

# Brokerage 'hub' agencies – an introduction

## 1.0 Background information

The operational principles for a hub agency are:

- Geographical equity – local accessibility based on sensible journey times; email and web access. (Suggestion of 20 minute drive in any direction as the operational assumption per hub)
- For everyone – older people; disabled people; young people.
- Development agency functions – external funding bids; meeting space; shared office space; social enterprise start-ups and full range of community development services
- Adoption of IAG (Information, Advice and Guidance) model and quality systems
- Governance by people who use the services as a not-for-profit community interest company (recommended) or company ltd by guarantee or Industrial and Provident Society or combination registered charity and co. ltd by guarantee model
- Enhanced 'Centre for Independent Living' model to build on existing best practice
- Preference for investment in an existing, credible organisation that is willing to take on enhanced roles in each locality

## 2.0 Proposed Model

In adopting a Hub / enhanced CIL / Satellite model (See Appendix 1). Governance will be provided by a board of directors/trustees. This group will oversee the organisation, making sure it fulfils its mission, lives up to its values and remains viable for the future.

To do this, the board will set up a variety of systems to control and monitor the organisation's activity. It will make decisions along the way, altering the systems as needed.

In doing this, the board carries out governance. This will be carried out as follows:

### **2.1 Set and maintain vision, mission and values**

The trustee board is responsible for establishing the essential purpose or mission of the organisation. They are also responsible for guarding its vision and values.

### **2.2 Develop strategy**

Together, the board and chief executive officer develop long-term strategy. Meeting agendas reflect the key points of the strategy to keep the organisation on track.

### **2.3 Establish and monitor policies**

The trustee board creates policies to govern organisational activity. These cover:

- Guidance for staff
- Systems for reporting and monitoring
- An ethical framework for everyone connected with the organisation
- Conduct of trustees and board business

### **2.4. Set up employment procedures**

The trustee board creates comprehensive, fair and legal personnel policies. These protect the organisation and those who work for it. They cover:

- Recruitment
- Support
- Appraisal
- Remuneration
- Discipline

## **2.5 Ensure compliance with governing document**

The governing document is the rulebook for the organisation. The board makes sure it is followed. In particular, the organisation's activities must comply with its constitutional and/or charitable objectives.

## **2.6 Ensure accountability**

The board should ensure that the organisation is accountable as required by law to:

- the Charity Commission
- the Inland Revenue
- Customs and Excise
- the Registrar of Companies (if it is a company limited by guarantee).

The board also needs to make certain that the organisation is accountable to grantors, beneficiaries, staff, volunteers, and the general public. This means publishing annual reports and accounts and communicating effectively.

## **2.7 Ensure compliance with the law**

The board is responsible for making sure that all the organisation's activities are legal (including relevant CRB checking, Children's Act duties and 'prevention of vulnerable adults' (POVA) best practice

## **2.8 Maintain proper fiscal oversight**

The board is responsible for effectively managing the organisation's resources so it can meet its charitable objectives. It:

- Secures sufficient resources to fulfil the mission
- Monitors spending
- Approves the annual financial statement and budget
- Provides insurance to protect the organisation from liability
- Seeks to minimise risk
- Participates in fundraising (in some organisations)
- Ensures legal compliance

## **2.9 Select, manage and support the chief executive**

The board creates policy covering the employment of the chief executive. It selects and supports the chief executive and reviews their performance.

## **2.10 Respect the role of staff**

The board will recognise and respects the domain of staff responsibility. At the same time, it will create policies to guide staff activities and safeguard the interests of the organisation.

## **2.11 Maintain effective board performance**

The board will keep its own house in order. Taking steps to establish:

- Productive meetings
- High standards of trustee conduct
- Effective committees with adequate resources
- Development activities
- Recruitment and induction processes
- Regular performance reviews
- Partnership with consultants where necessary

## **2.12 Promote the organisation**

Through its own behaviour, governance oversight and activities on behalf of the organisation the governing Board will enhance and protect the reputation of its organisation. Board members must strive to be good ambassadors for the organisation.

### **3.0 Identifying key risks**

#### **Critical risks from a local authority perspective**

- Untried model – no prior learning or examples
- Failure of one or more CIL's (financial sustainability)
- Loss of key staff from a CIL or Hub
- 'Buy in' by key agencies
- Not able to work as a 'For Profit' model
- Existing contracts with providers
- Competition rules if to be tendered for
- Untested for Older Peoples requirements
- Staff transfer
- Change management
- Timescale
- Health sector – development of personal budgets health
- Confidentiality- sharing of information with external agencies

#### **Critical risks from the hub agency perspective**

- Untried model – needs to be organic to change and develop with learning
- Support from local authority in sustaining the model through the development stage.
- Realistic timescale
- Separate development of Hubs and CIL's in parallel
- Staffing – the ability to recruit & retain suitable staff
- Growth – the ability for the 3<sup>rd</sup> sector to grow & develop at the required rate in a sustainable way.

### **4.0 Conclusion**

The Development Trusts Association ([www.dta.org.uk](http://www.dta.org.uk)) provides useful guidance on the role and function of community based development agencies of this type but there are few (if any) operational examples, beyond pilot projects, currently operating in the UK.

The transfer of learning from pilot projects to large scale operational systems need to be managed as a joint investment with local authorities over a minimum three year financial cycle.

The Liberation Partnership and Realife Trust have recently completed a commissioned feasibility study for Essex County Council to roll out individual or personal budgets to over 8500 people, including appropriate financial models.

As at June 2008, Essex County Council is continuing to explore the implications of the proposal.

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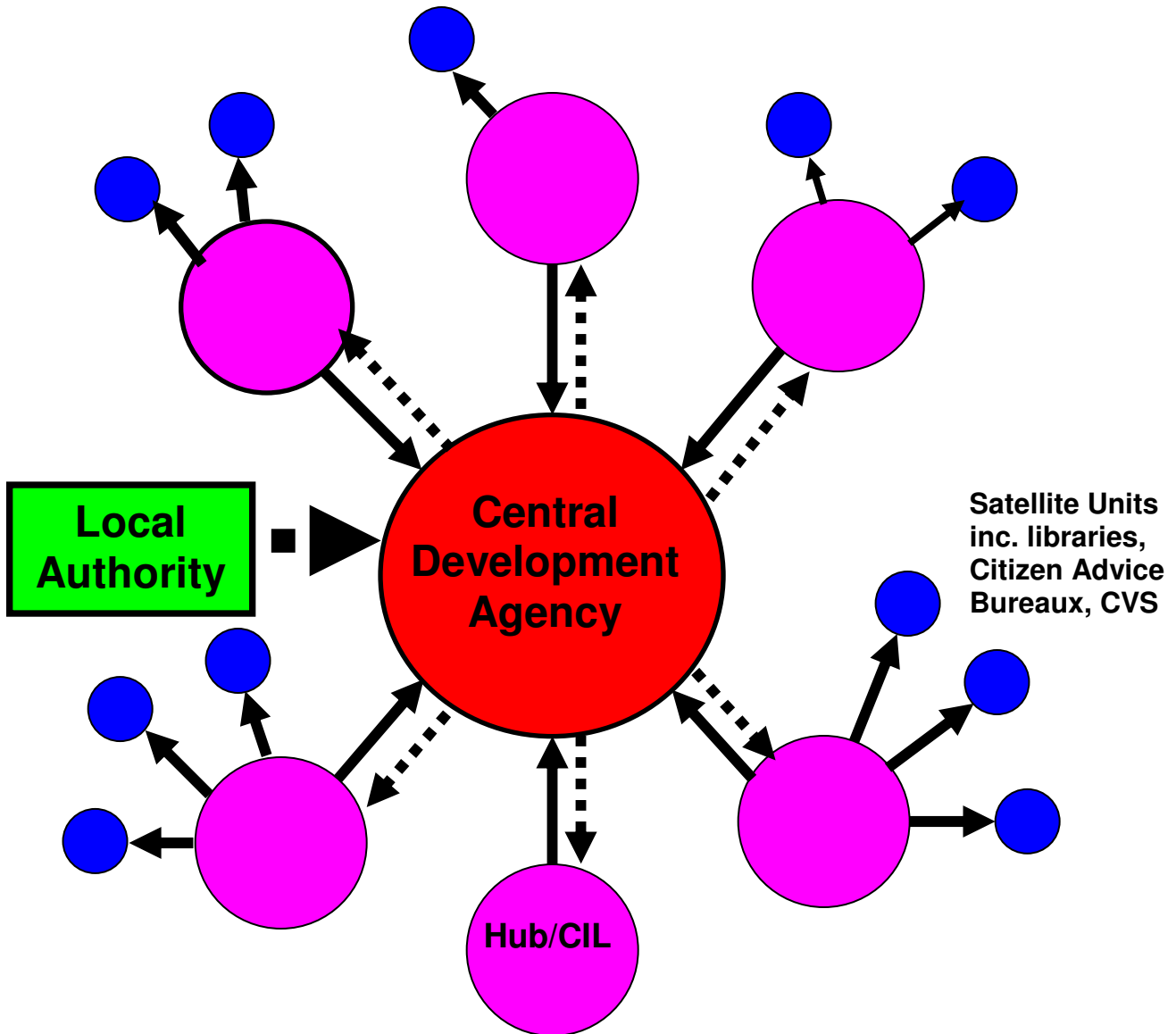
**Liberation Partnership CIC**  
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[www.nationalbrokeragenetwork.org.uk](http://www.nationalbrokeragenetwork.org.uk)

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

# Outline Operational Model



**—————>** Direct control by individual budget users at board level

**- - - - ->** Contractual obligation to provide core support and development services

**●** Central Development Agency board roles appointed by local hubs/CIL's

**●** Local hub/CIL hosted by existing key partner agency eg. Age Concern/ECDP/Realife/Disability Essex/TIAS etc with a user-led board