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More trustees than staff?

Governing a very small charity

On 14 December 2011, NPC and The Clothworkers' Company held a seminar for trustees of very small charities. The 60 attendees came from all sorts of different charities, dealing with issues including offending, mental health, antenatal care and numeracy. Few of these charities had more than three members of staff, and some had no staff at all.

This report highlights the key themes discussed during the seminar, looking at the role of trustees of tiny charities, the benefits and challenges of running a small charity, and the possibility of growth.

The seminar was chaired by **Iona Joy**, Head of Charity Effectiveness at NPC. The panellists were:

- **Zoe Willems**, Trustee of the Small Charities Coalition (www.smallcharities.org.uk).
- **Jacqui Christian**, Chair of Trustees of Magic Me (www.magicme.co.uk), an east London charity that uses creative arts projects to bring together young people and older people.
- **Susan Langford**, Chief Executive of Magic Me.

Introduction

Small charities have the potential to make a big difference in people's lives. Their size means that they can be more flexible, innovative and responsive than many larger charities, and they can get to know their local area inside out.

Leading a small charity can be hugely rewarding, but it comes with challenges. Passion and commitment are not always enough to tackle the lack of skills and resources that many small charities face.

Wearing the right hat: The role of a trustee in a tiny charity

Regardless of the size and shape of a charity—from the largest international aid organisation with hundreds of

staff, to the smallest campaigning charity with no staff at all—the responsibilities of the board of trustees remain the same: to monitor the charity's progress and achievements, to keep it legal, and to oversee the finances.

However, in practice, trusteeship of a very small charity looks very different from trusteeship of larger organisations. With few members of staff, or even no members of staff, trustees have more fluid roles. They may be answering the phones, managing volunteers, running services and writing funding applications, as well as thinking about the organisation's strategy, finances and legal matters. They need to be able to step in and roll their sleeves up, but they also need to maintain a distance to have strategic oversight.

It is therefore crucial that trustees distinguish between their roles at different times and identify their boundaries. As Zoe Willems put it, *'They need to distinguish between wearing their volunteer hat (doing the work themselves), wearing their governance hat (holding the charity to account), and wearing their ambassador hat (showcasing the charity and championing the cause).'*

Rolling up your sleeves

When trustees get involved with the day-to-day running of the organisation, including supporting beneficiaries, there are two types of benefits. They are actually helping to deliver services, which means that the charity should be

able to achieve more. But they are also getting an understanding of the charity's work, which means that they can support staff and volunteers more effectively, and make more informed strategic decisions.

Thinking strategically

Trustees of tiny charities can get so engrossed in delivering services that they find it hard to take the time to check whether the organisation is travelling in the right direction. This is risky: trustees are responsible for the charity's strategy and vision, so they need to be able to step back, do some wider thinking and look at the bigger picture.

Zoe Willems suggested two options for trustees who are finding it difficult to create the space for strategic thinking:

- First, trustees should try and dedicate part of each board meeting to a strategic item, so that meetings are not just focused on day-to-day business.
- Second, trustees should consider setting aside at least one day a year to think about strategy and do some business planning. They can use this time to think about the future, the environment and resources.

By taking such steps, trustees can make sure that they are fulfilling their legal governance responsibilities.

Championing the cause

Most trustees who get involved with a charity feel passionate about the issue the charity is dealing with. For example, it may be an organisation that helps people in the trustee's community, or it may be that a particular cause, such as cancer, has touched the trustee's life.

As well as helping to deliver services and keeping an eye on the charity's strategy, trustees can play a role in promoting their charity and its cause. As Jacqui Christian, Chair of Magic Me, put it: *'We think of ourselves as custodians and champions of Magic Me's work.'*

Having clear boundaries can help trustees to clarify and distinguish between their different roles, making it easier to work out whether they are doing a good job and how to become even more effective.

'Trustees need to distinguish between wearing their volunteer hat, their governance hat and their ambassador hat.'

The roles of staff

The sometimes fluid roles of trustees in a tiny charity need to sit comfortably alongside the work of staff (if the charity has staff). It is crucial to make sure everybody knows their roles and responsibilities.

Just as trustees sometimes need to wear a variety of different 'hats', so too do staff, in response to the charity's changing needs. Magic Me has four permanent members of staff. Susan Langford explains: *'As the chief executive of Magic Me, I'm actually the head of HR, the head of finance, the head of fundraising, the head of product development, and the policy director.'*

As a member of staff or a trustee of a tiny charity, having a variety of roles should not in itself be a problem, as long as everybody knows their boundaries and how they fit in.

The importance of communication

With their roles in mind, trustees need to communicate clearly to each other and to any staff and volunteers so that everybody has a sense of what part they play, how they will work together and which direction the organisation is going in. This will encourage a sense of shared responsibility and make sure that everyone knows who is accountable to whom. Such communication can be encouraged through the induction process.

Trustees need to be able to challenge and encourage staff in order to get the best possible results, but they also need to get plenty of feedback from staff about whether certain activities are realistic, and whether they are the best way of achieving the board's aims.

Communication and relationships are key in tiny organisations—if even one relationship goes wrong, it can negatively affect the whole working environment of the charity. Susan Langford from Magic Me says: *'The things that we've learnt in intergenerational work apply to any organisation: if you're bringing new people together, and if you want people to work well together, relationships need to be consciously developed and worked on. You need to introduce new people by showing them how the charity works and helping them to feel part of things.'*

Making the most of being small

Being part of a tiny charity can be challenging at times. As Zoe Willems says: *'Some tiny charities are in better shape than others. If your structures are not very clear, if the board's energy is fading, or if you've lost your way, it can take a lot of effort just to go a small distance. Unless the*

trustees are there pushing things forward, the charity may achieve very little.'

But if the board does have energy, together with skills and clearly defined roles, small charities can go far.

Small charities can be more flexible, nimble, innovative and responsive than many larger charities. They can get to know their local area inside out and make sure they are really meeting people's needs. Small charities can also be very good at partnering with others, working together to increase impact and save money. Like Magic Me, they can be leaders in a specialist, developing field, sharing their ideas and punching above their weight.

Susan Langford explained that Magic Me has five core values, which the board draws on to build a sustainable organisation, appropriate programmes and bring out the very best in people. These five values can be amplified in the smallest organisations:

- **A sense of purpose:** With a shared aim and direction, a diverse group of people can come together to make a difference in their community.
- **A sense of place:** Small organisations can have the sense that everything they do has grown out of being in a particular place with a particular group of people. Having local trustees with local knowledge can help tiny charities to make the most of this sense of place.
- **Sense of occasion:** Magic Me aims for its trustee meetings to be enjoyable and looked forward to, not seen as a chore or a drudge.
- **Sense of adventure:** Small organisations can go through times of uncertainty, but challenges can be positive, and small charities should look for trustees who are willing to embrace adventure and have a sense of curiosity.
- **Sense of achievement:** The trustees of small charities can feel that they have made a significant contribution to the difference that the charity has made in people's lives.

Should small charities try to grow?

For some charities, growth offers great potential: the bigger they grow, the more people they will be able to help. Growth can keep a sense of momentum, bring in extra skills and help the charities to have a greater impact.

For other charities—particularly those working in a particular community—there are great benefits in remaining small. They can stay focused on an area they know well, and they can earn the trust of local people.

Whether or not charities should grow depends on their nature and purpose and the skills of their trustees and staff. Tiny charities should not be afraid of growth, but they should keep their vision in mind and consider the risks involved. If growth is appropriate, it should be gradual and managed carefully.

In most cases, growth involves fundraising, with input from staff and trustees. But there are other ways to build capacity too, and as Zoe Willems says, *'Sometimes you need to be imaginative.'* For example, small charities should think about how to make the best use of volunteers, how they could work with other local organisations and learn from others' experience. The Small Charities' Coalition and Charity Trustee Networks can come in handy here, bringing small charities and trustees together to share information.

'Sometimes you need to be imaginative.'

Refreshing your board

Trustees play a crucial role in any charity, but in tiny organisations they are perhaps more important than anywhere else to the survival and success of the organisation. It is therefore vital that the right people are on board.

Many small charities find themselves in a situation where all the trustees on the board have been around for several years, and were even involved in founding the charity. There is value in longevity. Trustees that have known the charity for many years bring experience and knowledge, with a real understanding of how the charity works.

However, if there is too much longevity on a board among too many of the trustees, there is a risk that the organisation can become stagnant or not reach its potential, with a lack of challenge and fresh thinking.

Charities need to find a balance on their boards between old and new. It is important to have some continuity and a sense of history, trust and confidence. But it is also important to think about the new skills that your charity needs as time goes on, and to look for challenge and a fresh perspective. As Susan Langford put it: *'We need to value longevity and the people who hold the story of Magic Me. But we also need to recognise the value of new blood and passing the baton to other people in the future.'*

Recruiting new trustees

Refreshing a trustee board, or looking for one or two new trustees, should be a proactive process. Boards should

not just wait for applicants to come to them. They should make sure that they are looking for the right person in the right place.

To begin, the board should ask themselves what kind of person they want—what skills do existing trustees lack? What kind of person could bring diversity and challenge? You might be looking for someone with legal or accounting expertise. You might be looking for someone to represent the views of service users. Whatever it is, by identifying what kind of person or people your charity would benefit from, you will more easily be able to look in the right places and know when you have found the right person.

It can be useful to draw on current trustees' existing networks when looking for new board members. As Susan Langford says, 'A specific ask to somebody is often better than a general ask to everybody.'

It can also be a good idea to approach specialist firms when looking for an expert in a particular field. For example, law firms can be a good source of potential trustees with legal expertise.

Finally, there are plenty of online trustee recruitment networks, for example:

- Charity Trustee Networks (part of the Small Charities Coalition);
- Trustee Bank (www.ncvo-vol.org.uk/trusteebank);
- Do-it (www.do-it.org.uk);
- Volunteering England (www.volunteering.org.uk); and
- ICAEW (www.icaew.com).

'Governance makes charities more effective at what they do. It is not all calm waters, but the rough waters can be very rewarding.'

Losing old trustees

At times, refreshing a board to have the most effective group of trustees means losing board members who are no longer playing a useful role. Several participants at the seminar believed that they were in a situation where certain board members were not contributing anything positive, and were even at times acting in a way that was

detrimental to the organisation. But there is great uneasiness in knowing how to ask these trustees to stand down. There are three possible routes that a board can take:

- The most direct route is for the chair of the charity to have a quiet conversation with the trustee who is causing difficulties. This could lead to the trustee improving his or her contribution, or standing down.
- A board assessment, looking at people's skills and what they are bringing to the table, can not only help with looking for new trustees, but can also, as one participant put it, 'help some trustees realise that they might not be what's required at that time. Being able to articulate what you need is a good way of implying that a certain person is not it.'
- Finally, charities should try to develop a structure where reviewing the board is regular practice. In Magic Me, all trustees stand down at each AGM and have to re-apply if they would like to remain on the board. This is a good chance for the Chair and Chief Executive to have a conversation with certain trustees to find out if they should really be in that role.

Our panellists agreed that in most cases where it would be beneficial for a trustee to stand down, the trustee in question is often quite relieved to have that conversation, to have the opportunity to leave and to find other ways of staying involved. Indeed, as Zoe Willems suggested: 'It can be fantastic to have an ever-widening circle of ex-trustees as friends and supporters of the charity. Having this kind of group can help to soften the movement.'

Final thoughts

Governing a tiny charity can be challenging, time-consuming and difficult at times, but it can also be rewarding and life-changing, both for the people the charity helps and for the trustees themselves.

Zoe Willems summarised by saying: 'I love governance, I'm passionate about it. I think it makes charities more effective at doing what they do. It's not all calm waters, but the rough waters can be very rewarding. You get a sense of achievement and comradeship working in the charity sector, so enjoy it!'

Further reading

To find out more about the issues raised in this briefing, read NPC's publications about trusteeship, *The benefits of trusteeship*, published in March 2012.

www.philanthropycapital.org/publications/improving_the_sector/trusteeship

