ARTS & HERITAGE ALLIANCE
MILTON KEYNES

The AHA-MK Guide to
GOVERNANCE

Collated from the AHA-MK Forum Meeting
6th March 2013 to consider

The Recruitment, Retention and Development of Trustees
and…

How to Make the Best of your Voluntary Board

Presentations, anecdotes and debate from those who know!

Governance means…

…'Forming policy'
'Overseeing the values of the organisation'
'Being a critical friend… supporting… appreciating'
'Monitoring….compliance'
'Accountability…transparency'
'Personal liability…hiring and firing senior staff'
'Sorting out emergencies… defence'
'Expertise… resource… running things properly'
'Being responsible… the buck stops here!

Definitions provided by AHA-MK members attending the Forum

1. Why do people become trustees?

To help develop the organisation…

- Through altruism / care / sector interest / interest in organisation
- As service users / stakeholders / volunteers – they want to make a difference
- By exploiting professional experience, expertise and contacts
- By being coerced / recommended / invited / their offer accepted

To help develop self…

- With professional alignment / CPD (continual professional development)
- Because recently retired… looking for something to do
- Through status / ego / improved CV

What are the issues?

- Conflict / mixing of roles – ensure they are separate:
    - the Board should oversee policy / strategy
    - the CE should oversee day-to-day management
- Conflict of interests – e.g. creating internal disputes or external criticism
- Clash of interests – e.g. outside interference can be resented and exacerbate the lack of ownership of issues and/or direction of the organisation
- Some can't say no... arms can be twisted with perks!
- But hard to persuade some people
- Kudos of individual can be risky for both parties
- 'The elephant in the room' – unspoken tensions and issues - might be difficult to acknowledge / deal with

We need to help people understand what it is like to be a Board Trustee:

'The Nolan Principles of Public Life':

Selflessness

Integrity

Objectivity

Accountability

Openness

Honesty

Leadership

2. How should an organisation acquire trustees?

Formal processes…
- Analysis of needs / skills audit
- Openly advertising / specifying
    - the outline aims of the organisation
    - a job description with the skills needed …
    - … and the specialisms needed
    - … and the responsibilities involved
- With selection and interview panels

With informal extras…
- Survey of availability
- By recommendation / networking / putting out feelers
- Making use of the systems you have (Social media, contacts database etc)

What are the issues?
- Some organisations are more attractive than others
- Staff do not have a say / control
- Organisational capacity… can you cope?
- Understanding the responsibilities and requirements *before* recruiting

- Budget forecasting for charities could be viewed differently from the business world – but professionals from law, HR and finance essential.
- A governance life cycle requires different people at different stages of the organisation's development – bring in new people rather than stay in the comfort zone; rotate board members every 3-6 years.

3. What should induction of trustees involve?

Generally…
- Briefing – on policies, procedures, constitution
- One-page summary – about organisation, what it does
- Understanding fiduciary and legal responsibilities
- Referring trustees to the Charity Commission's Trustee Guide (vast!)
- 'It's about conversations.'
- A day out / a tour / meeting and greeting the staff team
- Warning about /acknowledging the challenge of time commitments

Specifically…
- Clarification of the particular role
- Copy of current business plan
- Info on current / potential funding partnerships
- Board schedule / meeting priorities
- Reporting mechanisms and hierarchy

4. How should trustees be developed?

- By matching appropriate trustees to the organisation's life cycle :

  Infancy – Pioneering – Established – Transforming

  Board members need to be aware of change and continuity
- Review the constitution every two years to ensure the Memorandum and Articles are still relevant (e.g. to keep up with new technology)
- Engage each trustee by matching their strengths / interests in:

  Stewardship – Policy – Stakeholding – Partnership

- Have Board Away Days – the Training Day provided by the Volunteers Bureau is especially recommended.
- Involve members in fund-raising/ networking roles **–** prepare a crib-sheet for trustees for this – to prevent Board becoming blinkered or inward-looking

- Involve new members in running workshops for Board based on his/her specialism (e.g. Risk Management); or in offering CE specialist advice (e.g. lease negotiation)
- Run a Board Buddy scheme
- Aim for meetings that are chaired in a way that most benefits the organisation and supports the CE:

  Debate – Vote - Resolve

The presenters…

Dawn Langley: Director of the Research and Consultancy organisation 'Alchemy' with many years' experience of governance including eight years at ACE as Director of stabilisation and recovery programmes; with Hants County Council as Arts Officer; and as Chair and consultant of Graeae Theatre Company from which she drew particular experience with the key governance issues she has encountered. She says: 'The roles and relationships between governing bodies and executive teams can be complex; knowing your place in that complexity is not always clear-cut…'

Bill Griffiths: Appointed as Milton Keynes Museum's first full-time Director in 1994, Bill led a development programme which saw a vast improvement in facilities and made self-funding a reality. Despite a devastating fire in 1996 and the vagaries of funding ever since, Bill and his Board trustees have overseen a remarkable transition – where many of Milton Keynes' most important historical exhibits are now housed in specifically evocative areas- such as the Hall of Transport and Connected Earth. He says: 'It is essential for a Board to separate management from policy-making.'

Sharon Paulger came to Milton Keynes in 2006 and was for over five years Director of Inter-Action MK, the community arts charity serving the people of Milton Keynes. Since May 2012, she has been Director for MK Arts for Health which works with health, community and corporate clients across the Milton Keynes area to devise manage and deliver public art projects, artist-in-residence schemes and arts-in-hospitals programmes. She says: 'Board members should have strong ownership of the organisation - their vision is invaluable.'

AHA- MK members who attended the Forum:

Lucy Bedford	MK Council Arts Development Officer
John Best	Arts Gateway MK, Chair
Lallie Davis	AHA-MK Officer
Bill Griffiths	MK Museum Director
Euan Henderson	AHA-MK Chair
Marion Hill	AHA-MK Vice Chair / Living Archive Board Member
Simon Ingram	MK Gallery Board Member
Anouar Kassim	MK Islamic Arts and Culture Director
Marie Kirbyshaw	MK Council Culture Services Manager
Judy Munday	Thames Valley Partnership, Creative Arts Manager
Sharon Paulger	MK Arts for Health, Director
Danny Quinn	Creed Street Arts Centre Manager and Board Member
Hilary Rhodes	Stantonbury Theatre Chief Executive
Jessica Rost	Festival Road Director / MK Festival Fringe Director
Katherine Sorensen	MK Gallery Director
Graham Surtees	The Stables Director
Dianne Sutton	MK Heritage Association Board Member
Marie Wright	Creed Street Arts Centre Board Member

APPENDIX 1: *Guidelines from Lucy Bedford, MKC Culture*

BOARD DEVELOPMENT PAPER

A. Suggested Agenda

1. Welcome & Apologies
2. Minutes from previous meeting & Matters Arising
3. Declarations of Interest
4. Key discussion items
   a. *Changeable items dependent on priorities*
5. Regular Items
   a. Directors Report - *to cover Programme, Partnerships, Finance/Fundraising [beyond accounts reported below], Marketing/PR, HR*
   b. Finance Report – *to include budget v actual & reforcecasting*
   c. Performance/Data Update
6. Any Other Business [AOB]
7. Dates of Next Meetings

B. Annually
Under Key Discussion Items, the board should be reviewing the following:
- Plans - Marketing, Fundraising, Business Plan
- Board Development [including recruitment & succession planning]
- Mem & Arts [Are you still complying? Is it still relevant?]
- Policies – CPP, H&S, Finance…
- Risks

C. Best practice

- All papers should be circulated at least 1-week before the board meeting
- Papers should always be pre-circulated rather than tabled unless critical
- All minutes should be circulated within 2-weeks of the meeting

D. For your trustees

Please ensure your trustees have all read and understood these:

- **http://www.charitycommission.gov.uk/publications/cc3.aspx**
- **http://www.charity-commission.gov.uk/Library/guidance/good_governance_full.pdf**

E. Finances

At all times an approved budget should be in place and be reported on. To comply with good governance and to mitigate risk, forward planning should be applied to your budget setting with future years budgets drafted well in advance of the new financial year

F. Quality Mark

The Charities Commission endorsed quality mark for governance is PQASSO. It is an excellent tool for enhancing your governance, monitoring and service delivery processes. If you are interested visit: **http://www.ces-vol.org.uk/PQASSO**

APPENDIX 2: *Edited extracts from the Summary of*
'Good Governance: A Code for the Voluntary and Community Sector'
Prepared by the Code Steering Group – www.improvingsupport.org.uk/governance
a partnership of ACEVO, ICSA, CTN, NCVO

From the Introduction:
- Board members play a vital role in serving their causes and communities. They bring passion and commitment as well as skills and experience to the organisations they lead…
- A board needs to have proper procedures and policies in place, but it also needs to work well as a team…
- The purpose of the following principles is to assist board members to provide strong leadership, enhance their decision-making and demonstrate their accountability.
- The six principles are designed to be universal and applicable to all voluntary and community organisations.

Principle 1: **An effective board will provide good governance and leadership by understanding their role:**

Members of the board will understand their role and responsibilities, collectively and individually,
in relation to:
- their legal duties
- their stewardship of assets
- the provisions of the governing document
- the external environment
- the total structure of the organisation

… and in terms of
- setting and safeguarding the organisation's vision, values & reputation
- overseeing the work of the organisation
- managing and supporting staff and volunteers where applicable

Principle 2: **An effective board will provide good governance and leadership by ensuring delivery of organisational purpose:**

The board will ensure that the organisation delivers its stated purpose or aims by:
- ensuring organisational purposes remain relevant and valid
- developing and agreeing a long-term strategy
- monitoring progress and spending against plan and budget
- evaluating results, assessing outcomes and impact
- reviewing and/or amending the plan and budget as appropriate

Principle 3: **An effective board will provide good governance and leadership by working effectively both as individuals and as a team:**

The board will have a range of appropriate policies and procedures, knowledge, attitudes and behaviours to enable both individuals and the board to work effectively. These will include:
- finding and recruiting new board members to meet the organisation's changing needs in relation to skills, experiences and diversity.
- providing suitable induction for new board members
- providing all board members with opportunities for training and development according to their needs
- periodically reviewing their performance both as individuals and as a team.

Principle 3: **An effective board will provide good governance and leadership <u>by working effectively both as individuals and as a team</u>:**

As the accountable body, the board will ensure that:
- the organisation understands and complies with all legal and regulatory requirements that apply to it.
- the organisation continues to have good internal financial and management controls
- it regularly identifies and reviews the major risks to which the organisation is exposed and has systems to manage those risks
- delegation to committees, staff and volunteers (as applicable) works effectively and the use of delegated authority is properly supervised.

Principle 5: **An effective board will provide good governance and leadership <u>by behaving with integrity</u>:**

The board will:
- safeguard and promote the organisation's reputation
- act according to high ethical standards
- identify, understand and manage conflicts of interest and loyalty
- maintain independence of decision-making
- deliver impact that best meets the need of beneficiaries.

Principle 6: **An effective board will provide good governance and leadership <u>by being open and accountable</u>:**

The board will lead the organisation in being open and accountable, both internaly and externally. This will include:
- open communications, informing people about the organisation and its work
- appropriate consultation on significant changes to the organisation's services or policies
- listening and responding to the views of supporters, funders, beneficiaries, service users and others with an interest in the organisation's work
- handling complaints constructively, impartially and effectively
- considering the organisation's responsibilities to the wider community, e.g. its environmental impact.

APPENDIX 3: Good Governance articles in The Guardian (13.03.2013)

See ***http://www.guardian.co.uk/voluntary-sector-network/trustees*** for the following articles:
- Top tips for recruiting trustees
- Charities must do more to educate people about trustees
- UK charities are missing out on £665m in donations every year
- Get on board and make a difference
- Why leadership is crucial for driving the digital transformation
- How can charities attract young trustees to their boards
- How to recruit top trustee talent
- Charity trustees and insolvency: protecting your own position