



Beacon

For Chairs leading smaller charities



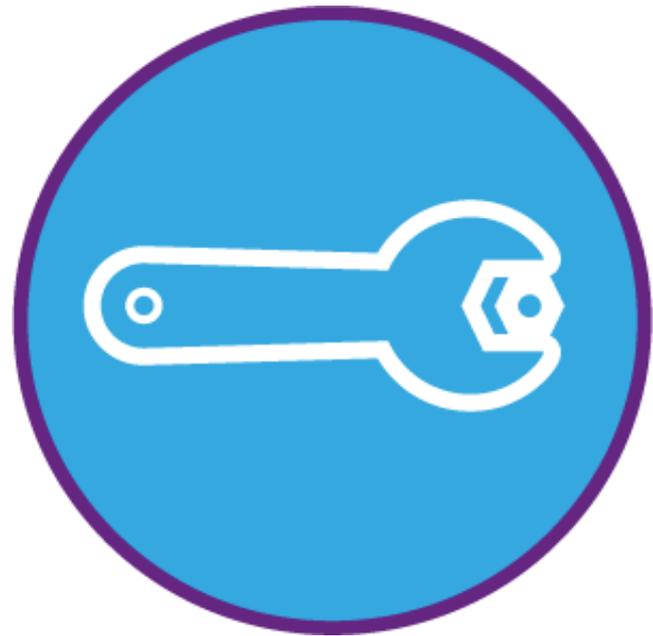
Strengthening your Organisation

Beacon Programme – Module 2

#BeaconProgramme

Twitter: @AssocOfChairs

Trainer: Ali Collins & Janine
Edwards



Association
of **Chairs**

Supporting charity and non-profit chairs

Association of Chairs



- **We support Chairs and Vice Chairs** of charities and non-profit organisations to lead your boards effectively and ensure delivery of your organisation's mission
- **What we do:** we provide practical guidance and governance support tailored to the needs of Chairs, and enable Chairs to support each other
- **What we believe:** good chairing is key to:
 - Maximizing a charity's impact
 - A well-run organisation
 - Supporting effective decision making
 - Being sustainable and responding to change



Beacon

For Chairs leading smaller charities

About the programme



- Chairs of smaller charities face specific challenges
- **Aim:** to develop the skills, knowledge and confidence of Chairs and Vice Chairs of smaller charities in England with an income of under £1 million
- Focus on **four** areas
 - **Being an effective Chair** – Know your role and how to be effective
 - **Strengthening your organisation** – Develop the strategy, resources and processes to succeed
 - **Managing relationships and board dynamics** – Create a productive board culture
 - **Developing an effective board** – Develop a high functioning and effective team

About the programme



- Each of these four areas will be addressed through a range of activities
 - 4 half day workshops delivered in 9 locations
 - Live webinars for each of the four areas plus a series of short video content
 - Written resources
 - Monthly Beacon Bulletin
 - Online surgeries
 - Platform for connecting with other Chairs
- You can access all of the resources talked about in this workshop on the AoC website
<https://www.associationofchairs.org.uk/beacon/resources-for-chairs/>
- The programme is funded by the Big Lottery till June 2020

Overview of today's workshop



- Understand the role of the board in strategy development and managing resources in a smaller charity
- Identify key threats to your organisation and how to manage them
- Discover further sources of support to strengthen your organisation
- Gain insights and top tips from other Chairs of smaller organisations



Beacon

For Chairs leading smaller charities

Some suggested ways of working



- **Stay focused and in the room** – keep mobile phones to designated breaks
- **Contribute and participate** – and allow others to do the same
- **Respect others' thoughts and opinions**, but challenge one another to think more deeply
- **Respect others' confidentiality**
- **No question is a silly question** – if you are thinking it, chances are at least 3 others are!
- **Use the parking space** if you notice discussions wandering off track



Beacon

For Chairs leading smaller charities

What we hear from Chairs – sound familiar?



- “I’d love to have a five minute strategy, let alone a five-year one! Everything is changing so rapidly, it feels like crystal ball gazing for our board”
- “I don’t know what we would do without our treasurer. She’s been with us for 15 years and I know she wants to step down but at the moment she is the only person on the Board who understands the finances – we rely on her to take care of all the financial ‘stuff’!”
- “We’re all really aware of risk, the trustees and I know we need to update our policy and create a risk register. But it feels like a mammoth task, we only have 2 part-time members of staff and I’m struggling to get commitment from other board members to the process – our meetings are so packed already”



Beacon

For Chairs leading smaller charities

Clarity of purpose and strategic leadership



- **Clarity of purpose** – your organisation has a clear direction and is achieving its aims (Chair's Compass, Association of Chairs, 2014)
- **Strategic leadership** – board's collective responsibility for ensuring your organisation has a relevant set of aims and an appropriate strategy for achieving them (Charity Governance Code)
- Boards role in developing your organisation's strategy
 - Over-involved or not involved? Importance of striking the right balance



Beacon

For Chairs leading smaller charities

Strategy planning process



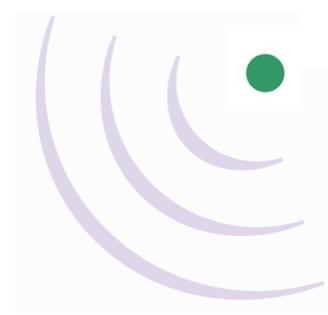
(Adapted from 'Tools for Tomorrow' (2012), NCVO)



Beacon

For Chairs leading smaller charities

Board's role in strategy development



Stage 1: The big picture

Stage 2: Identifying and weighing up options

Stage 3: Working up the chosen option

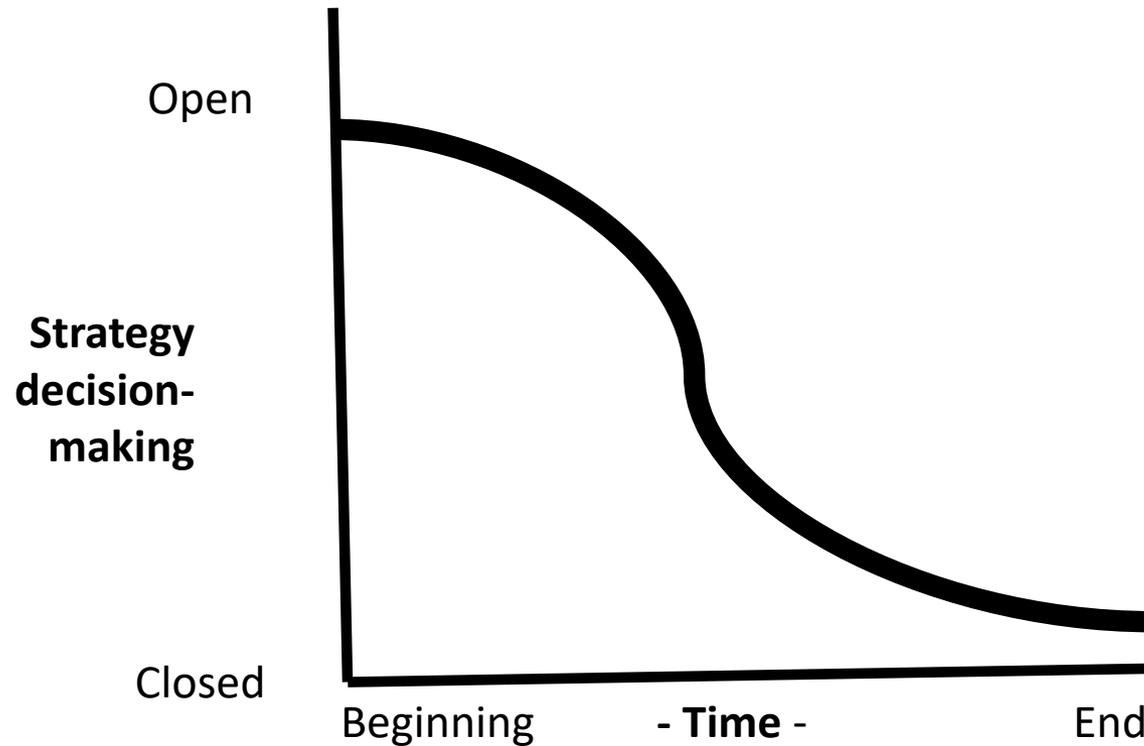
Stage 4: Implementation and monitoring



Beacon

For Chairs leading smaller charities

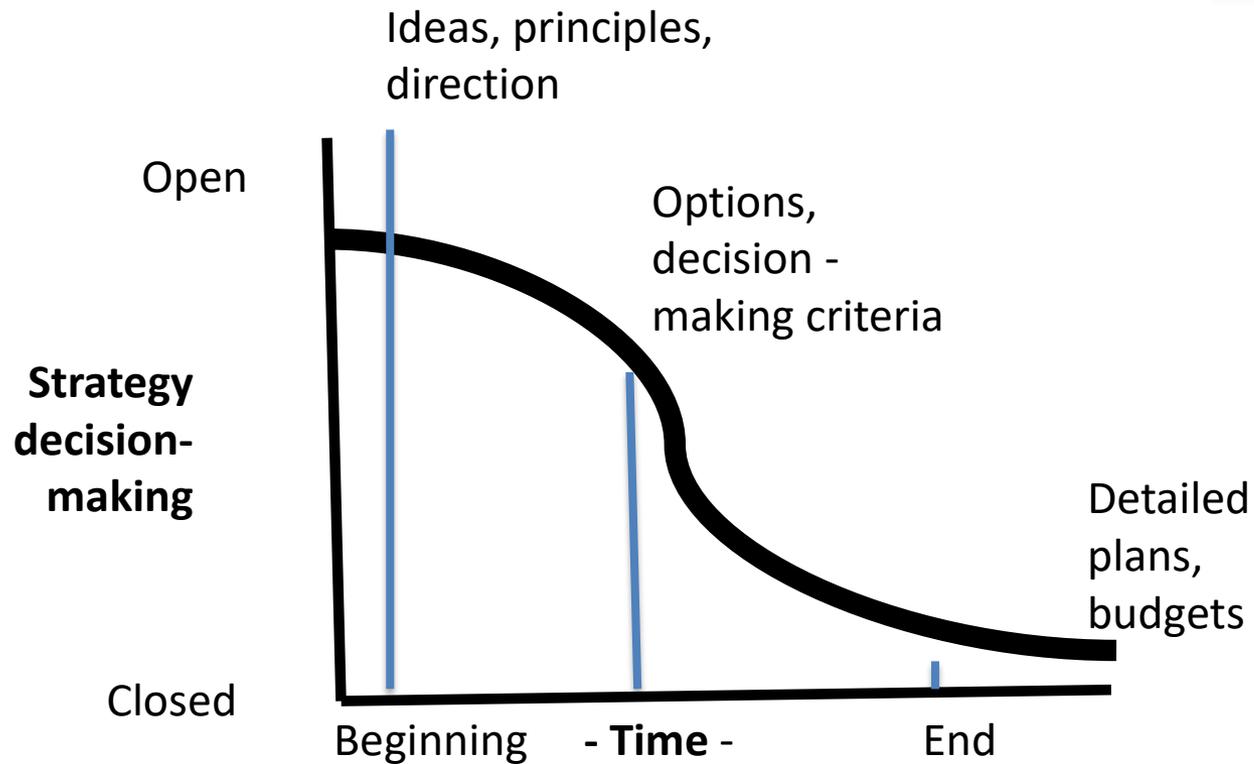
Strategic decision-making



Beacon

For Chairs leading smaller charities

Strategic decision-making



Beacon

For Chairs leading smaller charities

What helps?



- Schedule **significant strategic issues over several meetings**, making clear the kinds of discussions you are looking for at each stage
- Try ways of having **different and more varied contributions** from trustees such as:
 - Brainstorms
 - Groupwork
 - Presentations
 - Perspectives of different stakeholders
 - Away day

Your board's involvement



Pick one of the 4 stages identified for board involvement.

- a) How was the board involved or how do you envisage the board being involved?
- b) What was your role as Chair or what could your role as Chair look like?



Beacon

For Chairs leading smaller charities

Who will be involved?

- Trustees
- Management team (if you have staff)
- Staff (if you have them)
- Volunteers
- Beneficiaries
- External stakeholders e.g. partners, funders, commissioners



Beacon

For Chairs leading smaller charities

Strategic planning grid



- The 'when' and the 'what'
 - When will they be involved?
 - What is going to be the nature of their input?
- Have a look at our strategic planning grid in your workbook



What might your own grid look like? Discuss your grid with the person sitting next to you.



Beacon

For Chairs leading smaller charities

Useful tools



- Vision, mission and value = purpose
- Key questions:
 - Is there a gap between values and actual behaviours
 - How do you know?
 - If so, what will you do, with the CEO (if you have one), to change that?



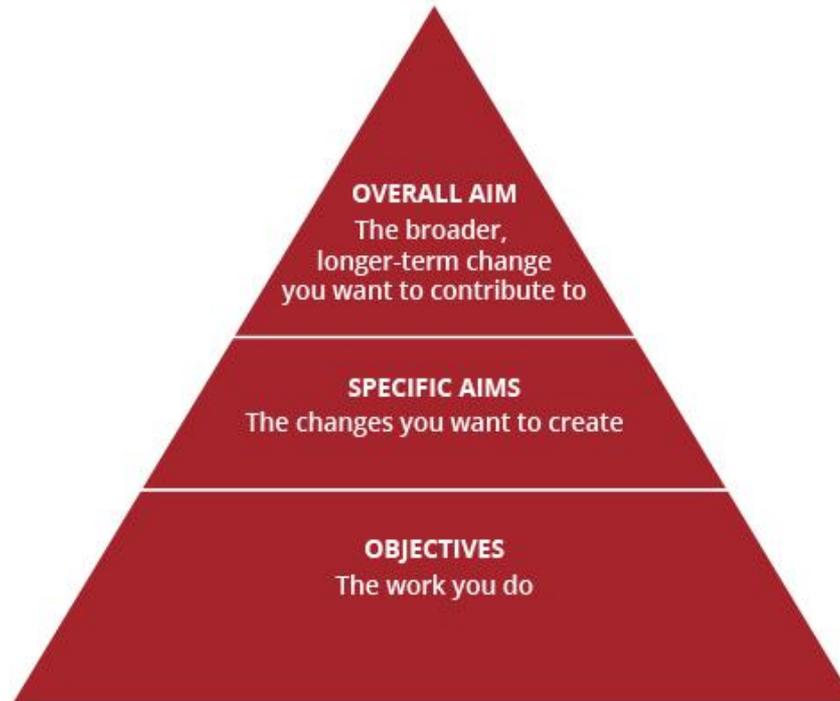
Beacon

For Chairs leading smaller charities

Useful tools



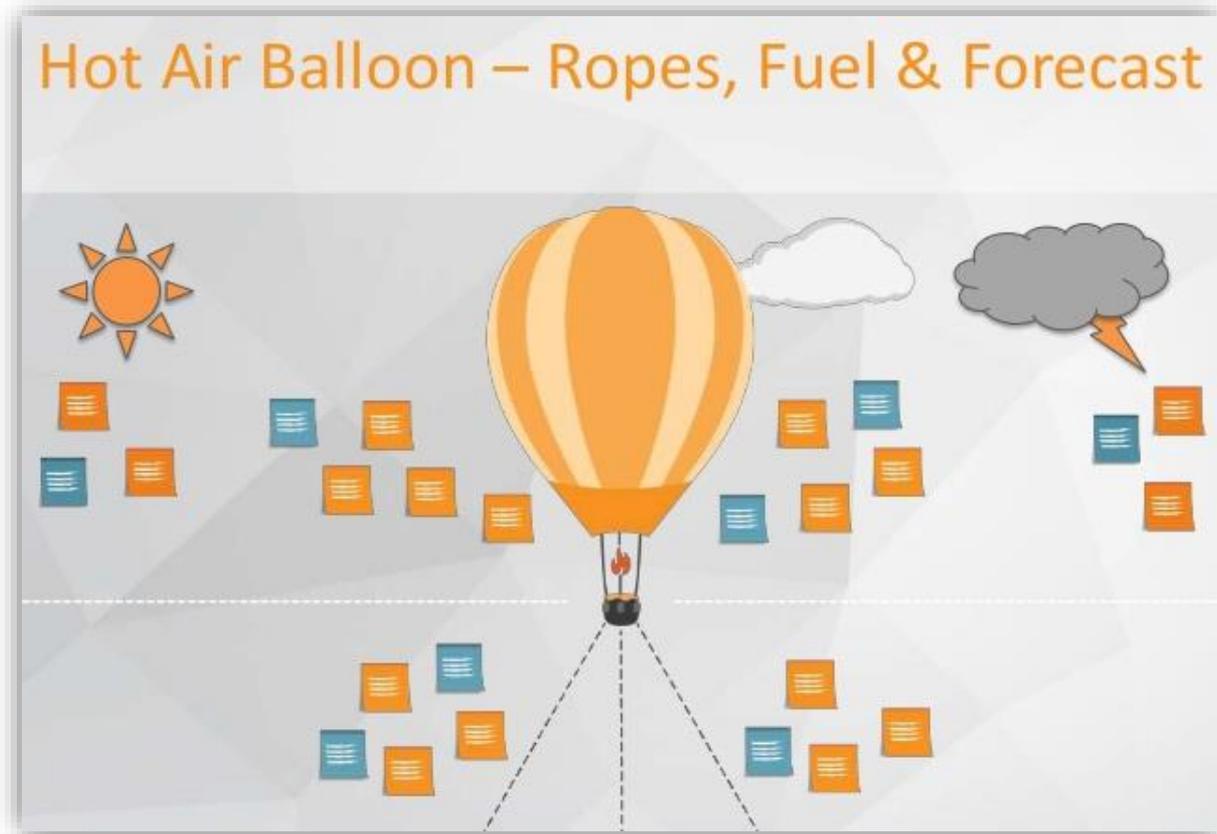
NCVO's CES Planning Triangle



Beacon

For Chairs leading smaller charities

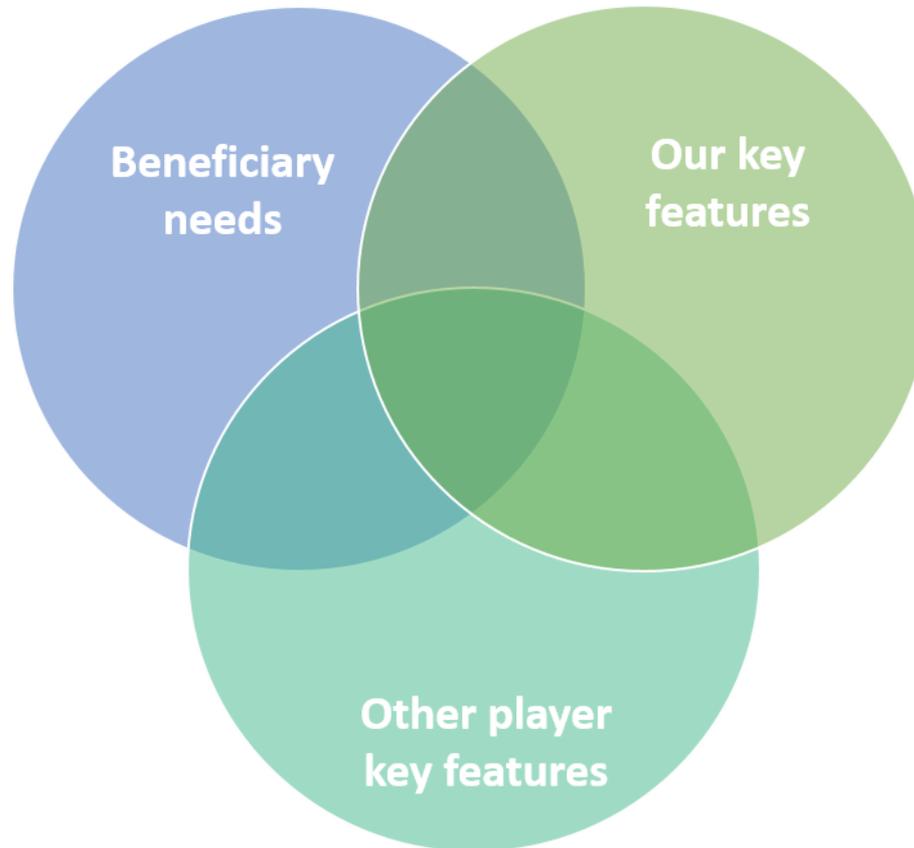
Useful tools



Useful tools



Three Circles Analysis



Three Circles Analysis, Knowhownonprofit, NCVO (2017)



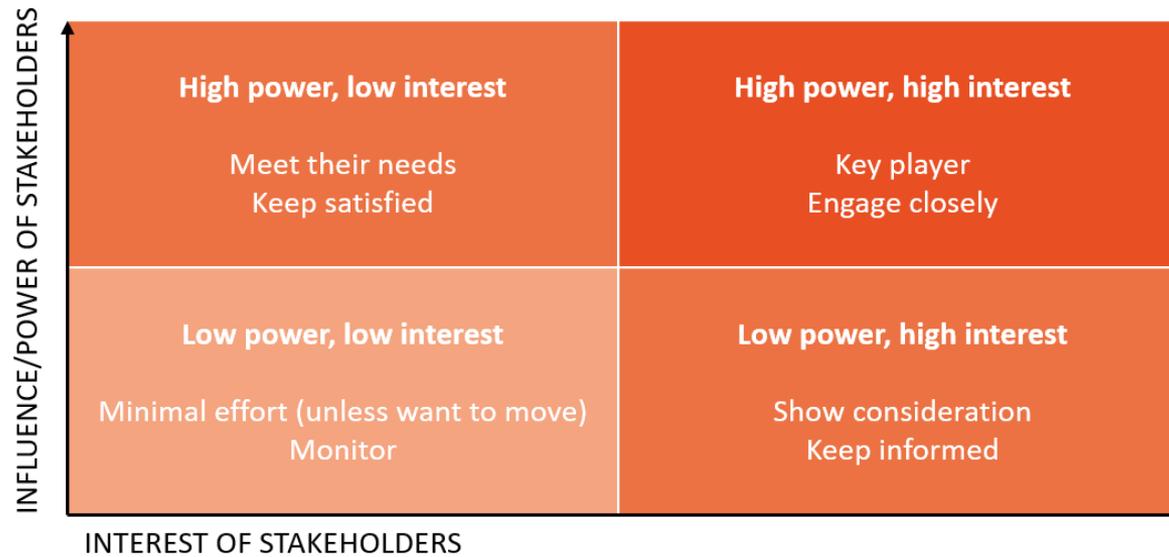
Beacon

For Chairs leading smaller charities

Useful tools



Stakeholder Analysis



Beacon

For Chairs leading smaller charities

Adapted from 'Tools for Tomorrow' (2012), NCVO

Financial governance star



Source: Kate Sayer, on behalf of Association of Chairs



Beacon

For Chairs leading smaller charities

Your charity's approach to financial governance



Work through the self-assessment tool in your workbook

- What's in place?
- What weaknesses and or areas for development can you identify?



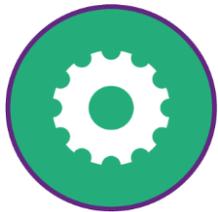
Beacon

For Chairs leading smaller charities

Troubleshooting symptoms



- Board members defer to the treasurer on all financial matters
- Decisions are frequently deferred to a later meeting or board members ask for more information
- The board is always in 'scrutiny mode' which can feel like a stand off
- If an error is reported there are long discussions about the causes
- The board is unwilling to change the budget to reflect changing circumstances



Identify two actions you can take to improve your score and add these to your action plan



Beacon

For Chairs leading smaller charities

Managing risk



“Making decisions is always closely linked to managing risk. It is important for trustees to be aware and informed about risk. This does not always mean avoiding risk altogether; it is better to recognise risks and take appropriate steps to manage them. There is usually some element of risk in decision making and sometime innovation only comes about through measured risk-taking”

It’s your decision: Charity trustees and decision-making (CC27)



Beacon

For Chairs leading smaller charities

Defining 'risk'



Definition of risk:

A risk is 'anything that is uncertain' (Institute of Risk Management, 2015)

It can be any event that could prevent a charity achieving its aims or carrying out its strategies. Some risks include:

- Poor public perception or reputation
- Inaccurate financial information
- Trustee body lacks relevant skills or commitment

Types of risk:

- Governance
- Compliance
- Financial
- Service delivery
- External

Charities and risk management (CC26)

Risk management



Trustee duty

- Charity's above the statutory audit threshold must make a risk management statement in the trustees' annual report

Charities and risk management (CC26)

Risk management supports the board to:

- Deliver the charity's mission
- Seize opportunities as they emerge
- Prevention of disasters – small and large

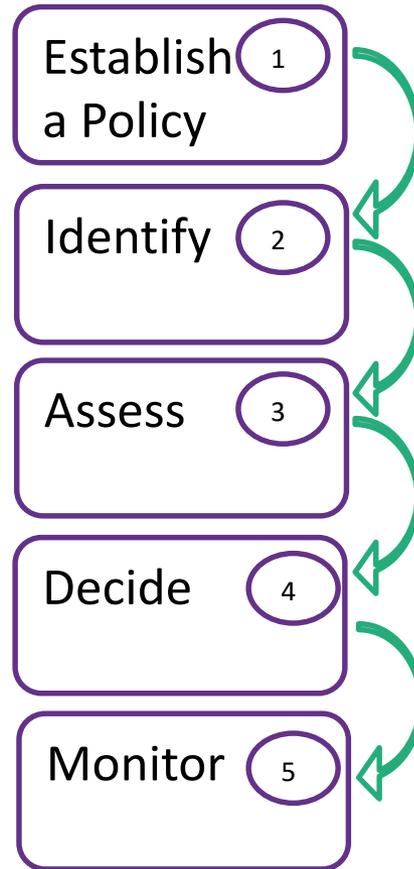


Beacon

For Chairs leading smaller charities

Risk management process

There are 5 key steps



Charities and risk management (CC26)

Reporting a serious incident



- Legal responsibility for ensuring the charity reports a 'serious incident' in a timely manner to the Charity Commission
- Definition of a serious incident
- See Charity Commission guidance: 'How to report a serious incident in your charity'
- Make sure you and your board:
 - Understand what needs to be reported
 - Systems for the board to be informed
 - Clear about who will take responsibility for reporting



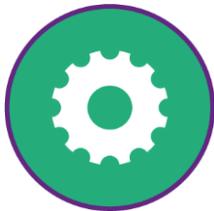
Beacon

For Chairs leading smaller charities

The Chair's role in risk management



- As Chair, what can you do to ensure your board understands and embraces its role in managing risk?
- What have you found helpful in assisting your board to monitor risks and actions?



Identify two actions that you can do in your role as Chair to ensure your board is managing risk effectively. Add these to your action plan



Beacon

For Chairs leading smaller charities

Case studies



Review the case studies provided.



Final Top Tips

- **‘Culture eats strategy for breakfast’ Peter Drucker**
 - Clear values and leadership can support success
- **Stay focused on the people you serve**
 - Use the tools to help you to position your charity to best meet your beneficiaries’ needs and deliver maximum impact
- **Be clear about the roles** of staff (if any) and trustees in the process
- Ensure your board has the **adequate skills and knowledge**
- **Don’t feel overwhelmed**
 - Focus on 2-3 key areas for development in the year ahead
 - Develop a longer-term plan with your board



Beacon

For Chairs leading smaller charities

Useful resources and support

- Association of Chairs: <https://www.associationofchairs.org.uk/>
- Cranfield Trust: <https://www.cranfieldtrust.org/>
- FSI: <http://www.thefsi.org/>
- Local CVS/Voluntary Action: <https://navca.org.uk/find-a-member-1>
- NCVO: <https://www.ncvo.org.uk/>
- Small Charities Coalition: <https://www.smallcharities.org.uk/>
- Charity Finance Group: <https://www.cfg.org.uk/home>
- ICSA: <https://www.icsa.org.uk/>



Beacon

For Chairs leading smaller charities

Let's review



- Today we said we would:
 - Understand the role of the board in strategy development and managing resources in a smaller charity
 - Identify key threats to your organisation and managing them
 - Discover further sources of support to strengthen your organisation
 - Gain insight and top tips from other Chairs of smaller organisations
- Are there any outstanding questions?
- Review your action plan – is there anything you want to add?
- Please remember to complete your feedback form.



Beacon

For Chairs leading smaller charities