

THE STATE *of* UK CHARITY BOARDS

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A Quantitative Analysis by the Institute for Philanthropy

By David Malone and Musa Okwonga





THE STATE OF UK CHARITY BOARDS is the latest Think Philanthropy publication from the Institute for Philanthropy.

Think Philanthropy, created in 2008 in honour of the Institute's founder Hilary Browne-Wilkinson, is an ongoing series of projects, papers, talks and days of learning, based upon original research, which discusses the latest thinking and trends for strategic philanthropy and suggests practical next steps for those working in the field. The programme has been generously funded by William M. Dietel, Jon and Lillian Lovelace, and one anonymous funder.

CONTENTS

04 : INTRODUCTION
05 : EXECUTIVE SUMMARY AND RECOMMENDATIONS
08 : THE IMPORTANCE OF GOVERNANCE
09 : WHY EFFECTIVE TRUSTEESHIP MATTERS
11 : MAPPING THE LANDSCAPE: UK BOARDS IN PRACTICE
21 : LESSONS FROM LEADERS:

LESSON
One

22:
Ben Summerskill
CEO, Stonewall UK

LESSON
Two

24:
Nick Ferguson
*Chairman, The Courtauld
Institute of Art*

LESSON
Three

26:
Denise May
*CEO, Community Action
Through Sport (CATS)*

LESSON
Four

28:
Chris Shaw
CEO, Advocacy in Wirral

LESSON
Five

30:
Martin Jervis
*Chairman,
Thames Hospice Care*

LESSON
Six

32:
Heather Thompson
CEO, Ulster Wildlife Trust

34 : ACKNOWLEDGEMENTS
35 : BIBLIOGRAPHY & USEFUL RESOURCES
36 : ABOUT THE INSTITUTE FOR PHILANTHROPY

'It is our assertion that all charitable boards, regardless of scope or stature, have a responsibility to ensure their work is as effective as possible.'

INTRODUCTION

The charity sector in the United Kingdom has a long tradition of creating positive and lasting social change, successfully positioning itself as a central tenet to our thriving civil society.

Indeed, the present Government is so impressed by the contribution the charity sector makes as a whole that, as part of its Big Society philosophy, it is looking to expand the sector's work into some areas where the state has traditionally led. This is perhaps unsurprising given the current economic climate; but it is also a validation, one that champions charities as organisations capable of providing social provision selflessly, effectively, and for the greater good. The question of how charitable boards should operate has, traditionally, been an area with which sector leaders have been hesitant to grapple. This question is all the more pertinent now, at a time when the role of charities is to be expanded and the financing for that enhanced role is in doubt.

Charities are a diverse and loosely-linked family of varying sizes, missions and perspectives. The promotion of good governance principles across the sector has the potential to strengthen this family as whole. Today, some 820,000¹

trustees are responsible for the management of over 160,000 charities in the United Kingdom, which each year receive a total of approximately £53 billion². Given the sheer size of this field, it is necessary to examine how the best boards are built, so as to help trustees in their pursuit of the best possible social impact.

Any organisation with the aim of providing a service, no matter how lofty its objectives, is only ever as good as the people who run it. Trustees, in providing oversight and guidance to UK charities, play a pivotal role in their culture and development. As such, how they conduct their work is as central to the success of charitable organisations as corporate directors are to the furtherance of business. There is, therefore, a growing expectation for trustees to work collaboratively and effectively, maximising the impact of their work for the public good.

With this in mind, *The State of UK Charity Boards* aims to consolidate

and build upon recent work carried out in the sector dealing with issues of effective board governance. The paper draws on data collected from a survey of over 100 charity and board leaders in the United Kingdom and provides a unique insight into current board practices. It also offers six in-depth case studies of notable charity and board leaders and their personal experiences of developing effective boards.

What follows is a quantitative analysis of the state of board practices in the UK charity sector as well as an overview of the key issues that charitable boards are facing in the United Kingdom. It is our assertion that all charitable boards, regardless of scope or stature, have a responsibility to ensure their work is as effective as possible: and so we also recommend a set of principles that trustees can use to analyse their own board practices.

¹ Vernon, B. & Stringer, E. (2010) *Board Matters: A Review of Charity Trusteeship in the UK*, New Philanthropy Capital, p.5

² Charity Commission (December 2010) *Facts and Figures*. http://www.charity-commission.gov.uk/About_us/About_charities/factfigures.aspx

EXECUTIVE SUMMARY

RECOMMENDATIONS & CONCLUSIONS

The Importance of Good Governance

UK charities, with an annual income in the range of £53 billion³, have a unique opportunity to bring about positive social change. As the Government increasingly looks to the charity sector to assist with the provision of public services, and as the economic climate calls for the efficient use of scarce resources, the effectiveness of charities in pursuit of their missions is of paramount importance.

Our Research

Given the timeliness of this issue, we have conducted a survey of 100 chief executives and chairs of the boards of UK charities. Their responses represent a broad spectrum of charity types, sizes and structures that provide a realistic cross-section of board operations across the country. In the light of both our own research and a review of the literature from elsewhere in the sector, we assert that a proactive and highly-engaged board, each of whose members are committed to raising funds for their organisation, are essential to a charity's success.

Our Five Recommendations

To that end, we provide, in order of importance, five recommendations of good governance for the boards of UK charities. These are that:

- 1. Each trustee of a charity should either provide or actively raise funds for their charity.**
- 2. Each board should conduct an annual review of its own performance, and should meet regularly: if possible, at least four times a year.**
- 3. The chief executive should have a greater role in the selection of the trustees.**
- 4. There should be a greater emphasis on succession planning.**
- 5. Charities should spread the net wider when recruiting trustees.**

Comment on our Five Recommendations

- 1. Each trustee of a charity should either provide or actively raise funds for their charity.** This recommendation is vital for two reasons. First, respondents to our survey cited fundraising expertise as the largest area they felt was missing or could

be strengthened on their board. Furthermore, when looking to make grants to charities, donors with whom we work ask a simple question: "Does everyone on the board contribute to raising funds?" Their contention is that a charity which is most effective is one where every trustee is actively involved in maintaining its financial health.

- 2. Each board should conduct an annual review of its own performance, and should meet regularly: if possible, at least four times a year.** Boards that conduct annual reviews, meet regularly and attend retreats are developing their competencies in an on-going fashion that can benefit the charity as a whole. (Notably, half of those we surveyed confirmed that their board had a set calendar process for formally reviewing board skills and identifying areas of need. However, almost an equal amount (45%) had no process whatsoever.) Of those surveyed, 40% were on boards that did not review their performance (internally) on an annual basis; whilst almost three quarters (72%) of respondents were on boards

³ Charity Commission (December 2010) *Facts and Figures*. http://www.charity-commission.gov.uk/About_us/About_charities/factfigures.aspx

that do not undertake external performance reviews. We feel that regular self-assessment is the best way of ensuring the focus and effectiveness of a charity's mission; effective charities invest in the ongoing development of their staff, and the same principle applies to the board.

3. The chief executives should have a greater role in the selection of the chair. When selecting a new chair, 50% of respondents stated the chief executive informs the decision, while a third stated the chief executive plays no role in the process. The Kilfinan Group, a group which mentors the chief executives of UK charities, tells of several instances where the chief executive was not consulted in the appointment of trustees, which led to dynamics between board and chief executive that were eventually unmanageable. Broad consensus when building a board is vital.

4. There should be a greater emphasis on succession planning. Continuity of engaged and skilled trustees is essential for a charity's sustained success. However, only 16% of those surveyed had a detailed succession plan in place for future executive members. Over 40% had not formed a plan or were unaware of such a plan's existence.

5. Charities should spread the net wider when recruiting trustees. Almost half (49%) of new trustee appointments came via personal recommendations from existing trustees, whilst only 20% of respondents stated outside advertising as their primary means of recruitment. A wider pool of recruitment will enable charities to have trustees with skill sets that are diverse enough to meet all of their needs.

Key findings from our survey:

- Over half (52%) of the trustees surveyed had been members of the board for five years or more
- Community & social welfare and Education were the two largest charitable sectors in which trustees had prior experience
- The most common professional backgrounds of trustees surveyed were in the areas of strategy and finance
- The vast majority (87%) of trustees surveyed were on boards that review their strategic focus. Of those who did, the most common timeframe for review was annually
- The three most common areas of expertise of board members were finance (81%), fundraising (65%) and strategic planning (63%)
- Respondents cited fundraising expertise (32%), ahead of legal and marketing (both 31%) as the skill they felt was most lacking or could be strengthened on their board
- Almost half (49%) of new trustee appointments generally came via personal recommendations from existing trustees. Only 20% of respondents stated outside advertising as their primary means of recruitment
- Over a third (39%) of respondents stated their board members met collectively outside of board meetings every three months. In contrast, a fifth of respondents were on boards that never met outside of the boardroom
- Over half of respondents stated that the chief executive and chair meet at least monthly
- 39% of respondents stated their board members receive no sector or functional training





Conclusions

Our research reveals a great deal of variety amongst boards in the UK's charity sector. It appears that there is no singular, unified image of what a 'typical' board or trustee should look like. This is perhaps to be expected given the breadth of the sector, and is in many ways testament to the dynamism that boards bring to meeting their own charity's needs. However, our findings do reveal some notable trends that warrant further discussion:

- Trustee recruitment is one area in which charities need to work harder. Our own survey data revealed that almost half of the respondents surveyed were on boards that recruited primarily within their own trustee networks. At a time when the sector is facing a recruitment crisis, with half of current boards having at least one trustee role vacant⁴, boards should be thinking more strategically about what they can do to broaden their search and help address this gap.
- Training and evaluation is also a vital component of board development. Almost half of those surveyed stated their board members receive no ongoing

sector or functional training, and a similar number lack any form of annual performance review. Boards can benefit from keeping abreast of new developments in their field, and increase the value of their trustees by investing in their professional development.

- Clear communication remains the cornerstone of effective governance. Boards should, wherever possible, welcome and promote debate and discussion amongst trustees within a forum that is open and tolerates dissent. Although our findings reveal that around half of respondents view their board as very open to new ideas and change, a similar number viewed their boards as only fairly open to the same criteria.

In many ways, the three issues raised above represent a logical path to the healthy development of any board. Charities benefit by drawing on the widest pool of talent available; having those they invite on board quickly and fully prepared for the task at hand. Equally important is developing an environment in which discussion and debate is open and welcomed.

We offer the findings in this paper in the hope that they will spur further investigation and debate, and better practice.

For more information, including interviews with our research team, please contact Musa Okwonga, the Director for Press at Institute for Philanthropy, on 0207 240 0262 or at musa@instituteforphilanthropy.org

'Boards should, wherever possible, welcome and promote debate and discussion amongst trustees within a forum that is open and tolerates dissent.'

⁴ Vernon, B. & Stringer, E. (2010) *Board Matters: A Review of Charity Trusteeship in the UK*, New Philanthropy Capital, p.16

THE IMPORTANCE OF GOVERNANCE

Trustees are responsible for the strategic direction and success of the charities they represent. As such, their decision-making processes are of the utmost importance. Effective charities should, wherever possible, be driven by strong, competent boards that actively instill good governance principles in their work.

This is a particularly important issue for charity boards, which often lack the external and quantifiable pressures that tend to hold private sector boards to account. By developing clear and cohesive governance structures, charity boards can become more inclusive, accountable, and ultimately better equipped to serve their beneficiaries.

For the purposes of clarity, *governance* in this paper will refer to “the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of a charitable organisation.”⁵ This should be read as any and all processes agreed

upon by board members to create operational frameworks that drive decision-making processes forward.

With charities increasingly expected to demonstrate how well they are operated, adherence to good governance principles should be encouraged by charity leaders. Poor governance is something organisations can get by with for long periods of time, but when difficulties arise, the results of inadequate decision-making processes are quickly apparent and often costly.⁶ A board that is actively engaged in its own governance and accountability is better placed to navigate problems before they arise. Good governance

also strengthens trustees in their attempts to work together collaboratively and effectively.

There are a number of useful sector publications on the importance of good governance for charity leaders to explore. Most notably, ACEVO’s *Good Governance*⁷, the Charity Commission’s *The Hallmarks of an Effective Charity*⁸, and New Philanthropy Capital’s *Board Matters*⁹. Each provides an insightful account of why good governance matters and the impact it can have on boards.



⁵ Amended from Cornforth, C.J. (2003) *Governance of Public and Non-profit Organisation: what boards do?*

⁶ Vernon, B. & Stringer, E. (2010) *Board Matters: A Review of Charity Trusteeship in the UK*, New Philanthropy Capital, p.1

⁷ ACEVO (2010) *Good Governance: A Code For The Voluntary Sector*

⁸ Charity Commission (July 2008) *CC10 The Hallmarks of an Effective Charity*. <http://www.charity-commission.gov.uk/Publications/cc10.aspx>

⁹ Vernon, B. & Stringer, E. (2010) *Board Matters: A Review of Charity Trusteeship in the UK*, New Philanthropy Capital, p.1

WHY EFFECTIVE TRUSTEESHIP MATTERS

Trustees are the driving force behind charities. While there is no one-size-fits-all model for effective trusteeship, it is in the interest of charitable boards to work in a way that gets the most out of their members.

The charity sector is big, growing and ever more important

With over 160,000¹⁰ active charities in the United Kingdom, the sector trusteeship covers is large. Those who take on the role of trusteeship are also accepting the responsibilities of oversight and accountability, charged with the task of utilising a charity's assets on behalf of its beneficiaries and ensuring that the charity has the financial resources it needs to do its work effectively. This is no small challenge. At present, some 820,000¹¹ trustees are cumulatively responsible for an annual income of around £53 billion¹² pounds of capital. This amount may pale in comparison to that of their corporate counterparts, but its social significance is arguably greater, due to the charity sector's role as a bridging mechanism - one that helps to fund service gaps, alleviate suffering, and instigate change. When trustees fail in their capacity

to maximise a charity's assets, both fiscal and professional, it is often the most vulnerable in society who suffer as a consequence. But their role does not stop at stewarding existing resources. They are also responsible for helping to raise and mobilise the funds needed to get the work done. Trustees must work together closely for the most effective outcomes, developing strong, strategic leadership for their organisations.

Donors care about governance – and they should

How trustees work together also matters from a potential funder's perspective; donors are not only looking to invest in the furtherance of an organisation's aims, but also in the people behind those aims. The discerning funder looks for boards that stand out. A board that can easily demonstrate its strength and diverse skill-sets is better placed to inspire confidence in the work of its charity. Surprisingly,

evidence suggests that while most charities are conscious of the need for excellent staff for delivering work, less are aware of the need for excellent trustees, a fact made clear in New Philanthropy Capital's May 2009 report, *Board Matters*¹³. This is surprising, given the best trustees not only act as sounding boards for shaping organisational strategy, but also draw heavily on their experience and networks to further a charity's goals and ensure its financial wellbeing. Trustees that are 'plugged in' both professionally and strategically, are better placed to assist their organisations and attract funding. Yet, as noted by the same report, many of the UK's charity boards are currently struggling to fill vacancies, with around half having at least one board spot to fill. Moreover, the current economic environment only accentuates the need for boards to appear capable and performance-driven in the eyes of potential funders.

¹⁰ Charity Commission (December 2010) *Facts and Figures*, . http://www.charity-commission.gov.uk/About_us/About_charities/factfigures.aspx

¹¹ Vernon, B. & Stringer, E. (2010) *Board Matters: A Review of Charity Trusteeship in the UK*, New Philanthropy Capital, p.5

¹² Charity Commission (December 2010) *Facts and Figures*, . http://www.charity-commission.gov.uk/About_us/About_charities/factfigures.aspx

¹³ Vernon, B. & Stringer, E. (2010) *Board Matters: A Review of Charity Trusteeship in the UK*, New Philanthropy Capital



Boards which evaluate their work as thoroughly as possible stand a better chance of attracting government funding.

Efficiency, effectiveness and results matter now more than ever. Sector-wide initiatives have sprung up over the past few years in attempts to tackle the issue of weak governance on charitable boards. Failing boards were of particular concern to the Government, given the rise in the number and size of contracts that it offered to charities providing public services during the last parliament. In 2008/2009 the Government's total funding to the voluntary sector amounted to £12.8 billion – over a third of the sector's income¹⁴. Given the uncertainty of the current economic climate, coupled with the new austerity measures already being outlined in the current parliament, charities should be bracing themselves for challenging times ahead. Future financial assistance from Government is likely

to carry caveats of demonstrable accountability and 'value for money' which boards must be prepared to address. The issue of metrics is a vexed one, given that social impacts are far harder to quantify than financial progress. This would perhaps be a step too far, yet boards which evaluate their work as thoroughly as possible, with clear references to outcomes and benchmarks for achievement, stand a better chance of attracting part of the Government funding that currently constitutes 38%¹⁵ of the UK charitable sector's total income. At present, 1 in 8 charities in the UK receive over half of their income from the state¹⁶. Given these figures, trustees must heed the Government's calls for greater efficiency and effectiveness.

¹⁴Joy, I. (2010) *Preparing for Cuts: How Funders Should Support Charities in a World of Government Cuts and Changing Funding Structures*, New Philanthropy Capital, p.2

¹⁵Philanthropy UK, *Charitable Sector Overview*. <http://www.philanthropyuk.org/publications/guide-giving/how-give/charitable-sector-overview>

¹⁶Joy, I. (2010) *Preparing for Cuts: How Funders Should Support Charities in a World of Government Cuts and Changing Funding Structures*, New Philanthropy Capital, p.2

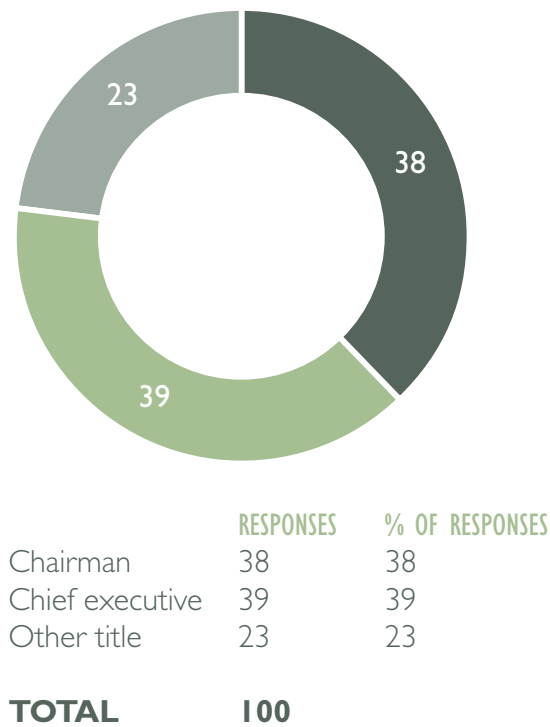
MAPPING *the* LANDSCAPE: UK BOARDS *in* PRACTICE

In late 2010, the Institute for Philanthropy conducted an online survey of over 100 charity and board leaders in the UK gauging the responses of over 100 chairs, chief executives and directors of charitable boards. Their responses represent a broad spectrum of charity types, sizes and structures that provide a realistic cross-section of board operations across the country.

The survey was structured into six sections, focussing on issues of composition, governance, strategic focus, leadership, skills & experience, board development and evaluation. What follows is an analysis of the key findings.

Composition

ROLE OF RESPONDENTS



HOW MANY PEOPLE ARE ON YOUR BOARD?

NUMBER OF PEOPLE	% OF RESPONSES
2	0
3	2
4	4
5	12
6	9
7	9
8	17
9	8
10	17
11	1
12	12
13	1
14	1
15+	7

How many other charitable boards is each member on?

NUMBER OF BOARDS	% OF RESPONSES
0	17
1	45
2	29
3	9

SUMMARY OF DATA IN SECTION ONE

- The most common board size amongst the charities surveyed averaged between 8 and 10 members.
- Most (83%) of the charities surveyed had trustees who were also members on other charitable boards.



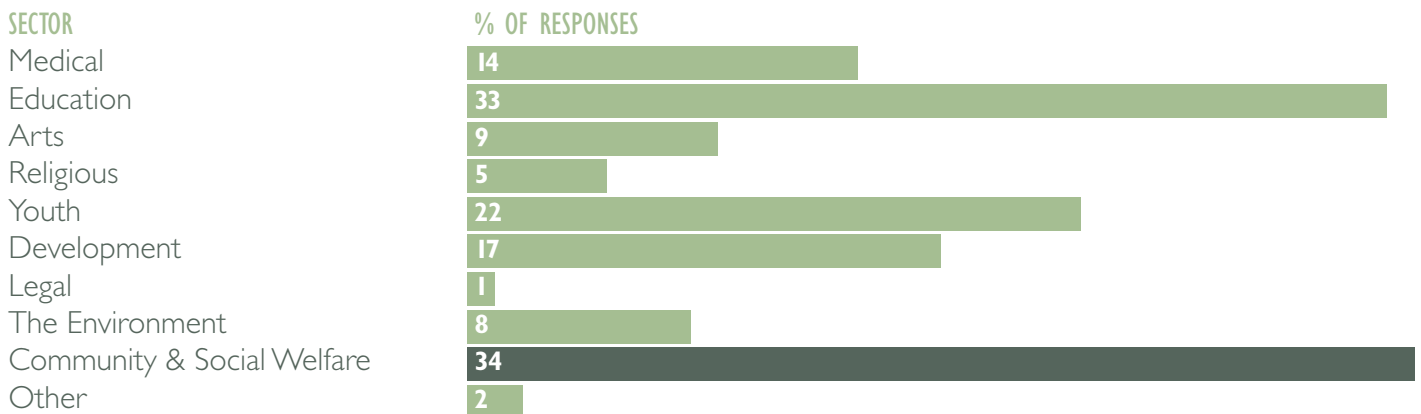
Skills and Experience

HOW LONG HAVE YOU BEEN ON THE BOARD?

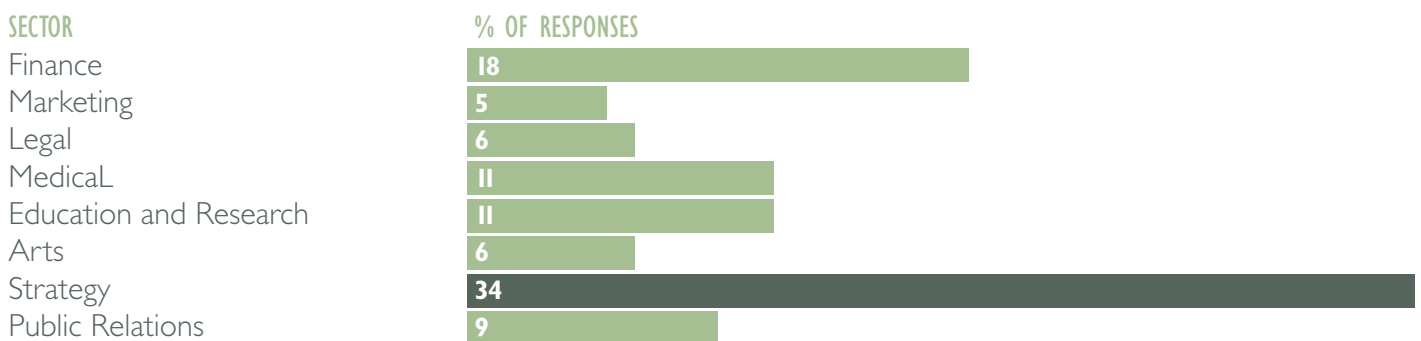
NUMBER OF YEARS	% OF RESPONSES
Less than 6 months	2
1	9
2	9
3	14
4	14
5	52

WHAT CHARITABLE SECTOR HAVE YOU WORKED IN MOST?

(Please select all applicable)



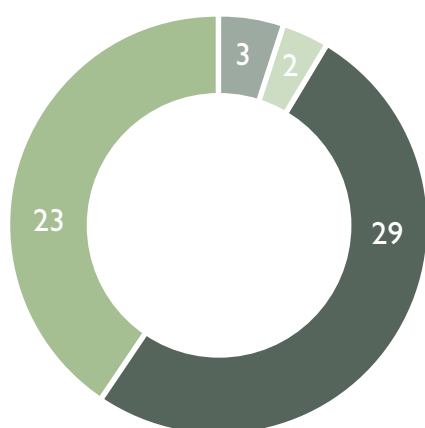
PRIOR TO JOINING THE BOARD, WHAT AREA HAD YOU WORKED IN MOST?



IS IT CLEAR TO YOU WHAT SKILLS AND EXPERIENCE YOUR BOARD'S STRATEGY REQUIRES?*

	% OF RESPONSES
Yes	93
No	2
Unsure	5

WHAT PROPORTION OF THE SKILLS AND EXPERIENCE DESIRED DO YOU FEEL YOUR BOARD ALREADY HAS?*



PROPORTION	% OF RESPONDENTS
Less than 25%	5
Less than 50%	3
More than 50%	49
More than 75%	39
Unsure	4

SUMMARY OF DATA IN SECTION TWO

- Over half (52%) of the trustees surveyed had been members on the board for five years or more.
- Community & social welfare and education were the two largest charitable sectors trustees had experience in.
- The most common professional backgrounds of trustees surveyed were in the areas of strategy and finance.

'The most common professional backgrounds of trustees surveyed were in the areas of strategy and finance.'

*Please note that not all of the survey's respondents answered these questions, and the percentage is of those who responded.

ARE ROLES, RESPONSIBILITIES, AND OBJECTIVES CLEAR FOR EACH BOARD MEMBER?

	% OF RESPONSES
Yes	81
No	14
Unsure	5

IS THERE A SET CALENDAR PROCESS FOR REVIEWING BOARD SKILLS AND EXPERIENCE?

	% OF RESPONSES
Yes	50
No	45
Unsure	5

HOW DETAILED A SUCCESSION PLAN IS IN PLACE TO ACQUIRE THE RIGHT SKILLS AND EXPERIENCE NEEDED FROM FUTURE EXECUTIVE MEMBERS?

	% OF RESPONSES
Very	16
Somewhat	41
Not yet formed	38
Unsure	5

SUMMARY OF DATA IN SECTION THREE

- Over 80% of those surveyed believed their board had a governance structure in which individual roles, responsibilities and objectives were clear for each member.
- Half of those surveyed confirmed that their board had a set calendar process for formally reviewing board skills and identifying areas of need. However, almost an equal amount (45%) had no process in place.
- Only 16% of the charities surveyed had a detailed succession plan in place for future executive members. Over 40% had not formed a plan or were unaware of such a plan's existence.

'Half of those surveyed confirmed that their board had a set calendar process for formally reviewing board skills and identifying areas of need.'

SECTION
Four

Strategic Focus

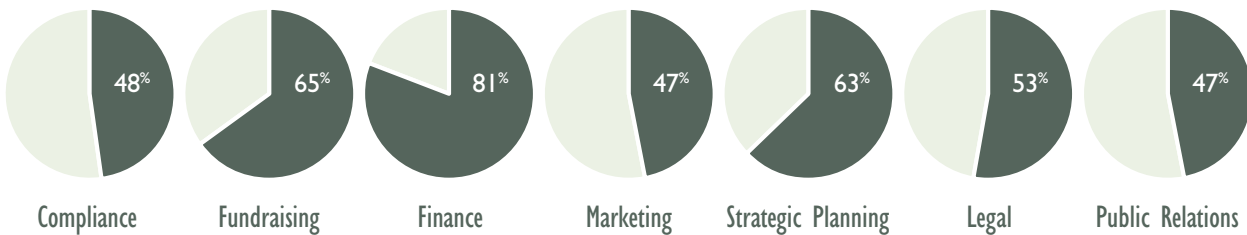
IS THE STRATEGIC FOCUS OF THE BOARD REVIEWED REGULARLY?

	% OF RESPONSES
Yes	87
No	8
Unsure	5

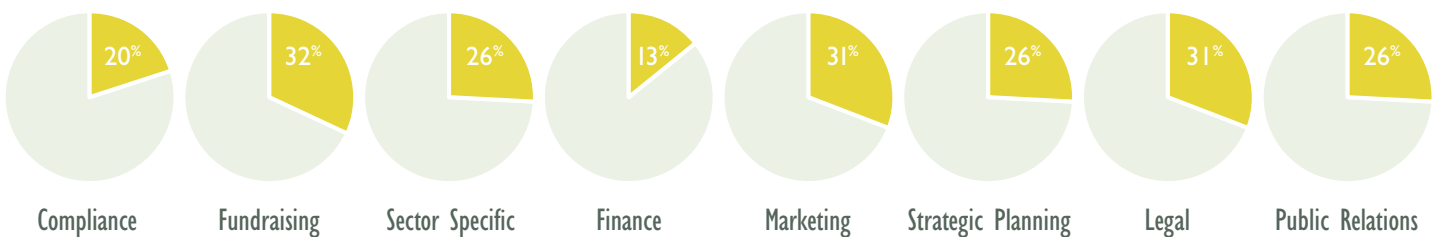
HOW REGULARLY?

	% OF RESPONSES
At least every 6 months	37
Annually	50
At least every two years	8
Every two to five years	5

IN WHICH AREAS DO YOUR BOARD MEMBERS HAVE EXPERTISE SPECIFIC TO THEIR ROLE IN THE CHARITY? (Please select all applicable)



PLEASE SELECT ANY AREAS OF EXPERTISE THAT YOU FEEL YOUR BOARD IS MISSING OR COULD STRENGTHEN: (Please select all applicable)



SUMMARY OF DATA IN SECTION FOUR

- The vast majority (87%) of trustees surveyed were on boards that review their strategic focus. Of those who did, the most common timeframe for review was annually.
- The three most common areas of expertise of board members were finance (81%), fundraising (65%) and strategic planning (63%).
- Interestingly, respondents cited fundraising expertise (32%), ahead of legal and marketing (both 31%) as the largest area they felt was missing or could be strengthened on their board.

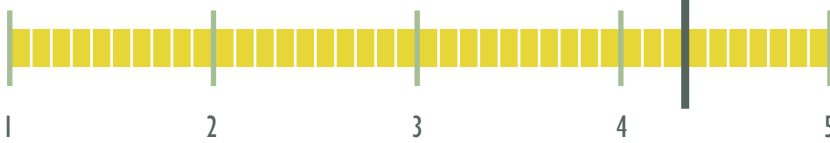
SECTION
Five

Leadership

HOW COMFORTABLE ARE YOU WITH THE SKILLS HELD BY YOUR CHIEF EXECUTIVE TO IMPLEMENT STRATEGY?*

1 VERY UNCOMFORTABLE 4 QUITE COMFORTABLE
2 QUITE UNCOMFORTABLE 5 VERY COMFORTABLE
3 UNSURE

Rating 4.3



IS THERE A DEMONSTRATED COMMITMENT BY THE NON-EXECUTIVES TO ADVISE AND DIRECT THE CHIEF EXECUTIVE?*

	% OF RESPONSES
Yes	83
No	13
Unsure	4

WHAT ROLE DOES THE CHIEF EXECUTIVE PLAY IN THE SELECTION OF TRUSTEES?

ROLE	% OF RESPONSES
Chief executive drives the decision	15
Chief executive informs the decision	56
Chief executive is consulted after the decision is made	6
Chief executive plays no role	12
Unsure	11

WHAT ROLE DOES THE CHIEF EXECUTIVE PLAY IN THE SELECTION OF THE CHAIR?

ROLE	% OF RESPONSES
Chief executive drives the decision	11
Chief executive informs the decision	47
Chief executive is consulted after decision is made	7
Chief executive plays no role	29
Unsure	6

SUMMARY OF DATA IN SECTION FIVE

- The majority of trustees surveyed rated their chief executive's skills and ability to implement strategy strongly (4.3 on a 5 scale).
- In most cases the chief executive informs the decision when selecting new trustees.
- When selecting a new chair, 50% of respondents stated the chief executive informs the decision, while a further third are either unsure or stated the chief executive plays no role in the process.

*Please note that not all of the survey's respondents answered these questions, and the percentage is of those who responded.

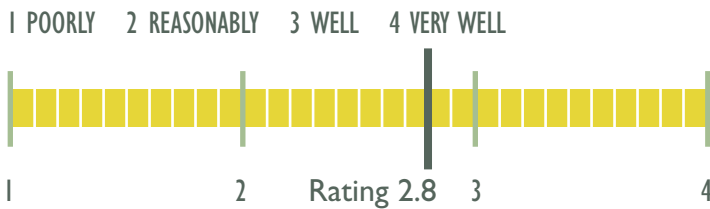
SECTION
Six

Board Development

HOW OPEN WOULD YOU RATE YOUR BOARD TO NEW IDEAS AND CHANGE?

RATING	% OF RESPONSES
Very open	49
Fairly open	45
Not very open	6

HOW WELL IS DISSENT TOLERATED ON THE BOARD?



HOW ARE POTENTIAL NEW TRUSTEES PRIMARILY LOCATED?

LOCATION	% OF RESPONSES
Headhunted	17
Positions advertised online	5
Positions advertised locally	8
Positions are advertised nationally	7
Existing trustees offer recommendations	49
Other means	10
Unsure	4

HOW FREQUENTLY DO BOARD MEMBERS MEET COLLECTIVELY OUTSIDE OF BOARD MEETINGS?

FREQUENCY	% OF RESPONSES
At least every 3 months	39
At least every 6 months	19
Annually	19
Every two years	3
Never	20

HOW OFTEN DOES THE CHAIRMAN MEET WITH THE CHIEF EXECUTIVE?

FREQUENCY	% OF RESPONSES
Weekly	25
At least monthly	54
At least every 3 months	21

HOW OFTEN DOES THE BOARD RECEIVE SECTOR OR FUNCTIONAL TRAINING?

FREQUENCY	% OF RESPONSES
Every 3 months	6
Every 6 months	11
Annually	24
Every two years +	5
Two years +	4
Never	39
Unsure	11

'39% of respondents stated their board members receive no sector or functional training.'

WHAT INDUCTION DO NEW TRUSTEES RECEIVE?

	% OF RESPONSES
Detailed one-on-one meetings and visits to all charity operations	46
General briefings	30
Limited Briefings	14
None	6
Unsure	4

DOES THE BOARD HOLD STRATEGY AWAY-DAYS OR RETREATS?

	% OF RESPONSES
Yes	57
No	42
Unsure	1

SUMMARY OF DATA IN SECTION SIX

- *Around half of respondents rated their board as very open to new ideas and change, with a further 45% viewing their board as fairly open to the same criteria.*
- *The average rating of board tolerance for dissent was 2.8 on a 5 point scale.*
- *Almost half of (49%) of new trustee appointments primarily came via personal recommendations from existing trustees. Only 20% of respondents stated outside advertising as their primary means of recruitment.*
- *Over a third (39%) of respondents stated their board members met collectively outside of board meetings every three months. In contrast, a fifth of respondents were on boards that never met outside of the boardroom.*
- *Over half of respondents stated that the chief executive and chair meet at least monthly.*
- *44% of respondents stated their board members receive no ongoing sector or functional training.*
- *57% of respondents were on boards that held strategy or away-day retreats.*

SECTION
Seven

Evaluation

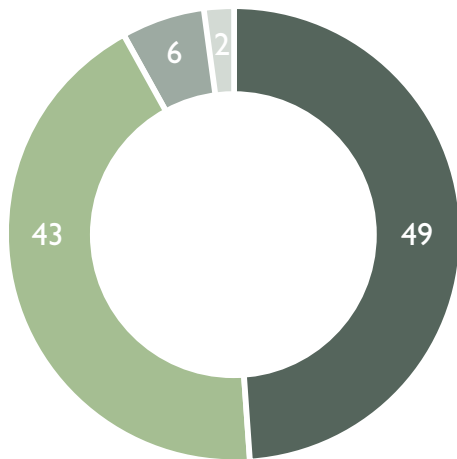
HOW OFTEN IS BOARD PERFORMANCE REVIEWED INTERNALLY?

	% OF RESPONSES
Every 6 months	12
Annually	59
Every 2 years	6
3 years +	3
Never	20

HOW OFTEN IS BOARD PERFORMANCE REVIEWED EXTERNALLY?

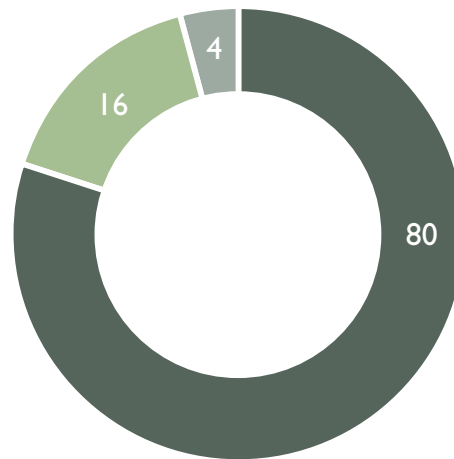
	% OF RESPONSES
Annually	13
Every 2 years	9
3 years +	4
Never	56
Unsure	18

DURING THE PAST 12 MONTHS I FEEL THE LEVEL OF BOARD ENGAGEMENT HAS:



LEVEL	% OF RESPONSES
Increased	49
Remained the same	43
Lessened	6
Unsure	2

OVERALL, HOW DO YOU FEEL ABOUT YOUR BOARD'S PROGRESS IN THE PAST 12 MONTHS?



LEVEL OF PROGRESS	% OF RESPONSES
I feel there has been sufficient progress	80
I feel there has not been enough progress	16
Unsure	4

SUMMARY OF DATA IN SECTION SEVEN

- Around half of respondents believed that their level of board engagement had increased during the past 12 months. 80% also felt that there had been sufficient progress on the board within the same period.

LESSONS *from* LEADERS

The Institute for Philanthropy has profiled six exceptional board and charity leaders currently working across the United Kingdom. Though the scope and nature of their organisations' work is diverse, the advice they have to offer on effective trusteeship is of universal application.



LESSON One

Ben Summerskill
Chief Executive, Stonewall UK

Ben Summerskill became Chief Executive of Stonewall in 2003, during a period of profound difficulty for the organisation. “When I arrived, [Stonewall] was on the brink of insolvency and suffering from very poor senior management. It was very clear to everyone that things had to change, and quickly.” In his new role, Ben set out a plan to professionalise the organisation. “I gave myself 12-18 months. Fortunately I had a board that supported my plans, which helped counter resistance expressed by some of our senior staff at the time. Their support helped make it clear to everyone that change was needed and necessary.”

This need for change extended to the Board itself, which quickly began to address how it went about recruiting new members. “I recall showing some of the Board a map with the home addresses of trustees marked on it. Eight or nine out of twelve of them were within an inch of each other in Islington. I think it illustrated that we needed to approach the idea of recruitment in a different way.” After conducting a governance review, the Board now uses a skills audit which helps inform competencies needed when recruiting new trustees. Although these demands change with time, Ben believes there are important and universal qualities the Board looks for in potential trustees. “We want altruistic people who can, above all, add value. They should recognise the opportunity that trusteeship is. It’s a chance to be a part of something special. I think everyone who works for Stonewall feels that way. We look for members who can genuinely add to the work that our very professional staff team are already doing rather than just replicating it.” The Board also looks for people from a wide range of backgrounds. “We’re not embarrassed to say that half of

our Trustees are currently women, 20% are disabled and 20% are from ethnic minorities. This is also true of our staff. We believe that a diverse trustee body is probably more effective than one that is monochrome. We advertise vacancies along with published selection criteria. Half of the successful Board recruits here in recent years are people that had no interaction with Stonewall beforehand. They’ve brought talents to Stonewall that we would not have come across had we not advertised openly.”

While having a team with appropriate skill sets is important, Ben believes communication is critical to securing successful outcomes. “Trustee communication is something charities should constantly revisit instead of assuming it is possible to get to a good place and stay there.” Stonewall’s Board of Trustees receive a significant amount of information, including full and timely reports and background information prior to decisions being made. It also places a high precedent on appropriate trustee behaviour: “We think it’s very important the Board be businesslike and expect businesslike behaviour from others too. It’s better to leave egos at the door.”

Ben’s own relationship with the Chairman of Stonewall is one he describes as open and frank. “We often talk on the phone two to three times per week and he’s been a very useful sounding board for testing ideas out. In the boardroom he balances leadership with being collegiate. He and I tend to keep the personal out of our discussions as we both feel it’s important to maintain a professional distance. It is in many ways a strategic relationship; the chair is there to lead, and a good chair reminds trustees that one of the features of good governance is considering

“WE ASK VERY SERIOUS QUESTIONS OF ANYONE WHO IS ALREADY ON ONE OR MORE BOARDS, AND HAVE RESISTED TAKING ON THE TYPE OF PERSON WITH SIX TRUSTEE BODIES ALREADY UNDER THEIR BELT.”

where they can best add value. Our Board, for example, doesn't usually get involved in the employment of staff; their involvement relates more to growth and strategy. They're more interested in outcomes than the nitty-gritty, which I think is the right approach to take.”

Ben believes there is a significant issue in the charity sector of trustee interference at the staff level. “Removing incentives for trustee meddling, especially in staff issues, is very important in the sector. Trustees shouldn't exculpate staff from doing what they're supposed to do. They can make better use of their time.” He does, however, value constructive board interaction with staff members. “The Board is regularly invited to attend Stonewall events and engage with staff. I'd say around a third of them are actively involved in activities that go beyond their commitment as Trustees. They're adding value by being engaged, rather than just sitting back and reviewing what's already happening.” He also feels charities should be wary of 'serial board members' when looking to fill vacancies. “Some people approach trusteeship as a political or career move. We ask very serious questions of anyone who is already on one or more boards, and have resisted taking on

the type of person with six trustee bodies already under their belt. Often it's better to look outside the box; diversity is a good thing, and there are many people out there who have talents that they can bring to the table. The acid test of an effective board should always be how well its members use their time and skills to further a charity's mission”.

The link between good governance and operational effectiveness seems clear to Ben. “In our case, if you looked objectively at the activities of Stonewall in the past five or six years with the introduction of civil partnerships and the growth of an employment programme now reaching the employers of five million people, the largest non-Governmental intervention of its sort in the world, those things have happened at the same time that we've improved our governance model. Our turnover has also gone up threefold in the same period, based on individual giving, not Government grants. I think sometimes in the charity world people don't make the connection between governance and effectiveness. We genuinely believe that one of the reasons these things have happened is because we've improved the diversity and effectiveness of our Trustee body.”



LESSON
Two

Nick Ferguson
Chairman, The Courtauld Institute of Art

In 2002, Nick Ferguson became Chairman of The Courtauld Institute of Art, the London-based international centre for the study of art history and conservation. As such, he is responsible for overseeing the ongoing development of one of the finest small art history institutes and art museums in the world. "My role as Chairman is very much centred around building constructive relationships. The chair is the one person with whom the chief executive should be able to interact candidly. It's my job to listen, inform her of how things are sitting with the Board, and to help her come up with effective solutions when problems occur, as well as the normal long-term decision making. It's something of a stewardship role that applies to the boardroom too. I have a responsibility to ensure it has the right membership, that its meetings run efficiently and that the correct issues are discussed in as open and inclusive a manner as possible. From an outward-facing perspective, I'm also charged with being a public face of the organisation, and a large part of that involves building new relationships and helping to raise funds."

When recruiting new members for the Board, Nick looks for three key qualities in potential candidates: "Intelligence, independence - that is, people who aren't afraid to say what they think - and commitment. Find those three characteristics in an individual and you have a winning formula." The Board has its own nominations committee that regularly assesses the needs of the charity and tailors its recruitment drive accordingly. "As an organisation it is important for us to regularly review what skills bases we need in order to work effectively. The competencies don't tend to change all that much, but when Board members leave we need to be clear about the

gaps we're trying to fill. We try to be dynamic and proactive about the whole process. For example, with a lot of Government issues arising, we identified a need for the Courtauld to have more PR activities and linkages with the media, which we put into effect."

Nick places a lot of faith in his Board's ability to make difficult decisions that favour the charity. "Quite recently we realised that certain cuts needed to be made in order to position the Courtauld for the future. Every organisation tends to add things over time, but it's essential that the board is able to step back and assess what things are strategic and core to the organisation's aims. We had an area in which we knew certain activities weren't absolutely core to our mission, and made the very difficult decision to cut back staffing costs. That particular area is now staffed by postgraduate students studying at the Courtauld!"

The dynamic between the chair and the chief executive is something Nick sees as pivotal to the success of an organisation. "In our case the Chief Executive and I generally meet two to three times per week to discuss everything from fundraising to strategy. We have a very open way of doing business. Deborah [Swallow] is excellent at what she does and isn't afraid to ask for advice when it's needed. I think part of our success as a team is down to us having a shared vision and complimentary personalities. It's very much a warm, mutually supportive relationship that works." The team's achievements appear to be validated by external assessment too: in 2009, the Courtauld came top of The Times Higher Education Ranking, which aims to show which universities offer the best all-round student experience. In the same year, in the UK

“THE REASON OUR BOARD WORKS WELL IS BECAUSE IT HAS TRUSTEES WHO CLEARLY UNDERSTAND THEIR ROLES, AREN'T AFRAID TO SPEAK UP AND DON'T BELIEVE IN WASTING TIME...”

National Student Survey (NSS), the Courtauld was ranked fourth in the country, with 93% of students satisfied with the teaching, the learning resources and the academic support they receive. “I think the reason our Board works well is because it has trustees who clearly understand their roles, aren't afraid to speak up and don't believe in wasting time, coupled with a chief executive who is driven and listens to their input. As Chairman I have to tread a fine line between keeping all of these things on track without micromanaging people. It's very much about having the right checks and measures in place.” One of those measures includes a bi-annual board review which includes an assessment of the Chairman's performance. “We review our overall performance and each other's performance, the Secretary collects this information which is later discussed openly by the Board. I think there are a lot of charities where the chair would resist this process, but I've found it to be a very constructive experience. If a board isn't open and forthcoming in its opinions then it isn't working properly. We all see the review

process as a form of feedback that helps us strengthen our performance.”

Nick's reflection on his own experiences as Chairman of the Courtauld offer a useful insight into the chair's role in ensuring operational effectiveness: “A good chairman definitely needs to be a facilitator capable of working with all types of people. He or she has to develop and maintain a constructive relationship with their chief executive and board, and have the ability to act as a public representative on behalf of the organisation. Given the many facets of the role, I think the best chairs out there have a real passion and belief in the work they are involved in. Bad governance, which would imply not having check-and-balance mechanisms for the organisation in place, definitely runs the risk of cropping up if a chair has a less engaged relationship with the charity. In my experience, instilling a culture of good governance needn't be a very complicated thing so long as the board are united and focused on their key issues.”



LESSON
Three

Denise May MBE

Chief Executive, Community Action Through Sport (CATS)

Denise May MBE, Chief Executive and co-founder of the Cornwall-based charity Community Action Through Sport (CATS), provides a compelling example of how strong partnerships can help build effective charities. “For me it all began in 2005 when a local dispersal order was issued in Bude. At that time I had been appointed as Director of Specialism at our local sports college and was looking for a way to counter some of the negative labelling young people experience today.” Denise founded CATS with a mission to ‘promote, recognise and reward young people for making a positive impact in their communities.’ With the help of her colleagues she set out to build an engaged committee that included local police members, youth services, health trusts and other interested bodies in the town who believed in her idea of using sport as a tool to support and motivate local young people.

The charity has developed a three-pronged approach to achieve this aim. “The first phase is quite simple: young people are nominated for their work and their details are sent to the committee. The Board decides what level of engagement each individual has performed within their community and they are rewarded accordingly. If they are awarded a level 1, for example, local providers hand over sports vouchers for activities such as free swimming or trampolining sessions. If the young people reach a level 3 or 4 they might win a half-day kayaking. As a result, the young people get really excited, it spurs them on to do more good work, and at the same time they begin to discover the benefits of an active, healthy lifestyle. In the second phase we branch out and look for projects where there is an identified need for volunteers and then try to fill those gaps. The third phase is

perhaps the most inspiring: where we see young, empowered people approaching us to help them support their own projects. We recently had two thirteen-year-old girls identify a gap for a productive youth activity on Friday nights, made accessible to all by having to pay only £1.00 per head. They conducted a series of surveys and questionnaires to see if their peers would be interested in having the local swimming pool opened for them in the evening and lobbied local counsellors, presenting the merits of the event to cabinet officers, which CATS supported. They were initially given a 3-month time span to pilot the idea. It’s now been running for over a year with an average weekly turnout of between 120 and 150 young people.”

The remarkable work of the charity has not gone unnoticed. The Big Lottery Fund recently awarded CATS a £265,750 grant to open new branches in several new areas. Denise lays much of this success at the feet of her dedicated Project Development Manager and Trustees. “Twelve months ago CATS was at a point where we were almost out of funding. All of the work the team does is voluntary, with the exception of our Project Development Manager, and even she decided to work part-time because she believes in the projects so strongly. The Trustees were extremely supportive of that move and gave up considerable amounts of their time to work with the Project Development Manager and secure more funding. They are incredibly strong advocates of the charity and believe wholly in its aims. In addition to that, they’re very reliable. Our Trustees are great at hitting deadlines and reporting back information effectively. It keeps the team dynamic strong and helps us push for greater success.”

“OUR SOLID MONITORING
AND EVALUATION SYSTEM HELPS
US GENERATE PROOF TO EXTERNAL
FUNDING BODIES THAT THEY
SHOULD SUPPORT US.”

Denise believes that keeping the charity on-message and focussed is one of her key responsibilities. “As Chief Executive it’s my job to ensure that the ethos of our charity is solid across all of its branches,” she says. “This can be quite difficult at times but we do have a constitution, a working manual, and guidelines and policies that each CATS branch must adhere to. There is room for individuality but I have to ensure that the organisation as a whole is moving in a unified direction. The Trustees help in a huge way too; they’re there as a support mechanism and a voice to question any proposals that they feel might not be in line with the charity’s objectives.” Creating a culture of accountability and expectation is something that Denise has developed over the past five years. “Once a year we formalise a list of expectations that we send out to each of our Trustees. It’s important that the people involved are able to provide the necessary commitment to CATS. I find if you’re open with people about your expectations they’re much more forthcoming about what they can and cannot commit to. Our Board meets up formally once a month, everything discussed is minuted, and we provide an open floor for people to voice the things they’re happy and less happy about. That way we’re all equally engaged and accountable. People need to be willing to speak up and step outside of their comfort zones. It ensures we’re all working with a joint vision.”

With such active Trustees working to drive CATS forward, Denise has some advice for other charities looking to strengthen board output. “Every charity needs trustees that are able to cast a critical eye and ask the difficult questions. Chief executives need to be certain that the each board member is able to make the necessary time commitments their role requires. I say this because charities really need trustees who come together when issues arise and press on through the barriers with a positive attitude. You have to be able to say ‘yes’ to what you’re committed to and follow through with it, there’s little room for half-hearted attempts in this sector. In order to make something work you have to believe in it fully.”

Denise sees a clear link between good governance and better operational effectiveness. “CATS has become far stronger as an organisation by putting governance procedures in place. Not only that; our solid monitoring and evaluation system helps us generate proof to external funding bodies that they should support us. What we present is based on evidence. Our funders know what kind of an organisation they’re investing in because we’re transparent and thorough in our work and how we go about it. Results are ultimately about the team and how we work together – but good governance helps the team perform better.”



LESSON
Four

Chris Shaw
Chief Executive, Advocacy in Wirral

Chris Shaw became Chief Executive of Advocacy in Wirral, a charity working on behalf of people with mental health issues in Merseyside, in 2005. Impressed with his previous managerial expertise and experience in the mental health arena, the Board at AiW have seen the charity's fortunes blossom since Chris's appointment. The figures alone are impressive; in 2005 AiW had an annual turnover of £125,000 per year and a client base of around 1200 people, serviced by six paid staff members and ten volunteers. It now has an annual turnover in excess of £1.4million with 54 paid staff members and over 40 volunteers. By the end of 2010 the charity will have provided between 4500 and 5000 users in the Wirral area with advocacy support, mental health support, drug and alcohol support, and low-intensity talking therapies.

Chris likens his role as Chief Executive to that of an architect; "the chief executive's role is to help build the management team strategically and provide a vision for the board. In my first three years at AiW I was something of a jack of all trades; trying to provide the Trustees with a coherent set of choices for the organisation to move forward and grow. As a result we now have an operations manager, an accounts manager and a business development manager and our decisions are paying off. Right now we have a contract with the local authority, a grant from the Big Lottery Fund to provide patient advocacy, and a contract with the legal services commission to offer specialist welfare benefits advice." Chris places an important precedent on the quality of his charity's trustees. "We're a user-led organisation so it's vital to us to have Trustees who can cover the areas in which we represent stakeholders, for example

on clinical issues. I think trustees in general need to be able to meet the tangible needs of the organisations they represent and, in terms of softer skills, I'd also say they need to be diplomatic. A lot of charities experience problems. If the pain they experience is channelled off in a constructive, democratic way, it encourages all of the trustees to feel engaged and play a bigger role in helping the organisation move forward. It's the only way of maintaining focus and integrity."

Integrity is something Chris feels all boards should value: "We're currently working to create two advisory panels which operate underneath the Trustees which are comprised of specialists: one made up of recipients of our services, and the other made up of service professionals. We're doing this to help with the operational side of the work we do. We aim to have 3 or 4 strong professional members who can help the Board better interface with the NHS. Again, it's about having the right people. Our panels will hopefully include a consultant psychiatrist and a consultant nurse, clinical psychologist and GP. People like this can really help advise the Board as to how relationships are developed with GPs, the NHS as a whole as well as other social care services. We feel that having two distinct stakeholder panels better facilitates the Board to make more informed decisions."

Chris describes the Chair of AiW, Lillian Baker MBE, as the "heart and lungs of the organisation". "Fortunately Lillian and I have a wonderful working relationship and a large part of that is down to trust and communication. We have a very straightforward but accommodating way of dealing with issues when they arise.

“THE CHIEF EXECUTIVE’S ROLE IS TO HELP BUILD THE MANAGEMENT TEAM STRATEGICALLY AND PROVIDE A VISION FOR THE BOARD.”

We rarely disagree, but when we do we always work to find a constructive outcome. Neither of us believes in being sycophantic – we’re both driven by getting the job done.” Effective communication is something Chris has the entire Board signed up to. “We rely massively on emails as we have a large network of activity going on and it’s the most useful way for all of us to communicate issues. However, we do feel face-time is important.” AiW holds away-days where the Board and staff get together to test future ideas and ensure the lines of communication are clear and open for both sides of the organisation. “If there are no ways of circumventing barriers to communication then an organisation can end up in all kinds of bother. It’s important to be active about these issues. Good charities make sure that the board, chief executive, and senior managers aren’t just sitting on top of issues.”

Looking to the charity sector as a whole, Chris offers some sage advice for trustees out there. “Without overstating things, the whole of the UK economy is going through a period of turmoil right now and we are seeing our new context in a changing new world order. There is no one who has a crystal clear view of the effects of this. The key role for trustees is to understand the tensions being placed on charities and the voluntary sector. Take for example this issue of changes in commissioning, some charities will be beneficiaries of this change and others will fall by the wayside.

Trustees need to be vigilant in their work but also understanding of the very real issues chief executives up and down the land are facing. The best trustees, in my opinion, work to be an intellectual and vocational resource to help test new ideas.” His advice extends to those looking to build new, successful boards: “Like the construction of any team, the most important thing is to discriminate between the people who will help you on a day-to-day basis and those who you need on the board once a month with the requisite skills and knowledge to allow the operational and corporate aspects of your team to make informed decisions. What you’re looking to strike is the right mix, but all trustees need to be advocates for the organisation with a certain standard and status to open doors. The key to survival is how the board builds up and maintains key relationships with existing and potential stakeholders.”

Chris sees the link between good governance and better operational effectiveness as a clear and definitive one. “Good governance isn’t just people sitting around ticking boxes. It’s about creating dialogue that is understandable and accessible for everybody involved. Having procedures in place at AiW keeps communication open and accountable, particularly for me as the Chief Executive. It helps the Board function in their role as a supportive but critical friend. The payback is that Trustees get a fuller appreciation of the successes they help create.”



LESSON
Five

Martin Jervis
Chairman, Thames Hospicecare

Martin Jervis became Chairman of Thames Hospicecare, an independent charity providing palliative care, without charge, for adults with cancer and other life limiting illnesses, after being headhunted by Trustees Unlimited. “Initially I was interested in becoming a permanent Trustee but was soon persuaded instead to become Chairman Elect and four months into the role I formally took up the position of Chair. Since then I’ve been getting to grips with the organisation and how I can best add value to the work that is already being done here.” In the short time that Martin has been on the Board he has, working with the CEO, continued to link the organisation’s philosophy with the business and delivery plan. “One of my primary roles will be ensuring that the organisation remains aligned behind a clear mission with a tangible, forward-looking plan.”

The chair is responsible for keeping board members focused on their governance role. One dynamic that Martin views as particularly important is making sure the right skills are found within the board to increase effectiveness. “Achieving that plan involves having the right mix of skills within the board and an understanding of how to liberate those talents. It’s important that trustees have the diverse range of skill-sets needed to achieve the charity’s objectives.”

During Martin’s relatively short time at the organisation he has been impressed by the Board’s willingness to offer support and guidance. “Quite recently we were facing some challenges within an area of the organisation and the senior management team were helped by the early intervention of our trustees. They’ve been helpful in terms

of offering advice, moderating third party input and empowering the management team to work through the problem. The Trustees have since stepped back, which is right, but they were ready to assist the team and the Chief Executive at the time when they were needed.”

Martin views his own relationship with the Chief Executive as that of a mentor and sounding board for ideas. “A constructive working relationship between the chair and chief executive is essential. The best partnerships build upon the strengths of each individual. The direction of the charity has to come from the chief executive because the CEO is the eyes and ears of the organisation. As the Chairman I’m here to listen and, when necessary, advise the CEO on possible courses of action. It’s not part of my role to tell the Chief Executive what to do or how to do it. Instead, I try to make sure that CEO and the Board are well informed and working to the best of their ability on behalf of the charity. I feel a good chief executive is a leader, who needs to be engaged by and have a driving passion for the cause that they represent.”

Martin places a high precedence on preparation, making sure only relevant items appear on the agenda, and a timely distribution of key materials for meetings. “The Board holds quarterly meetings in conjunction with the senior management team. These meetings are preceded by a number of sub-committee meetings addressing specific issue areas. The findings from each are recorded and circulated to the Trustees prior to the board coming together. Twice a year we also bring in people who will present to the Board on some of the pressing issues of the day.

“ A GOOD BOARD REMAINS FOCUSSED
ON THE TASKS SET AND DEALS
WITH INTERPERSONAL ISSUES IN
A STRUCTURED, PROFESSIONAL WAY.”

We see working this way as a very effective way of keeping the Trustees on top of developments and the entire organisation in closer contact.” It is this insistence on clear, structured communication that has stood the Board in good stead. “Communication is a two way street. It all goes back to the board asking itself ‘what are we trying to do here?’ and not getting side tracked by non- governance issues. I think a good board remains focussed on the tasks set and deals with any interpersonal issues in a structured, professional way as and when they arise.”

His own view on good governance is clear and succinct: “Governance can be the most stifling thing imaginable if it isn’t done in a way

that is practical, understandable, and relates to the overall mission of the organisation. I feel that good governance in our case is really about facilitating and liberating the Board to do what it needs to do in a way that is accountable. Trustees who understand the principle behind ‘why’ a certain thing is done in a particular way are much more likely to incorporate it into the work that they are doing. There isn’t a one-size-fits-all approach, and what works well for one board might not necessary work well for another, but creating consensus and a sense of ownership amongst trustees is a great way of making changes stick. If it helps us do our work better than that’s ultimately what matters.”

GOOD GOVERNANCE IS REALLY ABOUT
FACILITATING AND LIBERATING THE
BOARD TO DO WHAT IT NEEDS TO DO
IN A WAY THAT IS ACCOUNTABLE.



LESSON
Six

Heather Thompson
Chief Executive, Ulster Wildlife Trust

Heather Thompson became Chief Executive of Ulster Wildlife Trust in 2004. Her charity works to protect and promote biodiversity on land and in our seas, ensuring that nature is supported in its provision of air, food, water and natural resources across Northern Ireland. The Ulster Wildlife Trust does this through managing nature reserves; inspiring young people; supporting and facilitating community environmental action; and lobbying decision makers in Northern Ireland and beyond.

"I've been part of the organisation since 2000, but when I took on the role of Chief Executive in 2004 I found that my primary responsibilities quickly changed. My role is now very much about strategy and ensuring we have the correct governance procedures in place - particularly with regard to the operational management side of things. It ensures we're working effectively and delivering in a way that I can relay to the Board." The Trust places a high precedence on the work it conducts being in line with funder and stakeholder wishes. One of those wishes amounts to a constitutional commitment to company director²⁴ recruitment that draws from the charity's membership pool. "Although this adds an element of pot luck to the applicants we receive, our Board works to identify the skill-sets it is missing and puts out a letter to members asking for those who have them to come forward. In instances where we haven't found the right person we've widened our scope identifying potential company directors, who then become members of the charity.

Heather believes recruiting applicants with an understanding of what the company director role entails is an important element of building an effective board.

"It's fundamental that our Company Directors have an understanding of the area of work we're involved in and a genuine interest in nature and nature conservation. We look for people with a degree of realism that understand the difference between governance and management, and view their role as strategic and directional rather than hands-on and operational." The Board has been particularly effective at external relationship management. "Quite recently we acquired land in West Belfast which is adjacent to a cemetery and created a nature reserve. It later transpired that some of the land sold to us had been used for burials and should not have been available for purchase. It was a genuine mistake by the party that sold us the land initially but left us in a particularly difficult situation. The charity had used European Union funding for the purchase which has many prerequisites for use in terms of asset buying. On top of that there were a number of local politicians who were looking to make political gains from the issue. Things became a little threatening for us as an organisation and the Company Directors had to come together and find a way of protecting the charity's good reputation. One of our Board members has a keen understanding of the local political landscape and set about building constructive relationships with those involved. The Board really stepped up in terms of reaching an amicable solution for everyone and helped steer the charity through some pretty tricky waters. Their hard work was absolutely instrumental in securing a constructive conclusion." Heather attributes much of this dynamism to clear means of communication and information sharing. "Before I arrived, the Board didn't communicate with the organisation as much as it could have. Now, prior to our quarterly

²⁴ Under charities legislation in Northern Ireland, the legal term for the members of the Board is Company Directors rather than Trustees.

“GETTING THE RIGHT MIX OF PEOPLE AND MAKING SURE ROLES ARE CLEAR IS SOMETHING EVERY BOARD SHOULD WORK HARD TOWARD. IT MAKES A REAL DIFFERENCE TO YOUR OUTCOMES.”

meetings, all of the members receive preparatory materials that flag up any issues they need to be aware of in advance. We also have Board members sitting on working groups which means, more often than not, at least one of them has a detailed understanding of upcoming issues, having played a part in the development of a paper. It helps keep us one step ahead as a team and promotes a sense of transparency between the Board and the staff.”

The Board also undertakes an annual review and holds ‘away-days’, focusing on strategic issues and the overall direction of the charity. “We get together and the Board reviews my work. I review theirs too. It’s a very reciprocal way of doing things and I think it makes us stronger as a team.” The Board’s own Chairman is a relatively new addition to the organisation but Heather’s view on what makes an effective chair is clear: “It’s someone who will step up to the plate when required and stand as a support to the chief executive. The chair really needs to be involved in high-level relationship management and be capable of making balanced, pragmatic assessments of how things stand, and what to do when things aren’t going to plan.” Heather took a pragmatic approach to reshaping the structure of her own board: “When I took on my current role we were faced with a board that was pretty uniform in

terms of its skill-sets. An interest in nature conservation is vital, but we also needed people with business and financial expertise, HR skills, legal knowledge and networking contacts in the donor world. By gradually taking on new board members we’ve slowly redressed the balance and now have a much more dynamic team with a wider range of competencies that the charity can utilise. Getting the right mix of people and making sure roles are clear is something every board should work hard toward. It makes a real difference to your outcomes.”

The past four years for Heather have, in her own words, been a real learning curve for both her and the Board. “By instilling better governance procedures at the charity and thinking more strategically about the role company directors play, there’s been a step-change in how we all think. We have a Board now that is actively engaged in changing the structure of the organisation and views that change as a good thing. Our Company Directors now realise they have as much responsibility here as running a multi-million pound business. What they do is not just an interest or a hobby, they are actually dealing with pounds, shillings and pence, and it drives them forward to get the most out of their resources. It’s keeping us fit for the future.”

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Heather Thompson, CEO, Ulster Wildlife Trust

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ABOUT

The Institute for Philanthropy

The Institute for Philanthropy

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OUR VISION

We look towards a world in which philanthropists from around the globe have the skills to make significant contributions to the pressing issues of their time, in their own giving and in networks and partnerships with others.

OUR MISSION

We work to increase effective philanthropy in the United Kingdom and internationally. We do this by

- Providing donor education
- Building donor networks
- Raising the awareness and understanding of philanthropy

If you have any questions about our work or to find out more, please email us:

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