**Transforming Governance: Making the most of your Board or Oversight Group- 28 February 2024**

MICHELLE: Welcome everybody. We're just waiting for everybody to join. So please bear with us a couple of minutes. It is good to see everyone. Good afternoon everybody. It is great to see you all. We're just waiting a couple of minutes for everybody to join. We will be starting in a short while. Good afternoon everybody. I can still see people joining. Bear with us and we will be starting in a couple of minutes or so. Welcome everybody. We're just waiting for people to join online. There is a lot of people attending. So bear with us as we let people in. We'll start shortly. Welcome to everybody joining. We're just keeping an eye on people joining. We're just waiting for people to join, and we'll start very shortly. It is great to see everybody for this Transforming Governance workshop. I'm Michelle Wright. I run an organisation called Cause4. I'm delighted to be here this afternoon. I am a white woman in my 40s, I've got shoulder-length brown hair and I'm wearing a grey jumper. It would be wonderful if you're happy to have cameras off for the first part of the circumstances and then to turn them on when we have a break-out, after the break. The chat function is turned off, but the Q and A function is on. So if you have questions during the course of the workshop, we're going to ask you some questions. It would be wonderful if you could pop the answers in the Q and A and we will collate them, answer any questions we don't get during the afternoon, and they will be sent out to you after the workshop with the slides. I'd like to Hollie from Arts Council England who is going to say a few words about the Transforming Governance programme. Over to you Hollie.

HOLLIE: Hello everybody. Thank you for joining us. I'm white woman with blond hair and I'm wearing a bright blue jumper. So this is the last workshop in this series as part of Transforming Governance. I wanted to take a quick moment to say thank you for joining us. I know that people have come along to lots of these sessions. If you missed any or if you want to recap on anything, there are recordings of each of the sessions on the Transforming Governance page of the Arts Council website. There is a lot of written resources as well. So the questions and answers are on there and a number of the case studies for each of the topics we have been covering. I highly recommend having a look at the resources online if you want to dig into this a bit more. This programme will run. We've got open for booking now a chair peer network which will kick off in March and which will be running throughout the summer. We're supporting Lincoln Arts Centre who are part of the University of Lincoln and they are running an event. It is for organisations who are receiving Arts Council National Portfolio but sit within an accountable. That might be art galleries, libraries and museums and we're hosting a one day event in May to look at the opportunities and challenges for organisations there. So, again, booking is open for that as well. Finally, I wanted to flag that on our website, you can find more information about Julie's Bicycle who are running a programme around environmental champions on boards. So if that's a topic you're looking into, have a look at that as well. You can sign up for our Transforming Governance newsletter to keep in touch with me and the rest of the team about what's coming up. Thank you very much, and I'll hand over to Michelle.

MICHELLE: Thank you, Hollie. As Hollie said, this is the seventh in this workshop series and today we're focusing on working with boards from an executive point of view, what's the balance between executive and boards, what goes wrong, how can we resolve it? All the things that I'm sure we're very familiar with. We'll have a break after 50 minutes and then there is a chance to work together in a break-out on a particular scenario that we've covered in this bit of content. We're going to look at four main areas, how from an executive point of view do we get the best out of our board, what does effective board and staff collaboration look like? What do we mean by organisational culture, how can we work together on creating a culture that actually works for the organisation and helps move it forward. How do we think about overcoming any relational challenges which in any board or organisation there will be moments when it feels less good, where there is direct conflict and where there are particular issues.

I just want to very quickly remind on the Arts Council England board requirements and where we're coming from, the springboard for this. Given the scale of public funding, we're putting into the National Portfolio, especially important, we're confident that we're investing in well-run organisations, it has a board or oversight which can take responsibility for ensuring efficient and effective delivery. Arts Council require some group is formed, this could be a steering committee or sub-committee. The board or oversight group must have the following minimum responsibilities and authorities. To be independent of the executive leadership of the National Portfolio Organisation. To have either in direct or delegated form, responsibility for oversight of the National Portfolio funding agreement, to meet regularly, at least four times a year, with the executive leadership to review progress on the funding agreement. To receive and review regular reports on progress against that funding agreement and ensure that reports are forwarded to Arts Council on time and toe meet and communicate directly with the Arts Council independent of the executive if required. So those are our minimum requirements, minimum responsibilities for those of us in receipt of Arts Council funding. Now, achieving this good balance between boards and executive is really challenging at times, isn't it? Ideally, as in the picture, which shows a seesaw which is balanced with a game of ping-pong where board and staff are in perfect harmony batting things back to each other. In practice, it is quite rare that we feel like this. We will have moments where it feels that the board and executive are certainly not in balance, but one or other of those groups is having to take more responsibility. There may be direct conflict. It is incredibly common, especially on charitable boards or any type of board oversight committee that we have. And we have to determine what is good challenge, what is healthy challenge, and what is less good and less helpful in moving our organisation forward.

So these are two direct quotes which I will read out. One from the perspective of an executive and one from the perspective of a trustee. In all the work I do with boards, this is the most common kind of utterance. This is the most common thing that we hear from each of those two parties. Starting with the executive. My trustees frustrate the hell out of me. We put in huge effort into producing our board papers and I seriously wonder if they even read them. They are second-guessing me and my team on a continuous basis. They haven't got a strategic bone in their bodies and to be quite honest, other than the oversight role, I seriously question whether they add any value to me, my team and this organisation." Often, we will come across quite low expectations of boards and their effectiveness. On the other side, from the board side, what I hear quite often is something like this. "I want to be helpful, but I have no idea how. The executive team don't seem to understand the role of our boards. We get a long list of achievements from them, but no real idea of what would make a difference or what support they really need". So, very common kind of issue that the board, the executive team is very frustrated with the board. Don't think they're doing enough. Don't think they understand. They're not being particularly helpful and boards that really do want to be helpful, but don't know how to make that contribution. Often, they might attend board meetings and be given a list of ten things that they could help with or get involved with, but nothing direct or specific where they can support the organisation to move forward.

What causes tension? Particularly between boards and executives? Well, we have quite a long list. I think often there are unclear expectations of the relationship from both sides. There isn't a great public understanding of what being a trustee actually is, what a board member involves. I ran a workshop with a theatre company recently and we got to the afternoon and a member of the box office staff turned to trustees and said, "You keep talking about trustees, but I have no idea who you are and what you do." I was like well, hats off. I think you've just articulated that because the theatre for the first time had tried to bring everybody together, but actually, there was a low level of understanding in what the board's role was and this particular member of staff had never been introduced to a board member before. We get breakdowns in communication. Lack of trust because we don't sometimes have great communication. There might be a lack of support or scrutiny, what's the board's role in scrutiny? What do the executive really want and really need to help them move forward. Sometimes we might get a cross-over on each other's roles. Lack of clarity about who is doing what and what the responsibilities are. Not anticipating issues or making difficult decisions too late. The very kind of complex, difficult pressurised economic environment that we're operating in at the moment, this is a real challenge. Many organisations concerned, frustrated because they know the boards will need to make difficult decisions, but perhaps don't have the capacity or the speed to be able to make them fast enough and that is an organisation that might be facing very real and urgent financial pressures. Not sharing information or keeping each other informed is a very real issue. Not involving each other in crucial decisions. Ideally, we need a partnership. The responsibility of any board is to try and make decisions that are in the best interests of the organisation as effectively as possible. An indecisive board which can be frustrating and difficult for executive to manage. We need to get on. We need to make decisions. We need a way forward.

When we think about it, so when we reflect on the two roles, the two responsibilities, of course, the responsibilities and drivers are completely different. The things that each party should be focusing on are necessary different. For boards, for charitable boards, our responsibilities are three-fold. We need to be true to that founding, governing document. We need to make sure we're meeting public benefit and core purpose so what we're doing meets the Charity Commission requirements around public benefit and we have a responsibility for the future sustainability of the organisation and its resilience. Of course, that doesn't mean that we sustain an organisation forever and a day, if it is better that our organisation merges or winds up. If there is a different or better way of fulfilling that organisation's charitable purpose then the board needs to take the tough decisions to scenario plan and to really understand that premise. The executive teams, it is different. We need to realise the business plan and strategy and deliver activities within sort of agreed premise. For non-charitable boards, we still, this still holds true. We need to be true to core purpose. We need to ensure that the organisation is accountable for its actions and activities and we need to make sure that we're holding true on future sustainability and making difficult decisions should we need to. Of course, as board members, we're true to the organisation and its purpose and sustainability, not to the founder or artistic programme, much as that will be probably front of mind for us as we join an organisation as a trustee because we have a passion for that particular cause area, or that particular programme of work. I was speaking to a trustee the other day who held one trustee role for a founder-led creative organisation and also another for a more industry-facing charity and she was describing how she felt her responsibilities were different. In the first case that she was there to help this founder realise his vision. In the second case, to be more true to Charity Commission requirements. But, of course, that's not true, is it? In both cases, as board members, we have to be true to the Charity Commission requirements. Our loyalty is to the organisation and its future sustainability.

What do executives want from the board? Is it clear? It always strikes me when we have this situation between boards and executives that in the nature of how we go about governance and structuring board meetings that there is really no time often to have a really helpful short conversation that really says to boards what we need right now is X, Y and Z. This is what we're looking for. This is what we need to move forward. We have so much that we have to deliver in terms of our compliance and requirements from funders or the Charity Commission that it can be very difficult to take stock and just ask that fundamental question. When I find that boards and executive have the kind of relationship has broken down a bit, I just say, "Have you had a conversation about what would be helpful right now?" Usually the answer is no. That ten minute conversation where executive teams can say what we really need from the board is this right now. So, we need to establish that clarity. What are the ways of working? What would be helpful?

Obviously, ideally, there is respect both ways. Again, it can be quite a quite common thing to find that there isn't respect both ways. Perhaps there isn't respect from the boards to the executive team or vice versa, from the executive team to the board. I did a governance review a few years ago for an education-based charity and the attitude from the executive, from the staff team were well, you know, we let the board have their conversations, but we're actually just going to do what we want anyway. It was an outrageous relation and the two-way level of respect between boards and executives. Ideally our executive teams are able to demonstrate the highest level of accountability to the board for their performance and the overall running of the organisation and conversely boards can really show their support for the organisation, its role and their commitment to this aspect of future sustainability.

Now this diagram comes from Board excellence. It rings true for charitable boards and different types of oversight committees and board structures. The things we should be paying attention and the things that well-run boards will have in place. There is the position of accountability to the board. Secondly, we're thinking about performance culture. So, setting the bar high on performance for executives and also board. This is a new requirement from the Charity Commission whereas board members, we're now required to look at the performance of the board, no longer can we just say, "We're volunteers. They're lucky to have us." Or that tone, but we're required. Informal and formal ways to look at how the board is performing. Nothing drives dissonance more readily than organisations where the executive teams have in place very high expectations on performance management and there is nothing in place for board. So ideally both can run concurrently. A partnership model so it feels like a partnership in terms of how we're balancing oversight and really welcoming and embracing challenge and debate. I'm going to come back to that issue of healthy challenge a little bit later. That there is high quality information and flow to the board. One of the worst things from my experience of being a board member is we hold as volunteers all the responsibilities certainly as charitable trustee, but we're reliant on our executive teams to give us information that will allow us to make good enough decisions. Again, if that quality of information isn't in place, isn't discussed, then we can run into dissonance and disengagement. We need to partner on boards and on creation of strategy. Another area that I'll come back to in a moment. That's our ideal. That there are systems when we run into crisis and we know that board is able to respond and make decisions and that we have plans around particular aspects of crisis management. And together we're thinking about culture, ethics and behaviours. Again, an aspect that I'll come back to. Right at the bottom of this particular diagram, it says for board members to bring their independence and A Game and replacing them if not. There is the curation, the skills, the energy, the time that we have is essential, isn't it? If somebody is not engaged and not contributing then we need to be able to refresh that board because boards are like any teams, we want a combination of retaining knowledge and expertise and information about that organisation and bringing in new ideas and energy.

I think it is useful to think about the asset base approach to boards. Quite often if I'm coaching chief executives I will find this find of attitude of the boards, a slight annoyance to me. Something that is frustrating. Something I need to try and manage so I can just get on. So, quite useful there to turn that dynamic on its head. How do we curate board process to bring out the best of this asset? What are we thinking about? What is going wrong? What is stopping our process?

I quite often come back to this particular piece of research and it looks slightly kind of complicated on the screen, but it is really simple in practice. It says that boards operate in three main modes. So, we have our operational mode or what I refer to as compliance mode. We have the things that whether we are a charity board or different type of board that we have to fulfil, for the Charity Commission or our funders. We have to give attention to those areas in board meetings, but this research says that 95% of boards never get out of that mode. So you'll turn up at a board meeting and you will be taken through really rather a dreary set of three hours of compliance. Not great for engagement. Though vital in some ways. The second area is our strategic mode. This is how we work together in partnership to create that strategy, to engage in strategy for the sustainable position, long-term future of our organisation. The third area they call generative or expressive mode, but I interpret this as our monitoring and evaluation. How do we know that strategy has been successful? How do we know we're on the right path? What impact are we having as a charity and what are we measuring as a board? If we can roughly structure or board meetings so that we have a third of our time allocated to each of these areas, we can transform the level of discussion, engagement and kind of asset use of our boards because we start to properly engage conversation around strategy and the oversight of strategy, our monitoring and evaluation. What we're paying attention to.

Why are we here? When board members have minimal opportunity for meaning input beyond that aspect of compliance, they lose interest, pull away, and stop contributing energy, ideas, etcetera. Often we see this if you've gone out as an organisation to welcome and bring in some new ideas on communications or an expert on strategy, or a particular area and then that trustee is never asked to engage in those areas and they just end up going through 95% of compliance and inevitably we lose some of that engagement. That disinterest then possibly means that the chief executive or equivalent position is more likely to act alone, to just be getting on with things because they need to drive things forward. Ideally we've got to create these inclusive planning processes. Often we don't because they take more time. Sometimes we are so time poor that we don't have that ability to be able to work together or think that through in terms of strategy. I rather like this quote of, "You can't build an aeroplane while you're flying." We need the board to build around us to be able to support that long-term sustainable position of the organisation.

Who leads - trustees or executive? The Charity Commission will say that trustees have responsibility for the strategic direction of the organisation. That doesn't mean, of course, either that we can't have executive-led strategy processes with boards providing a critical insight, but the trustees should be in charge of the process by which that strategy is going to be developed. Ideally we create the strategy together. It can be time-consuming and less efficient, but for sure if we're going to get good engagement from board members that's at the heart of working together. Of us really trying to see a way through to the best position possible. And, you know, often charities will present a rosy picture to their board or sweep challenges under the rug. Good governance needs to sit in the middle of that. What are the key issues and what are the critical challenges. How do we work through them? How do we address them together?

We can quickly see boards develop cultures that are less than helpful and like any organisational culture, they can be very difficult to break once established. So we sometimes might see a tick box board. So a board really that is just waving through what the executive want to achieve, not really paying much attention to critical challenge or input. We can also see micro-managing boards. So boards which are at the opposite end of the extreme which are really adopting an executive function, disempowering staff, really not clear on roles and responsibilities. And often that culture can develop when an organisation has been through a really pressurised time or has been on a kind of financial cliff-edge and the board for a period of time had to step in and operate in a more executive capacity. But we have to recognise that that's for a time limited period and then normal or more normal governance process needs to resume and then we get the divided board and I think we can see this quite often or occasionally certainly in arts, culture and heritage organisations. This is where particular trustees are very, very zoned in one particular area. So it might be the artistic programme for example or it could be around finance or a different area, but not seeing the whole position. So when the organisation has a crisis or needs to move forward or develop a different strategic position, we run into difficulties because of the vested interest from certain trustees in certain areas of the organisation. I've joined for the first time a board in higher education and it is kind of a fascinating insight for me in terms of a slightly divided board or rather a division between what the board is focusing on and what the executive want the board to be focusing on and the board at the moment is entirely focused on the financial deficit and issues around safeguarding and at the last meeting the chief executive was desperate to change up that conversation and so we had a series of presentations from senior managers about their work which was brilliant to hear, but also then created more frustration from board members because it took up a lot of time in the meeting. They couldn't have the input that they felt they needed as governors and therefore, we had an awful lot of dissonance.

So, really well-run boards. Boards who are able to manage these issues well and they're difficult for sure. Have very clearly established delegated authority. So, I think often it feels so kind of obvious to us what a governance responsibilities and what are management responsibilities but in practice these lines can get blurred. So for boards we're thinking about how we make decisions, allocate resources, achieve results and are held accountable. The management want to get on and run the organisation. The first point is that the board understand that some decisions are reserved for the board. Goodness, so many trustees go into board meetings not being clear what they're doing asked to make decisions on or they go through meetings and they're not clear if they have made any decisions. Certain things like remuneration of staff or inviting other trustees to join the board, board only decisions, it is really important we go into board meetings able to understand what decisions the board are being asked to make. If we've chief executive, of course, that person has been employed to be able to do a particular job. As board members we need to be able to support that job, be able to effective support decisions so that the organisation can move forward efficiently and effectively. But where it breaks down if delegated authority isn't in place, is the third point where because of the nature of boards and paid executives, so volunteer boards and paid executive. We're entirely reliant as board members as I said on a paid executive to be providing information of good enough quality to effectively make decisions. So, we need that chief executive role to escalate high risk or high impact issues for the timely attention and consideration of the board. Really experienced chief executives will absolutely know how to do this or understand it or perhaps if you have a chief executive who hasn't grown up in the UK or never worked in UK board structures might find this more challenging. In those cases or in any case, we need to work very closely on these aspects of delegated authority. Boards need to understand which areas they're happy for executive to run with and report any exceptions. Which areas they themselves know they need to pay attention to. That will change. That dynamic will change. So we need to regularly, as a group of board members and executive staff members, come back to this issue of delegated authority and revisit it. Finance and financial controls will always sit very closely to board members because they necessarily need to, but there might be other areas like your artistic programme might be returning a fantastic return to box office. The board members need to not pay such close attention to that area. These are the decisions we need to make and we need to regularly review.

I'm not for a minute going to try and present this slide, but it is useful for us to reflect on what we're expecting our board members to do what we want and expect our executive teams to get on and deliver and how we're going to support that process.

So then we come to this issue of what a healthy challenge looks like. Hopefully we're not sitting in one of the particular cultures of say tick box or divided boards, but we've got an open dialogue and we're able to discuss critical areas of the charity and hopefully move forward effectively. So, again, I really like this quote from Penelope Gibb. "Chairs should be like good neighbours. You want to know they're there if you ever do run out of sugar, but not necessarily have them in your house all the time checking your stock of sugar." Good decisions so the organisation can maintain its momentum. We want to find a balance in the middle. Too cosy in the relationship between board and executive is too cosy, that's unlikely to be helpful either. As much as a danger sign as a board that is rather dysfunctional.

What do we mean by healthy challenge? You will have your own views on this, of course, for me, when I'm working in more executive roles, I'm wanting a challenge that will provoke new thinking. What have we missed? What needs to be strengthened? What have we not considered? Where can we partner to make a difference? What should we not be doing because we haven't got capacity to do it? What should we prioritise? These are the things I ideally want from a board. You want to come out from a board meeting, even if you feel frustrated by the level of feedback to put forward the strategy. In terms of successful implementation of healthy challenge, we need both formal and informal communication. So the formal elements of the board meeting, how we structure our board meeting and what we pay attention to, but those informal times between board meetings, the times where trustees and staff come together to experience the art or the particular area of heritage, where we can more informally talk things through. The pressures that we're facing and what is worrying us because that's what builds trust. That's what builds on the relational difficulties we sometimes come across. There are other aspects to this that are well documented in that many of our organisations are working so hard on. Lack of diversity can compound that dysfunction. We want our boards to embrace diversity in the widest sense of that word. We need to consider board performance and staff performance again and stifled consent can be dangerous. Our role as board members is to develop the best response to particular situations to properly consider areas to make good enough decisions or the best decisions perhaps for the organisation given the situations we find ourselves and the particular resources that we have. To do that effectively, we need to make sure that we've got a culture where everybody's view and perspective can be heard. So, ideally, we're looking at this as a partnership, as a jigsaw in terms of our strategy, but wholly recognised, of course, that working collaboratively requires discussion, effort and flexibility. It is hard to get this challenge right. It is hard to bring back from where cultures are emerging that are unhealthy and not supportive of what the organisation needs right now.

Certainly in charitable structures, not too much in other structures, the board holds line management responsibility. We need proper processes. We need performance. We need appraisals and we need systems and to support people through employment law and everything that comes with it. That aspect of HR becomes critical because when we see boards and executive teams with very high levels of dissonance, it is quite often because this area hasn't been taken care of properly. I'm working with three organisations in arts, culture and heritage sectors where this hasn't been followed and there is a breakdown between board and executive because there haven't been appraisals or anything put in place to support the aspects of behaviour or culture. When we think about conflict. Again, I think this can sometimes feel rather overwhelming if we've got a lot of conflict in board meetings. Some people would say it is part of a healthy challenge and if it is not there, there is a risk because it plays a role in our role in organisational process. My colleague, Penelope. There needs to be conflict. This is part of our behaviours and healthy and challenge and being able to answer that question with board and staff, what does healthy challenge look like? What is helpful right now? What are we really looking for? It can transform some of the difficulties we find between boards and executive.

Again, I come back sometimes back to this particular model because conflict also depends where we are as an organisation. Where are we in our life cycle? Is this normal situation that we find ourselves in or is it an unusual situation that we find ourselves in? This researcher outlines that organisations go through key stages of growth. They go through a creative phase and directive phase and a phase when they become more collaborative with other organisations. Conversely, there are stages of crisis which again is a normal pattern of organisations and how they evolve. So there may well be crisis of leadership. Lots in terms of when organisations grow that you see they put in more process and bureaucracy and red tape and they have to get rid of it because the organisation can't move forward, but this last point talks about the psychological saturation of employees who grow emotionally and physically exhausted from the intensity of teamwork and the heavy pressure for innovative solutions. In the last three or four years, many of our organisations are facing this very acutely, but also trustee boards are as well in some circumstances. We need to understand that and understand whether we need to refresh trustee boards. We need to understand where we are and what healthy challenge means and if they're in any of these phases. Are we in a growth phase or a crisis phase? What does the culture of our board need to look like to support the organisation at this point in time?

Then there is the aspect of how a board works best with other members of the senior management team. So, invariably there will be a close working relationship with a chief executive or equivalent position. Some governing documents will say that all senior managers should be part of board meetings. Some will have a close relationship with trustees that hold their particular expertise in their area, for example in marketing. But we need to think this through also very carefully. Is it helpful? For senior managers to always be present at board meetings. Does that contribute? Is it helpful to the board discussion? Is it better if they present in their particular area? The chair should have some availability and be present for people that are not just the chief executive obviously, you know, and what informal processes can we put in place so that we build that trust that I mentioned earlier so that we are able to talk more informally about the good thing which are happening within the organisation and also the challenges. So, that might be simple things like coffee, informally for everybody before a board meeting or chances for board and staff to attend things and events together, that sort of thing, but we need to be conscious of and the dynamic and again, what role it plays in moving the organisation forward effectively.

Then I mentioned the HR employment aspects. So, important that we have these in place. That they're regularly updated. That they respond to quite a fast-changing picture in terms of employment law, but they just help us in terms of managing conflict. So we need those key documents of performance management, disciplinary, grievance, what happens if the chair is involved in managing dispute. What happens if that dispute is against the chair? We need these things crystal clear and regularly updated. And then just finally, before we have a break. I wanted to think about and touch on organisational culture because we have so much that we're paying attention to in terms of our compliance. As I already said. Yet another thing to think about is the culture that we're setting within the board and how it impacts on the organisation overall. So by organisational culture, I'm thinking of the way we do things around here is the classic phrase that we sometimes hear about organisational culture. How does this organisation conduct its activities, and treat its customers, audiences and wider community. We can spot culture as soon as we walk into an organisation. If we walk into an organisation, within 30 seconds, we can get a sense of what it is like to work in that organisation. If we're welcomed and how people feel about their jobs. As board members it is so important that we work with executive to explore this, to think about the tone that we're setting and again in our role of healthy challenge, what cultures are we trying to support so that we can be as effective as possible in that decision-making role.

So some of the things that really count in the setting of organisational culture are the four areas around this wheel, this slide. So, firstly, mission of vision, mission values. How aligned is everybody to those principles. Do we know where we're going. Are we all working to a particular goal? The second area is around building trust and organisations which very often reinvent themselves. They're very difficult to be able to connect with. If we are for example visiting the National Trust, we're expecting that we're going to have a certain level of experience. That we will have a certain level of experience in the property that we're visiting, that we will be able to visit a cafe of a certain quality. Those sorts of things. We shouldn't underestimate this consistency because it is what builds that trust in our organisation. People want safety and they need to know that they understand what they're buying into. The third area around involvement. How much commitment have people got to this joint strategy? Are we able to realise it? Have we all been involved in creating it? How involved are we? The fourth area is our flexibility, our adaptability in terms of what we're facing in the wider environment. How are we able to respond to the competing pressures that we have, some expected and anticipated and others less so. How flexible are we able to be in terms of how we respond?

So, that cultural aspect obviously embeds the tone of our board, the board meetings and the challenge that we might bring to particular strategies or ways forward. The decisions that we might make. Obviously there will be issues and difficulties along the way and sometimes we will have to recalibrate and re-set our systems and processes. So we may have to re-set if there has been a complaint. It could be against a board member or member of staff. If someone's behaviour is causing challenges for others. If there are consistent challenges in terms of how we work together or we can't break a culture or way of operating that we know is a problem. If there is a failure of leadership, personal circumstances, affecting individuals. If there is harassment or bullying or if an individual is not engaging at all, be that a staff member or trustee. We've got particular approaches. This is the need that we have of a proper embedded structure for performance management and grievance. For grievances we only have informal processes to be able to resolve issues. We can formally remove trustees if they are at the end of their term. We might be able to do it through the Trustees Act or the Companies Act, but they're nuclear options. It is really difficult because we have got to protect the reputation of the organisation. Often we're relying on informal processes. We could look to formalise and utilise a code of conduct. Really put in place and embed this aspect of culture and thinking about behaviours and or indeed, we may have a system where we have to bring in an external mediator to resolve a particular set of conflicts. So, I just, as a final thing, wanted to share a process on code of conduct. Some organisations are putting these in place to pool together the strands. What are we expecting from board members? What are we expecting from staff? How does it build into the way we're operating and support for each other. It might set out how a board will behave. What we can expect from each other. How staff members might behave. How differences will be handled of the shared responsibility of the board for creating the right atmosphere and the relationship between board staff and volunteers and what we're expecting on all sides. I've put a link in here. We'll send a link to the whole document, but this is an example of code of conduct from Southwark Park Galleries. They wanted to really embed some kind of changes in behaviours, expectations from staff members, and from board members, but indeed also to deal with some of the challenges that they were occasionally having from members of the public and their behaviours within the gallery. They've linked this into their values. The first four bullet points is what they're expecting overall. We exist to create an open, safe and respectful environment. This is what we expect from you. This is what you will get from us. It goes through or different stakeholder groups and I've copied the trustees bit for you to have a look at. So, the trustees will agree. They've signed up to follow Charity Commission guidance at all times. The seven Nolan Principles of public life, treat others with respect, fairness and dignity. This is the result of really good discussion. Be careful in their use of language. Oversee the charity in a strategic manner. Respect the privacy of all individuals. Be careful in the use of assets and property and avoid conflicts of interest and any activities. So, there is a staff aspect/volunteering aspect to this, and I will copy it for those of you who are interested because I think it is a really positive way to bring forward and think about behaviours and expectations between staff, trustees and audiences.

I'm going to stop there. We're going to have a break now. So if you've got any questions, please put them in the chat, but if we could have a ten minute break and be back at 3.05. We're going to go into a break-out to explore these things. I look forward to seeing you then.

Welcome back everybody. People are just coming back from the break. We're just about to start the break-out. We'd like in small groups for you to explore this aspect of culture. Where have you seen great examples of good organisational culture between board and executive? How do boards influence that culture, both positively and negatively? What are some effective ways of improving culture through boards and executive working together? What have you experienced? What has worked well? What could work well? We'd love each group afterwards to post two or three summary points in the Q and A once you come back. We've got over 15 minutes for this. So, we've got 18 minutes exactly and this slide, because there is a lot on it, has been posted in the chat. So you should have access to it in the break-out rooms. So hopefully that's all okay. You should receive an invite any moment to join a room. I hope you have a great conversation. I look forward to seeing you shortly.

Welcome back everybody. It would be wonderful if you could post somebody from each group could post your reflections on that session. Two or three key points. We'll collate them and you will be able to see them right now, but after the session today we'll send the slides and the questions and answers. If you could spend a few minutes jotting down the summary of your discussions, that would be fantastic. I'll let the responses come through. It is not helpful if I'm talking. If you were able to post that summary of the discussion, that would be brilliant. Thank you for doing it. Fantastic, once those summaries are there, that concludes this afternoon's session. Thank you for being part of it. As I say, we look forward to circulating the slides and getting your feedback on the whole series of these workshops and also Arts Council I know will be communicating the next steps in this much wider programme on governance. Thanks everyone. If you need to dash off, that's no problem. We look forward to staying in touch and thank you so much for being part of this afternoon's session. Have a good evening, everybody. Hopefully see you again soon. Cheerio.