

CTA's Governance:
Fit for our future – your say
July 2008



Member consultation on proposals to change the governance arrangements of the Community Transport Association UK

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Executive Summary

The CTA's Trustees would like to change the way the organisation is governed. The current structure has served us well, but as the CTA continues to grow in size and complexity, there is an increasing need to separate our legal responsibility for the running of the organisation from our key role in representing the views of members and the community transport sector. These functions are currently both performed within a governance structure by a Board of 21 Trustees which is large for any organisation and we do not believe now represents the most efficient way of making decisions in either area.

Our main proposals are to:

- Reduce the size of the Board from 21 trustees to 11, allowing for more effective governance;
- Establish regional fora to engage with members at a regional level;
- Create a Governance Committee with Board development and nominations remit to facilitate diversity in the governance structure,

ensure the right mix of skills and experience, and supervise the democratic process;

- Create a Finance & Audit Committee to co-ordinate the Board's financial responsibilities whilst ensuring an overview of the organisation's financial audit; ensuring proper checks and balances are in place; and
- Disband the Finance & General Purposes Committee.

We believe that these proposals, as described in this document, will result in a governance structure best suited to enabling the CTA to deliver its objectives into the foreseeable future.

Your contribution is extremely important to us. We want to arrive at a governance model that best satisfies your needs as a member, and allows the CTA to operate most effectively, whilst embracing best practice on governance. This is now your opportunity to help ensure that the CTA's governance is fit for our future.

Section 1 – About this document

1.1 Chair's introduction

Strong governance is at the heart of any organisation. The CTA embarked on a review of its own governance in 2007. This review follows many years of success of the CTA and was carried out to ensure the organisation is fit for purpose for the next stage of our development.

We now need your views. The purpose of this document is to obtain the views of our members as to how the CTA should be governed. It outlines the current governance arrangements and explains why trustees feel there is a need to change them. It sets out the work done to date on considering how things might change, proposes ways in which they could change and why trustees feel such changes would be beneficial.

Over the last three years we have reviewed the way we operate in the light of the success we have had in raising the profile of community transport. We now have directors for Northern Ireland, Scotland and Wales, and a Director for London, each with their own work programme and staff structures. This has replaced an over-reliance on development staff and has enabled us to be more successful in engaging with local and national governments. We need to enhance our policy influence to enable the sector to have a vibrant future and to develop our work in areas where we have been less successful.

We need to ensure that the Chief Executive and staff have the governance they deserve to offer them the support, understanding and drive to enable them to undertake their roles constructively and professionally. At the same time, it is important to ensure that they are also held to account by the trustees providing a level of scrutiny and direction.

The Governance Working Group set up by the Board in June 2007 to lead this review quickly concluded that a Board of Trustees of up to 21 members meeting quarterly could not be regarded as best practice and that a much smaller Board, part elected, part appointed to cover skills gaps, and assisted by a Governance Committee and a Finance & Audit Committee, would be more appropriate.

These proposals, which the working group put to the trustees and which the Board approved and strongly recommends to members, form a package of measures to keep the CTA in accord with best practice and take us forward for the next stage in the development and growth of community transport; and I hope that you will be able to give them your fullest support. Please do contact me – or any of the trustees who served on the Governance Review Working Group – if there is any clarification or further explanation you require.

Dai Powell OBE, Chair, CTA UK

Section 1 – About this document

1.2 Background to this review

The CTA has, since its formation, promoted best practice in the community transport sector. And, as an organisation, we try and adopt best practice wherever we can. Best practice in organisational governance, as set out in the Voluntary Sector Code of Good Governance, advocates periodic review of the model used.

As part of our Strategic Plan for 2006-2009, we committed to carrying out a review of our governance arrangements. In June 2007 a Governance Review Working Group was established by the Board. The working group was supported by Tesse Akpeki, a governance consultant from OnBoard, and Philip Kirkpatrick, a solicitor from Bates Wells and Braithwaite.

The working group has met on a number of occasions to discuss potential changes to the governance structure in depth. This document summarises the recommendations of the working group which were agreed at the full Board meeting on 24th June 2008. The Board now wishes to hear your views.

1.3 How to contribute to this consultation

Your contribution is extremely important to us. We want to arrive at a governance model that best satisfies your needs as members; allows the organisation to operate most effectively; and embraces best practice on governance. This is your opportunity to help shape that model.

We welcome all thoughts and comments. You can respond by:

- Writing your thoughts and comments in the spaces provided in this paper as you read it, and then posting it back to us, marked for the attention of the Executive Secretary, CTA UK, Central Office, Highbank, Halton Street, Hyde, Cheshire SK14 2NY;
- E-mailing any views to governance@ctauk.org;
- Completing our on-line consultation at www.ctauk.org/governancereview.

The Chair and Chief Executive will also be giving a presentation on the governance review at various country committee meetings during September, at which any member can attend, discuss the issues and ask questions. Details of the dates and venues of these meetings are available at www.ctauk.org.

A helpline will be also be available on 0845 130 6195 during the three week period 1st September to 22nd September, for any additional questions you may wish to put directly to the Chair or Chief Executive.

Please let us have your comments no later than Monday 22nd September 2008.

Section 1 – About this document

1.4 Talk to a Trustee

Whilst any trustee would welcome your views at any time throughout the consultation period, the following Trustees – who were members of the Governance Review Working Group – will be available to answer any questions and queries you may have: Dai Powell, Yvonne Layton, Helen Reed and Murray Seccombe. Please contact them should you wish to discuss any aspect of these proposals. Contact details for these four trustees and a list of all our trustees are given in Section 6.

1.5 What happens next?

The responses to this consultation, including discussion at country committee meetings, will be reviewed by the Governance Review Working Group and the Board and will help inform the final recommendations that the AGM on Wednesday 29th October 2008 will be asked to approve.

Section 2 – What we have now and why we would like to change it

2.1 The CTA’s existing governance model

The Community Transport Association UK (CTA) is a charitable company limited by guarantee, founded in 1984, incorporated on 3rd February 1985 and registered as a charity in England and Wales on 16th March 1991. The CTA was registered as a charity in Scotland on 1st August 2007. It was established under a Memorandum of Association which defines its objects and powers, and is governed by that and its Articles of Association.

The Executive Committee (hereinafter referred to as the Board) governs the CTA. All the trustees are volunteers. CTA has four country committees and a Committee for London which are usually represented on the Board and have a role in contributing to CTA's policies.

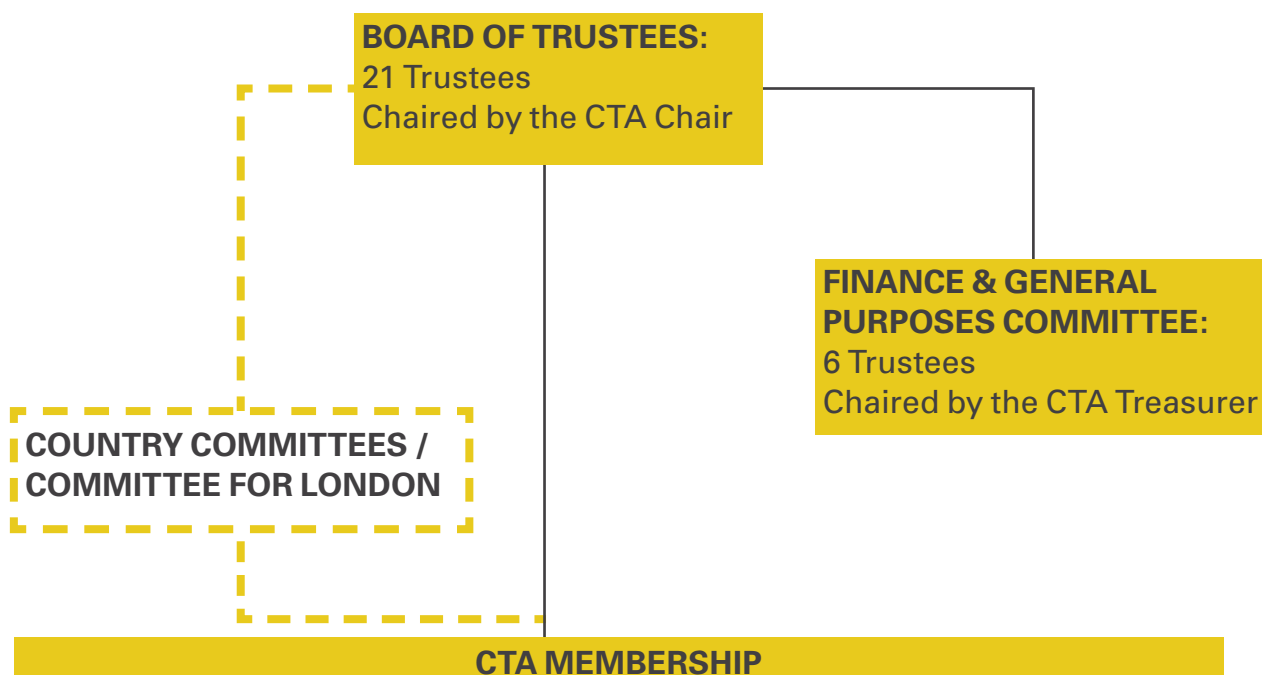
In undertaking this review all Board members were encouraged to be involved to ensure that the governing body of the CTA is fit for

purpose. The Board is responsible for the overall governance of the CTA. It comprises up to 21 members elected by the membership. Members of the Board are trustees under charity law and directors of CTA under company law. Each serves for a period of three years and is allowed to stand for re-election at the end of the term. The Board currently appoints a chair, treasurer and two vice-chairs on an annual basis.

Full membership of the CTA is open to all organisations that comply with the criteria for membership. The CTA currently has over 1,340 members across England, Northern Ireland, Scotland and Wales.

CTA's current governance structure can be summarised as in the chart below.

Key features of the significant elements of the current structure are summarised below.



Section 2 – What we have now and why we would like to change it

Trustee Board

Purpose

- The Trustee Board is responsible for managing the business of the CTA as outlined in the Articles of Association. It sets and maintains the CTA's vision, mission and values, develops strategy and policy, ensures compliance with the law and maintains proper fiscal oversight.

Composition

- The maximum number of Board members is 24, made up of four Honorary Officers (chair, two vice chairs and a treasurer); seventeen elected members; and up to three co-opted members. The Board appoints members of the Finance & General Purpose Committee.

Elections

- Every member has one vote and votes are counted using the Single Transferable Vote (STV) system. Under the STV system, each vote can transfer from the first preference to the second preference and so on, as necessary. Candidates

don't need a majority of votes to be elected, just a known 'quota', or share of the votes, determined by the size of the electorate and the number of positions to be filled. If your preferred candidate has no chance of being elected or has enough votes already, your vote is transferred to another candidate in accordance with your instructions. STV thus ensures that very few votes are wasted.

- Honorary Officers are elected by the Board at its first meeting after the AGM.
- Elected members serve for a term of three years before being eligible for re-election.
- Co-opted members are elected at the AGM for a one year term of office and are then expected to stand for election.

Meetings

- The Board meets four times a year alternating between London and Manchester, and is chaired by the Chair of the CTA.

Section 2 – What we have now and why we would like to change it

Finance & General Purposes (F&GP) Committee

Purpose

- The role of the F&GP Committee is to provide guidance and oversight on matters of financial strategy and resources; to review budgets and performance; and to ensure the risks of the charity, financial and otherwise, are effectively reviewed and the annual financial statements are a true reflection of the activities of the charity.

Composition

- The F&GP Committee comprises six members appointed by the Board: the Treasurer of CTA, the Chair of the CTA, and a Board Member who is a representative of each country: England, Northern Ireland, Scotland and Wales. All members are directors of CTA Trading Limited, as is the Chief Executive.

Meetings

- The F&GP Committee meets four times a year in London and is chaired by the Treasurer of the CTA.

Country committees and the Committee for London

Purpose

- These committees are advisory and are part of the CTA's consultative structure. The Country committees and the Committee for London shall consider strategic issues relating to their geographic area that affect CTA members and the community transport sector.

Composition

- There are four country committees (England, Northern Ireland, Scotland and Wales) and a Committee for London. Country committees and the Committee for London comprise up to twelve members elected by the local membership at an Annual Members' Meeting who in turn appoint a chair for a one year period. Each committee will usually include a member of the Board of Trustees who will act as a link between the country and London committees and the Board.

Meetings

- Country committees usually meet four to six times a year in various locations and support the country director in the organisation of an Annual Members' Meeting.

Section 2 – What we have now and why we would like to change it

2.2 What we would like to change

The current structure has served the CTA well and has many merits – for example a large Board allows for a wide range of views to be expressed, the Finance & General Purposes Committee enables detailed review of financial activities and the electoral system ensures a balance between experienced and new trustees.

However, given the growth and increasing complexity of the organisation in recent years, trustees believe that it would be good practice to revise the current model so that it can better meet the CTA's needs into the future, especially in relation to the following:

Accountability versus representation

- The need for representation on the Board or the perceived need for representation on the Board from each country has led to the Board needing to be 21 strong. The current method of appointing trustees from different parts of the UK can imply a representative role for the trustees, whereas in fact every trustee is appointed to govern in the interests of CTA as a whole and is accountable to all its members. We would like to make the trustees' proper role clear under a new structure.

Size and composition of the Board

- A Board of 21 is quite large for any organisation and as a result, decision making may not always be as efficient as it could be. Under the current structure this has been addressed by delegating many of the Board's functions to the Finance & General Purposes Committee. However, this can lead to lack of clarity

about the role of the Board as a whole. Under a new structure we would like every Trustee to play a full part in the governance of the CTA.

- The current structure lacks a robust mechanism for ensuring the Board possesses the right mix of skills and experience to manage the organisation with maximum effectiveness.
- Once elected to the Board, trustees as legal directors of the organisation have a fiduciary duty to act in its best interests, and getting the skills of the Board right in this respect is key.

Sub-committee structure

- There is currently no Audit & Risk Committee to oversee the risks and internal controls within CTA – best practice requires us to address this situation.

Regional representation

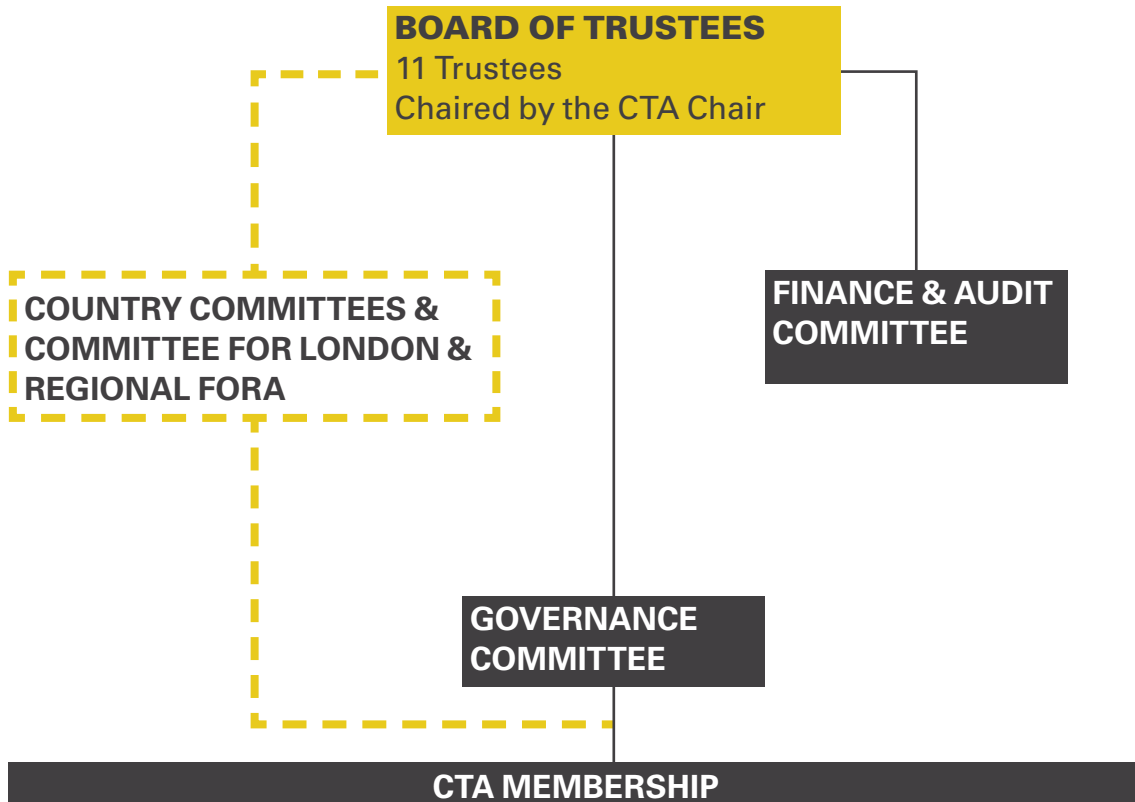
- There is currently no Committee for England and member engagement in the English Regions has always proved difficult.
- Feedback from the English Regional Roadshows and the Scottish Annual Members' Meeting has highlighted the need to increase our engagement with members at a more local level to ensure effective member representation.
- There is a need for a stronger and more consistent link between the country committees and the Committee for London and the Chair and Chief Executive to ensure strategy and policies reflect national and London needs.

Section 3 – Your say

3.1 Summary of recommendations

A summary of the changes recommended by the current Board of Trustees is as follows:

3.2 Trustee Board



The recommendation

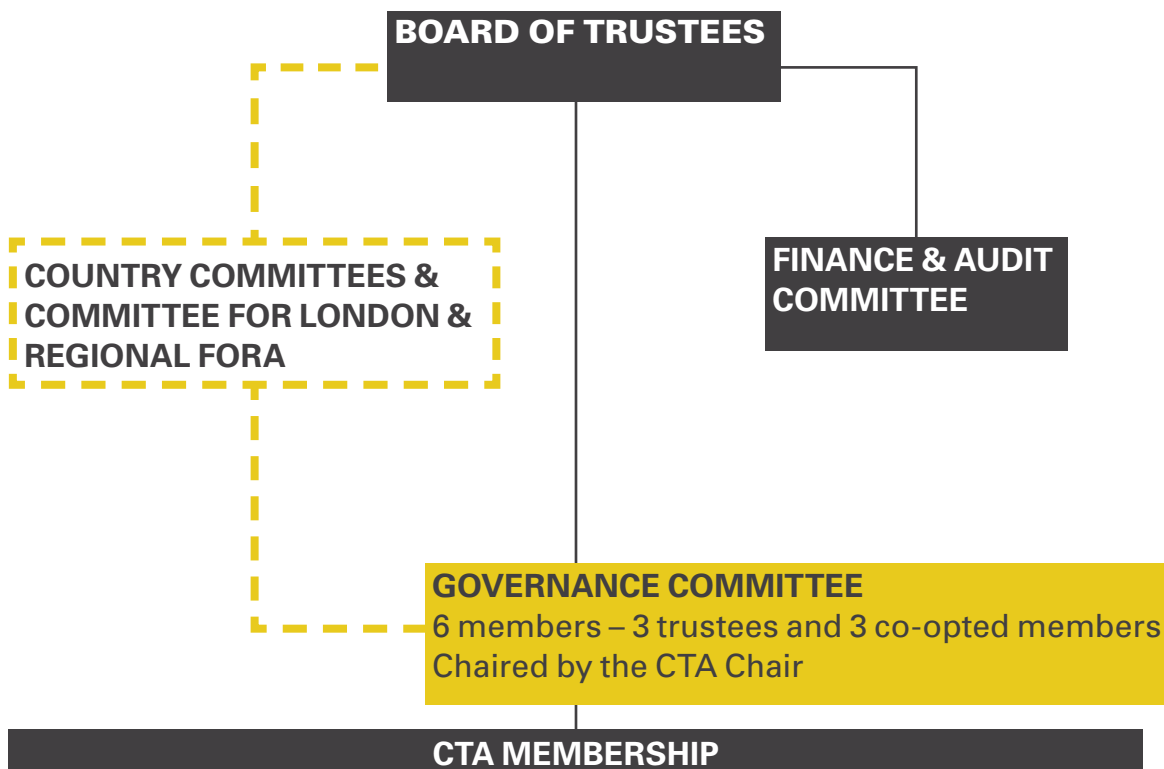
- A Board of eleven trustees, comprising:
 - Two Honorary Officers (Chair and Treasurer) appointed directly by the Board via the Governance Committee [see section 3.3].
 - Six trustees elected directly from the membership via the Governance Committee, one of whom would then be elected to fill the Honorary Officer position of Vice Chair by the Board.
 - Three trustees co-opted by the Board via the Governance Committee, in

order to ensure the right mix of skills and experience and to facilitate diversity across the Board.

- Trustees would serve an initial term of three years with the option to stand for an additional three-year term.
- Co-opted trustees to serve full terms of office equal to those served by elected trustees. Co-opted trustees should be in the minority against democratically elected trustees.

Section 3 – Your say

3.3 Governance Committee



The recommendation

- Creation of a Governance Committee which would have the remit to clarify the roles and duties of trustees, to match the skills of nominees to criteria for Board membership and which would be responsible for developing the Board in an intentional and purposeful manner. It would fulfil its nominations and Board development remit with the following accountability:

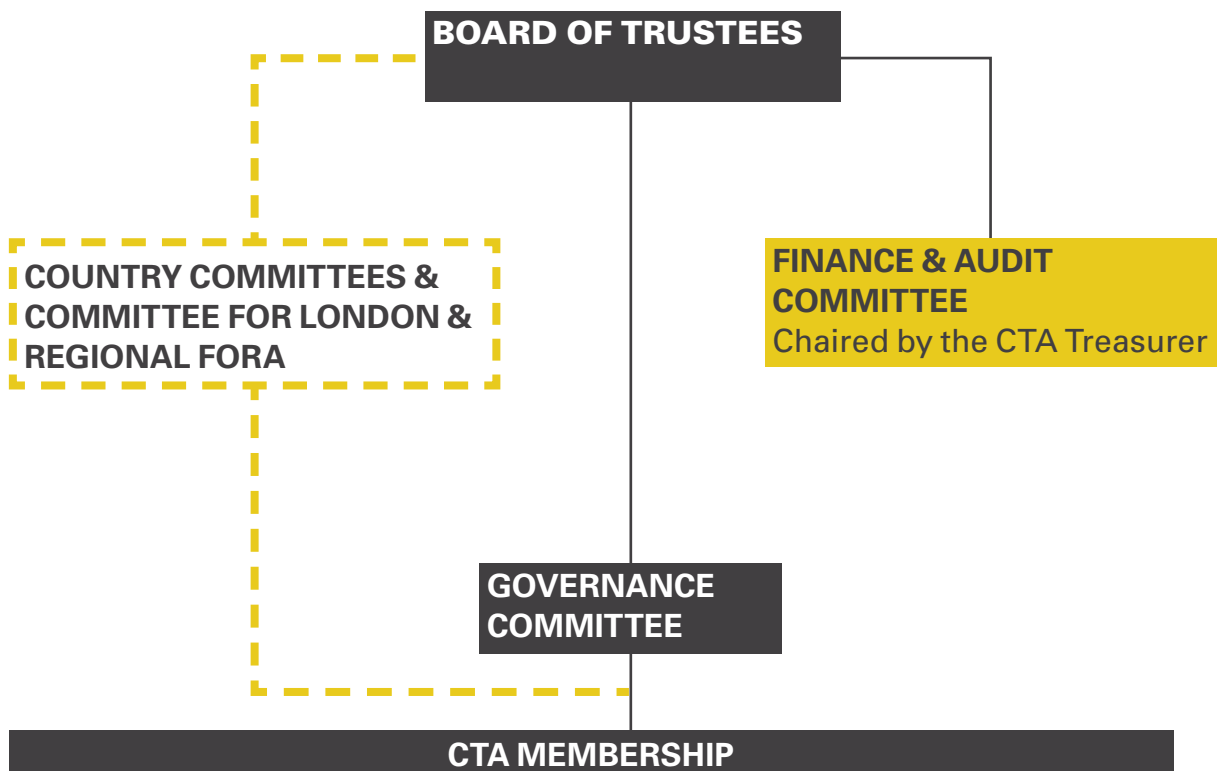
- In relation to *elections*, the Governance Committee is accountable to the membership of the CTA for ensuring an open and democratic process for supervising elections to the Board.
- In relation to *appointments*, the Governance Committee is accountable to the Board and shall advise the

Board of Trustees in relation to all appointments to all committees of the Board, save for membership of the Governance Committee itself.

- The Governance Committee would agree with the Board its skills and diversity requirements and actively seek nominations of candidates meeting those requirements.
- The Governance Committee would be chaired by the Chair of CTA and would comprise the following: two Honorary Officers (Chair and Vice Chair, with the Treasurer as an alternative to either); one member appointed by and from the Board; and three co-opted members (one of whom would be the Chief Executive of the CTA).
- Honorary Officers and Board members would serve on the Governance Committee

Section 3 – Your say

3.4 Finance & Audit Committee



The recommendation

- The Finance & General Purposes Committee should be disbanded and a Finance & Audit Committee created with the following accountability:
 - Co-ordination of the Board's financial responsibilities by recommending policy to the Board, interpreting it for staff and monitoring implementation.
 - Consideration of the financial implications of the CTA's Strategic Plan and of business plans for various activities.
 - Provision of a broad overview of the organisation's financial audit ensuring

that proper checks and balances are in place.

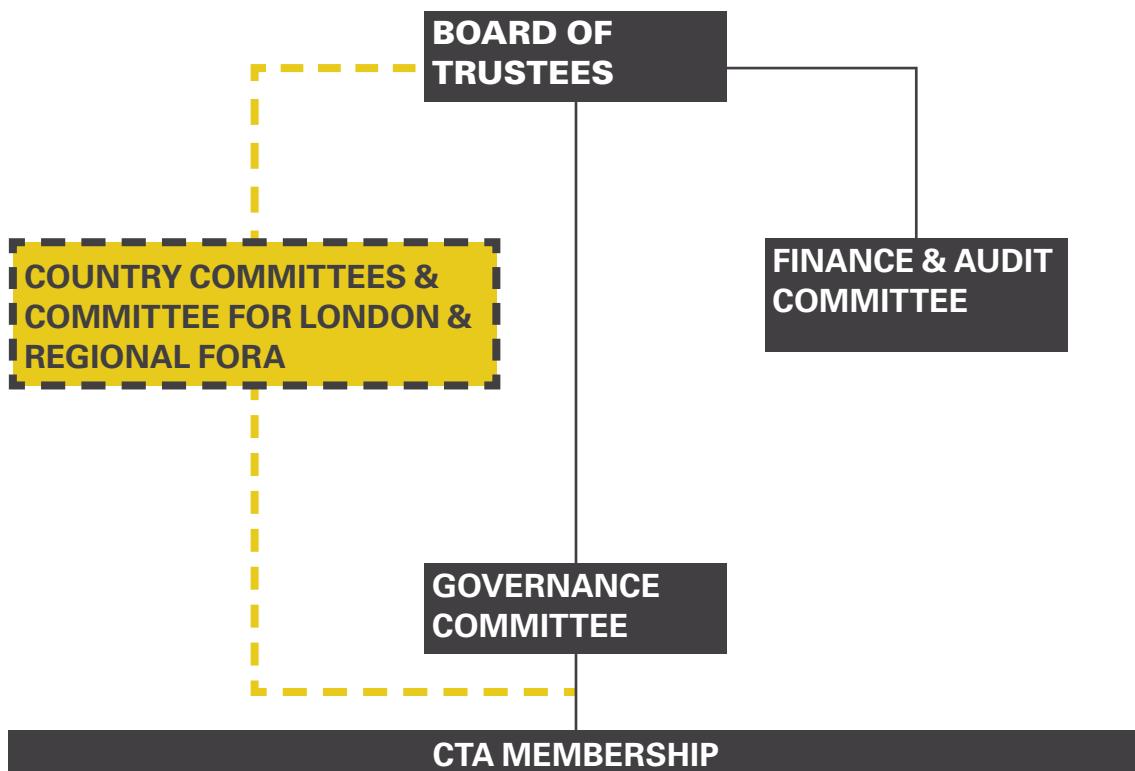
- Helping the Board to carry out its fiduciary duties.

Why?

- The F&GP Committee is undertaking many of the functions that a board of trustees might keep to itself rather than delegate.
- The new Finance & Audit Committee will focus more on the legal and financial responsibilities of the organisation and support the Board in discharging its responsibilities in this respect.

Section 3 – Your say

3.5 Increasing member representation through regional fora



The recommendation

- CTA should establish a community transport forum in each of the eight English Regions outside London and, where they do not already exist, in each of the seven regional transport partnership areas in Scotland, and in Northern Ireland once the new administrative structures there become clearer. In Wales we have already established regional fora based on the four transport consortia areas. And in London, we have already established a separate Operators' Forum, in addition to the Committee for London, which focuses on operational issues.
- Each forum would probably meet two times a year, perhaps at different locations in each region. They would be chaired by CTA members and serviced by CTA staff.
- As part of increasing our engagement with members, a representative of each forum could come together to form a country committee. This would ensure a good geographical spread on the country committee.
- The chair of each country committee should meet twice a year with the Chair and Chief Executive to ensure considerations are reflected in CTA's overall policies and strategic planning.
- All country committees would continue to be advisory and would not have any executive role. The same applies to regional fora.
- The road-shows recently held in the English Regions should continue as a way of

Section 4 – Implementation programme and timetable

The following programme and timetable summaries the implementation phase of the Governance Review:

Activities	Who/What	When/Comments
Board of Trustees meeting 24/6/08	Presentation of Governance Review Working Group's report to Board members.	Board approved recommendations on 24/6/08.
Transitional arrangements for new governance arrangement.	Chair to write to members advising them not to put people forward for election in 2008, but to wait till 2009 when the new governance arrangements will be in place.	Letter from Chair to accompany consultation document mailing on 8/7/08.
Consultation process starts.	Consultation document to be sent to members with covering letter from the Chair.	Mail out consultation document to members on 8/7/08.
	Invite feedback from members.	During July and August and up until 22/9/08 when consultation period ends.
Presentation to Country Committees by Chair and Chief Executive.	Scotland: 4/9/08 Northern Ireland: 9/9/08 Wales: 11/9/08 London : 17/9/08	To be completed by 22/9/08.
Feedback to Governance Working Group on the member consultation.	Report back to Governance Working Group on response to member consultation.	Report by 23/9/08.
Ratification of Governing documents.	Board of Trustees to receive any member feedback following consultation process and ratify governing document.	Executive Committee meeting on 24/9/08.
Governing document and accompanying letter from Chair to be mailed to all members with notice of the AGM.		To be mailed to members by 3/10/08.

Section 4 – Implementation programme and timetable

Activities	Who/What	When/Comments
AGM 2008: 29/10/08 at Manchester Central.	<ul style="list-style-type: none"> • Some board members rotate off the board. • New Governing document approved. • F&GP disbanded • Governance Committee introduced. • Finance & Audit Committee introduced. 	
Governance Committee	Starts to operate after the AGM.	<p>Utilises the skills audit to find out how board members can be best engaged.</p> <p>Starts the search for a new Treasurer.</p> <p>Look in detail at the skills required and start the search process for suitable board and committee members.</p>
Finance & Audit Committee	Starts to operate after the AGM.	
AGM 2009 Chair succession plan	Chair-elect elected by the Board and will shadow current Chair till next AGM.	
AGM 2010 Chair (Dai Powell) steps down at the AGM in November 2010.	New Board in place. New Chair in place.	

Section 5 – About you

5.1 Your details

It would be very helpful if you could tell us a little bit about you and your organisation. You may prefer not to give some or all of this information, but if you do it will help us to understand whether different issues matter more to different types or sizes of organisation, and to organisations in different countries and regions, as well as which issues matter to all regardless of size or activity.

Your name _____

Your organisation _____

Your position _____

Your e-mail _____

Your telephone number _____

Are you a member of CTA? _____

Please state your membership number if you know it _____

If you are a member, what type of membership do you hold:

Community Member Public Sector Member

Full Member (Band 1) Full Member Plus

Full Member (Band 2)

Please indicate which country or English region you operate within:

East of England West Midlands

East Midlands Yorkshire and the Humber

North East London

North West Northern Ireland

South East Scotland

South West Wales

Section 6 – Trustee contact details

Please contact any of the following members of the Governance Review Working Group if you have any questions or require clarification on any of the proposals contained in this consultation document:

Dai Powell	daipowell@hctgroup.org
Yvonne Layton	yvonne@essexcc.gov.uk
Helen Reed	helen.reed@nordcat.org.uk
Murray Seccombe	mseccombe@communitytransport.org

Honorary Officers

Chair: Dai Powell

Treasurer: Stephen Sears

Vice Chair: Yvonne Layton

Vice Chair: Tomi Jones

Elected members

Ian Biddick

Neil Buxton

Barry Connor

Fitzroy Dawson

Anita Flanagan

Duncan Hearsom

Paulette Lappin

Allan Morgan

John McMillan

Mary O'Neill

Adrian Parkinson

Nick Rees

Co-optees

Jim McCreath



**Community
Transport
Association**

CTA UK, Central Office,
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Hyde, Cheshire SK14 2NY.