**Transforming Governance: Overview of Governance for Non-Charities – 28 November 2023**

MICHELLE WRIGHT:

Welcome to everyone.

Good morning, I’m Michelle Wright and I run an organisation called Cause4

and the arts fundraising and Philanthropy Programme.

Delighted to be here this morning on Transforming Governance.

Just a few points of housekeeping.

For the purposes of the tape, I am a white woman in my

40s with shoulder-length dark hair, and I'm wearing a

grey jumper.

The slides that will be in front of you are a little text-heavy.

We have created them by design, so you will receive the

slides and they are designed so you have something

quite comprehensive after the session.

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

presenting them as they are on the screen.

We would be really, we would appreciate it if you could

have your cameras off in this first part of the session

and muted.

Then there will be a chance, a break out where you will

have a chance to talk to other people on the call where

obviously, we would love you to have cameras on.

The chat function is disabled, but the Q&A, the Q&A

function is on.

So if there are questions that arise as I'm talking

throughout the session, please pop the questions in the

Q&A and we will make sure that everything is written up

circulated to everybody after the session.

The format of the session is 50 minutes of content,

talking.

We then have ten minutes break out, 15 minutes chance

for you to meet colleagues, and work on a particular

issue of governance, and then 15 minutes we will hear

from a guest speaker.

So before we get started, I'm pleased to hand over to

Hollie Smith-Charles from ACE.

HOLLIE SMITH-CHARLES:

Thank you very much. Hi everybody, I'm going to just

be very quick and I wanted to welcome you to

Transforming Governance.

And to the programme.

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

with blonde hair and I'm wearing a dark blue jumper.

So this is a development programme that Arts Council

are running and the aim is to strengthen governance in

the cultural sector to help organisations manage risk,

and diversify, and look at recruitment, all those sorts

of things.

I'm very grateful to you all for taking the time to

join us this morning.

This is our second workshop, and we have got a variety

of activities and resources that we are developing

over of the next year, year and a half.

So it would be great to hear your comments and

feedback. We will send a form afterwards, and any

suggestions we would love to hear them.

That's all from me. Enjoy the session thank you again.

MICHELLE WRIGHT:

Let's get started.

Today we are focusing on governance for non-charities.

Some of us hold this board responsibility for

organisations that are not constituted as charities.

So we are thinking about the concept of governance, and

why it's important, and some of the key

responsibilities of oversight, and other non-charity

boards. So we will be covering a little on strategy,

on financial planning, on the legal responsibilities,

and whatever structure we are a Board Member of, we

have responsibility for.

Then we will wrap up with a little bit of focus on

partnership working, and community working which is

such a driver of our efficiency as organisations, and

also our funding structures.

I have started with why become a Board Member, as a

reminder, there's not a good understanding in the

public about what being a Board Member is, what a

trustee is, and unfortunately, the media tends to pick

up on governance in a very negative way.

It picks up on governance when something has gone

wrong, and there's been a failure of an organisation,

or an organisation has you know, there's been something

gone terribly awry in its governance.

The Charity Commission itself recognises that there

needs to perhaps be some campaign, and something very

positive to encourage people into trustee, and board

roles.

But some of the reasons we may take it on, obviously,

as you know, for our personal development to complement

our career, our work, in other ways, gain new skills,

and network with others, and find new interests.

I think you know, we need to recognise that perhaps

governance as a whole is not seen always in a very

positive light.

We have got a number of different bodies that require

governance, and I'm going to touch on some of the main

ones, certainly the main organisations that are funded

through Arts Council England funding, and similar

today.

We have in the charitable structures, or charitable

company, we have a very simple trust structure to give

money away, disseminate money simply. We have a new

charitable structure called the Charitable Incorporated

Organisation that's been around since 2012.

The Community Interest Company, which is our main form

of social enterprise, university structures, Local

Authority structures, and other forms of social

enterprises.

So quite a list.

I am going to go through them very quickly, and

briefly.

Of course, as we sign up to become a Board Member, or

to take on a governance role, we need to understand the

structure that we are part of.

The charitable company which is our main form of

charity reports into Companies House, and also the

Charity Commission.

Sometimes, for very low turnovers, small charities,

have really quite a lot of administration bureaucracy

because they are reporting in to those two bodies.

If you qualify for charity status, then you also

benefit from a number of different tax breaks, tax

reliefs, that sort of thing.

The trust structure which is the most simple structure

to give money away, this is often elected if somebody

has decided to leave a sum of money to be distributed,

charitybly, and the business operates by Trustees with

trustees.

You couldn't enter into a trust structure such as this

if you needed to enterker into a complex contract or

you needed to employ staff.

The Paul Hamlyn Foundation for example, they do employ

staff because they enter into contracts with

organisations.

Our final charity structure, common one, is the

Charitable Incorporated Organisation.

This came in in 2012.

It was rather a gift to the charity sector in so far

that it just reports in to the Charity Commission as

its regulator.

It avoids some of the administration that Trustees find

from charitable companies.

Mostly, it operates like a regular charity, the only

reason you might not adopt this structure is if you had

very complex debt, or remortgaging requirements.

Most of the charities I have been involved in setting

up since 2012 have taken up this structure because it's

a simplified administrative structure for charities.

We have a number of social enterprises, and they can

operate under lots of different structures, and the

most common one i Community Interest Company.

Those of you that are directors of community interest

companies, you will recognise that the structure has an

asset lock.

So that organisation cannot be used solely for the

personal gain of a particular person or group of

people.

The money in that organisation is protected.

It has a different regulator.

The office of the regulator of community interest

companies which is a mouthful which is located within

Companies House.

Sometimes founders of charitable activity, artistic

activity, social activity prefer this simple structure.

Because they can serve as directors of the

organisation, and also receive payment for their work

as employees.

I will come back to that in terms of the conflicts that

arise a little bit later.

Obviously, if you are an employee of a charitable

structure then, you are line managed by a group of

volunteer Trustees, and it's important that we as

Charitable Trustees recognise that distinction.

For universities, they tend to be vast structures,

monolithic structures, and they have quite complex

governing relationships.

So usually, we would see a Board of Governors or a

Council, which would set strategic direction, oversee

the management of the institution, and meet all its

legal and regulatory requirements.

You usually might see a Vice Chancellor or President

that would be a Chief Executive Officer equivalent that

would be responsible for the day-to-day management of

that institution.

We will see all sorts of sub-committees, committee

structures, sub councils to make the operations of

those institutions work under the main governance.

Often you will see, and rightly, required to have

representation from student bodies as part of that

governance structure.

For Local Authorities, again, we see very complex set

of systems often, so a combination of elected

representatives, and administrative officials, and

other legals structures.

Again, we will often have quite complicated distinctive

committee structures.

For those of us managing you know, potentially large

grants or behalf of Arts Council England etc, we need

to understand how that fits into that wider governance

structure, and who is responsible for it.

Local Government varies of course, across the UK's

four-nations, and we are tasked as we serve on those

bodies, in really ensuring effective delivery for our

communities.

Then finally, as I mentioned, social enterprises might

be community interest companies or they might be a

different structure such as a company limited by

guarantee.

If we serve on those bodies, we are responsible for

strategic decision making, and making sure that social

mission, that social purpose is upheld, and also making

sure that reinvestment of profits go to uphold that

social purpose.

From the charitable point of view, we have got 900,000,

sorry over 900,000 trustee positions held by 700,000

individuals in England and Wales.

A number of Trustees serve on more than one board.

We have over 170,000 registered charities.

Men outnumber one two-to-one.

But in arts and culture, the demographics are more

equal.

The age is up to 62 which is 20 years older than the

average age in the UK.

In fact, just ten years ago the average age of a

trustee for a charity in England and Wales was 73.

There's been a huge move in terms of demographics.

They are also above average in terms of income, and

education.

As well as that vast body of charities, and so you can

see the competition, and the environment that we are

working in, we have got a number of other civil society

organisations, so universities academies, independent

schools, sports clubs, Housing Associations.

We have also got the school governor, community, and

non-executive directors.

We have got an estimate about 370,000 school governors

as well.

There are over 35,000 registered active community

interest companies in England and Wales.

All of which have at least one director.

So we have got well over a million individuals that are

taking on board and governance responsibility, and

operating with this in this wider framewo civil

society.

Just a very quick overview of the types of Trustees, so

our charity trustee is an individual responsible for

overseeing and managing the affairs of a charitable

organisation.

They have legal duties to act in the best interests of

the charity.

They make sure it fulfils its charitable purpose.

Most of our Trustees serve as volunteers but they

assume the legal responsibility for directing the

affairs of that organisation.

Our non-executive directors who are paid roles have

different sort of emphasis, organisations will take on

non-executives to be able to achieve certain goals,

certain technical or operational or financial areas

where they need to strengthen or improve.

Larger organisations of course, will involve Non-Exec

Directors in overall governance and compliance as well.

So they are paid for their particular roles within the

organisation, and have very distinct targeted briefs.

For the Director of Community Interest Companies,

though the social enterprise structure, they are

responsible for the strategic direction of that

organisation.

Some may receive payment but usually they act in an

unpaid capacity to really serve and protect that social

purpose or community mission.

In terms of regulation, they have a legal obligation to

act in the best interests of the CIC and make sure it

meets its social purpose.

The school governance system is rather complex

depending on what type of school you are, whether you

are part of a Multi Academy trust, and have some

independence.

Usually, a school govenance serve as volunteers, and

again, they have to support and challenge the school's

Leadership Team and support decision making on areas

like policy making, budgeting, and to meet educational

standards.

As you will be aware in schools, there are particular

areas like safe guarding that come into critical focus

for school governors.

University Board Members typically serve as members of

the Board of Governors or a trustee, depending on the

particular structure.

Again, similar overall responsibilities but for much

larger organisational framework.

So they will be required to look at strategic

direction, financial compliance and meeting regulation,

in terms of educational standards and policies.

These roles can be either voluntary or paid, depending

on the type of university, and what that Board Member

is being asked to contribute.

When we consider this word governance, which I think

often or certainly I feel that I really understand,

it's quite hard to define, I have ended up with this

definition of the way in which organisations are

directed, controlled and led.

We all depending on whatever structure we are part of,

for a microorganisation through to a bigger structure,

have to make sure that we are being true to the

founding principles of that organisation, and

protecting its future sustainability.

We have a custodial role and a future role.

Many of us in arts culture and heritage organisations

at the moment will recognise just how difficult it can

be to look forward, to look forward ten years, 15 years

which is part of our role, when you know, we are facing

so many challenges on a day-to-day basis.

All of us, whatever structure are protecting that

long-term vision, future of the organisation, its

reputation, its values.

These are just thoughts were me, and obviously your

organisations where I think governance is working

really well.

Then I will introduce a framework from the United

Nations which is similar.

So, we need to make sure that there's clarity over our

purpose, and the direction of the organisation, what

does it stand for, what are we trying to achieve?

Should we still exist?

Is there a better organisation that could fulfil these

objectives?

These are the things we should be asking ourselves as

Board Members, governors all the time.

By a strong board, we need the right or appropriate set

of skills to meet the strategic needs of that

organisation over the next three to five years.

I have recently met a few charities who are recruiting

boards to meet the requirements of their business plan

over the next three years or five years.

I feel that's really a smart way to operate.

Sometimes we go through formulaic skills-based

assessment of we need a finance person or a legal

person or whatever it is.

Of course we do need those skills but we need to think

much more carefully about the skills that we need to

meet the strategic needs of the organisation in the

next period of operation.

Fit for purpose, we need the policies and procedures

are good enough and appropriate.

They are proportional to our type of organisation, and

the area it's operating in and the needs and

requirements of our regulator. Any of us operating on

boards, you know, we can't say well, we just didn't

know. We didn't know there was a safeguarding

requirement, we didn't know that we had to meet this

particular objective or requirement of our regulators.

We should have awareness and continue the environment

that we are operating in. But we may not be able to

achieve compliance straight away.

In which case we should be saying well in six months'

time we will look at this.

We know we need to develop our policy in this area. Of

course, if we are a governor of a university or Local

Authority, we would be expected to meet compliance

straight away if there was a change in the

expectations. For smaller organisations, we are

required to be aware of what we need to do and put in

place policies, procedures and systems that meet those

expectations in a timely manner.

Learning and improving.

There's some awareness among the board, and learning

and reflective process, so often I think we join boards

with no experience, nobody hands over to us what's

happened in the past. You know, there may be something

in term of strategy that has gone terribly wrong.

There's nothing you know that would stop necessarily a

new set of Board Members making the same mistake,

nothing is articulated or written down or recorded.

I'm not suggesting for a moment that we create onerous

tomes of organisation but something that gives the

headlines of things that have worked well and things

that haven't worked so well for next generation Board

Members is going to be really, really valuable.

Financially, sound and pruden and accountable and

transparent goes without saying.

These are the things we need to pay particular

attention to, again in any scale or size of board or

structure.

The financial stability of that organisation and

looking at procedures is going to be a core part of

what our experience is.

The United Nations eight principles of good governance

adds colour to this which is useful.

Accountable and transparent I have talked about,

responsiveness in the environment we are operating in,

we are having to make decisions very fast, and having

to change direction very fast.

Strategy we can't allow to unfold if it's going to mean

we don't have a future as an organisation.

So our ability as a board to adapt and change to this

very fast moving environment I think is a useful thing

to consider.

Equitable, and inclusive in terms of how we operate,

who is represented and how we make decisions, is

obviously something that we are all minded about and

it's so Front of Mind of our funders and decision

makers and policy makers which is why arts culture and

heritage has done so well comparatively in terms of the

equality of its board and representation and so much

more to be done.

Effective, we want to make sure our Board Members are

spending the time on the areas that are crucial to our

purpose.

We need to be able to spot waste, and prioritise

activities, and support the organisation to stop doing

certain things so we can create space for new things

that are most important for our beneficiaries or

communities.

Obviously following the rules of law, we will all

operate within different regulatory structures, we need

to have awareness of those things.

The final two which are participatory, and they are

very interesting in terms of how we think about

decision making for all boards we want healthy

challenge, we are there to bring external perspective.

We are there to make sure that strategy, and

development and financial health of the organisation is

as strong as it can be.

But ultimately, we need to make good group decisions,

that doesn't mean we have group think or expect

everybody to agree. But our role is to make sure as

far as possible with the information that we have

available to us, as a group, as a team of Trustees, or

governors, we are making the best decisions that we can

in the interests of the organisation.

In fact, for Trustees that are part of charitable

organisations, the commission is looking at the process

of decision making, as opposed to whether that group of

Trustees made a good or a bad decision.

It's the process that we need to be so sort of

exercised by in terms of how we are coming to a

conclusion or making a decision.

Our behaviour as Board Members of course is critically

important.

I come from a background of doing things, and being

able to make things happen, and having some control of

what I'm involved with.

In my role as a Board Member or trustee, of course,

it's completely different dynamic.

There may be 20 things in any Board Meeting that I want

to know about or am interested in or I would like to

challenge but really before every meeting, I'm thinking

about one or two things am I going to raise at this

meeting that I think will make the most fundamental

difference to this organisation.

That will protect this organisation, and protect its

reputational values, and all the things we have talked

about already.

I think there's a kind of key equation if you like for

effective Board Members or thinking about how we

operate. I have put at the bottom of this slide.

So skills are important of course, we need a balanced

group of skills for any organisation to be able to

provide that external perspective, and challenge.

As Board Members we need time and energy.

We could be the most eminent accountant, if we are not

able to contribute to the Board Meetings then our input

and impact will obviously be limited. A fourth thing

which is culture which is often forgotten about is

critically important.

Different organisations of different scales will need a

different cultural approach at different times.

It might be that your organisation is needing to

implement huge changes at the moment, what's happening

in universities and expectations for example at the

moment, are huge shifts if how universities operate and

what students expect and are demanding of those

institutions.

We therefore, most universities need a culture that's

driving to some extent change and moving fast enough to

meet those expectations.

At different times we might need a different board with

a different culture, and set of kind of personalities

and approaches.

Many of our arts and cultural organisations have been

through very bruising time of change in the last two or

three years since Covid-19.

So often, they need boards that are supportive,

generous, and supporting them into the next phase.

To make good careful strategic decisions.

Paying attention to the culture of the board is

something we forget about, we forget about what culture

we need to meet the needs of that organisation at this

particular point in time.

Again, for all scales of organisation, this slide on

delegated authority is something that we need to hold

on to.

So, the governance role is how we make decisions,

allocate resources, achieve results, and how we are

accountable for what's happening.

Management role, we have executive staff, we need to

support them to get on with managing the organisation.

As Board Members though, we need to understand our

levels of delegated authority.

There are three levels to this, the first that some

decisions are reserved to the board.

We create this hierarchy because as Board Members, we

are responsible for particular decisions.

The executive are not, there are certain things that

board only are responsible for in whatever structure we

are part of.

If we have a Chief Executive, or equivalent position

though, we need to allow that person, that set of staff

to get on with running the day-to-day of the organisati

governance falls down is the third bullet point where

that Chief Executive needs to understand because, they

have been given clear direction from the board, when

they need to escalate high risk or high impact issues

for the timely attention and consideration of the

board.

As Board Members of any type of organisation, we fall

into very uncomfortable position where we hold the

responsibility for making decisions, but we are wholly

relilent on paid staff to give us enough detail to be

able to make those decisions. How tightly we keep the

decisions close to us will vary.

It may be that you are part of a smaller Community

Interest Company and you are very concerned about

future sustainability but you are confident about the

artistic programme of the organisation. In those

cases, you would be wanting to make sure there's

sufficient time spent in financial challenge, and

looking at financial figures, it may be that you are

just asking for an update on the artistic programme

because you feel so comfortable that that is being

managed well.

It will change.

It could be in six months' time you feel that the

finances have been really taken care of.

You are very confident in the controls and processes

but you want to see more development of the artistic

programme.

It's up to us as governors to really understand this

concept of delegated authority, and where we are

placing the particular emphasis of time and investment

of resources for that organisation.

Community Interest Companies, and some other structures

that will be very familiar with, for example,

volunteer-led museums, we have this dual responsibility

often where they are a paid member of staff, and may

also hold a director role.

Obviously, we have to be very careful that we

understand which hat we are wearing.

When I'm working with small museums that are

volunteer-run, I'm saying you know, you need to be so

clear which hat you are wearing and make sure that you

don't mix meetings together, you know, have a meeting

about governance, have a meeting that is about

management, so that you don't confuse the two and end

up with blurred lines.

It can be much the same in the Community Interest

Company structure, so our governance hat is our kind of

overarching strategic directions and how we make

decisions, avoid conflicts of interest, and are

transparent in terms of the financial information we

share.

Our management hat is the day-to-day running operations

of the organisation.

Obviously, when we are wearing our staff hat, are

responsible for executing the strategic decisions made

by the board of director. We are responsible for

making sure that whatever levels of delegated authority

have been set that we are carrying them out to the best

of our abilities.

In terms of conflicts of interest in this particular

scenario, we also have to really understand the

difference and obvious to say, as directors we have a

legal and custodial duty to the organisation, and its

stakeholders, as a paid staff member, it's our primary

duty to carry out the job responsibilities to the best

of our ability against the brief that we have been

given.

Really important that we unpack this, depending on the

scale and type of organisation, it will depend on how

much time we pay attention to this differentiation

between governance, and management, but it should be

something that we regularly come back to.

In Higher Education, the Higher Education governance

code again has six interconnected elements that form

the foundation for effective governance.

Some of these we have already touched on, the

accountability framework obviously goes without saying

and our sustainability that the organisation will

sustain well into the future, reputation takes a very

kind of big part, it's right at the heart of this

particular code.

We have got to preserve the institute's reputation and

autonomy, and values and principles of the

organisation.

As well as of public life.

Again equality, inclusivity and diversity, a key part

of this particular code, making sure there's fairness

within the institution, an student body, and how

students are recruited, and how they are rewarded and

through bursaries, and fairness is an important

principle of this code.

Again we have effectiveness, in terms of how effective

the organisation is being in moving forward its

strategy, and engagement, I think engagement in an

organisation as large as a university is obviously

complex. You know, who are our stakeholders, at a

global level, national level, at local level, how are

they prioritised and which partnerships should we be

focusing on, and which ones should we discard.

In these institutions we can collect activities and

lose sight of that effectiveness, and the key reason

why we are there, and who we are there to serve in

terms of students.

The dynamic between our board, Chief Executive, or

equivalent position, and Senior Management Team is

obviously crucial, so how we keep this in balance, how

we think about it, how we manage organisational

planning, to support it, how we challenge if there's no

challenge, if those relationships have perhaps got too

cosy, too close, or indeed if there's a fundamental

breakdown between board and staff.

We need to be very fast to move in those circumstances.

Also volunteers need to be aware of the changing legal

structures and insurance requirements around

volunteers, often governance can fail because Trustees

have fe Board Members have thought that volunteers are

protected under particular policies, and then

subsequently find out that they are not.

Obviously, we have all got legal obligations if we

employ staff to make sure that we have got appropriate

HR support, effective staff policies, management

policies and volunteer management policies as well.

So again, for any scale of organisation, we have got

three main responsibilities.

We have got our strategic responsibilities.

We have Gt our financial responsibilities. And our

legal responsibilities.

An overview, our strategic responsibilities, are that

we are setting a direction, a strategy, to achieve a

long-term or overall aim.

All of our types of organisations has sustainability at

their core. Is this going to mean that our

organisation can survive ten years, 15 years hence.

How will we monitor, and know if this plan is being

successful?

We need to make sure that we have got sufficient time

allocated within Board Meetings to strategy. So many

of us I think can find that we spend our Board Meetings

just talking about compliance. Really effective boards

will have split the time perhaps a third, a third, a

third, between compliance, developing and creating

strategy, and then a third, the final third to how

successful the strategy is being, that monitoring of

strategy. I have just joined a Higher Education board

which is the first time I have ever been part of a

university structure and it just strikes me all the

time how focused we are on compliance, and regulation.

There's very little time on this particular board to

discuss strategy, creation of strategy or even

monitoring of strategy.

Our second area that we all face, and have to make sure

that we are meeting is financial responsibilities. In

any of our structures, we need to make sure that our

accounts are receiving the right scrutiny, internal or

external, that we are filing that financial information

on time, that we are safeguarding the assets of the

organisation and ensuring proper allocation of

resources.

And that we are taking appropriate steps according to

our size and the type of organisation we are in,

preventing bribery, fraud, financial abuse and

irregularities.

If you don't come from the background, sometimes the

finance can feel overwhelming.

It's the job to set cultures where people can become

very comfortable with the financial information that's

in front of them, to ask questions, and working with

one new chair of an organisation that has just set a

parameter, no question on finance is a silly question,

it sounds a simple thing to do, it has changed the

culture of that board.

They are more confident in asking for financial

information, and understanding their responsibilities

around it.

Of course, we equally are responsible on the boards we

sit on if things should go on.

If finance is an area where you feel under confident or

not had many training, it's the organisation's

responsibility to make sure that there's some training,

and support or articulation of the accounts or analysis

of the accounts, so that all Board Members get very

confident with the information that is in front of

them.

On the legal responsibilities, again it will depend on

the regulatory framework, we need to keep the policies,

procedures under regular review.

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Compliance is changing very fast, Charity Commission is

changing its guidance very fast, and Higher Education,

some of the responsibilities are changing quite fast,

as a board we need to understand and keep up with those

changes.

So we will need awareness of obviously the law around

our particular type of organisation, changes in health

and safety, and employment law, that we are meeting,

and can meet the obligations by funding regulatory

bodies like Arts Council England in the structures we

are in.

Common law duties as known.

Things like we are providing a safe place to work, that

those requirements are met, and that we have got duties

of loyalty, faith and care and diligence and skills.

This is obviously an area where we need such good legal

support on our boards, and we are likely again

depending on the size and type of organisation need

good external legal support as well.

To make sure we are meeting these particular

obligations.

For CIC, for the social enterprise framework, we have

got a number of things, and I have just pulled out the

financial responsibilities for CICs and for

universities just to show that the kind of differences

between smaller organisations in the social space, and

the larger institutions of universities.

So if CICs, we must maintain solvency, and be able to

pay debts when they are due, and take relevant action

if we end up in particular financial trouble.

We need to protect the assess lock I talked about,

making sure that the assets of that organisation are

protected.

There's a limit on any dividends that might be paid to

shareholders set bylaw, we need awareness, and changes.

We immediate to file on time and meet the requirement

of our regulator, and we need to be very conscious of

how that charity has been set up, its social purpose,

and community activities.

In the university structure, we have also got a number

of core financial responsibilities.

So a wide understanding and awareness across those

boards around the finances.

We have to ensure that we understand the financial

management, , budgeting and accounting and Financial

Reporting and our financial affairs are well organised

and transparent.

We are collecting tuition fees from students in

accordance with the regulatory guidance set by the

office for students, that we are again meeting the

requirements of Governments funding, and National

Lottery heritage funds, and Arts Council England, and

that all the requirements are met and financial aid to

students is administered fairly and transparrently, and

we have got the relevant external audit.

Some universities will have charitable status as well.

They need to meet the requirements.

Because they are associated with being a charitable

organisation.

All sorts of different financial responsibilities.

We need to hold on to that Venn diagram of

responsibilities in any of the boards that we are part

of.

There will be many times perhaps where as a board, we

don't have the relevant skills, or understanding, or

knowledge to meet a particular circumstance that has

arisen, therefore we are required and it's expected

that we get appropriate external advice that is

properly procured.

If we do so we need to make sure we have a proper

framework that it doesn't undermine the main business

of boards, and our responsibilities, and that we have

got proper Terms of Reference, and it's time limited

that advice, it doesn't go on and on, and we don't

understand where it stops.

This is a key part of our reputational management

again, at any size and scale of organisation.

Our final few minutes, before we have a break, I

mentioned at the start, partnership working so

partnership working is such an important aspect of good

governance, especially right now in terms of our

funding environment.

Lots of talk, and important investment in place, in

organisations joining together, working together, to

achieve particular outcomes linked to a particular

place, or a particular community.

So this collaborative effort allows noncharitable

organisations, and charitable organisations of course,

to pool resources.

It brings with it particular funding expertise

infrastructure that we might not be able to achieve on

our own.

More sustainable impact on the communities and

beneficiaries.

We can share some of the risks and liabilities with

partners. In some cases we may be a principle partner

and take on the lion's share of the responsibility, in

others we may be a smaller part of delivery, all this

can help giving us capacity and scope in our strategic

direction.

It helps us in innovation and bringing in new ideas,

and fresh thinking and fresh resources, so it all

sounds good.

Of course, it can also potentially drag down an

organisation, it can mean that we are spending more

time than we are meant to of delivering a partnership,

there are other problems with value.

One of the things for Board Members to be constantly

questioning is does this partnership help us move

forward, is it bringing value?

I was talking to a mid-scale arts organisation

recently, and they are very proud of four university

partnerships that they have built. On paper, it looked

fantastic, but when you delved into the detail, that

organisation was probably spending 30% of its time

servicing these relationships and not one of those

relationships was income generating for that

organisation.

So they are bringing all sorts of reputational value

and benefits, and actually if we are being very

hard-nosed about it, nothing financial.

We have got to be asking and challenging partnerships

all the time, thinking about whether joining together,

and cost sharing can really help and support our

organisation, and protect its sustainability.

There are other outcomes, and we are looking to achieve

social and environmental outcomes etc, and in terms of

the economy, again, because there's so much focus on

place-placed work, and going forward, if you look into

the strategic plans for all the major policy makers for

Government, for shadow Government, for Arts Council

England, and National Lottery Heritage Fund, and Paul

Hamlyn Foundation, all those bigger funders, the thing

that joins all the strategies is investment in place,

which I think is why partnership working has come to

the fore so strongly.

If we can expand the capacity and service all to the

goods.

We have to make sure that the partnership can flow, is

supporting our organisation, and is adding value at

multiple levels.

So some of the things as Board Members we need to be

very aware of, is that the partnership is a good fit,

has mutual respect, and shared values and goals.

Clear roles and responsibilities, often you get the

dynamic that the smaller partner or the partner with

the least resources does the lions share of the work,

we have to make sure the things are in balance.

There may be good reasons of that, and they are

supportive and help the smaller organisation as well.

But it's our role as Trustees or Board Members to make

sure that it's in alignment, and that there's good

balance, and clear Terms of Reference.

We know the start and end point of the partnership, and

on what terms it might be renewed, and that there's

accountability in the governance and regular review.

So my last point on activating partnerships.

We are bang on time.

For Board Members, we play a critical role in approving

aroverseeing partnership agreements, the decisions, the

budgets and the policies, and they need to be time

limited, and we need to scrutinise, and we need to

challenge and make sure that partnerships don't run on

in a way that is debt mental to the organisation rather

than adding value.

Obviously, we are providing strategic guidance, and

monitoring that partnership's impact on the

organisation's mission, objectives, and financial

sustainability.

Thank you so much for listening. We now have a ten

minute break.

We will start again bang on half past.

1230.

We are then going into a particular exercise for you to

work on in groups.

Back at half past please.

BREAK

MICHELLE WRIGHT:

Welcome back. This is a piece of

research from John Williams, from the civil society

which he called the Deadly Sins of boards.

From his perspective, and the things that go awry, and

there's nobody looking at performance of boards, and

thinking about how the board can perform better.

There's a lack of finite terms of office, and people

are unsure that the period they are serving and how

long.

We get the scenario that people, Trustees, stay for

many, many years.

Not enough attention for sustainability and risk, and

obvious one, we are there to think about future

sustainability and making sure we are addressing its

risks facing our organisation.

Skimping on recruitment, obviously university

structures for example will have open recruitment

processes that are well established for Board Members,

for the charitable structure and we still have only 10%

of board roles that are openly advertised.

There are problems in who we recruit and who we are

trying to recruit and how we recruit them.

Lack of engagement between meetings, and sometimes you

will get recruiters saying it's only four meetings a

year, of course it's not just four meetings.

It's all the things we do between meetings that are so

important, that engagement.

Lack of respect for Senior Management Team, by which I

mean the acronym SMT.

We get it often the other way around.

You will find dynamics in organisations where, I had

one recently for the charity, well we let the board

have their conversations, and we will do this anyway,

and outrageous dynamic.

No investment in induction and training, for any of the

environments and the environment we are operating in,

we need to upskill and adapt when changes in compliance

and regulation, in our responsibilities.

Any scale of organisation, there should be something

that we are offered.

For 15 minutes we will have a chance to discuss with

colleagues, if you could put your cameras on, that

would be great.

We would like each group to post two or three things

from your discussion in the Q&A.

Then we will be able to circulate all of the responses

to the group.

So what we are wanting you to think about is what have you experienced

or witnessed on your board that hasn't been so good.

What could be improved or implemented to help?

Have two or three summary points from the chat of

positive things that you think could make a difference.

You should get a link to join a group now, and I hope

you have a good discussion.

BREAKOUT SESSIONS

MICHELLE WRIGHT: Moving back to the room.

If you could write your points into the Q&A that would

be wonderful.

We will send them round afterwards with the slides and

other questions and answers.

Delighted to welcome Dr Vishalakshi who will be our

speaker, we will finish at 1.

Over to you.

VISHALAKSHI ROY:

Thank you Michelle.

Lovely to meet you and I was in one of the groups,

lovely to meet some of you in a bit more detail.

Today I'm hoping to talk to you a little bit about

leading with innovation and creativity, I guess it's, I

have got 15 minutes to bring to you something on my own

experience, and some things I find are quite

indispensable really when you are and find yourself in

a position within a creative or cultural organisation.

I wanted to share some of my thoughts and hopefully

there's something in there that you will find useful

for your own practice, and your own experiences.

These are some of the areas I wanted to touch on today.

Some ideas on promoting ambition, innovation, and

creativity within the organisations that we lead.

Also, some reflection on what kind of leadership we can

provide, and what kind of leader we want to be.

From the very little snippet I have and how some of the

participants today, I think you have a variety of

leadership roles within different organisations and

hoping that there's something in here for you to take

away no matter what leadership role you have. A very

brief overview of who I am I guess, and I have been

working in the cultural sector for some time.

My work is in Research & Strategy. I work as an

academic at the University of Warwick and I run an

organisation called Earthen lamp.

I'm a better leader than a manager, and that qualifies

me to have this conversation with you today.

These are just some of the organisations that I have

been part of on the screen.

In terms of being on their board or being a non-exec

director.

I'm currently part of three of those, and I wanted to

give you an overview of the organisations and where I'm

coming from and the background and the experience that

I want to talk about today.

Promoting ambition, innovation, and creativity.

As creative leaders and working Creative & Cultural

organisations, we need to identify or appreciate what

is different about leading a creative entity, as say a

non-creative entity.

One of the key areas is around this idea of having

intrinsic, and extrinsic motivations.

This is not just our own experience, but you know,

there's theory around the idea that creative

individuals need autonomy around process, and they also

need autonomy to make decisions.

It's important to frame that strategic context within

those decisions, are made, and I think as non-Exec

Directors and members of the board that's the role that

we take on in terms of providing that framework around

which decisions are made.

I think if you were leading a non-creative organisation

things like feedback and rewards are important.

When you are leading a creative organisation, the

actual reward and I guess I'm talking about monetary

rewards here is only a very small part of equation, and

things like non-monetary awards and recognition, and

indeed the creative incentives to do the task at hand

is also really important.

Feedback at all different levels take on a different

meanings and I wanted to highlight that as an area, and

something we can do to promote innovation, and

creativity.

This is probably my favourite quote about being in a

leadership position, or a non-exec director or Board

Member is the fact that we have responsibility to be an

accelerator but also a break, so I think that's

something that probably is something that needs to be

front and centre, when leading a creative organisation.

I really like this book by Teresa and a quote on the

slide.

This is something for bedtime reading if it something

that you want to look at.

This idea of how do we provide leadership, and I think

I could write you know I could write about it and I

decided to put a model on here to talk about

situational leadership.

Based on what kind of organisation you find yourself or

the processes that are happening within the

organisation, here are four different types of

leadership that you could provide, and I'm provide sure

that you have seen boards do some or all of those

different steps, but I just wanted to kind of framework

for you to think about, and where is the organisation,

and what kind of leadership might it need at that

point.

You might have a directing kind of a need, equally,

it's important to think about whether the organisation

is in a place where it needs more supporting or

delegating type of leadership.

Just some you know, just a framework for us to think

about.

It's not just the tasks or the situations at hand but

also the different people that you are leading.

They talked about nine different types of roles, and

three different types of people or na affinities of

people, and they are action-based, relationship-based

or ideas-based.

Based on what kind of people you are working with,

whether they are action-based people-based or

ideas-based you may need a slightly different style,

leadership style even, because different people need

different types of leadership, so again, another I

guess framework for you to think about, what kind of

people you are working with, or leading, and what kind

of leadership they might need to help them actualise

their preferences.

We have talked about types of leadership, and if we are

now thinking about what kind of culture we want to

contribute to as part of a Leadership Team, and this is

from research on what kind of things are important to

people who work in a creative workplace, and I wanted

to put this list up in front of you for you to think

about you know, understanding or appreciating some of

the priorities of the people that you are leading.

The need to have ideas recognised, the need to be in a

supportive environment, the opportunity to grow, and

learn, also these are spaces and organisations where

things like diversity, inclusion, equality are quite

important, and it's important to appreciate that, and

create a culture, lead to create a culture where that

is appreciated, also freedom of expression, when you

work with creative people it's important for us to

create an environment where they feel they are able to

express themselves, and you know, the last point links

to the first point around this idea of bias or

favouritism. The reason I put this list up there is

for us to think about what is the end that we are

leading to to create an environment, where creativity

can flourish?

That's about the organisation, and then finally,

reflecting on ourselves, what kind of leader are we?

Or are you?

Indeed.

I think it's important to do that in order to be able

to lead effectively, and just for us to think about

which is mapping our own personalities against the

tasks and people, and this links back to the idea of

situational leadership and different people leadership

that I talked about.

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Recognising weaknesses, as well as our strengths is

quite important.

I think that's where if we are a Leadership Team, we

can balance things out.

Knowing when to intervene, and when to step back, I

think that's a very effective and a very useful thing

to know as a leader, and also, taking stock of our

approach, and attitude to creativity, and innovation.

I think we are, if it is a scale, we are on different

points on that scale.

So I think it's important to appreciate where we are on

that point.

I think, knowing ourselves, and our motivations can

help us support organisations and teams, and their

leadership better.

I think that's all I have for you, and some reflections

and ideas, and theory, and also a lot of things that I

found in being part of leadership teams.

I hope there's something in there that's useful, and

has chimed with you.

I would be happy to take questions, and I think the Q&A

is open for questions that I would be happy to take

after.

Thank you very much for having me.

MICHELLE WRIGHT:

Great so thank you so much Vish.

Thank you to you all for being part of it. Thank you

for posting in the Q&A.

We will write up all the questions and answers and send

them round to you with the slides, and look forward to

staying in touch.

So all the resources from this session will be on a

separate part of the Arts Council website as well.

Have a good afternoon everybody, and thank you for

being involved.

Cheerio.