

# TRUSTEESHIP IN A SMALL CHARITY

## NPC briefing, July 2013

### Eleanor Bentley

Being on the board of a small charity can be hugely rewarding, but it brings a number of strategic and operational challenges. Low staff numbers are a common issue: charities with annual income under £100,000 employ, on average, only one or no members of staff, compared to 76 staff members for charities with incomes over £500,000.<sup>1</sup> How should the board conduct itself if the charity has only a handful of staff? What if many of the operational burdens fall on the board? NPC and the Clothworkers' Company held a seminar on 1 July 2013 to explore the role of trustees in running small charities. This report highlights the main themes discussed, including:

- the additional challenges that small charities face, and how trustees can respond;
- how to get the skills and experience you need onto your board;
- what is expected of trustees in small charities; and
- how to manage changes to the board.

The seminar was chaired by **Michael Maynard** (Chair, The Funding Network), and included three panellists:

- **Alex Swallow** (Chief Executive, Small Charities Coalition) spoke about the specific challenges that trustees of small charities face, and highlighted the need to network and learn from others.
- **Eleanor Stringer** (Trustee, Nightline Association) gave her perspective as a trustee of a small charity, emphasising the importance of good relationships between staff and trustees.
- **Shauneen Lambe** (Executive Director, Just for Kids Law) shared her experiences as the chief executive of a small charity, drawing out the difference between trustee-led and staff-led charities and the implications this has for trustee involvement.

## Introduction

Whatever the size or shape of a charity, the basic responsibilities of a trustee remain the same: to oversee the charity's finances and strategic direction, to ensure it adheres to relevant legislation, and to take overall responsibility for the charity's performance.

However, the day-to-day realities of being the trustee of a small charity can be very different from those of larger organisations. In essence, the role is much more fluid, often requiring additional hands-on engagement, and can involve facing additional challenges, particularly around resources and skills.

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<sup>1</sup> Charity Commission, March 2013.

Alex Swallow (Chief Executive of the Small Charities Coalition) outlined three main issues that trustees of small charities face: *'bills, skills and chills'*, previously explained on NPC's [blog](#).

## Bills

Trustees of smaller charities are much more likely to be drawn into day-to-day operational issues. As Alex explained, *'ideally, trustees focus on governance and staff are responsible for operational issues. But in small organisations with few or no staff, trustees often have to muck in to keep the charity working properly.'* They may need to coordinate volunteers, write funding applications and pay bills, as well as thinking about the organisation's strategy, finances and legal matters, and it can be difficult to balance this operational involvement with the need to provide overall strategic vision. Where small charities do have staff, trustees often worry about how to strike the right balance between providing operational support without overwhelming or micro-managing staff.

## Skills

Charities with few staff often suffer from skills gaps, and trustees need to be proactive in identifying needs and feeding this into recruitment. However, it is unrealistic to expect a single member to possess all the skills needed for the organisation to work effectively, so a breadth of skills and experience among board members is even more important in small charities.

*If no one has the skills your organisation needs, trustees have to find someone who does, or learn them!*

Alex Swallow, Small Charities Coalition

## Chills

Alex argued that for trustees of smaller charities, the burden of decision-making can be heavier. They take responsibility for assessing risk, setting strategy and making the hard choices. Yet trustees can lack the information they need to make these decisions, as they have a smaller pool of staff expertise to draw on and tend to be less integrated into broader networks than larger charities. It is important that small charities and their trustees draw on local and sector networks to help them bear this burden and ask questions when they need to.

# Discussions with our attendees

## Getting the board's skills mix right

The skill set required by the board of a small charity was a recurring theme throughout the seminar. When thinking about this in the context of upcoming recruitment plans, it is useful to consider the charity's priorities for the next period as well as its general needs. Diversity in ethnicity, gender and background can be important as well as diversity in skills.

### Beneficiaries as trustees

Charities often want beneficiaries to join the board to make sure that service users' opinions are heard and to strengthen engagement and commitment among board members. Beneficiary trustees can bring useful insights, but given the skill constraints present in many small charities, it is crucial to consider whether they can make additional contributions. Further complications can arise in having beneficiaries as trustees if they think themselves as representative of all service users, when in fact they represent just their own view. Furthermore, having a trustee who is also a beneficiary does not guarantee his or her engagement, as several participants confirmed.

One way to incorporate beneficiaries' unique perspective while avoiding potential pitfalls is to draw on them in an advisory capacity; for example, by inviting them to attend parts of the board meeting to contribute advice.

*Think creatively about how you can get the skills you need into your organisation.*

Alex Swallow, Small Charities Coalition

### Getting advice

Small charities tend to have a high trustee to staff ratio, and it can be difficult to get the advisory function up to strength without creating a board much larger than the operational side. Trustees should remember to draw on formal and informal networks, as well as support and infrastructure organisations for advice on the issues they face. Michael Maynard emphasised, *'it's important that trustees don't become isolated—networks are crucial here.'* For example, the Small Charities Coalition runs a free skills-sharing and mentoring service that offers support from individuals at both small and large charities for one-off projects or on an on-going basis. Sub-committees and advisory boards can also be a useful way to expand the advisory set without increasing the size of the board.

*One of the most difficult things is that charities don't have opportunities to talk about the issues they face, especially small charities.*

Alex Swallow, Small Charities Coalition

### The role of a trustee of a small charity

Several participants expressed uncertainty about what was expected of them as trustees, anxious not to place too much pressure on staff or be overly demanding. Panellists and other attendees agreed that the relationship needs to be carefully balanced: trustees are there to make suggestions, although avoiding directives. Shauneen Lambe from Just for Kids Law emphasised the need to assess whether the lead comes from the trustees or the staff. For example, the priority for the trustee of a staff-led organisation might be to use their various networks and act as an ambassador; while the trustee of a trustee-led organisation would be more closely engaged with operational duties.

### Communication

Good communication is crucial in setting the right level of involvement; asking the chief executive and other team members how much engagement they expect a good place to start, followed by more detailed discussions about what form this support should take. As one participant suggested, trustees could add an agenda item at trustee meetings to ask the chief executive how much support staff want over the next few months, and if they have any issues with current levels of communication.

Communication outside the boardroom is also important. Board meetings are the set piece, but the chair and CEO should raise any issues between meetings to create a strong feedback loop and minimise surprises on the day.

*It's the job of the chair to prepare the ground—have conversations outside the boardroom to make sure trustee meetings are as effective as possible.*

Michael Maynard, The Funding Network

## Balancing operations and governance

It can be easy for trustees to get too close to the day-to-day running of small charities. Getting more involved can be an advantage: good operational knowledge is crucial to risk assessment, one of a trustee's core responsibilities, but getting bogged down in the details can distract trustees from their focus on the charity's broader strategic direction. Trustees should aim to keep some distance from the operational side, developing strong relationships with staff to know what kind of support they need most.

Participants and panellists suggested various ways to help trustees of small charities to prioritise strategy and governance.

- Strategic away days are a good way to step back from day-to-day tasks and set strategy and objectives for the organisation. They also offer a useful opportunity to discuss board-staff relationships.
- Reviews can help the board to assess its performance and whether it is striking the right balance between operational and governance matters. These could be internally or externally facilitated.
- Private meetings of the board are often associated with times of crisis, but meeting periodically in this way can help boards to appraise their performance. Boards could have a mix of meetings involving only the board, and those that include the executive team.

*A lot of being a board member is about self-reflection.*

Shauneen Lambe, Just for Kids Law

## Donations

The issue of whether trustees should donate to the charity arose several times during the seminar—should staff expect it of trustees, or is this an unfair request? Several participants explained that they donate to demonstrate their commitment, but the group acknowledged that trustees already have many obligations, and it is important to not put off prospective trustees. Eleanor Stringer made the point that giving need not involve large donations—a round of drinks down the pub can be a good way to get to know staff and boost morale.

## Managing change

### Organisational transitions—trusteeship and growth

Scale versus sustainability is a key consideration for trustees of small charities that want to grow. Here, it is important to have people who can challenge and critique board decisions, as hearing difficult truths helps to improve the quality of your work. Seminar chair Michael Maynard shared his experience at The Funding Network, with debates between entrepreneurial and risk-averse board members helping to strike the right balance when considering international expansion.

Of course, growth is not always appropriate: charities may be better placed to focus on providing a local service, for example. Alternatively, small charities might consider amalgamation rather than scaling up. Although this is often a controversial topic, trustees need to ask what is so special about their charity's work and the way they do it—and if there is no clear answer, then it may be something worth considering.

### Changes to the board

*'It takes a long time to bed in as a trustee, and if many join at once, important issues can go unnoticed while everyone settles in,'* says Eleanor Stringer, trustee of the Nightline Association. A good introduction to the staff is essential to help new trustees build strong relationships and identify potential issues from the start. Shauneen explained that Just for Kids Law uses strategy days and a mix of staff- and trustee-led sessions to help new trustees get started.

There can also be advantages to new trustees starting together. It can encourage a feeling of influence, helping to push through changes and reinvigorate the board. Michael felt this when The Funding Network took on three new trustees: the organisation integrated them one-by-one, which meant they lost some of the power they might have had to introduce new ideas.

Board transitions can be especially complicated when they involve a second generation of trustees taking over from the founders. Moving away from the charity's founding origins often requires a different approach, strategy, and different system for managing trustees. For example, as the first non-founding chair of The Funding Network, Michael saw it as his responsibility to steer the board towards shorter tenures.

### Keeping the board fresh

While long tenures and the experience it brings are often an advantage, some level of churn among trustees is healthy. New recruits can bring a fresh perspective, and trustees, as in any occupation, are likely to become tired or distracted as time passes. It is important that they feel able to step down where appropriate, especially in light of the amplified role that trustees of small charities tend to play in the day-to-day running of the charity.

Setting terms for trustees can be a good way to balance the need for stability and the need for renewal, giving trustees a natural route out. Defined terms also offer an opportunity for the chair and chief executive to have conversations with disengaged trustees if necessary.

*Know when you've given what you can, and permit yourself to step down. Likewise, give others permission to step down when they're tired.*

Iona Joy, NPC

### Rudyard Kipling's 'If'—for trustees

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| <p>1. If you can keep your head when all about you,<br/>Have read the briefings five times to your one,<br/>If you can trust yourself when all men doubt you,<br/>And feel that your duty has been done;<br/>If you can wait and not be tired by waiting,<br/>And plan ahead so your intentions don't surprise,<br/>If you let your brain be constantly creating,<br/>And yet don't look too good, nor talk too wise;</p> | <p>2. If you can dream—and not make dreams your master,<br/>If you have patience for the long-term game,<br/>If you can meet with triumph and disaster,<br/>And treat those two impostors just the same;<br/>If you can bear to hear a new agenda topic,<br/>When your stomach rumbles and you've a train to catch,<br/>If the finance sheets are making you myopic,<br/>But you're determined that they've met their match;</p> |
| <p>3. If you can keep your mind fixated,<br/>On those the charity's there to serve,<br/>If you're working harder than anticipated,<br/>And you approach the lot with vim and verve;<br/>If you keep fellow members smiling,<br/>When your own is wearing thin,<br/>And hang in there when the pressure's piling,<br/>And take your setbacks on the chin;</p>  | <p>4. If every time one's added to your number,<br/>You're bothered to make them feel at ease,<br/>If you can drag others from their slumber,<br/>To see the options you must surely seize;<br/>If you can fill the unforgiving meeting,<br/>With two hours' worth of good work done,<br/>Yours is the Earth, and everything that's in it,<br/>And—which is more—you'll be a trustee, my son! (or daughter!)</p>                 |

Alex Swallow, Small Charities Coalition

## Case studies from our speakers

### The view from a trustee

#### Eleanor Stringer, Nightline Association

Nightline is a student-run listening service, providing free emotional support through the night during university terms. The local Nightlines are supported by a central association, which is also almost entirely volunteer-run. Its annual income is roughly £40,000, and it currently has 10 trustees. Eleanor has been a trustee since 2009, and has just finished her tenure as chair.

Until recently, most of Nightline's trustees were members drawn from the local Nightlines. Now, it has brought in trustees from outside the organisation to help it to be more outward-facing. The trustees found LinkedIn especially useful for recruiting: *'we got some amazing candidates through Alex Swallow's Young Charity Trustees group on LinkedIn.'*

Small charities often have 'cycles of focus', with trustee priorities shifting depending on fundraising needs. Nightline recently secured Comic Relief funding for a salaried staff position for two years, which has given the trustees more space to think strategically whilst relieving fundraising pressure somewhat. It plans to focus on deepening and consolidating the local networks.

As a trustee, and particularly as chair, it can be easy to feel constant guilt about whether you are getting involved and talking to volunteers enough. Keeping everyone engaged isn't always easy, particularly when the items up for discussion are dry legal issues. *'Sometimes it's a case of volunteering staff or trustees for tasks, rather than allocating them based on skills or expertise,'* Eleanor acknowledged. Strong relationships between staff and the board are essential for boosting morale, as well as giving trustees the information they need to meet their statutory responsibilities.

### The view from a chief executive

#### Shauneen Lambe, Just for Kids Law

Just for Kids Law's mission is to provide support, advice and representation to young people who find themselves in difficulty. Founded in 2006, the charity has just opened its third office in London. It now has an annual income of around £400,000, 15 staff, and eight trustees. When asked how Just for Kids Law has managed such rapid growth, Shauneen explained: *'Firstly, we have the advantage of providing a unique service. But we also benefited from advice and support from other specialist organisations too.'* NPC's organisational analysis of Just for Kids Law in 2007 identified a need for broader skills on the board and stronger operational management, and these recommendations helped Just for Kids Law to prioritise the skills and human resources it needed to grow. Just for Kids Law also received advice from Pilotlight, highlighting the role that external support can play in helping small charities improve.

Just for Kids Law was set up in response to the founders' experiences as lawyers, so it is a staff-led organisation. This doesn't mean that the board's input is not appreciated, and trustees have been especially valuable in shaping the charity's strategic thinking, as the staff tend to be operationally-focussed. Just for Kids Law deliberately chose a trustee with strategic experience, and the staff have found it useful to meet regularly with this trustee to discuss the charity's strategy.

For Shauneen, one of the most valuable contributions a trustee can make is to promote the organisation's work. She likes Just for Kids Law's trustees to be ambassadors, promoting the charity alongside the staff. Trustee donations show commitment to the charity's work, but trustees are also invaluable for their networks— *'it doesn't matter if you're wealthy or not, everyone has a network that can help.'*

## Tips for trustees

Tips for charities	Questions trustees could ask
<p><i>'Remember where the lead comes from in your organisation.'</i></p> <p>Shauneen Lambe, Just for Kids Law</p>	<ul style="list-style-type: none"> <li>• Is my charity trustee-led or staff-led? What difference does this make to the culture?</li> <li>• Do we know what kind of engagement staff want from the trustees, and how often?</li> </ul>
<p><i>'Trustees of small charities always need to think about what would happen if key people stepped down.'</i></p> <p>Alex Swallow, Small Charities Coalition</p>	<ul style="list-style-type: none"> <li>• Have we planned for successions?</li> <li>• How would we cope if we had lots of new trustees start at once?</li> </ul>
<p><i>'Trustees in small charities often think about the risk of getting too involved, but don't forget the risk of not being involved enough. It's crucial to have good relationships with your staff.'</i></p> <p>Eleanor Stringer, Nightline Association</p>	<ul style="list-style-type: none"> <li>• Are we talking to staff often enough, or too often?</li> <li>• How do we induct new trustees, and how do we build these relationships with staff from the start?</li> </ul>
<p><i>'There's a tension between wanting an easy life and having people who are a pain, but it's good to have people challenging you.'</i></p> <p>Michael Maynard, The Funding Network</p>	<ul style="list-style-type: none"> <li>• Do we have the right mix of skills and experience among board members? If not, how can we attract new trustees with the skills we need?</li> <li>• Are we diverse enough in terms of background and outlook? Do we want to include beneficiaries?</li> <li>• How can we ensure communication between the board is constructive?</li> </ul>
<p><i>'What is most difficult for a small charity is knowing what support is out there.'</i></p> <p>Alex Swallow, Small Charities Coalition</p>	<ul style="list-style-type: none"> <li>• How can we make the most of our networks, personal and professional?</li> <li>• Do we need support from another charity, or a sector organisation?</li> </ul>

## Final thought

*Boards exist to become more than the sum of their parts. You're trying to harness the skills and energy of your team and it's tricky, but so important.*

Michael Maynard, The Funding Network