red Cross, Nick Young, commented at a 2012 [seminar at the Cass Centre for Charity Effectiveness](#): ‘*My chair told me, if you want to make change quickly—it will take three years. If you want to make change very quickly, it will take ten.*’

Many of the organisations interviewed for this paper felt that federated structures were poorly understood by those in traditional unitary organisations. Funders in particular were thought to put pressure on federations to merge or streamline to become more efficient. If this is to be effectively resisted, the onus must be on federated charities to articulate the benefits of federated structures more clearly. Almost none of the organisations we reviewed, however, provided clear information of their structures, decision-making and governance, or described what this enables them to achieve.

Given that charities are often under overt or covert pressure from funders and supporters to minimise their overheads, there are strong disincentives for federated charities to be up-front about the legitimate costs they incur in administering large and complex organisations. Few of the federated charities we examined made information about their affiliation fees and arrangements publicly available.

The centre that leads

The role of the centre is critical in ensuring the federated structure as a whole is delivering maximum impact. Through the interviews we identified several ‘roles’ the centre can play that provide value for the social mission. The structure of the federation can help or hinder these roles—where a branch or local organisation pre-dates the central body, the terms of affiliation are weak or the centre is poorly run—as an independent charity the local organisation may be within their right to resist interference from the centre. Some federated charities date back to the nineteenth century, and there is a risk that the local branch might not be happy with its headquarters prescribing whether or not it can be a member.

Developing a strong brand

First and foremost, the central organisation should be responsible for setting the brand of the federation as a whole. A strong, well-developed and cohesive national brand brings huge benefits to local members of a federated charity. A strong reputation and recognition helps to raise awareness of services, confers credibility to a charity’s activities and assists with fundraising.

The centre can add value by taking responsibility for the visibility of the brand among beneficiaries, supporters, funders and other stakeholders. Developing a clear visual style, setting the tone of communication with external audiences and ensuring consistency in communications across all local organisations will support every organisation in the federation as a credible local charity and ensure that the organisation is ‘front-of-mind’ both for trusted services and for financial support.

René Olivieri spoke about how important brand was to The Wildlife Trusts and how it helped bring people into the movement. External support for the brand is very important and the centre must act as a brand champion.

You have to be prepared to speak up if people go off-piste with brand.

René Olivieri, Chair, The Wildlife Trusts

Getting the story right and aligning vision and mission

It is important with a federated structure to make sure both the centre and local branches are led by vision. The federation needs to be a movement for change and a team with one shared goal. Not all local branches will want the same thing as the each other or the centre, so they may not always feel represented within their organisation. That is why, as René Olivieri told our seminar, organisations like The Wildlife Trusts place such a premium on getting the story right—aligning the vision and mission between the centre and the local. Alignment of vision and mission across a federated structure can create the right culture, and alignment of key performance indicators helps create the right structure. Having the right culture and structure in place across a federated network helps to produce the right strategy for both the centre and the local, which means that the centre and the local will move as one in the same direction—which is crucial if an organisation is to achieve its goal.

We need to create a compelling vision for the world we want to see.

Lesley Dixon, Vice Chair, Mind

Quality assurance

Given its critical importance to a federated movement, headquarters should be aware of the risk posed by poor-quality services at local level, for both negative impact on their beneficiaries and on the federation's brand. There is a risk that failure in a local branch—be it mismanagement, corruption or incompetence—contaminates the federation as a whole. This is partially a question of self-preservation for the federation: where the reputation of the movement is influenced by the actions of many autonomous organisations. Central organisations need to ensure that the quality of the services delivered by local organisations is of an acceptable standard. This can be achieved informally—through supporting strong governance, accountability and leadership at a local level, as well as through more formal contractual or quasi-contractual performance standards or service level agreements.

Lesley Dixon from Mind explained in our seminar how a lack of clarity around governance, roles and responsibilities can lead to more time being spent on conflict management and dispute resolution. This does not just occur between the centre and local bodies but disputes also arise between local charities who may be providing competing services in an area. To combat this a plan around shared visioning and leadership needs to be built and developed for the whole federated structure, not just for the central body.

Clearer roles and responsibilities across the whole federated structure will help make the best use of resources and help with business development. For instance, where a small local branch lacks capacity to deliver a service in its area, then a neighbouring branch would be permitted to expand into the small branch's geographic zone to offer cover the gap. However, if a branch offers a service in a geographic area already, encroachment by neighbours would be discouraged. These are the sort of conventions currently being developed by Mind.

However, it's important that the central organisation does not unnecessarily micro-manage local branches as this will affect their autonomy. The strength of a federation is the ability of a branch to remain sensitive to local needs and context and so this freedom should be preserved as much as is feasible.

Taking advantage of scale

The central or headquarter organisation may choose to explore where the federation could take advantage of collective scale to invest in functions common across the federation. This could include, for example, shared procurement of IT infrastructure and professional services such as legal services, insurance or pension schemes.

Support for bidding on large-scale contracts, perhaps even brokering partnerships, could be an opportunity for central organisations to provide a valuable service. There is a tension, however, in that any expansion in the role of the centre will depend on greater financial contribution from the branch members. New shared services will have to demonstrate their value to the network.

The central organisation could also take a lead on broader matter of internal policy, such as in developing investment policy or HR approaches. The scale of the federation in aggregate may also mean that the organisation can invest in staff training and leadership development across the network.

Measurement and evaluation

Central organisations have a clear mandate to support local branches to measure their impact. Central organisation can both develop the individual skills and capacity of branch organisations to measure and evaluate their work, and develop shared measurement systems that individual organisations can adopt. Shared measurement makes it easier for local organisations to learn from each other, save the cost of developing their own tools, and build an evidence base of what works. It is an essential component in improving standards of impact measurement, allowing more consistency and comparability to improve the effectiveness of the federation as a whole.

Developing consistency in measurement across the network will also allow the federation to make more robust claims about its aggregate impact. Some federated organisations have developed a collective theory of change for the movement as a whole. Others have developed a model theory of change for local charities that can be voluntarily adopted or adapted by branches.

Campaigning and advocacy

With national profile, central organisations are well positioned to carry out campaigning and advocacy with the potential to affect the policy environment at national and international level. As Ruth Sutherland, chief executive of Relate, argued at NPC's annual *State of the sector* event in March 2014, the federated structure of the organisation enables Relate to address both the issues on the ground for individuals and the wider policy context in which it operates.

The services delivered by charities typically help beneficiaries to overcome their immediate problems—they treat the symptoms. Campaigning and advocacy work seeks to tackle root causes of their problems—addressing the systemic, cultural and political context that can exacerbate or alleviate social problems.

Critically, it is the experience of local service delivery that gives the federal centre the credibility to campaign: it has the right to speak on behalf of beneficiaries because its advocacy is grounded in the lived experience of those people.

Lesley Dixon highlighted the issue of the centre often being accused of operating in an 'ivory tower', campaigning on issues that are not relevant to local branches and not providing value for money. In reality, as all of our panellists highlighted, it is impossible to please every local branch all the time and often it is necessary for the centre to campaign on non-local issues in order to fulfil its vision and mission.

Communication

Good communication and getting the story right promotes cultural consensus and buy-in across all organisations, which can allow things to progress at a quicker pace. It is important to choose what you communicate from the

centre outwards and how you do this. Too much information and staff can feel overwhelmed, too little and they may feel excluded. At our seminar, René Olivieri described how at The Wildlife Trusts they ask the executive of local organisations very short and specific questions on a regular basis, instead of having long consultation processes that require more time and capacity than is available at a local level. Our panel also highlighted how annual conferences for the executive provide opportunities for staff at local branches to engage with the national body, and that developing special interest groups and regional networks is another useful way of driving communication.

Get out there and see individual trusts in action.

René Olivieri, Chair, The Wildlife Trusts

The local branch

The effectiveness of the local branch network is critical to a federated charity delivering mission. Given their diversity, in some federated charities the branch organisations will look and feel very similar. In others, the scale, role and range of services delivered will be very different. This is often linked to how prescriptive the terms of membership are, but local organisations need to remain sensitive to the needs of their beneficiaries and the local context to realise the potential of the federation.

As such, there are key roles for all the local organisations to play in delivering the social mission of the organisation, irrespective of how prescriptive the terms of affiliation to the federation.

Align the mission of the local branch to the federation

The local organisation needs to be mindful of how its aims and objectives contribute to the overall mission of the federation. In practice, for most federations the charitable objects and mission of the branches and central body are closely aligned or even determined collectively, and branches seek to contribute to the overall vision of the aggregate federation.

Where the role of each local organisation fits clearly with the overall vision, each organisation in the network can focus on delivering the maximum impact. A tightly modelled social franchise can allow a national federation to achieve scale more quickly and efficiently, with the benefit that risk for the movement as a whole is contained.

Krishna Maharaj explained how, for local branches, alignment of vision, mission and brand means that a branch is a recognised part of a well-known national organisation, which is a great strength in a federated structure. A recognized vision, mission and brand means you do not need to promote your organisation and its services locally allowing you to use your resources more effectively.

The local branch—or, indeed, any charity—should put the interests of the social mission before its survival as an individual organisation. Where necessary, branches should be prepared to end services that overlap with the centre, or merge with another local branch.

[Both] locally and nationally all should be in a position to deliver on the mission.

Lesley Dixon, Vice Chair, Mind

Give the beneficiary a national voice

Mechanisms should be clear for ensuring the voice of the beneficiary or service user is heard in the network. This is critical for the federation as a whole to represent the voice of the user at national level.

Where local branch organisations are user-led, the governance and decision-making structures should make provision for beneficiaries to have a voice. Involving beneficiaries in the co-design of services at a local level can foster innovation and ensure local branches respond to local needs.

Krishna Maharaj explained how local Minds are connected to the communities they work in, as they were set up by local people to address a local need, which is a powerful bottom-up approach. It is crucial that local branches communicate the voice of their beneficiaries to the central body as it means you have a way to feed into issues at a national level. In a federated structure, a central body offers increased influence in the halls of power, which a single locally-based charity could not hope to achieve alone.

Local branches are deeply rooted in the community

Krishna Maharaj, Chief Executive, City and Hackney Mind

Encourage learning and knowledge-sharing

Where local branches deliver services that aim to achieve the same outcomes, they should proactively seek to build evidence of effectiveness and shared learning among the network.

To do this, branch organisations should share measurement approaches with each other and share their results, allowing the impact of individual services to be compared.

All the panellists in our seminar highlighted how crucial it is to make sure that the skills and knowledge available in a federated structure are harnessed and used effectively. Peer learning needs to be developed, and both the central and the local organisations have a responsibility to make sure they are helping people link together. As decision-makers in a federated structure sit locally, they do not need sign-off for projects at a national level, allowing entrepreneurship and innovation to flourish. A federated structure enables available potential to be unleashed and used at a local level where it can have the most direct impact on beneficiaries, and the centre needs to make sure it takes advantage of the passion and creativity at the grassroots.

Enabling local people to really innovate can have a real impact

Krishna Maharaj, Chief Executive, City and Hackney Mind

Respond quickly

Krishna Maharaj spoke about how local branches can be nimble and responsive to local needs in a way that a large unitary charity cannot. For example, if a local services manager sees a need to change or adapt, he can quickly talk to the CEO and get things moving, whereas a unitary charity may have processes that are slower and more cumbersome, reducing their ability to respond as quickly. Krishna Maharaj also called for a revision of the 'area of benefits' protocol to help minimise duplication of services and increase the partnerships, mergers and alliances between local Minds—enabling them to continue to respond quickly to local needs.

René Olivieri also picked up on this point of flexibility and responsiveness in local branches. He told our seminar how important flexibility is for encouraging freedom of action in local branches and how this gives them more room to develop innovative practices. This is one of the compromises in a federated structure; you may not get as much operational efficiency as a unitary organisation but you do get creativity and adaptability which can ultimately be more effective.

Minimise duplication

Both the central and local branches need to be mindful of the potential for the services they provide to overlap. For example, if the national charity runs a national phone helpline, the local charity could consider if there is benefit in providing an additional localised telephone service. Indeed, where local and branch organisations currently provide services not linked to the geography of their organisation, changing technology puts them at

increasing risk of duplication. The internet is radically changing the relationship between beneficiaries and services, and in future there will be an expectation that—particularly for younger generations—services are increasingly provided through the internet rather than face-to-face. A federation's overall strategy should have a clear process for identifying and addressing the duplication of services and eliminating wasted effort.

The changing landscape

Krishna Maharaj talked about how the changing political landscape charities operate in is affecting federated structures in particular.

He highlighted the biggest challenges as being the competitive tendering process that many local branches now have to undertake in order to secure funds. Many local Minds lack the resources or knowledge to tender for opportunities and this has resulted in a loss of services for beneficiaries and a loss of income for local Minds. Economies of scale and unit costs pose a real problem for small organisations resulting in them only being able to act as sub-contractors in a supply chain. The squeeze on publicly-available funds has put increased pressure on local branches trying to secure funding from trusts and foundations. Again, many small organisations simply just don't have the skills to do this effectively.

Krishna advocated the need for the centre to do more to help local Minds with this tendering process by moving beyond simply branding and campaigning to more direct service development support.

The future is increased partnerships.

Krishna Maharaj, Chief Executive, City and Hackney Mind

Discussions from our seminar

Value for money

Many attendees were interested in how central bodies in a federated structure could ensure they were providing value for money for their members.

At Mind, the amount a local branch has to pay in membership fees varies, as the figure is calculated as a percentage of its income, but it is generally a low amount, and it was felt by both Lesley Dixon and Krishna Maharaj that Mind provides good value for money. The central organisation at Mind is allowed to fundraise for itself, without significant restrictions from the rest of the federation: giving it a high degree of financial independence from the local branches.

At The Wildlife Trusts the membership subscriptions operate differently. The local Wildlife Trusts pay a larger 'levy' than the local Minds (tens of thousands of pounds as opposed to a couple of thousand) but the centre only fundraises for the whole movement, never just itself, so that it does not cannibalise the ability of local Trusts to raise funds. This is a strong model for securing genuine ownership for the central charity and avoiding it suffering from mission creep due to its funding. It does mean, however, that even when the contribution of The (central) Wildlife Trusts is valued by the local Trusts, they need to show real leadership to prioritise paying the central levy over their own direct financial gain.

Gathering data and measuring impact

Many trustees were present from central bodies and there was a collective feeling that local branches needed to do more to gather data and feed it to the central body so that they can effectively measure impact. However it is always important to ensure measurement practices are proportionate for each organisation. If a branch is struggling to gather and provide evidence of its effectiveness there could be reasons behind this that need to be understood.

Consistency and high quality

All our attendees want high quality and consistent service provision across their organisations. This is especially important for organisations that are volunteer-led. However there was an acknowledgement that expectations from the central body must be appropriate and there needs to be a flexibility that recognises different local needs and the capabilities of local branches.

Resilience

Krishna Maharaj pointed out how federated organisations are more resilient because they are not dependent on or beholden to one leader, so a flawed decision at the top will not affect the organisation as a whole.

De-federation

Nicholas Griffin spoke about the history of Victim Support and how and why it decided to de-federate—and the benefits this decision has brought to the organisation.

The first Victim Support was established in 1974 in Bristol, and by 1978 30 similar organisations had sprung up around the country. By the early 1980s an umbrella body had formed to coordinate the local organisations, and members paid subscriptions. As the federation grew, the number of services it provided expanded and it began to receive funding from local authorities and central government.

For Victim Support, the changes in the funding landscape were part of its decision to become one single body. Most of its funding was coming from central government and this meant an increased need to monitor services and measure impact. Victim Support needed to ensure it provided a high-quality and consistent service across all its branches, instead of local branches all doing things differently.

Victims should not be subject to a postcode lottery.

Nicholas Griffin, Vice Chair, Victim Support

Victim Support found that it could not monitor and evaluate its services to the standard it wanted, so in 2007 the decision was taken to de-federate.

Nicholas told us how communication was key during the de-federation process. An assembly was created from the trustees of all the organisation's local branches in order to ensure good consultation with members. Retaining the goodwill of local organisations was crucial during this period.

A year later, Victim Support was a single national charity. The de-federation of Victim Support removed the opportunity for potential duplication and replication of services, allowed the organisation to adopt best practice across the board, and improved volunteer selection and capability by standardising recruitment and training processes.

We wanted to move from inspired amateurs to true professionals.

Nicholas Griffin, Vice Chair, Victim Support

Ultimately, the de-federation of Victim Support allowed the organisation to support its vision and mission more effectively and efficiently, as well as achieving the greatest impact for its beneficiaries.

Recommendations

For charities

The roles and responsibilities of the local branches and central organisations should be clear and agreed.

Developing a joint theory of change would help federations articulate the roles and responsibilities of the local and central bodies in achieving positive social impact.

Aligning the vision and mission of the whole movement will make it much more powerful. Agreeing operational details will also be much easier. Individual local strategies will vary depending on local needs, but the sense of common purpose will help drive momentum.

Federated charities need to be transparent to funders and supporters about the costs associated with running the federation. Full information about how the governance of a federated structure is funded to be available on websites and in annual reports.

Federated charities should adopt shared measurement approaches to maximise evidence of effectiveness. Shared measurement approaches across the network would enable the effectiveness of local approaches to be compared. The national body could then use this information to make decisions about investing resource and to influence the wider debate on 'what works'.

For trustees

Trustees need to familiarise themselves with the vision and mission of the central organisation. Local trustees have a responsibility to ensure that the local vision and mission align with the overall vision and mission of the organisation. Where this is not the case, trustees need to consider whether their activities and objectives could better further the aims of the entire federation.

The trustees, alongside the executive, at both central and local levels, have responsibility for communicating with their member organisations, staff and volunteers. As mentioned above, communication is critical in developing and maintaining relationships in a federated structure, and trustees at all levels need to ensure communication channels are open and strong. Trustees from the central body could also consider getting out and visiting their counterparts in local branches.

Trustees at the local level need to ensure they feed up local issues at a national level. Trustees must understand that it is not solely the responsibility of the executive to provide a local voice at a national level. Trustees also need to provide a voice for the beneficiary in order to ensure that branches are achieving the greatest impact for their users.

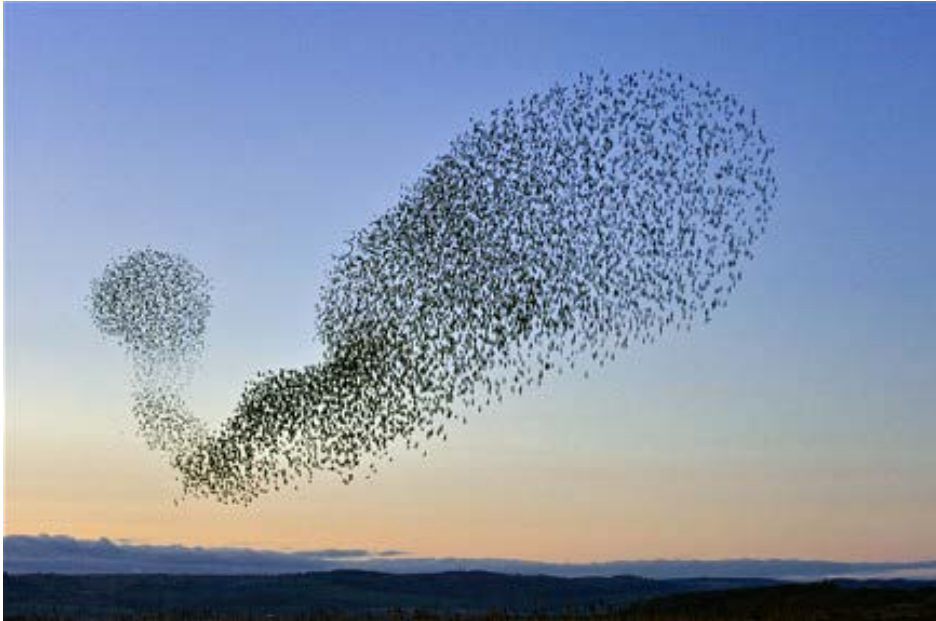
For funders

Funders need to better understand the benefits of a federated structure. Funders should ask federated charities for clarity on the structure of their federation, and undertake research in order to better understand the nuance of a federated organisation. If you are satisfied that the structure adds value, your funding to support the structure may be very beneficial.

Good relationships don't happen by accident, the harder we work the better they get.

Lesley Dixon, Vice Chair, Mind

Like a flock of starlings swooping together in unison, the centre and local branches of a federated charity should move as one in the same direction.



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TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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