**Transforming Governance: Overview of Governance – 16 November 2023**

MICHELLE: Welcome everybody.

I'm Michelle Wright.

I'm the Chief Executive of Cause4.

For the purposes of the recording, I'm a white woman in

my 40s, I've got dark brown hair and I'm wearing a grey

jumper. It is wonderful to see you all for this first

session on Transforming Governance.

Just a little bit of housekeeping. It is fine for

people could have cameras off.

We're going to have a break-out where you'll have a

chance to work together, so we'd really like you to

have cameras on during the break-out.

If you would like to use captions, please enable them

from your Zoom settings.

We haven't got the chat function enabled, but we do

have the Q and A function enabled because it is quite a

big group, what we propose to do, if there are any

questions or you would like any additional information

on anything at all that we cover in this session, we

are going to collate the questions and answers, write

them up and distribute them with the slides after the

session.

The slide pack is quite comprehensive. It is

deliberately being designed in that way so that you

have something that is comprehensive to take away with

you.

You will be very relieved to hear that I won't be

presenting it in that way. But as I say, it has been

designed on purpose to cover some of these key areas on

governance.

So, I'm going to hand-over very briefly to Hollie

Smith-Charles from Arts Council England and she is

going to say a few words about the Transforming

Governance Programme.

HOLLIE: Thanks, Michelle.

I'm not going to say much.

I'm Hollie Smith-Charles and I'm the lead for the

Transforming Governance Programme.

I'm a white woman with a blond hair that's tied back

and I'm wearing a dark green jumper.

The Transforming Governance programme is a programme

that the Arts Council is running over the next 15 or 18

months. Thank you for taking the time to joining us

today.

This is our first workshop.

We'd be really keen to hear your comments and feedback

any suggestions that you might have for the future.

So, yeah, we'll send a feedback form out afterwards and

it would be great to hear from you with any comments.

So, that's all from me.

Thank you very much again and enjoy the session.

MICHELLE: We'll get started.

I'm Michelle Wright.

I run an organisation called Cause4.

We also run the arts fund-raising and philanthropy

programme.

I got very involved in governance work about 12 years

ago in supporting charities to be able to strengthen

governance with a view to its importance in strategy

and fund-raising. Each of these workshops is quite

short.

We're going to have about 50 minutes of content and

then 10 minutes of a screen break and we will have 15

minutes where you can work together in groups and

explore a key area that we've developed in the session

and then we'll hear from a guest speaker. So, that's

the format for our session today.

So we're going to start with an overview of governance.

We're thinking about what governance means and why it

is important, what effective governance is, the key

responsibilities of boards, legal, financial and

ethical.

The Charity Commission requirements because we're

covering those requirements for those of us that are

trustees of charities and new regulations that we're

all having to respond to as safeguarding.

So why become a board member?

It is fantastic.

People take on this most responsible volunteer

position.

It gives us great chance to be involved with different

sorts of organisations to build networks, but we have

to work within the context that actually, trusteeship

is not widely known about amongst the general public

and unfortunately, because there have been some very

high-profile problems within charity governance, the

media tends to pick up on governance in a negative way.

There is a fantastic report that we'll make available

after the session.

Unfortunately, trusteeship is painted in a negative

light.

I wanted to start about thinking that the sector that

we're working and we're trustees and we're supporting

with quick questions to think about.

How many charities are there in England and Wales?

How big is the sector?

How many trustees are there?

How many people take on this incredibly important

position?

What sort of level of assets do they protect?

We are talking billions of pounds.

A little bit on demographics, what do you think the

average age of a board member?

Who can't be a trustee?

What are the disqualifications?

I've probably been a trustee for 20 years now, I've

only just started to be asked if I have any of the

particular disqualifications. These are area that

people don't really know about.

I hope we can explore those things in terms of context.

So, we've got 921,364 trustee positions which are held

by 700,000 individuals.

So, a lot of trustees hold more than one role.

We've got about 169,070 charities with a total income

of £89.4 billion according to the latest Charity

Commission figures.

They account for 81% of the sector's total income, but

make up only 3% of charities.

That tells us that the majority of the organisations

that we will be supporting, have a turn-over of under

£1 million and the majority of the charity sector is

considered small.

We've got very high levels of wealth held in some of

our household name charities, in our top ten

organisations like Cancer Research, Save The Children,

in fact Arts Council England is in the top ten because

of the distribution of cultural recovery funds in the

latest figures, but a lot of us will be supporting

those charities that are considered small-scale.

On demographics, I don't think there will be many

surprises.

Men outnumber women trustees two to one. Vast majority,

92% are white British.

And aged between 60 to 62. Which is 20 years older than

the average age in the UK. But actually just ten years

ago, the average age of a trustee in England and Wales

was actually 73.

There has been a big move in terms of that particular

demographic.

Above average in terms of both income and education.

In arts and culture, our diversity figures, our

response is much more positive.

I put on this slide, I won't go through it in detail.

The latest Arts Council figure ins relation to

governance, but there has been a huge move as we all

are working to in the arts sector to increase diversity

within our boards and also a huge push from funders

quite rightly, but so much more to do. For example, in

the arts sector, the gender demographic is quite equal.

Women make up 49% of boards.

Far higher than is the case in the charity sector.

In terms of disqualifications, so who couldn't be a

trustee?

There is an age disqualification.

You need to be at least 60.

And 18 to be a trustee of any other type of charity.

Other disqualifications might be if you've been

disqualified as a company director, you've got certain

unspent convictions, for example, involving dishonesty

or deception such as fraud, uncharged disrupt, if

you've been removed by the Charity Commission as a

trustee, or for mismanagement, if you're on the sex

offenders register.

The last two bullet points only came in in 2018 so

really quite recent.

If you're working with an organisation that works with

children and vulnerable adults, then you may be asked

to or will be asked to go through enhanced disclosure

as well.

In terms of our ability to serve, it is a bit of a grey

area.

The Charity Commission line on it is we must be

considered capable of managing our own affairs if we

want to be considered capable of managing a charity.

Joining as a trustee. But who makes that judgement?

It is a bit of a grey area. But we can appoint someone

who lives outside the UK as a trustee.

Non-British citizens, people in the UK on temporary

visas or seeking asylum or British citizens who live

abroad.

We're grappling with what diversity means in our

context, what should our board look like and who should

be represented?

As trustees we're tasked with thinking about the future

so we need to be aware of what our audiences will be

like in 15 years and 20 years and our communities and

how we want our board to be able to respond now to

those changes.

I'm going to very briefly touch on the main legal forms

of charities. There are so many trustees I speak to who

actually don't know exactly what form they're signed up

to.

We've got three main types of charity that we might

serve with, our charitable company, a trust structure

which is very simple structure and the charitable

incorporated organisation.

I've just included the main form of social enterprise

of which there are about 60,000 in England and Wales,

the community interest company, just to make a point on

management of staff.

So our charitable company, any of you who have joined

charities that were established prior to 2012 are

likely to be in a charitable company, structure and you

have dual reporting to the Charity Commission and to

Companies House. There are a number of benefits for

that structure in terms of being able to claim tax

relief on donations made etcetera. But it is quite an

onerous burden to report.

The work will be carried by the trustees.

They won't enter into contracts.

They won't employ staff.

This is our most simple trust structure.

For our bigger trust and foundations like the Paul

Hamlyn Foundation, they employ staff and they need to

enter into contracts with organisations so they will be

the charitable company structure.

In 2012, we got a gift to the charity sector of the

charitable incorporated organisation and it is a gift

because it just reports into the Charity Commission.

To all intense and purposes it is very similar to a

charitable company.

You only wouldn't adopt this structure if you had very

complex debt or remortgaging, refinancing requirements.

Most charities don't and so most of the newer

established charities are charitable incorporated

organisations.

The main form of social enterprise, the community

interest company has a different regulator.

The office of the regulator of community interest

companies which is a bit of a mouthful!

Located within Companies House.

It has an asset lock. So, directors can't profit from

the profits of that organisation or make personal gain.

But the reason I wanted to highlight it is because if

you're a founder of charitable activity, social

activity, some may prefer to stick with a community

interest company structure because they can serve as

directors and also be paid for the work that they do.

The charity structure, if you're a founder of

particular activity, then you become an employee of a

charity where the volunteer trustees are effectively

your line manager.

So they have the say over the strategic direction of

the organisation and what happens within your role

etcetera.

So, some founders prefer to be within the community

interest company structure because it gives them more

control over the future, but, of course, as many of you

will know, a lot of early stage enterprises go into a

charity structure model because they need to, because

the funders require them to be a charity to be able to

distribute funds.

So we're in an imperfect world.

None of these structures are perfect for any operation

and we're trying to operate from the least difficult

position when we establish a particular structure. But

I'm going to come back to this role of trustees as the

line management of executive because I think sometimes

organisations run into difficulties because that isn't

readily understood.

Charities exist to benefit the public, not specific

individuals.

So, by way of us remembering our key responsibility as

trustees, this is the one that we need to come back to.

There are three main requirements that we have as

trustees, three things to hold in mind.

We need to be true to our governing document.

So we need to understand it.

We need to be thinking all the time about public

benefit, are the activities that we're doing meeting

this public benefit requirement which I'll come back to

and we're also charged with a sustainability of our

organisation. So, those are the three things that are

front of mind for trustees or should be, of course, if

we've got paid staff in the organisation, those are not

things that they're going to be thinking about on a

day-to-day basis.

So, immediately you've got two sets of obligations,

responsibilities and two sets of people who are going

to be thinking about different aspects of the work.

In terms of the charities Act, we've got a wide range

of 13 different descriptions of purposes.

So we can set-up charities for the relief of poverty,

advancement of education.

Or this catch-all at the end of any other purposes,

charitable in law.

So, the Charity Commission isn't going to stop us

setting up an organisation that is operating in the

same field as another. So, we have lots of accusation,

I suppose, perhaps quite rightly of duplication and

replication.

We have seven ovarian cancer charities, all doing

important work, but not a good culture of partnership

and collaboration.

So, whilst we're charged as trustees of making sure our

organisation survives into the future that doesn't mean

sustain it for forever and a day.

If it has run its course, if it was better for the

activities to be delivered by another organisation, if

it is better to collaborate with another organisation,

these are the things that we need to be very hard nosed

about as trustees, these are the decisions that we

should be thinking about. So, we're not looking to

sustain charities forever.

If they've run their course or the purpose would be

better served by another organisation then we need to

be taking that very seriously.

There is and wonderful charity set up by a mother who

lost her daughter to meningitis.

The purpose was to raise awareness of the tumbler test.

If your child has a rash you put the tumbler on it.

Within the ten years that charity operated, public

awareness of the tumbler test went to over 70%.

The trustees said, our work is done, this is what we

were set up to do and the assets distributed to another

organisation.

We need to have £5,000 running through bank accounts to

be registered in the first year as a charity and we are

reporting as our main regulator in England and Wales to

the Charity Commission.

So their priorities are to develop public confidence in

the sector. It is compliance and accountability and the

self-reliance of individual charities by which they

mean sustainability.

We need to make sure our charities can sustain or wind

them up or merge with another organisation as I've just

already said.

The Charity Commission, I think, we should view as a

critical friend, often trustees, myself included can be

anxious if we run into difficulties as trustees, are we

going to be in trouble or under scrutiny?

They are there to support us as our main regulator,

they make very good information available to trustees

albeit a little dry, but I think in general if we're

unsure, the Charity Commission tends to come into its

own when the trustees need help or support.

Now, the section in bold is a really key thing for

trustees to keep coming back to.

So, organisations run into difficulties.

Charities are no different.

There will be times as trustees that our organisation

runs into some difficulties.

The Charity Commission, if they're looking or

investigating a particular organisation, is not going

to make a judgement on whether you as a group of

trustees made a good or a bad decision.

That's not what they're investigative process will be

about.

They are looking to the process by which you came to

that decision.

This is, I think, one of the myths that sometimes we

come across in the charity sector, if you have a chair

or a Treasurer or a vice chair that somehow they hold

more authority for the decision-making.

Not true.

If anything goes wrong, in our organisation, we equally

responsible as trustees.

So, we need to be very mindful of this particular

section in bold.

The Charity Commission is going to be looking for good,

collective decision-making, really well governed and

well managed organisations will have that in place and

very effective.

The chair's role is to facilitate good decision-making

to make sure that everybody can speak, everybody is

able to contribute and that the board, to the best of

its abilities comes to a good collective decision.

So, really important, I think, that we keep remembering

that.

The most common mistakes made by trustees according to

the Charity Commission are a failure to act according

to the governing document.

Failure to manage conflicts of interest.

And a failure to oversee fund-raising and finance

effectively.

So, all things that could have been avoided with basic

information and understanding of trustee roles and

responsibilities. Those are the Charity Commission

words, not mine.

I do wonder as our responsibilities get more and more

kind of onerous as volunteers whether there will soon

come a requirement that trustees have to have some

training before they take on the roles, but that's not

the case at the moment.

There were over 2,000 or nearly 3,000 serious incident

reports in the last reporting period and in fact, you

know, 4,000 or so charities removed from the register.

Really quite a high number.

Most of the reasons for not filing on time, not being

in touch with the Charity Commission, and therefore,

they would be removed.

We are required to record adverse events and submit

them to the Charity Commission and again, this is an

area where we need to be quite confident and not

worried about judgement.

This is a requirement for us, the Charity Commission,

are going to again be looking at what your solutions

are to the issue which has arisen rather than to be too

concerned about what the issue is.

They're looking at process again and they're looking at

the board being collectively charged with managing that

particular process.

I just mentioned on the slide a couple of examples.

We had the very high-profile collapse of Kids Company

in 2015 and a long process of investigation for that

organisation.

The conclusion was that trustee conduct did not amount

to incompetence to a high degree which was an

extraordinary statement, but we've had a lot of

examples in the alternative health sector around

difficulties around governance and now to register one

of those charities, there has to be substantial

scientific evidence behind the registration.

So, that's an area where there were several examples of

investigation into governance.

I wanted to come back to public benefit this.

Is one of the three things which we need to be holding

on to as trustees.

The two aspects to this rule, the benefit aspect is

about whether our purpose is beneficial?

Should we exist at all as a charity?

Our public aspect is about who the purpose benefits?

So we need to benefit the public in general, or a

sufficient section of the public and not give rise to

more than incidental personal benefit. So, we need to

be thinking all the time about beneficiaries.

I was working with a very successful museum yesterday

who have got very high levels of earned income, but

because they're so commercially successful, trustees

were very aware that they'd almost lost sight of this

responsibility on public benefit.

They were trying to turn around their thinking to make

sure they were beneficiary first rather than building

on their successful financial position.

Now, we can establish and some of our organisations

represented will be considered niche, working in niche

sectors.

We can establish charities to work with a very small

section of the population, but we've got to have proper

reasons to do so, we must not exclude poor and low

income people from the benefit.

This is one of the areas where arts, culture and

heritage organisations can struggle especially if the

charity status has been secured to drive fund-raising.

Again, we have to have that and hold that in our heads.

A smaller group of people has to be a sufficient

section of the public for the charity's purpose.

Back 12 or 13 years ago, when the Sound of Music

Charity was established to support composing talent,

the Charity Commission were rather suspicious about

that, but they were able to overcome that quickly

because of the great outreach and community plans and

good business planning, but again, we need to be very

aware of this responsibility on public benefit.

Most will be in charity structures which look

like this. Some of you will be very small-scale and

perhaps volunteer-led, but a board of trustees,

responsible for the line management of paid staff,

which may include Chief Executive, senior management

team, heads of teams, other staff, and volunteers.

I come back to this aspect of line management and

trustees holding that as a responsibility and working

with no less than, I think three different charities at

the moment where trustees haven't taken that

responsibility.

There has been no performance appraisal.

No policies in place on grievance, disciplinary, that

sort of thing and for various different reasons, they

need to move a Chief Executive on or something needs to

change.

It could be governance needs to change and then it is

impossible to do so because quite rightly those

individuals are protected by employment law.

So we need proper process and we need good performance

management, trustees need to assume that appraisal

process for the Chief Executive.

The next line is the Charity Commission's areas of

compliance, prudence and care. These are the areas when

I started as a trustee, I really wish somebody had gone

through in great detail with me because I really wasn't

aware on some of these financial and legal

responsibilities.

So it is a great refresher for all trustee boards just

to have a recap on these areas.

So, starting with compliance.

We're responsible for the general control and

management of the administration of the charity.

We usually don't receive any payment for our work.

In some cases, if you're a trustee of a major publicly

funded museum, you may receive some honorarium for your

work.

Again, you will notice the phrase, "Benefit of the

public" which keeps come k back in the charity

commission requirements.

We need to carry out the charity's purposes for the

public benefit and as individuals act only in the

charity's best interest.

But other aspects of compliance, we need to comply with

charity law, with the requirement of the Charity

Commission as regulator, to make sure we prepare

reports on what we have achieved, annual returns and

accounts as required by law. Filing on time sounds like

an arbitrary thing, but many funders, their first point

of call will be to go on to the Charity Commission

website to look up a charity's reporting and if they

see that it is late, they will see that as a sign of

poor governance and won't fund.

So, this requirement for on-time reporting is so vital.

We mustn't breach any of the requirements or rules that

are set out in our governing document and remain true

to the charity's purpose and objects set out there.

Again, if we have joined a board that has a charity

that's been set-up since 2012, we are using more

template documents.

If you joined the board that was established some years

ago, then the governing document can be peculiar and

hard to understand and certainly for organisations like

membership bodies, often the governing documents have

been set-up or developed to protect the interests of

members so they can be particularly odd sometimes.

We have to make sure as trustees that we understand

what's there.

We need to comply with the requirements of our

legislation and other regulators which govern the

activities of the charity, for example, fund-raising.

This is an area where I feel quite worried, I think,

for trustees, because every time we've a difficulty in

governance, we get more regulation and legislation and

that falls firmly on our desks as volunteer trustees

and we've already got so much which we're required to

support and deliver. So, for example, back in 2015,

there was a case of Olive Cook who committed suicide in

part because she was being sounded by several charities

asking her for money.

That particular incident uncovered all sorts of

unscrupulous practise in fund-raising which had to be

sorted out and in fact, disappeared mostly overnight

after the media jumped on it.

But we went from a kind of very simple set of

requirements for our responsibilities on fund-raising

to having a new fund-raising regulator and a new Code

of Conduct. It is a more responsibility that we have as

volunteer trustees.

I worry about that because it is something that I'm not

sure is particularly easy when we've already got so

much to be able to deal with, but this is the system

and structure that we're in.

We need to act with integrity, deal with conflicts of

interest, and avoid misuse of charity funds or assets.

The duty of credence.

I'm sure some of the organisations I'm working with are

in a rather precarious financial position at the

moment.

We can never be in a situation where we might not run

into financial difficulties or be sure that we won't or

it would be very unusual if we did.

The point of this is that we need to take action if

we're concerned.

So, we can't just bury our heads in the sand and hope

that it will go away.

We're required to have scenario plans, to have gone

through options to have sought advice and as a group of

trustees to have taken some responsibility for that

situation.

So I've been working with a smallish theatre company

that is facing some difficulties. It the chair was very

concerned because whilst they were airing these

difficulties in board meetings, actually, you know, she

felt that the trustees really weren't grasping that

this was a serious situation and staff were there, so

nobody wanted to alarm the staff unduly.

A board-only meeting to properly scenario plan for the

options that that organisation is going to take.

We need to use our funds and assets reasonably and only

in furtherance of the charity's objects.

Take special care when we're investing the funds or

borrowing the funds.

For the duty of care, this is our role as individuals,

we need to use reasonable care and skill in our work as

trustees.

So, using our personal skills and experience to ensure

that the charity is well run and efficient.

In my background, originally, it was as a fund-raiser.

I'm often asked to join boards to support fund-raising

which I'm very pleased to do, but obviously, I have to

make sure that the expectations of the charity is

aligned with what I'm able to support and the time I'm

able to give.

Obviously, I have to think myself, am I committed to

this organisation?

Am I invested enough to meet this particular

requirement?

And then a really important aspect of the duty of care

is that we need to get appropriate external advice on

all matters where there may be material risk to the

charity, land, assets, or large investments at stake or

where trustees maybe in breach of our duties.

In terms of our process, this is an important one to

remember because it is so important for protecting

ourselves as trustees.

There will be things that arise where we don't have the

skills around the table.

Where we don't have the knowledge.

Where we don't have trustees that are able to help.

In those situations, we're required to go and get

external advice.

We would procure it in the way that you would expect.

We might write a brief and we would go out to two or

three organisations that could help and we would select

the best brief against the cost requirement.

If we don't have assets or money that is readily

available to seek advice, then we're still required to

go and get that support on a pro bono basis in a

reasonable way which sounds perhaps peculiar, but there

are organisations like Law Works that support charities

on a pro bono basis in terms of legal advice and the

Charity Commission want to prevent people from saying

my mother-in-law is a solicitor, perhaps she could help

or that sort of thing.

They have made a provision for small organisations to

be able to pay trustees for certain pieces of work, but

all trustees have to be agreed that's in the best

interests of the charity and there needs to be a

document in writing that clarifies that.

So, again, I've been working with a small heritage

organisation where one of their trustees has supported

the fund-raising.

There is nothing that they're doing that's wrong

particularly, but there is nothing in writing and no

particular document where all trustees have agreed to

that so they have had to make sure that's in place.

And then, again, in 2018, which was a big year for the

charity sector, we had some extension to our

safeguarding requirements.

This came about from, as some of you may remember, the

Oxfam statutory inquiry.

Oxfam were under the spotlight because there were awful

cases of abuse of beneficiaries in overseas

territories.

It wasn't limited to Oxfam. There were many of the

international development charities with headquarters

in the UK which this applied to. Previously, we were

required as trustees to provide a safe and trusted

environment to vulnerable beneficiaries like children

and young people.

Now, it is a much more extensive requirement.

So we are now required to provide a safe and trusted

environment to anyone that comes into contact with our

charity.

So, if for example, you are in a board meeting and

you're worried that the Chief Executive seems to be

under undue pressure, that sort of thing, again we

can't bury our head in the sand because we've got'

safeguarding requirement for anyone who comes into

contact with our charity.

Much of the charity sector hasn't caught up with this

particular requirement because in my view, the Charity

Commission isn't particularly good at making it public

knowledge when there have been huge changes. But we do

have this responsibility now.

We've got to set an organisational culture which

prioritises safeguarding and have adequate, policies,

procedures and measures in place to protect people.

We need policies that are agreed by trustees and

regularly updated and supported by an implementation

plan.

The advice is that we have a lead trustee for

safeguarding, but that doesn't mean that person is

wholly responsible, because if anything goes wrong on

safeguarding, we're equally responsible as a group of

trustees.

Okay.

So we can wrap all this up in what's known as the

essential trustee.

So our six main duties, requirements from the Charity

Commission, ensure that we're carrying out purposes for

public benefit, that we're complying with the charity's

governing document and the law.

We're acting in the charity's best interests, ensuring

your charity is accountable, we're managing our

resources responsibly, and we're acting as individuals

with reasonable care and skill.

Another requirement which is a recommendation is that

we should look at our own performance as board members.

So we can't say well, you know, we have volunteers and

they're lucky to have us!

I'm sure it feels like that.

We're required to look at how we're performing as a

board.

One way to do this, which is the most formal way

perhaps is through the charity governance code which is

held by the NCVO as an umbrella.

It looks at trustee performance in seven areas, in

terms of purpose, leadership, integrity,

decision-making, risk and control, board effective,

equality diversity and inclusion and openness and

accountability.

There are small charity versions of this and other

frameworks.

There is a brilliant one called the charity excellence

framework which I really like because it more

effectively links strategy perhaps with good

governance. But I just wanted to pull out some of the

recent changes to the Code.

Firstly, that there is a requirement that the board

looks at its own performance.

They are saying that trustees should serve for a

maximum of nine years. It is advisory, this guidance,

but some bigger funders for example, the National

Lottery Heritage Fund are looking at those.

Other things will be no surprises, chair and

vice-chair, they're saying is a very good thing because

it can be quite a responsibility to be the chair in

terms of time commitment and expectations.

So having that counterbalance is something that they

are advising is important.

And also to look at strategy through the lens of

impact.

So what impact are we trying to have as trustees?

This slide is rather tongue in cheek, of course! But

we've got to be very mindful of our behaviours as

trustees.

Certainly in my early days as a trustee, I'm sure

people described me as a seagull, I'd swoop in and make

a mess and leave.

I would be like if we changed this, perhaps that would

happen.

I learned that wasn't very helpful!

So, my kind of equation on effective trusteeship if you

like is this balance of skills, time, energy, and

culture. Most boards recruit to skills.

That's fine as long as it is mindful. I have seen some

charities think about the skills they need to deliver

the next period of their business plan.

That's quite smart from my perspective.

You recruit a board of trustees to deliver the next

period of your business plan.

Because we don't, it is not particularly helpful, of

course, we need good finance skills and legal skills

and those things, but not if it is just a checklist.

We need good time and energy.

We can be the most eminent Treasurer in the world, but

if we're not showing up to meetings or reading papers,

we will have limited impact. Sometimes you will need

your board to be driving because you're going through

points of change or survival.

Other times, we need very supportive boards,

organisations that might have gone through a very

difficult time, need a board that can help them

re-group and recover.

Always find skills, time, energy, culture is useful to

hold on to.

In terms of thinking about good governance, really kind

of well-run boards will be clear on their purpose and

direction.

They will have a good mix of skills, time, energy and

culture. Their policies and procedures will be good

enough and proportional to the situation that they're

in.

What we can't do again is just say, "We didn't know we

had to have a safeguarding policy."

It might be that we can't deliver that or work on it

right now, but we should be showing in our minutes that

we're working towards it or that's something we're

going to explore in six months time, that sort of

thing.

Learning and improving.

There is some reflection on where we are, what we're up

to.

I think we all join boards as trustees and really we're

given no historical information at all.

We could easily make the same strategic mistakes which

have just gone on or happened.

Anything we can document as headlines for future

trustees that what's been tried and what's happened is

helpful.

The last two, financially sound and prudent and

accountable and transparent I think go without saying.

Again, really well-run boards will have effective

levels of delegated authority.

I only had one very difficult situation in my time as a

trustee and that was when the Chief Executive was

giving the board a much rosier picture of the financial

situation of that organisation than was actually the

case. There was nothing illegal or fraudulent, it was

more to do with self-confidence, but I vowed never to

be in that position again.

We need to know what we're paying attention to.

So, the first point on this, which may be you'll shake

your heads at.

Some decisions are reserved to the board.

Ideally we should go into meetings being very clear on

what we're being asked to make decisions about.

Agendas should be structured in that way because

otherwise we can have great conversations at board, but

nobody really understands what decisions were made.

An obvious example of this is trustee appointments

should be board-only decisions.

If we've got a Chief Executive or equivalent position,

we want them to get on with running the day-to-day of

the organisation, but the third point which is where

things go awry, is that we need to have a trust with

that individual to escalate high risk or high impact

issue for the timely attention and consideration of the

board.

This is the bit that is very difficult to manage in our

role as volunteer trustees where we've got the overall

responsibility for the strategic direction of the

organisation versus paid staff because we're reliant on

our paid staff to give us the information by which to

make effective decisions.

So we need to decide what we want to know about, when

we want to know things and when that individual is

required to escalate particular areas.

So you may find that your organisation is incredibly

strong artistically.

Your box office is holding up very well and in fact, as

a board, and group of individuals, you really are quite

comfortable with that.

You don't need to spend lots of time talking about that

at board meetings, but the financial situation of your

organisation, it is an area that you do need to spend a

lot of time scrutinising, and talking about within your

organisation.

So each board will be different, but the board need to

take some control of this sort of delegated authority

and to really make it work in their particular context.

Okay.

I'm going to stop there.

We're right up to time.

So we're going to have a ten minute break.

We're going to start our break-out, bang on 3 o'clock

if that's okay.

I look forward to seeing you back here at 3 o'clock.

A ten minute break now.

Thanks, everyone.

BREAK

MICHELLE: Welcome back everybody.

We're going to have 12 minutes or so for you to be able

to talk to each other in groups.

You can put the videos on and be able to meet some

fellow trustees.

The diagram I'd like you to consider is from a

colleague of mine called John Williams at Civil Society

called the Seven Deadly Since of Boards.

This is a circular diagram which has seven Deadly Since

in the middle and then seven circles around that which

talk about common problems we find in trustee boards.

This slide will hopefully be in the chat for you to

consider as well.

The first is there is no formal board evaluation.

We don't look at our own performance as a board.

The second, there is no attention to terms of office.

So, you may find that trustees have stayed a very long

time and in fact, don't want to be trustees anymore

anyway! But feel that they can't leave.

There is not enough attention to sustainability and

risk.

They're skimping on recruitment is the fourth one.

Only 10% of board roles are advertised openly which is

why we get accused of cronyism and boards are created

in the chair's image amongst friends and close

networks. There is a lack of engagement between

trustees between meetings.

Some recruiters will say, do join, it is only four

meetings a year.

If we're going to be an effective trustee, there is all

sorts of engagements, papers to reads and budgets to

approve.

There is lack of respect for SMT, by which I mean

senior management team.

The paid staff have no respect for the board.

I did come work with an education charity.

The attitude of the team was well, we'll let the board

have their discussion, but we'll just carry on doing

what we want to do anyway! It was outrageous.

We sometimes get this lack of respect on both sides.

There is no investment in induction and training.

Even from microcharities, trustees need to have some

refresher of their responsibilities, some discussion of

when things have changed to be able to consider new

areas like safeguarding as I've already mentioned.

So, I'd like you to take this as a starting point and

in your groups, just discuss where you have seen some

Deadly Sins or where you've experienced things which

could be less than helpful and what could be put in

place to improve or help.

I'd like somebody from each group to post two or three

posts of summary into the Q and A and we will collate

this and send it around with the Q and A post-session.

Hopefully that's clear.

You will receive a link to join a break-out room and we

will see you shortly in about 12 minutes or so.

I hope it is a good discussion.

BREAKOUT SESSIONS

MICHELLE: Welcome back everyone.

I'll just give it a moment for people to come back.

Wonderful.

I hope that was a productive, interesting discussion.

If somebody from each group would be kind enough to

post your two or three points into the discussion,

we'll collate into the Q and A box.

We'll collate them and send them around after the

session with the slides.

I am delighted to welcome Dr Vishalakshi Roy.

She holds such an impressive array of arts and cultural

trusteeships, she is going to talk for the next 15

minutes or so until we wrap up.

VISHALAKSHI: Thank you.

Thanks, Michelle. Thank you for having me.

I'm hoping to use the next 15 minutes or so to tell you

a few things from my own experience of being in

different roles.

I would say my journey started about 15 years ago and

since then I've been part of different types of

organisations.

I will try and see if I can move my slides.

Through my experience I'm going to talk to you about

three different levels about what I've learnt from the

different roles.

I'll talk about the personal level that's what I've got

from it.

I will talk about the organisational level and then a

little bit about the external expectations and things

that I learned about that.

I have a few best practice processes and things that I

feel have helped me in my different roles. So I've

called them Best Practise, but they're not from any

published lists or sources, they are drawn from my own

experience.

I want to leave you with five areas of reflection that

I feel as trustees these are areas that you should

probably reflect on from time to time to make sure that

you're getting, you're getting most from the

experience, but the organisation is as well.

So, this is some of the organisations that I've been

part of.

Currently, in my role, I'm part of three of these now

which is Art in the Park.

I'm director of an organisation called Urban Lamp.

That gives me a broad understanding of how

organisations work.

At the University of Warwick, I teach management and

entrepreneurship.

In the personal level then, I think one of the key

things on a personal level that I feel I've

experienced, but also what has helped me is knowing my

why, why do I want to be a trustee?

Why do I want to be a trustee of a specific

organisation?

And just understanding really well about what is it

that I'm getting into and why I'm doing it.

The other areas are about getting to know the

organisation on a personal level.

I think it is important, I have found that it is

important to understand the organisation, but spend

some time doing it and also, evaluating how much I like

it and how much there are similarities in values as

well with the organisation.

On a personal level, I found that it is quite important

to be clear on legal and fiduciary responsibilities.

On a personal level, those I have found have been quite

useful for my own personal growth, but to help me

articulate why.

Just like knowing your responsibilities are important,

I think knowing limitations has been important as well.

I've learnt through my experience, some boards of

trustees can have expectations of themselves, but

without understanding that they may not have the time

or the expertise to do some of the things that they

want to do.

Knowing your limitations and when to bring in other

experts.

I have found from my experience that's quite important

to know at a personal level.

Thinking about the organisation about what they want to

get from their trustees and what we can contribute to

the organisations.

I've already said it is important to know the

organisation, but I think it is important to know the

organisation's expectations from trustees as well

because that might be evolving.

That might be changing.

That's what I found.

When I first started, when I stepped off the board of

trustees, what they needed from their board had

changed.

Understanding the culture of the organisation and how

you as a trustee can contribute to that culture.

How you can sort of bolster it or maybe even make

changes within it.

I think that's quite good to explore and to know more

about.

Not just culture, but knowing where the organisation

has come from, its history, its evolution and also its

values is important to know that as a trustee.

I have found where I have spent time getting to know

that, I have got more from it, but the organisation has

got more from me as a trustee as well.

I think sometimes getting involved in a lot of detail

about the operation of an organisation can actually

hinder some of your decision-making or some of your

discussions, objective discussions about an

organisation.

Knowledge is good, but involvement and detail, there is

a word of caution on that, I think.

Again, on an organisation level.

Timing is essential. Sometimes as trustees, decisions

can seem, a range of decisions can seem equally

important, but understanding how the organisation wants

to prioritise the urgency of certain decisions or

discussions or contributions from trustees, I think

that's quite important to know.

I found from my experience that a good board of

trustees can act as an accelerator to help them

progress, but equally, are a very valuable break to

make them stop and think about what they're doing and

why and if that's the right course of action.

We've talked about personal and organisational, the

third level I'd like to talk about is the external.

So, how you are seen or what you are seen to be doing.

I think it is important to be an effective and valuable

ambassador for the organisation that you're a trustee

of.

I think it is also quite important to take a role in

changing the perceptions of the organisation. If you're

able to influence how approachable an organisation is,

how innovative, I think it is important as a trustee

because we have access to that and we can take a role

in getting those messages outside of the organisation

as well.

I found the more I'm able to keep myself abreast of

cultural policy and practise, the more important I am

or more useful I am to the board and the organisation

because I can input information into the board. So I

think it is important to bring that information in to

assist with the organisation to keep on track with

what's going on.

This is again, from bitter experience.

I think if there are things and this is very possible,

if there are things within the organisation that you do

not agree with, it is important to raise it internally

in the right manner rather than to raise it publicly.

It is important to remember that we're quite visible in

that role whether we see it or not. It is only human to

not agree with every des, but it is important to raise

that internally before we show there might be some

disagreement or dissent within the board.

That's three levels.

I wanted to just touch on a few things that I have

found different practises or systems that I have found

have helped me integrate better, do my job better as a

trustee.

I wanted to flag these up as best practice, but as I

said, it is not from any published sources.

I would say being able to observe a meeting before

joining a board has been quite valuable.

It helped me.

All the things I talked about in term of value and

culture and how decisions are made, you can get a good

understanding of that before you start.

A lot of cultural organisations offer this idea of

board buddy schemes where - a trustee and somebody new

who is joining can have an informal conversation or

meet-up to talk about the organisation.

That, I found, has been quite invaluable.

Induction meetings, I think, are very popular and are

quite normal for most boards, but induction meetings

specifically act at a director level and then with the

Chair of the board are quite valuable.

I heard Michelle talking about training and the lack of

it, I think training and board away days and training

around unconscious bias for example, or diversity,

these kind of areas, I think it is important to stay on

top of the changing, not just regulations, but the

social perceptions.

Getting to know the organisation also includes seeing

their work and going to stakeholder events and I found

where I've had an opportunity to do that and I've taken

up that opportunity, I have been a more valuable member

of the board.

I think this comes with a little bit of a word of

caution, but if as a trustee you're able to take some

part in strategic planning or some part of staff away

days, I think having that understanding of those

processes and having informal interactions with the

staff team has also been quite valuable for me.

Just a few more. Being part of cultural networks and

industry memberships.

I found that's been quite valuable in being able to

contribute more. Staying on top of policies and

procedures within, because that also dictates culture

has been quite good and for me to be able to contribute

to the decision-making at a board level.

Obviously, this is not a responsibility of all trust

cease, specifically, the Chair, but if as a trustee

you're able to take part in annual reviews of the

organisation, I found that has been quite valuable as a

practise as well.

And then lastly, networking.

Similar to attending shows and stakeholder events,

being able to network with stakeholders and funders of

the organisation or finding opportunities to do that.

I have felt has helped me be a better, a more

integrated and useful trustee to organisations.

And then lastly, I did say I'll leave you with some

areas to reflect on.

My recommendation would be to maybe even do this on a

yearly basis.

A five point list of things to think about for each of

your trustee roles which is why do I want to be on this

board of trustees?

What can they get from me?

What do they need from me?

Which of these can I give?

How is this role adding to my overall experience

skill-set?

How can I fit in better?

And when should I leave?

When should I move on?

I'm sure the slides will be made available, but I

wanted to leave you with that list because those are

the areas of reflection which has helped me understand

why I'm on a particular board, what am I doing there

and when I should move on?

That's all I have for you.

I would be happy to stay on and take any questions.

MICHELLE: Brilliant. Thank you so much, Vish.

We're almost at time. Thank you so much to everyone for

attending. If you haven't put your break-out room

summary in the Q and A, please do because we'll be able

to share it with everybody afterwards.

If there are any questions from anyone, similarly, pop

it into the Q and A and we'll make sure that it is

answered with the slides after the session. But thank

you for attending.

We will be in touch shortly with follow-up.

Have a good afternoon everybody and it is good to see

you all.

Cheerio!