

A TRUSTEE'S ROLE AND RESPONSIBILITIES

PART FOUR TRANSCRIPT

Board leadership

Welcome to part four of this course on trustee role and responsibilities. In parts one, two and three we looked at an introduction to the voluntary sector and how it's regulated as well as challenges facing the sector. Then the role of trustees and how boards should operate to meet their legal responsibilities of trustees. Then legal forms which charities can take and what this means for trustee liability.

In this section we will look at the leadership responsibilities of trustees, the relationship between governance and management and consider a few things trustees may want to think about when exercising leadership as trustees.

NCVO's publication – Good Governance: a practical guide for trustees, chairs and CEOs – states that effective governance is comprised of three strands which all boards need to focus on. Trustees are expected to be responsible for the control and compliance of an organisation, this can also be known as the 'fiduciary focus'.

Trustees also have a core duty to set the direction of an organisation. This requires a strategic focus and setting of longer-term goals. This is often achieved by developing and regularly reviewing a strategic plan which contains a vision statement about the impact the organisation would like to have, a set of objectives which will contribute to achieving these ends, and a plan for the use of resources accordingly.

Finally trustees should also, on an ongoing basis, consider the positive impact that the organisation is having on its beneficiaries and the extent to which the charity is delivering its purpose. As well as the continued relevance of the organisation and its aims.

Good trustees and effective boards spend time discussing each of these three strands and are able to join the dots between them.

It's worth any trustee reflecting on how the business of the board's agenda is apportioned to each of these areas.

Trustees take overall responsibility for everything a charity does and they act collectively to govern the organisation.

As we have discussed the buck stops with trustees and they have overall collective responsibility for the organisation. However...

Governance is not necessarily about doing, it is about ensuring things are done.

An effective board understands that delegation, and its relationships, are key if it is to maintain a strategic and impact focus and to lead the organisation.

The relationship between the governance and day-to-day management of organisations is therefore key. Trustees should so far as is possible maintain a more strategic or 'helicopter view' of issues and delegate tasks to subgroups, CEO, staff or volunteers. Those within the organisation should provide the means by which the board is achieving its strategic ends.

In reality there is a fluid and ongoing relationship between governance (achieving the ends) and management (providing the means). Many organisations employ staff, some at very senior levels and naturally the board will want their input on key strategic decisions. The challenge of the CEO or senior staff where they exist, is to work with the board to face the realities of an organisation without stepping over the governance line.

The overlap between management and governance will change according to who is in the role of CEO, the chair, the trustees and the issues faced by the organisation across its lifecycle. Though no amount of prior framework-setting can cater for every eventuality, an effective board will engage in this discussion and try and define the matters it wants to reserve and those areas where it is prepared to delegate authority. It is good practice to have delegation in writing in role descriptions or a scheme of delegations. Delegations should also be reviewed to ensure they are fit for purpose.

Trustees who volunteer with the charity need to also be clear about the separation of their responsibilities. It's important to understand when you are fulfilling your governance role as a trustee and when you are acting in a more operational capacity. Trustees who are also volunteers should reflect on whether the boardroom is the most appropriate place to raise their concerns and be conscious of the power, information and influence they have when undertaking other duties, particularly when working alongside staff or other volunteers.

Some key questions for trustees to ask in relation to leadership might be:

- What matters are reserved for the board to make decisions on, and what items are delegated?
- How can the board maintain a 'helicopter' view of the organisation?
- Has the board set a compelling narrative for the organisation's direction?

We've come to the end of this course on trustee role and responsibilities.

In this four part course we have looked at:

1. Trusteeship in context – where we have taken a look at the breath and scale of the voluntary sector and how it's regulated
2. Trustee role and legal duties – where we looked at who trustees are, how they operate and six key legal duties
3. Trustee liability and legal forms – where we examined typical legal forms, how trustees can be exposed to liability and how this is managed
4. Board leadership – where we explored the difference between governance and management and defined the importance of the board operating strategically

Throughout this training we have referenced a number of documents and resources – all of which can be found on the webpage of this course.

NCVO also has a number of resources and further training which may be of interest to you, our NCVO Knowhow Nonprofit website has a section titled Board Basics which contains loads of useful documents and templates – it's also totally free for members to access.

We also have other Studyzone video courses looking at different aspects of governance for trustees.

If you have enjoyed this course then you may be interested in our wider training offer. We run a number of face-to-face courses which look at the topics we have discussed here in more depth.

Our consultants can also support your board and organisation in developing its governance through board and governance reviews. Take a look at the links to our website to find out how we can help you develop a high performing board and governance function.

Finally, thanks for watching and good luck in your current and future trustee roles.