

# **ABOVE AND BEYOND IN TRUSTEESHIP**

What good governance looks like

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**THE CLOTHWORKERS'  
COMPANY**

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The Clothworkers' Company is a City of London Livery company and grant-maker with an interest in civil society. It is responsible for the annual [Charity Governance Awards](#)—in partnership with NPC, Prospectus and Reach—which celebrate outstanding governance in charities both small and large. The Clothworkers' Company has supported NPC's work on trusteeship since 2009, when it first funded our report [Board matters](#)—which questioned the strength of trustee boards in the charity sector—and then subsequent publications [Trusteeship 2010](#) and [The benefits of trusteeship](#).

Since 2010, The Clothworkers' Company has commissioned NPC to run an annual series of seminars for charity trustees. These events have reached hundreds of current and prospective charity trustees and topics have included measuring impact, social investment, mergers and the challenges faced by trustees of small charities. [Summary briefings](#) have followed each seminar outlining the results of the discussion and all are available to download on NPC's website.

As well as reflecting NPC's knowledge and expertise on governance—gained from almost 15 years working with charities and funders—this guide includes insights and contributions from our seminar 'How to be an effective trustee', hosted with The Clothworkers' Company on 26 September 2016. This seminar explored the crucial role of trustees in supporting effective charities. Michael Jarvis, Master of The Clothworkers' Company, chaired the event and the speakers were:

- Jane Adderley, Head of First Contact, Charity Commission
- David Bull, Trustee, Jobs in Mind
- David Gold, Chief Executive, Prospectus, and Chair, Mindapples
- Iona Joy, Head of Charities Team, NPC, and Trustee, London Wildlife Trust

# INTRODUCTION

## Why good governance matters

There are approximately one million trustees in the UK, overseeing their charities' actions and the financial and legal responsibilities underpinning their activities. Trustee boards play a crucial role as the guardians of their charities' purpose: they keep the charity steered towards its mission, and support top teams to deliver impact for the causes and beneficiaries that charities exist to serve.

At the time of writing, several boards have been found wanting as operational, financial and fundraising scandals have plagued the sector. As a crisis of public trust in charities continues to mount, the need for boards to follow best practice is pressing. Meanwhile, charities often need the support of boards to take a bold approach in times of change—something that requires strong leadership and a solid confidence in governance.

The onus for sound oversight and good practice lies entirely within the board itself, but it is often the case that when things go wrong, trustees have committed no obvious sins of *commission*, yet multiple sins of *omission*.

*'Governance is more than simply reading board papers and turning up to meetings: charity trustees have the critical role of ensuring the charity is doing what it sets out to achieve.'*

Belinda Vernon, Chair, National Numeracy

## How this guide can help

This guide is intended to complement the Charity Commission's [Essential Trustee](#), and the [Charity Governance Code](#)<sup>1</sup> (the latter of which was being revised at the time of writing). Both are valuable in articulating the responsibilities that trusteeship brings and boards must follow. Yet NPC's vision of great governance is one that goes above and beyond these key responsibilities, and that brings the role of trustees in achieving impact into sharper focus.

Here we look at how boards can be ambitious in getting the most from their organisations, and doing the best for their beneficiaries. To help ensure boards are fit for purpose, professional and aware of best practice, we follow up on our earlier, policy-focused analysis of charity governance, [It starts from the top](#). Here we provide greater detail on the principles and practices of good governance for charities. We also draw on key principles found in our flagship guide to charity analysis, [What makes a good charity?](#)

This guide is aimed at trustees, but will also be useful to senior management teams that work alongside boards. It draws on the experiences and insights of active, ambitious trustees, as well as NPC's own knowledge gained over nearly 15 years working with charities and funders. We hope it functions as a useful guide for those with the ambition or resources to do more.

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<sup>1</sup> See the Charity Governance code website: [www.governancecode.org](http://www.governancecode.org)

# STAYING FOCUSED ON THE PURPOSE OF GOVERNANCE

*'Why the heck are you here?'*

Caroline Banks, Trustee, Home Start Westminster<sup>2</sup>

A charity's board of trustees is responsible for putting mission and impact first. Trustees appoint and oversee the leadership of a charity. Their conduct affects the organisation's values and culture. The board has overall legal responsibility for the charity and must ensure that all charitable funds are used to carry out the charity's purposes. The board must also make sure that this purpose is for public benefit.

Doing all of this successfully requires trustees to learn and improve, embrace change and work effectively with others in order to secure improvements for the people or causes they serve. Above all, it requires boards to be clear on what they are there to achieve and what their role is in achieving it.

## Leading on mission, strategy and impact

Effective boards are fully engaged in creating impact and sustaining improvement within their organisations. To achieve this, governance needs to be rooted in mission and strategy, and requires the will, ability and capacity within boards to drive impact. And to drive impact, boards need to focus on what makes a board effective, and how to ensure that board's activities contribute to this aim.

## Acting as 'guardians of purpose'

Achieving the charity's mission should be the board's primary consideration and should trump all other concerns. While increasing income and protecting brand are both important, these issues should be prioritised for the way they contribute to mission, but must not be allowed to dominate for their own sake.

Trustees need to consistently ask themselves whether the charity is staying true to its purpose, whether it is meeting the need, and whether it is still relevant to the context in which it operates. Thriving charities do not remain static in a moving world, but are prepared to make tough decisions and embrace change in order to achieve their mission. When it comes to addressing a charity's relevance, and responding to a changing environment, it may even be necessary, every now and then, for a board to review the very mission they are aiming to achieve: does it fully reflect our current society and the nature of the social problem as it manifests today?

Trustee meetings should focus on the charity's strategy for achieving this mission, prioritising this over the minor tasks. It is a good discipline for trustees at each meeting to compare the charity's performance against what it initially set out to achieve. The board should then ensure that processes at all levels focus on this purpose to create impact.

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<sup>2</sup> Unless stated otherwise, the remaining quotes in this report come from speakers at our trusteeship seminars, including that hosted on 26 September 2016. [Summary briefings](#) of previous seminars can be found on our website.

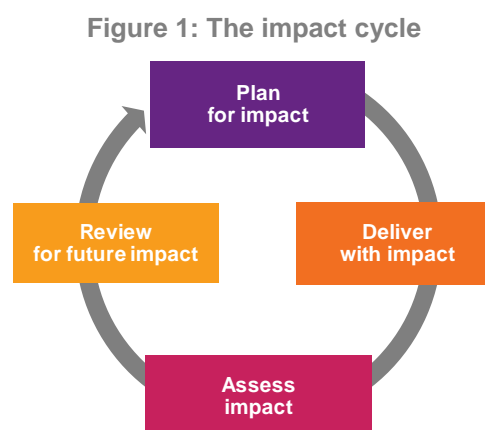
## Monitoring, assessing and learning from impact

The word 'impact' is rarely found on board agendas and this needs to change. Charities that do not understand their impact may not be achieving as much as they could, or may even be doing harm. It is the job of management to carry out evaluations, but keeping a close eye on the impact that is achieved and learning lessons from this process should be a core function of the board. The impact cycle (Figure one) is a useful tool for trustees to drive impact practice as a continuous feedback loop of evaluation and improvement.<sup>3</sup>

This feedback loop involves updating your charity's operations, service design and even its strategy based on lessons gained from impact measurement. NPC believes a theory of change approach underpins good strategy and impact practice.<sup>4</sup> This is often the first step to evidence and understand the change that the charity makes. As well as impact measurement being a route to learning and improving, charities are increasingly under pressure to demonstrate this impact to the outside world; therefore, trustees need to start making impact a priority.

*'Measuring impact should not be seen as a nice to have. Trustees have a role in ensuring it is in the planning and budgeting.'*

Kate Sayer, Partner, Sayer Vincent LLP



### Driving impact: Sport 4 Life UK

Sport 4 Life UK is a youth charity that delivers sports-themed personal development programmes to help socially excluded and disadvantaged young people access sustainable education, employment or training.

The charity changed its strategic direction in 2011, after realising that it was not achieving the level of impact it should. The board, alongside the senior management team, first undertook a theory of change exercise to refocus the charity's goals and activities. It then oversaw the implementation of structural and operational changes to increase the charity's impact and used new methods to track and record the improvements. This included increasing the evaluation and research budget to: keep measurement a priority as the charity grows; standardising the programme across all areas; introducing an online monitoring platform using industry tools to measure improvements; developing a new staff learning and development policy; and clear annual targets for impact in their five-year business plan.

This focus and support from the board enabled Sport 4 Life UK to collect evidence of their impact on young people such as increased qualifications, improved self-esteem, reduced reoffending and reengagement with employment or education.

<sup>3</sup> The impact cycle was developed for Inspiring Impact Inspiring Impact (2013) *The code of good impact practice* and adapted in Rotheroe, A., Joy, A. (2014) *Strategy for impact: NPC's practical approach to strategy development for charities*. New Philanthropy Capital.

<sup>4</sup> For more information see Harries, E., Hodgson, L. and Noble, J. (2014) *Creating your theory of change: NPC's practical guide*. New Philanthropy Capital.

## Championing leadership, people and culture

Excellent leadership and culture will carry an organisation a long way towards greater impact. The board can exert great influence on the composition and style of the leadership team. It should therefore use this power to ensure the leadership embraces learning, empowers staff and seeks to create impact.

### Recruiting, supporting and overseeing the CEO

Appointing this important post is a primary function of the board. Only the board can remove CEOs who stand in the way of the charity fulfilling its objectives—without resorting to the courts—and only the board can ‘line manage’ the CEO. Trustees depend on the senior management team to carry out the work of the charity. Therefore, the board should give praise and guidance where due and strive to keep the team motivated.

### Leading by example

As leaders of the charity, boards affect the culture and motivation of the wider organisation to achieve results. Trustees should not rely on senior management reports and board meetings alone to understand what is going on. Engaged trustees who make the effort to meet staff, volunteers and beneficiaries will add greater value and reap many rewards. It is a chance to monitor staff morale, understand issues, and connect more closely to the day-to-day work of the charity and test its value. If trustees find issues of concern, it is best to bring them to the board and to the attention of the senior team, rather than undermine management when out and about. Trustees should also remember to show gratitude for the hard work of staff and volunteers.

## Fulfilling financial and legal duties

When it comes to the charity’s performance, the buck stops with the board. This may explain why some boards are so risk averse and, as a result, lack ambition. Trustees are responsible for the charity’s reputation and financial position, but should avoid unnecessarily inhibiting adaptation, innovation or action. A solid oversight of finances and risk can help boards seize opportunities and mitigate risks wisely, thereby increasing impact.

*‘Risk management has been grossly misunderstood to be about not taking any risks.’*

Kate Sayer, Partner, Sayer Vincent LLP

### Keeping responsible oversight of finances

Overseeing the charity’s finances should not be seen as just the treasurer’s job. The entire board should have a solid understanding of the finances and the flow of funds. Trustees should know the key information they require to make major decisions: When is it sensible to run a deficit? Are there sufficient reserves to carry out commitments? Is there a need to cut services, make redundancies, borrow working capital or expand?

### Managing opportunity and risk

In recent years, many charities are battenning down the hatches in the hope the austerity storm will pass. In reality, many organisations will need to adjust to a ‘new normal’ of less money, and of funding that flows differently to the way it did before. Refusing to move with the times and blocking progress can be just as damaging as taking excessive risk. Agility is the key to survival and to achieving mission. But all too frequently NPC comes across boards that are holding back an ambitious top team. Boards are not there to avoid all risks at all costs. They are there to assess these risks and ensure that these are mitigated as far as possible. If potential impact outweighs risks, the charity should proceed.

Smart risk management requires an understanding of the changing context in which charities operate—for example, how the digital revolution may represent both an opportunity and a threat—and being open to consider difficult subjects including the suitability of merger and exit.

*'Trustees often see their role with risk as preventing the things that could go wrong: they should also be looking for the opportunities that risk decisions can create.'*

**David Gold, Chief Executive of Prospectus, and Chair of Mindapples**

#### **Risk management: Birmingham Mind**

Birmingham Mind, a medium-sized charity with an annual income of approximately £5m, delivers care and support for those experiencing mental health issues in the local area.

While it does not have any serious financial concerns, like many in the sector its core funding is limited and the charity is adapting to the difficult statutory funding environment. This, however, has not made the board too risk averse. When the senior management team approached trustees with a proposal to create a new income stream in 2015, they had the foresight to embrace the opportunity and take the bold decision to dip into their reserves. Encouraged by external demands from employers in other organisations, Birmingham Mind invested in the time and resources to create and run a training programme on how local employers can better support their employees' mental health.

The charity soon built up a varied client base of banks, construction companies, local authorities and schools, which enabled the service to become self-funded. The training manager is now a permanent role and the scheme has grown, requiring associate trainers. As well as being a new income stream of unrestricted funding and a step towards becoming less reliant on public contracts, this well-managed risk also furthered their mission by promoting good mental health in the workplace.



# GETTING THE MOST FROM YOUR BOARD

Getting the right people on the board—a task of determining the right skills mix, recruitment, terms of office, and commitment—is essential to the successful running of a charity. But just getting good trustees involved is not enough. A thorough programme of induction, training, support for development, and evaluation of board performance is required to ensure boards are in a position to do the best job possible.

## Sourcing the right trustees

The process for recruiting trustees should reflect the importance of their role. Source your trustees with the thought and effort needed to reach those that best fit the position.

### Working hard to get the best people on board

Many boards rely on personal networks to recruit trustees—which is helpful in sourcing candidates. However, increasingly charities see the benefit of having an open and active recruitment process reaching those beyond trustee's usual networks. These recruitment processes are professionalising and are increasingly requiring clear descriptions of the role, full applications, panel interviews and references. Charities today need to attract candidates by utilising websites, social media and the range of digital tools now available.

*'If you recruit through the usual channels, you'll end up with the usual suspects.'*

David Bull, Trustee of Jobs in Mind

## Ensuring your board is diverse

Increasing diversity on boards is not just a tick box exercise. Different backgrounds, perspectives and experiences can add considerable value to board discussions and decisions. Trustees do tend towards a traditional demographic, which often do not reflect the people they represent, or the UK more widely. Boards need to proactively seek to diversify the voices of its trustees by stepping outside their members' social and business circles when sourcing new candidates—for instance advertising roles on job sites, and using blogs and social media to attract younger applicants. Jobs in Mind, for example, now has a good generational and gender mix, as well as good representation of people with lived experience of mental health issues, as a result of these recruitment methods.

*'There are people waiting to be part of your organisation—it may just be that they don't think they have the qualities you are after.'*

D'Arcy Myers, Small Charities Coalition

## Implementing an effective board structure

### Establishing trustee terms and succession planning

Planning for when a trustee decides to step down should be the norm. Doing so will ensure the board can attract fresh talent, whilst not losing continuity and knowledge if a number of trustees retire within a short timeframe. One way of keeping the board fresh and energised is thinking through—and implementing a structure—for how long trustees serve. Rolling fixed terms are ideal—for example three years, then another three years, split by clear

'break points'. Fixed terms provide a coherent framework for those holding the voting rights to have a neutral discussion about whether a trustee should continue or not.

Creating vice-chair and vice-treasurer roles or preparing in advance newer trustees to take over these central roles is also a sensible approach. Regular refreshing of boards should be seen as a positive development rather than a negative comment on retiring trustees. By all means, ex-trustees can stay in close contact with the charity, but should always know when it is time to go.

## Assessing board composition

A board should encompass a range of skills, experience and stakeholder perspectives. A skills audit, according to the needs and size of the charity, will identify whether any skills are missing from the board and to check whether the board is comprised of a range of perspectives. Boards should also consider if any other arrangement could better represent their beneficiaries' interests, for example direct beneficiary representation or advisory councils.

*'You need to have the right people on the board. Yes, it's useful to have a lawyer and an accountant, but you need people who have first-hand knowledge of the work of the charity and bring relevant experience.'*

Kate Sayer, Partner, Sayer Vincent LLP<sup>5</sup>

## Enabling the board to thrive

Implementing a culture of learning and continuous improvement will not only benefit individual trustees but will improve board performance overall.

## Setting up an induction programme

Charities should not expect new trustees—or even those with prior experience—to instantly know their duties and responsibilities. It can be quite daunting for trustees from outside the traditional pool to join a board with members with many years' experience in and out of the boardroom. A professionalised induction process and the use of job descriptions will give trustees the knowledge and confidence to contribute quickly. Buddying up a new trustee with a peer on the board or from another charity that the board is friendly with can help share learning as well as allow new members to settle in.

## Supporting training and personal development

Being a trustee is a great learning experience in itself, but boards often fail to identify development needs and are reluctant to invest in training or development in even the most basic of trusteeship responsibilities. This is a mistake, since the benefits of good quality training are very likely to outweigh the costs.

Individual training can be satisfied through courses, seminars and online training. Collective training and trustee away days can be even more powerful, putting a board 'on the same page' and helping trustees bond as an effective working group.

*'The best things about being a trustee are learning new things and enjoying yourself.'*

David Gold, Chief Executive of Prospectus, and Chair of Mindapples

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<sup>5</sup> Sayer, K., '[Lessons for trustees from public investigations](#)', in Alliance Magazine online, 7 March 2016.

## **Assessing individual and board performance**

High-quality performance is unlikely to be achieved without a regular review at both collective and individual levels. An annual appraisal process for individual trustees, including the identification of development or training needs, will guide continuous improvement. While the chair usually appraises fellow trustees with input from board members and the executive team, a senior independent trustee is best placed to appraise the chair.

External board reviews may be appropriate every few years, but regular internal board reviews are essential to learning and improvement. Ideally, consider publishing these lessons if they are not personally sensitive.

# ADOPTING THE BEST PRACTICES AND PROCESSES

*‘The role of the board is to drive strategic direction, manage talent and succession and to protect the charity’s culture and values—these should all be underpinned by good solid processes.’*

Elaine Sullivan, Chair, London Wildlife Trust

Good practices and processes will ensure that boards are fit for purpose, that they make the most of their limited time, and can be successful in their role. Finding the right working models and relationships will help the board achieve the most impact.

## Maintaining good governance with good relationships

Leadership starts with the board. Trustees recruit and oversee the top team, and set the culture and values of the organisation. Healthy relationships—a mix of support and challenge—within the board, and between the board and executive team, are vital for any progress to be made.<sup>6</sup>

*‘Leadership needs to be a joint endeavour, but there still should be just enough tension.’*

Kate Sayer, Partner, Sayer Vincent LLP

## Supporting the right relationships within the board

The relationships within the board, especially between the chair and trustees, determine how the board functions. The chair should be first among equals rather than in total control, and a vice chair will help to ensure a healthy balance of power. Openness, and the ability to challenge, is vital to the maintenance of healthy governance—supine boards have been a feature of some high profile governance failures in the past. However, respecting the balance between being a constructive or disruptive influence may help to win hearts and minds within boards. Boards must be able to have healthy debates and accept challenge, and chairs must be able to manage this skilfully and keep things moving forward. Consensus is ideal, but if this is difficult to obtain, it may fall to the chair to force decisions or take action. In many circumstances, a charity needs a very driven and active chair—as one too gentle can result in aimless drifting.

*‘The ideal board is when you have a diverse board with different views going in the same direction, achieving the mission. This is where the greatest learning is.’*

David Gold, Chief Executive of Prospectus, and Chair of Mindapples

## Ensuring clearly defined relationships between board and executive

An effective and clearly defined working relationship between the board and management helps the smooth running of an organisation. Again, this relationship should include both support and respect from the board in addition to constructive criticism.

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<sup>6</sup> For more on this topic, see Carpenter, E. (2015) *Happy relations? Ensuring effective partnerships between trustees and senior management*. New Philanthropy Capital.

The relationship between the chair and the chief executive is central, but it would be dangerous not to involve the whole board and the wider senior management team. While it may be healthy to have a level of closeness and confidence between the chair and the chief executive, be aware of the risk of the relationship becoming too cosy. Juggling the right balance for engagement—without micromanaging or undermining the chief executive—will get constructive results. For instance, a strategy that is developed jointly between management and the board will benefit from the expertise of the management and their ‘buy in’ to implement the strategy, while also gaining the broad perspective of the board. Boards should identify and review management policies, but let management work on fully drafting them so that they are suitable for implementation.

*‘Support the management team, don’t try and catch them out. Put your energy into supporting them and working with them.’*

**David Gold, Chief Executive of Prospectus, and Chair of Mindapples**

## Thinking carefully about the division of labour

Charities of different scale and activities will suit certain models of working more than others. The board will need to find the most efficient and motivating way to organise the division of labour.

The table below, adapted from a diagram by Compass Partnership, sets out the connected and sometimes overlapping roles of the senior team and the board.

**Table 1: The responsibility split between the executive/senior management team and the trustees<sup>7</sup>**

Responsibility	Primary role of management	Primary role of the board
<b>Purpose of the charity</b>	Vision, mission and values are best jointly developed and agreed, although board would have final say	
<b>Strategy and impact</b>	Strategy is best jointly developed and agreed. Management should report on progress and impact achieved, which the board then reviews regularly.	
<b>Policies</b>	Develop and implement	Identify policies needed, review and monitor
<b>Financial viability</b>	Obtain funding for the strategy. Spend resources on operational and charitable work	Approve overall spending and resource allocation. Review and ensure financial viability
<b>Accountability and transparency</b>	Report to stakeholders	Ensure accountability
<b>Charity staffing</b>	Appoint and manage staff	Appoint and manage chief executive
<b>Risk and conflict</b>	Identify, evaluate and mitigate risk	Ensure risk and conflicts are managed
<b>Legal compliance</b>	Provide advice	Responsible for legal compliance
<b>Governance effectiveness</b>	Support effective governance	Responsible for governance effectiveness
<b>Insight and judgement</b>	Provide evidence and analysis	Provide insight and judgement

<sup>7</sup>Table adapted from a diagram by Compass Partnership published in Hudson, M. (2009) *Managing without profit: Leadership, management and governance of third sector organisations*. Directory of Social Change.

## Getting direct involvement with the charity's work right

In small charities with few resources, it is quite usual to expect trustees to play an active role in the day-to-day running of the charity, in addition to their official duties. With big, complex charities, expertise in topics such as fundraising and HR are more often found within the management team. So while the trustees will need to oversee performance, and alignment of activities with the mission and values of the charity, they should not need to do the actual job. The seeming obliviousness of some boards to the dubious fundraising techniques employed by their charities illustrates the need for trustees to know what is going on—or to foster a culture where the mission and values of the charity ensures good judgement by the executive body.

Some trusts, like the Masonic Charitable Foundation, now delegate some tasks (such as grant-making decisions up to an agreed financial limit) to staff panels. This enables boards to use their time to focus on strategy, policies and processes and allow staff to proceed with day-to-day operational decisions without delay.

## Allocating tasks to increase effectiveness

Whatever the size or type of charity, the number of tasks for trustees to complete is likely to exceed the time allotted to meetings. Establishing lead trustees for particular topics or separating out the trustees into sub-committees can be a good way to deal with issues outside of board meetings, and also helps develop trustee expertise. Sub-committees and advisory boards are a useful way to involve experts that may not have the time to commit as a full trustee. Non-trustees, however, will have a limited role in decision-making—rather making recommendations to the board itself.

It should be noted that delegation of activity is not the same as abdication of responsibility. The use of lead trustees or sub-groups does not permit the outsourcing of responsibility or accountability. Individual trustees may take the lead on particular issues or work areas, but this does not diminish the responsibility held by the board as a whole. Sub-committees may assess the evidence outside board meetings and report back to the full board with succinct recommendations, but these conclusions and proposals must then be examined in detail with decisions still made by the whole board. Task forces of a fixed duration can work efficiently without causing trustees to become too disengaged in the topics they are not overseeing. Whichever model is adopted, keep the purpose clear and review it periodically.

*'A division of labour, but not a division of accountability.'*

David Bull, Trustee of Jobs in Mind

### Task allocation: Jobs in Mind

Jobs in Mind are a small charity with an annual income of approximately £250,000, which works in the fields of mental health and employment. It supports people with mental health issues to obtain work through skills-based support on job seeking, and opportunities for practical experience, coupled with therapeutic support.

Jobs in Mind have a small board using the model of lead trustees to increase efficiency. Like many charities working in this sector, the charity has been going through a process of adjusting their strategy to the new environment of reduced statutory funding. As a small charity, it has been all hands on deck, requiring the seven trustees to work on a wide range of issues.

The board—too small to create sub-committees—has recently begun to trial the approach of allocating a specific focus for each trustee to lead on. The rationale is that, rather than all working on one topic at a time, trustees are free to explore a single issue and then report back to the board with their findings to inform a board decision. This enables the trustees to cover the depth and breadth of what they need to, while ensuring that all trustees are accountable and responsible for collective decision-making.

## Getting activities, processes and conduct right

The conduct of the board will influence many aspects of how an organisation runs. Practical steps such as prioritising important topics in board meetings, engaging with staff, volunteers and the people affected help trustees to fulfil their duties effectively.

### Running your meetings effectively

An obvious, even mundane point, but one that comes up time and time again when we talk to trustees, is the importance of having well structured, fruitful meetings. Well-run meetings that prioritise discussion of topics such as strategy, impact and long-term prospects will be more effective than a tired format scrutinising minutes and minutiae of processes. Frequency and length of meetings should meet the needs of the organisation, rather than be purely for the convenience of board members. If trustees are not engaged or struggle to attend meetings—as even missing one quarterly board meeting could mean half a year absent—they should ask themselves whether they are still able to make the commitment to being a trustee, and whether they should consider stepping down.

### Sharing information and decision-making

Knowledge and good decision-making goes hand in hand. Well-presented and relevant information helps trustees understand what is going on, but this should not be too burdensome on management. Boards may need to guide and negotiate with management as to what is needed, what is the most useful way of presenting this and what is feasible. Senior staff should be involved in most content and strategy discussions—without them there is the risk of agreeing irrelevant actions that will not work or will fail to be implemented.

*'There is not always a right answer—but there are the right questions, and it's a trustee's job to ask them.'*

**Beatrice Hackett, Hackney Quest**

### Engaging with the charity's day-to-day work

Trustees who are too busy to engage with the charity directly are of little use—regardless of experience or seniority. Understanding the activities of the charity, its beneficiaries and the issues they face requires trustees to engage beyond board meetings. Volunteering at the charity—wearing a volunteer 'hat' rather than a trustee one when so doing—is one way of gleaning insights. Visiting projects, staff and meeting beneficiaries is also invaluable. Talking to stakeholders can inform a trustee's knowledge, while staff, volunteers and beneficiaries will really appreciate it when trustees turn up.

*'Trustees always need to ask themselves "who are our key beneficiaries and who are we accountable to?"'*

**Fiona Thompson, Fenton Arts Trust**

# CONCLUSION

NPC would like to see charity boards going above and beyond their usual role descriptions: becoming more engaged and committed to creating impact and sustaining improvement within organisations. Competent boards can do a great deal to help restore trust in the sector, but better governance also requires boards to actively guide charities to embrace opportunities to improve their work.

Trustees do an incredible job across the sector—all are volunteers taking time out of their busy schedules to help charities make a difference. They are a highly skilled and experienced group, playing a crucial role in making our charities work. This is something we should celebrate. But this also makes it even more critical that charities work hard to ensure that this goodwill, expertise and position is being fully utilised.

When the board is confident that it is composed of the right people and the most appropriate policies and efficient processes are in place, it can then move its focus onto the bigger and more far-reaching challenges. Achieving this may mean altering some of the current models used to manage and make decisions, rethinking the attitude to risk and putting more effort into bringing diversity into the board. Once this is in place, boards can play a full role in ensuring that their charity is bold and in a position to thrive, not just survive.

## Useful resources

*The essential trustee: What you need to know, what you need to do*, Charity Commission

*Good governance: A code for the voluntary and community sector*, ACEVO, ICOSA, NCVO, SCC and WCVA—new version currently in consultation and due for publication in 2017

*15 questions trustees should ask*, Charity Commission

*Transmitting trust through governance: Charity governance review 2016*, Grant Thornton

*What makes a good charity?* NPC

*Board matters: A review of charity trusteeship in the UK*, NPC

*It starts from the top: Improving governance, improving impact*, NPC

*Keeping account*, NPC

*Strategy for impact*, NPC

NPC runs a series of trusteeship seminars supported and hosted by The Clothworkers' Company. Summary briefings from these sessions are available to download from our website [www.thinkNPC.org](http://www.thinkNPC.org), where you can also find information about future seminars.



## TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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