Cod Llywodraethu i Elusennau
Charity Governance Code

Under strict embargo until Tuesday 8 December 09:00 GMT

Updated Charity Governance Code sets out clear recommendations on Equality, Diversity and Inclusion, and Integrity

London, 7 December 2020 – The Steering Group responsible for the Charity Governance Code, which sets out seven principles of good governance practice for charities in England and Wales, has today published a refreshed version of the Code.

The main changes see clearer recommended practice in the renamed *Equality, Diversity and Inclusion (EDI) Principle*, and updates to the *Integrity Principle* to emphasise ethics and the right of everyone who has contact with the charity to be safe.

The updated Code follows a rigorous consultation with the charity sector that involved user focus groups and received over 800 responses. With feedback particularly focused on the diversity and integrity principles, the Code's Steering Group commissioned specialist EDI consultants to carry out further research and advice.

Rosie Chapman, Chair of the Charity Governance Code Steering Group said: "These improvements to the Charity Governance Code reflect changes in society and the broader context in which charities are working. The updated Code is designed to help charities adopt good practice and secure better outcomes for the communities they serve.

"We know that charities are at varying stages in their efforts to fully adopt the Code, including in achieving equality of opportunity, diversity and inclusion, and the updated Code is designed to help charities on this journey.

"We've also heard that charities and boards would like more guidance on how to improve their approach to EDI. In response, we are asking charity umbrella and infrastructure bodies to provide more guidance and support to charities, to help them meet the recommended practice in the Code."

The Code recommends four stages of practice for charities in their EDI journey. Boards should:
1. Think about why equality, diversity and inclusion is important for the charity and assess the current level of understanding.
2. Set out plans and targets tailored to the charity and its starting point.

3. Monitor and measure how well the charity is doing.
4. Be transparent and publish the charity's progress.

Pari Dhillon, independent EDI consultant who advised the Steering Group on the changes, said:
"As a governance and EDI fan, I'm very excited about the launch of the Equality, Diversity and Inclusion principle, for two reasons. Firstly, great EDI has the power to create social justice in our boardrooms, charities, sector and ultimately society. Secondly EDI practice sits at the heart of good governance, and I'd argue you can't have one without the other. I say this because:

- To maximise public benefit, boards must focus on achieving **equality of outcomes** through their charitable purpose.
- To make better and more informed decisions, boards must be **diverse**, reflecting and centring the voices of the community and needs that the charity seeks to serve.
- To make robust decisions, all board members must have the power to fully participate and societal power imbalances must be prevented from playing out in an **inclusive** board room."

Malcolm John, Action for Trustee Racial Diversity commented on the new EDI Principle:
"I'm delighted that the updated EDI Principle picks up the mantra of Actions not Words by encouraging charities to focus firmly on agreeing plans, setting targets and monitoring their progress. I'm hopeful that this will help set charities on the path to achieving greater racial diversity at all levels by moving away from informal recruitment processes for trustees and committing time and resources to drawing from a wider and more diverse pool of people."

As part of the Code's refresh, the Integrity Principle has also been strengthened to emphasise the importance of a charity's values, ethical decision making and the culture this creates.

Rosie Chapman, Chair of the Steering Group explains:
"We've also updated the integrity principle to reflect the importance of everyone who comes into contact with a charity being treated with dignity and respect and to feel that they are in a safe and supportive environment."

In particular, the Code includes new recommended practice on the right to be safe (safeguarding) that asks trustees to:
- Understand their safeguarding responsibilities.
- Establish appropriate procedures that are integrated with the charity's risk management approach.
- Ensure that everyone in contact with the charity knows how to speak up and raise concerns.

Charities are encouraged to visit the Code's website to view and download the new edition of the Code. Explanatory videos and accompanying blogs can also be found on the website.

Ends -

For further information and interview requests, please contact:

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Notes to Editors:

1   The Charity Governance Code is overseen by a steering group comprising Association of Chief Executives of Voluntary Organisations (ACEVO), Association of Chairs, ICSA: The Chartered Governance Institute, National Council for Voluntary Organisations (NCVO), Small Charities Coalition (SCC) and Wales Council for Voluntary Action (WCVA). The group has an independent chair, Rosie Chapman, who fulfils the role on a voluntary basis. The Charity Commission is an observer to the group. ICSA: The Chartered Governance Institute is leading on communications on behalf of the group.

    The steering group are grateful for the financial support of the Clothworkers' Company and Barrow Cadbury Trust.

2   The refreshed Code can be viewed on the Charity Governance Code website. The Code has the following seven principles: Organisational Purpose; Integrity; Decision-making, risk and control; Board effectiveness; Equality Diversity and Inclusion and Openness and Accountability.

3   The former 'Diversity Principle' has been renamed as the 'Equality, Diversity and Inclusion Principle' to reflect the importance of being inclusive to promoting diversity and in helping to secure equality of opportunity.

4   The Integrity principle includes new recommended practice on the right to feel safe, which builds on the Charity Commission's regulatory guidance setting out trustees safeguarding duties.
    https://www.gov.uk/guidance/safeguarding-duties-for-charity-trustees

5   There are two versions of the updated Code: one for larger charities (with an annual turnover of £1 million or more) and one for smaller charities.

6   The Code Steering Group consulted between November 2019 and February 2020 on possible changes to the Code. The Group received over 130 substantive responses, and feedback from over 800 organisations and individuals via surveys, emails and focus group discussions. In April 2020 it appointed independent consultants Pari Dhillon (www.socialjusticecollective.co.uk) and Chaka Bachmann (www.impactculture.co.uk) to assist with updating the EDI principle following a tender exercise.