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Association
of Chairs

Supporting charity and non-profit chairs

A Chair's Compass

A guide for Chairs of charities
and non-profit organisations

The Lord Mayor's
Charity Leadership Programme
fostering the effectiveness of charity Chairs

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Cass Business School
CITY UNIVERSITY LONDON

Ruth Lesirge & Rosalind Oakley

A Chair's Compass

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and non-profit organisations

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About the Association of Chairs

Expectations of and demand for the non-profit and charity sector's services continue to grow, despite increasing pressure on resources and finances. The expectations on Chairs to lead their organisations to be effective, sustainable and accountable are intense; yet we know from our experience and research that Chairs do not have easy access to support and guidance to help them meet this challenge.

The Association of Chairs was launched in October 2013. It aims to fill an important gap in the resources available to Chairs and Vice Chairs and their organisations. We seek to provide Chairs with the practical knowledge, skills and support to enable them to perform their roles to the highest standards of good governance. We do this by:

- Stimulating, supporting and challenging Chairs
- Creating new insights through research, analysis and exchange
- Encouraging standards of competence, good practice and self-regulation
- Offering professional development
- Raising the status of the role and creating a voice for Chairs

Membership is open to Chairs, Vice Chairs and recent former Chairs of charities and certain non-profit organisations. Visit our website associationofchairs.org.uk for details of how to join.

About the authors

Ruth Lesirge has 35 years' experience of work within the public and third sectors. She is an experienced voluntary sector leader, previously Chief Executive of both a national welfare services charity for older people and a policy and action research foundation addressing mental health and learning disability. Ruth is a trustee of London Film School and Bishopsgate Institute. She is a former Vice Chair of ACEVO. In September 2014 she became Chair of the Association of Chairs. Ruth served on the ACEVO Governance Commission in 2013. Before working in the non-profit sector she was Principal of an adult and community education service.

Rosalind Oakley has 25 years' experience in leadership, management and policy roles in the sector and as a consultant to non-profit organisations. She is currently a principal consultant with Cass Centre for Charity Effectiveness where she has a particular focus on governance. She has an MBA from London Business School. Ros served as Chair of the board at Charities Evaluation Services from 2009 to 2013. She is a founder trustee of the Association of Chairs.

Ruth and Ros have worked together on a number of governance projects including co-authorship of the Good Practice in Trustee Recruitment toolkit, running a mentoring scheme for chairs for the Governance Hub, developing an online board appraisal toolkit for the website KnowHowNonProfit and helping to deliver the Cass Centre for Charity Effectiveness Board development programme for Help the Hospices – which entailed working with 63 different hospice boards. Their careers have brought them into contact with scores of non-profit Chairs. It is this experience and conversations with Chairs, plus their own experience of the role that have inspired them both to found the Association of Chairs and to write this guide.

The development of this guide

One of the first acts of the Association of Chairs was to commission a review of literature on charity Chairs. *Effective Charity Chairs – A Literature Review* by Anjelica Finnegan is available on the Association's website. It revealed that although there is a lot of work on governance in general and non-profit governance in particular, there is little specifically on the role of a non-profit Chair. The research uncovered offers little practical guidance to Chairs on how to approach the role or to be more effective in it.

This guide instead draws primarily on experience and consultation. As noted above, the authors' work has brought them into contact with a wide range of Chairs. This ranges from short sessions with Chairs (such as the 40 Chairs who came to a session for Chairs at the NCVO conference in 2013) to working one to one with Chairs over a long period of time. They have also sought the views and experiences of Association members. They feel privileged to have heard and shared issues that concern Chairs, and to have heard a diverse range of reactions to those challenges and opportunities.

An editorial panel was formed so the authors could share their thinking. Between them the panel members brought expertise in governance, and current and varied chairing experience.

Acknowledgements

First and foremost, we'd like to thank the City of London Corporation's charity, City Bridge Trust and CCLA. Their funding has made this guide possible. Their early backing of the Association of Chairs is hugely appreciated and incredibly valuable to us as a new organisation.

We also appreciate the support of the Lord Mayor's Charity Leadership Programme (LMCLP) and the Cass Centre for Charity Effectiveness Trust. Particular thanks go to Nicholas Woolf, consort to the Lord Mayor Fiona Woolf, who has championed charity leadership and chairing. We are also grateful to Denise Fellows, Chief Executive at Cass Centre for Charity Effectiveness. We are delighted to launch this guide at the LMCLP conference for Chairs on 21 October 2014. The guide will be part of a lasting legacy from the year – with materials available to download from the LMCLP website, cass.city.ac.uk/lmclp-legacy

We are very grateful to our editorial panel who generously volunteered their time, experience and insight. We valued and enjoyed the discussion, challenges and ideas we shared with them. They are Helen Baker, Dorothy Dalton, Tony Harrop, Linda Laurance, Neil Morrnick, and John Thompson.

We would also like to thank Angela Eden, who undertook a series of interviews with members of the Association of Chairs.

Finally, our thanks go to all those Chairs, Chief Executives and board members who shared ideas and experiences with us.

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A Chair's Compass – A guide for Chairs of charities and non-profit organisations

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Section 1

Introduction

Nearly 200,000 people in the UK choose to volunteer their time, energy and experience to chair a charity, and many more chair other non-profit organisations. Being a Chair of a charity or other non-profit can be rewarding, developmental and enjoyable. You have the opportunity to lead your organisation so that it furthers the goals it was set up to achieve. You can play a leading role in shaping and supporting a dynamic, productive team of board members, staff and volunteers. You have the opportunity to innovate and problem solve. Chairs get the chance to help address difficult and entrenched social, environmental and economic problems.

At best, all the above will result in a feeling of satisfaction for having made a positive difference.

Making a success of being a Chair is however, rarely a simple journey from A to B. It throws up challenges, dilemmas and difficulties. Some Chairs find it a daunting, lonely and difficult job – or find the going heavy from time to time, and would appreciate some words of advice or encouragement.

Whether you are thriving or surviving, new or experienced, this guide aims to help you find your way and be the best Chair you can be. It is written specifically for Chairs from the perspective of those who have walked the route themselves; the content is also informed by consultation with Chairs. It is not a prescriptive guide – we recognise that different people will take different routes – but we hope it maps the terrain for you, encourages reflection and provides helpful signposts.

Our offer to you is:

- A Chair's Compass identifying four key domains to help you find and maintain direction
- Advice about how to prepare yourself, and pointers to ensure you are equipped
- A way to map the terrain you are likely to encounter

We believe good Chairs are thoughtful about their role and constantly reflect on how to do better. Effective Chairs understand their strengths and weaknesses and are willing to seek advice and support when needed. Importantly despite any obstacles they may encounter, they remain focused on the purpose of the organisation and the people and causes it was set up to serve.

The legal status of a Chair

There are some common myths about what powers Chairs have. It is sometimes assumed that Chairs have a casting vote, or are empowered to take 'Chair's action' on a wide range of matters. In reality in charity and company law the Chair has very few powers indeed, unless specifically granted to the Chair in the organisation's governing document (i.e. in its memorandum and articles, trustee deed or other legal document). The board shares collective responsibility for the decisions it makes. In many non-profit organisations, the board has the power to replace its Chair by a simple vote.

While there may be little in law to distinguish the Chair from other board members, we believe that a good Chair plays a different role to others on the board. As we explore in this guide, first and foremost accepting the role of Chair means accepting the privilege and responsibility of leadership. We believe it is a distinctive kind of leadership, with particular demands and opportunities.

Understanding governance

A sound understanding of governance is the foundation to good chairing. There are many definitions of what governance is. At its most simple we believe it is about how boards make decisions, allocate resources, achieve results and are held accountable. There is a rich literature on governance: how to define it, what 'good' looks like, and how to achieve good governance.

If you are not already familiar with it we particularly recommend you get to know *Good Governance – a code for the voluntary and community sector* (2nd edition October 2010 available at governancecode.org) It is written specifically by the voluntary sector for the voluntary sector. It sets out six principles for effective boards:

1. Understanding their role
2. Ensuring delivery of organisational purpose
3. Working effectively both as individuals and a team
4. Exercising effective control
5. Behaving with integrity
6. Being open and accountable

For charities, both you and your board members will need to understand the legal responsibilities that go with being a charity trustee. These include operating for the public benefit, ensuring the charity acts only in pursuit of the charity's objects and a duty to act only in the best interests of your charity. The Charity Commission produces helpful guides including the Essential Trustee and the Hallmarks of an Effective Charity. All are free to download from charitycommission.gov.uk You can also find a regularly updated list of useful resources on our website at: associationofchairs.org.uk More details of other regulators of non-profit organisations are set out in section 6.

All board members need to understand the principles of good governance, and you have a role to play in helping them. But this is not our focus here. Our focus is you as the Chair, and the additional things you need to know and think about.

Not making assumptions

We don't want to make assumptions about you, and what you do or do not know or believe. You may be brand new to the charity or non-profit sector. You may be a seasoned charity professional but new to chairing. You may have chaired only small organisations or only large ones. You may have huge experience as an executive but none as a non-executive. You may feel confident or diffident. You may be an enthusiastic Chair or a reluctant Chair.

We suggest you bring a similar open-mindedness to the organisation whose board you now lead. It may be unlike any organisation you have encountered before. Given the huge diversity of our sector, that is quite possible. (If you enjoy facts and figures we highly recommend NCVO's annual almanac which paints a very rich picture of the sector.) Many of the popular perceptions of charity are out of step with reality.

It's not uncommon for people new to the charity sector to underestimate its complexity and the ways in which it differs from other sectors. One of the unique differentiating factors is the importance of volunteers. Many charities would simply grind to a halt without their volunteers. They undertake a huge range of activities sometimes on the 'frontline' of the charity's work, sometimes in the back office. It's important to understand that the dynamics of working with volunteers are quite different to that with employees, which means that in many charities the Chair has an important role to play as 'Volunteer in Chief'.

Another distinctive feature of most charities is the need to attract donations. If you are not familiar with fundraising you will need to understand the range of different methods, pros and cons and regulatory requirements. And depending on the charity, you may be expected to play an active role.

If you are coming from the private sector you may be used to a hybrid board where there are both executive and non-executive directors. The concept of a 100% non-executive board, which is the most common model in the charity sector, may be new to you. If you are coming from

the public sector you may be used to duties defined by statute, perhaps with the CEO appointed as the sole accountable person. In either case, you may be unfamiliar with important aspects of charity law or charity accounting principles such as the concept of restricted funds.

Even if you have extensive non-profit sector experience you will find that norms and values that apply in one part of the sector may not apply in another. The income mix, size, age of organisation, the type of work it does, and whether it is a membership charity or not, all influence the culture. The culture of an organisation that earns most of its income from contracts and trading is likely to be very different from one that gets most of its income by fundraising from the public. The politics and dynamics of a charity with a large and active membership will be very different from one with self-selected board membership which may have different, possibly less public, forms of scrutiny and accountability.

It therefore helps to be aware of your own assumptions, and to be curious about what you are seeing and hearing before rushing to judgment. What has worked for you elsewhere, may not work in this new context.

About this guide

Our ambition has been to create a guide that is grounded in practice but aspirational in nature. We've seen plenty of good practice by Chairs that we share in this guide- but we've never met a perfect Chair who manages to do it all! We hope you do not use the guide to berate yourself (or your Chair) but to reflect and build on what you already do well.

This guide is neither the first, nor the last word on chairing. We see it as part of an ongoing dialogue. We intend the guide to be the first of a series of resources the Association of Chairs will develop. We plan to develop factsheets and case studies and to undertake further research.

We welcome your feedback on this guide. We want it to stimulate dialogue, debate and learning about the role of the Chair and how those of us who Chair can do so more effectively.



Section 2

A Chair's Compass – 4 Cs

As you come to realise the range of expectations or get absorbed in the various tasks awaiting you, you may feel daunted or disorientated about where to focus your energy and attention. Or perhaps your enthusiasm runs away with you – with the result that you neglect vital but less exciting duties.

It helps to be clear about the purpose of the role. So we have devised a Chair's Compass which sets out four essential points of direction to help you stay focused on what matters.

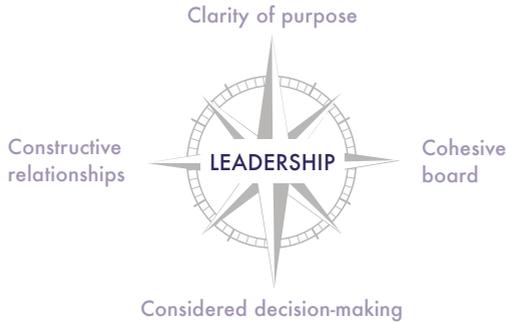


These are the core elements we, as Chairs, are working to achieve. At the centre of the compass is leadership. Although the board is collectively responsible, the Chair has the responsibility to lead. The compass is held by you, as leader. You hold a pivotal role in guiding the board and the governance of the organisation. We explore each of these aspects of leadership in the following pages.

We conclude the section with an outline role description that you can tailor to your circumstances.

Leadership

Being willing and able to lead the organisation in partnership with the Chief Executive.



What we mean

Acknowledging and accepting you are and will be seen as a leader by board colleagues, executive and other key stakeholders of your organisation. The leadership role of the non-executive Chair is distinct from the Chief Executive. It's about leading the governance of the organisation and not its operations. A significant part of the role is negotiating the boundaries between executive and non-executive to ensure they complement rather than compete with each other for the benefit of the organisation and its mission. It's also about defining with the board the role you need to play as Chair, given the current circumstances and stage of development of the board.

The Chair uses the formal and informal authority of the role judiciously and in good faith. Leadership is about good judgement and the balancing of competing demands and perspectives. Any effective leader builds and retains the trust of colleagues, enabling them to work together productively.

As Chair you will become skilled at working 'behind the scenes' on behalf of the governing body, as well as anticipating problems and identifying opportunities.

You will enable your board to face and make difficult decisions for the right reasons, and also encourage board members to recognise and celebrate their successes.

What it is not

- A reward for past services
- A post for life! Any effective Chair will expect to have a limited term of office
- A full time role – and it is almost always a non-executive one
- About asserting your status or imposing your view

Things that will help you lead well

- Being rigorously self-reflective, open to feedback and committed to keep learning
- Recognising that the role is more about influencing than directing
- Expecting to invest time and attention
- Developing a practical understanding of groups and what helps them work well
- Knowing your board colleagues
- Acknowledging mistakes to your colleagues and expecting them to do the same
- Bearing no grudges
- Learning to take into account both the rational and the emotional responses of your board colleagues

You need to pay particular attention if

- The board is not coming together as a team; you may need to deepen your skills in understanding how teams work or you may need external help
- You are having difficulty with a key relationship such as with the Chief Executive that you haven't been able to resolve yourselves; if so you may need additional help such as a mediator
- Your board is leaving everything to you – are you drawing on their strengths and creating the appropriate environment for them to contribute?
- You feel out of your depth; you may benefit from a mentor, or need to invest in your development

Clarity of purpose

Ensuring the organisation has clear direction and is achieving its aims.



What we mean

- Ensuring you and your colleagues are clear about the purpose of the organisation – and remain steadfastly focused on it. That you and your board colleagues are all clear about who and what you exist for and the difference you want to make. That together, you have identified and made the big decisions about priorities and share a set of values that guide your work together and frame your decision-making.

What it is not

- Imposing your will
- Rubber-stamping a strategy document drawn up in isolation by staff or other board members

Things that help you achieve clarity of purpose

- Being clear about what the organisation's values are. What is so important, that you would cleave to it even, or especially, when the going gets tough?
- Focusing on the impact you achieve for those you serve

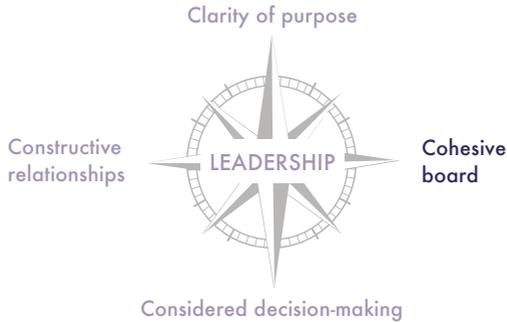
- Making strategy and priorities an ongoing conversation – rather than a one-off exercise. Are you regularly re-evaluating the relevance of your mission and how you achieve it in a changing world?
- Having a realistic assessment of your organisation's strengths and weaknesses relative to others
- Understanding organisational risks – the things which might get in the way of achieving your purpose
- Understanding your organisation's objects and legal and regulatory status

You need to pay particular attention when your board is

- Losing sight of the people you serve
- Giving undue weight to those who are most vocal
- Fudging or avoiding key decisions
- Thinking that success is easily achieved (though sometimes it is!)
- Complacent and satisfied with a platitudinous list of values that are not guiding practice
- Losing touch with the core values of the organisation

Cohesive board

Harnessing the skills, experience and energy of the board team to its common purpose.



What we mean

A board that shares common goals and values, works as a team, hears different perspectives and draws on the strengths of all team members. A board that has a good range of skills and experiences relevant to and covering the work of your organisation. A board in which all are willing ultimately to unite behind the decisions it reaches.

What it is not

- An echo chamber for Chair or CEO
- A group who agree on everything
- A group who disagree on everything
- A vehicle for the egos of its members

Things that help you achieve a cohesive board

- Rigorous recruitment and induction procedures
- A good balance between turnover and continuity of membership
- Diversity of outlook, background, experience and expertise, which is valued and respected by all
- Investing time in the development of the board as a team
- Regularly reviewing performance
- Giving time to talking to and getting to know your fellow board members

You need to pay particular attention if your board has

- Silent members or inconsistent attendees
- Over-dominant members
- Members who engage only with their area of expertise
- Members who come ill-prepared to meetings
- Members whose sole contribution is to attend meetings

Constructive relationships

Ensuring a myriad of different relationships are working so that the organisation delivers.



What we mean

Successful charities depend on a network of effective relationships. As Chair you have a key role to play in nurturing and developing those relationships and ensuring they are constructive.

Internally, the key relationship is between the Chair and the executive team (whether paid or unpaid), and in particular with the Chief Executive (if you have one). A significant part of your role is to get the best from the CEO and hold them to account for their performance.

You can contribute considerably more effectively if you have a clear understanding of who in the external environment, locally or nationally, can help or hinder the work of your organisation and ensure relationships are fostered to develop opportunities and head off threats.

In addition, you can help board members to remain aware that their organisation is accountable to those it serves and to the full range of its major stakeholders.

What it is not

- Entering relationships with individuals or organisations for short term gain at the expense of long term benefit
- Supporting the CEO come what may – nor about continual challenge; the art of managing your relationships with board colleagues, Chief Executive or external stakeholders is to combine productive levels of support and challenge
- Being over-involved in the work of the executive team

Things that help constructive relationships

- Working out with your board who your key stakeholders are and their relative priority for you
- Investing time in and giving serious thought to your key relationships, especially with the CEO; it pays dividends for you both when you commit to regular contact
- Being clear about roles and boundaries – it helps to be explicit about what the board is delegating to whom, on what basis and how you expect the board to be kept updated
- Clarity about what is expected of board members; this may be helped by a clear role description and a written code of conduct

You need to pay particular attention if

- You know a relationship is not working
- The organisation is riven by unproductive conflict or has entrenched factions
- Resources and decisions are driven by knowing who to be ‘in with’
- There are undeclared and unmanaged conflicts of interests
- Your board is inwardly focused, rarely looking outwards or forwards
- Your board lacks the diversity to be creative and innovative and in touch with those it serves
- Some stakeholders are inappropriately dominant

Considered decision-making

Stewarding the decision-making process to ensure sound decisions are made.



What we mean

A key responsibility of the Chair is ensuring that the board makes good decisions – and has the necessary information to do so.

This entails making sure that your board really understands the work of the organisation and the difference it makes. It means checking that members are aware of the full range of options the organisation has for the future, and the risks and opportunities associated with those. Ensure that the board has a good, shared understanding of the organisation's position and what would threaten its financial and non-financial viability.

Part of the Chair's role is to work with the executive team to ensure that papers and reports to the board provide a sound basis for making informed decisions.

What it is not

- Taking decisions by yourself as Chair – you are the steward of the decision-making process
- Allowing the board to abdicate responsibility and power to the executive for matters that should be reserved to the board
- Allowing operational issues to displace strategic discussion

Things that help considered decision-making

- Using board time wisely, so that the participants are able to focus on the things that matter
- Ensuring that information provided to the Board is of high quality and informed by the appropriate skills and knowledge
- Ensuring that the board has papers that enable it to give due consideration of a full range of (realistic) options – with the associated resources, risks, and opportunities of each clearly identified
- Ensuring that expert, independent and good quality advice is sought when necessary
- Making sure that decisions consider current and future user needs, your legal requirements and powers, your vision, values and strategy; and are consistent with other decisions made by the board
- Securing the understanding and engagement of all board members with the financial and overall health of the organisation so that they are alert to warning signs
- Consistent follow-up of board decisions to track progress, and reset targets and timescales as needed

You need to pay particular attention if

- The board has passive board members who defer unduly to other board colleagues
- The executive feel frustrated that their proposals are not getting adequate consideration
- Too much information is presented to the board but with little synthesis, analysis or consideration of the options available
- There is a failure to balance properly the opportunities and risks associated with options proposed
- Key decisions generate too little debate
- Board decisions are not carried out
- Board members fail to maintain agreed positions

An outline role description

The specifics of what an organisation needs of its Chair will vary over time and different elements may need emphasis at different times.

We are therefore sceptical of the idea that there is one universal role description that applies to all non-profit Chairs regardless of the size, circumstances or stage of development of the organisation. We think it more appropriate that you tailor a description to your organisation.

Below we provide an outline as a starting point that you can tailor to your circumstances.

As noted in section 1 the Chair shares the same governance responsibilities as other members. We do not cover those here. Instead we focus on the additional duties that are part of the leadership role of the Chair. They are grouped under leadership and the four Cs of the Chair's Compass. This outline role description can be downloaded from our website.

Leadership	<ul style="list-style-type: none"> • Being willing and able to lead the organisation in partnership with the Chief Executive
Clarity of purpose	<ul style="list-style-type: none"> • Ensuring the board discusses and agrees the purpose and core values of the organisation • Ensuring decisions made advance the purpose and values of the organisation
Cohesive board	<ul style="list-style-type: none"> • Creating productive relationships with and among individual board members. • Creating the environment for a high performing board team
Constructive relationships	<ul style="list-style-type: none"> • For those with few or no staff: Ensuring high-quality relationships with key volunteers that enable the work of the organisation to be delivered • For professionally managed organisations: Developing and maintaining productive working relationships with the Chief Executive
Considered decision-making	<ul style="list-style-type: none"> • Steering the board in identifying the key governance decisions to be made • Ensuring well founded decision-making • Managing potential conflicts of interest to ensure probity is maintained and there is appropriate transparency

Creating a person specification

As well as a role description you may find it helpful to create a person specification – a list of the essential and desirable qualities you are looking for in your ideal Chair. It can help identify areas for development in you, the current Chair or be used when recruiting the next Chair.

Bear in mind that some responsibilities can be redistributed around the board to make best use of your collective strengths. The Association of Chairs undertook a literature review of research into the characteristics of effective Chairs. The table below summarises the findings from researchers Harrison and Murray, and may help you think about the qualities and behaviours you consider important.

(Right) Source: Harrison and Murray, Perspectives on the leadership of chairs of nonprofit organization boards of directors: A grounded theory mixed-method study. Nonprofit Management and Leadership 2012

Personal qualities and behaviours	
Motivation and style	<ul style="list-style-type: none"> Altruism Sense of humour Empowering Friendly and nice Humble
Capacity to lead	<ul style="list-style-type: none"> Committed to the organisation Devotes enough time to the organisation Clear about the role Capable of seeing the 'big picture' Capable of clarifying issues Capable of handling contentious issues Capable of collaborating
Personal attributes	<ul style="list-style-type: none"> Bright/intelligent Confident Reflective/listener Organised Focuses Open/innovative
Ability to relate	<ul style="list-style-type: none"> Flexible At ease with people of all types Non-judgemental Calm
Ability to advance the organisation externally	<ul style="list-style-type: none"> Willing to use connections to advance the organisation Possessing connection and influence with key people



Section 3

Preparing yourself for the journey

Most Chairs take on the role with some awareness of the commitment expected. However, for many – and especially for first time Chairs – the range and extent of the role and the time and energy involved can be unexpected and feel quite daunting.

You may expect to receive a thorough induction – but it could well be absent. This section explores what you need in place to enable you to give of your best. We suggest things for you to think about, things to ask of others and things to do yourself. Whether an induction is planned for you or not, we urge you to take an active part in deciding what it is to cover.

A conversation with yourself

- Be honest with yourself at the outset about what you are and are not willing to give. The more self-awareness you have about what motivates you, what irks you and what matters to you, the easier it will be to forge a role that works for you and the organisation
- Assess what you do and do not know. Recognise chairing is a particular role, different to an executive role and to being 'just' a board member. What might you need to unlearn?
- New Chairs often take time to identify what is needed to facilitate colleagues around the board table. You may be surprised by how often this means holding back
- Ask yourself how your initial expectations are surviving the contact with reality

- As you get to know the personalities and circumstances of your colleagues, be ready to reassess how you can best contribute to the board's development

What you can expect of your organisation

We think the following are reasonable expectations – but they may not be in place! The reality is that most Chairs receive too little support for their role. If they are not available, you need to ask for them – or add them to the list of things you'll need to put in place for yourself.

- Information about the role, the organisation and its context
- A shared understanding of what you've been recruited to do. Check for lurking expectations that have not been made explicit. Perhaps they expect you to make a sizeable donation?
- Feedback, support and encouragement from the senior team and your fellow board members, including a regular review of your performance
- Opportunities and budget for self-development
- Realistic expectations – you are not superhuman. There are things you don't know, things you don't enjoy and you will make mistakes

What you need to put in place yourself

- Take responsibility for your own induction. Seek a varied induction. As well as reading essential papers ask to see the work of the organisation, and meet beneficiaries or customers, staff and volunteers who bring differing perspectives
- Make a plan of what and how you want to contribute and check it out with fellow board members and the Chief Executive
- Put support systems in place for your chairing work. It's a good idea to find a mentor who is or has been a Chair; they can help you think through challenges and opportunities you are dealing with
- Consider creating a deputy or Vice Chair. This allows you to share the responsibility of leadership

- Consider creating a senior independent director or trustee role. This is common in the private sector. This senior individual can act as a sounding board for the Chair, as an intermediary for other board members and play a key role in providing feedback to the Chair on their performance
- Identify one or two things you want to learn each year; work out how best to achieve these. It may require a budget or there may not be a cost
- Ask for feedback both on an ongoing basis e.g. on meetings and more systematically e.g. by having a Chair's appraisal or review. Work with your board colleagues to agree the process

How the Association of Chairs can help

The Association of Chairs was formed to provide support and resources to Chairs and to undertake research. We are particularly committed to Chairs learning from each other. We offer the following support:

- Events – that enable Chairs and Vice Chairs to come together to share experiences and learn from each other. We also hold briefings specifically for Chairs that take a Chair's perspective on sector issues. You can find our current events listed on our website
- Newsletter – you can be kept up to date with news of interest to Chairs by subscribing to our free newsletter
- Publications – the Chair's Compass is our first print publication. It is also available as a free PDF download. We will be adding factsheets and briefings to our website
- Signposting – we highlight resources that Chairs may find useful. Our website lists useful websites and publications on, for example: governance, sector issues, the Chair CEO relationship, board appraisal, teams, and on meetings. We also have a section listing resources from other sectors and other countries
- Mentoring – we are currently considering how best to develop a mentoring scheme. Check our website for the latest update

- Research – our first research report *Effective Charity Chairs – A Literature Review* is published on our website. Future research will be added to the website

When the going gets tough

Even the best Chairs can be faced with serious and apparently intractable difficulties. These are often ‘people problems’ with board colleagues, Chief Executive, staff or front line volunteers and occasionally with users. There can also be very demanding situations precipitated by funding crises or generated by potentially destructive external, reputational challenges, or by putting off tough decisions. In some cases Chairs have taken on the role knowing that there are difficult issues to address and relishing the challenge. They find it motivating, and are likely to be happy to move on when that phase of work is done. They may even find that governing in less demanding times does not hold the same excitement for them.

Others did not appreciate the extent of the challenge awaiting them or the scale of the work or the events were simply unforeseeable. But they decide to commit to stay with it and see it through for the sake of the cause. And while they do not enjoy these difficult phases, they stay the course, working alongside their board colleagues, Chief Executive and/or professional advisers.

Some Chairs faced with adversity simply feel overwhelmed, or even let down. They may not feel able to take on the task and instead choose to step down prematurely. There is no point hanging on if you really can’t face the challenge. But if you do take that decision, manage your departure to avoid adding to the problems facing the organisation.

It helps to be self-aware about how you cope with pressure. When something goes substantially awry, it can feel as though the problem is all-encompassing, insuperable and never-ending. The ambition and the challenge for us all in these circumstances are to retain a sense of proportion!

There is no such thing as a perfect outcome and the reality is likely to be pragmatic and involve a degree of compromise. Things you can do to avoid major difficulties or contain the stress include:

- Check whether there are small but significant issues that if left unresolved could have disproportionate consequences
- Work out how you can best use the support and involvement of other board colleagues
- If you are facing substantial difficulties seek out good, disinterested advice to help your board steer a steady course
- Make sure you also have personal support from someone who understands and has insight
- Others have probably encountered a similar problem before you – so consider seeking the support of your peers
- Read the reports of others who have got into difficulty; it may help you to avoid some mistakes. Take a look at the Charity Commission's helpful and instructive reports learning from its investigations (previously known as *Charities Back on Track*; the latest publication is called *Tackling abuse and mismanagement*.) The Housing Corporation publishes a similar report periodically called *With the best of intentions*
- Mistakes and difficulties are a tremendous source of learning, although they don't feel like it at the time, so if you can, let them be your teacher



Section 4

Understanding your charity's terrain

A compass indicates direction and helps you stay on course – but you need a map of the terrain to chart a viable course and anticipate the potential challenges and emerging opportunities.

As Chair you can only make a significant contribution to the governance of your organisation if you understand your charity's context and actively work to make sure that its key features are understood by the board. The task for the Chair and board is not only to describe the environment, but to make sense of it and to determine which features are important.

This section sets out a structured way to prompt your thinking about your particular context. It looks at:

- External context
- The organisation
- The Chair–Chief Executive relationship
- The board team

We think this framework may be useful in thinking about your board. If you find organisational models helpful you might want to consider others such as the McKinsey 7S Framework. It looks at the organisation as a whole connected system with seven elements that need to be aligned: strategy, structure, systems, shared values, skills, staff and style. For our sector you may wish to add stakeholders.

The external context

In this section we pose some questions about what you and your board need to know about your organisation's external context. It can help you to build your own understanding, but may also be useful in shaping the continuous learning of your board team. It can also indicate to your executive team how they can support the non-executives to develop and refresh their knowledge.

Your beneficiaries

Do you understand the hopes, needs and aspirations of your current and future beneficiaries? Are you looking at how the organisation will serve them in both the long term and short term? How do you ensure the user voice, in all its diversity, is heard at board level in ways that are not tokenistic? How is the board involved in identifying and prioritising the needs of different beneficiary groups? How does the board engage with and support staff in managing the complexity of competing beneficiary demands? In what ways are your beneficiaries able to hold you to account?

Other stakeholders

Do your board members have a clear and shared view about the range of people and organisations to whom you are accountable? Is it clear to all how these might help or hinder you in the achievement of your aims? Have you prioritised the key relationships?

Other players

Does the board know who else is delivering similar services, how your services compare and how they are valued by your beneficiaries? Has the board considered if there is scope for collaboration, or merger? Is the distinctive nature of your organisation's offer clear to all board members?

External drivers

Can you all point to the big trends that are affecting your beneficiaries and your charity e.g. political, economic, social, technological, environmental and legal?

Ideas for board action

- Make time on the board agenda for these discussions; enable the board to make sense of the external environment and its relevance to your beneficiaries and organisation
- Don't let the board be captured by an internally focused mind-set or an external faction
- Acknowledge the constant and inherent dilemma of balancing beneficiary needs current and future, close and distant
- Ensure the board has enough information from diverse sources to form their own views – and not merely accept the opinions of staff
- Encourage the board to be out and about – and sufficiently informed to be a good source of intelligence. Make use of their external perspectives and networks
- Nurture strategic relationships, and encourage your senior staff to be proactive about collaboration
- Use existing resources such as NCVO, NAVCA and the Directory of Social Change
- Ask others in your field, or consider asking for external help

Remember a key contribution of the board is to enable a broader and more long term perspective.

The organisation

Your board members may support the mission for a range of reasons – as a result of personal experience, on principle, or because it is in a professional area in which they have worked. Irrespective of motivation, they all have a responsibility to know 'the business that the organisation is in'.

As Chair, you can help to make sure that your board has the kind of understanding of the work that will enable it to add value to the organisation. We have distilled the kind of knowledge board members need into six areas:

- Impact
- Money
- Control frameworks
- Workforce and culture
- Reputation
- Structure

Under these headings we invite you to consider how you might promote their and your own knowledge-bank. We set out some questions and 'taster' ideas for action that you can use to encourage your board to extend its understanding. Over time you can help to build a collegiate sharing of knowledge – generating stimulating and time-effective exchange and productive discussions.

Impact

Making an impact is at the heart of what any organisation does. Even though measuring the impact is not always easy, it is vital to do.

Questions to consider

1. Do we know if the work of our organisation is making a difference?
How?
2. Is our organisation aiming to deal with the root causes of problems or to alleviate the symptoms?
3. Are we able to demonstrate (with data, stories or case studies) and communicate the difference that we make – short term and long term?

Ideas for board action

- Make sure the board is clear and agreed about what really matters and what success looks like
- Learn from others in your field and make board time to check that you have the appropriate systems
- Don't allow board members to be complacent in this area – it's too easy to assume busyness means effectiveness

Money

Some board members effectively abdicate their financial responsibility, leaving the numbers to someone else.

Your goal as the Chair should be to ensure that everyone is engaged in the financial aspects of governance, has an informed overview of finances and understands the implications of the numbers.

Questions to consider

1. Do your board members grasp the benefits of achieving a balanced income mix or using diverse sources of finance to maximise opportunity?
2. Do they understand key concepts like solvency and the financial implications of big decisions being made?
3. Are board members sufficiently alert to recognise the early warning signs of financial difficulties?

Ideas for board action

- Invite board members to submit (anonymously if necessary) 'idiot questions' about the finances which would help their understanding. At a board meeting, provide a response in Plain English and discuss
- Send two board members on a training/briefing session, but get their commitment to debrief the board about what they heard and discuss it as a board
- If you lack the capacity within your board, commission a participative training session for all members

Control frameworks

The purpose of your control frameworks may be simply to ensure your organisation complies with all relevant laws. Alternatively, it may be more proactive, for example tracking continuous improvement through a quality framework.

Control frameworks should help give your board the assurance that things are working as intended. It is hard to specify in the abstract exactly what is needed in your situation, since so much will depend on your context. However, effective boards have a shared understanding of what is most important for them to control; this enables them to ensure that decisions are based on a thorough assessment of all risks (not just financial ones). To ensure a good balanced view, it is also worth remembering that missing opportunities due to excessive caution is itself a risk.

Questions to consider

1. Are your organisational processes for monitoring and auditing adequate to the task?
2. Do you know that policies and procedures are actually being followed and are working as intended? How?
3. Are the control frameworks proportionate in the context of this organisation?

Ideas for board action

- Confirm that you have basic financial procedures and controls in place and that there is a clear audit trail
- Confer and agree with your Chief Executive any areas where specialist control processes are needed, for example safe working practices, safeguarding of vulnerable clients, access to personal information
- Put the review of your control frameworks on the agenda of a board awayday

Workforce and culture

If the organisation has paid staff, your board is deemed to be responsible for discharging all the duties of an employer.

There are certain matters that you cannot delegate and must remain with the board. Typically these might include:

- agreeing key employment policies including those about staff terms and conditions of employment, and policies relating to diversity and equality
- the organisation's approach to remuneration and reward
- approval of significant changes to overall HR strategy and creation of posts above a certain grade
- the selection and remuneration of the most senior staff

If you have volunteers a key management role is to ensure they feel valued and involved. Your part in this may be to ensure that your organisation is not making the common mistake of failing to invest in volunteers and their management.

Questions to consider

1. From whom does your board receive its advice and guidance?
2. Do you understand the culture of the organisation and the way it helps (or hinders) the achievement of the mission?
3. What is the board doing to ensure that volunteering is valued and developed?
4. Do you need an HR/employment expert on the board at this stage of your organisation's development?
5. Can you access independent professional advice if the need arises?

Ideas for board action

- Make sure organisational culture and strategic changes needed are not in conflict, and work to support culture change if needed
- Ensure you have enough depth on your board to guide you on good HR/employment practices

- Consider the contribution of volunteers as part of your strategic thinking
- Discuss your responsibility as an employer with board members at a time of relative calm! Agree in principle on the circumstances that would trigger paying for good HR or employment advice – and why

Reputation

Retaining your organisation's good reputation is critical to the health of any charity or non-profit. In making major decisions, your board should include in its considerations, how others might perceive what you or your staff do or say. This applies particularly to charities that have high risk operations; for example if your staff work in dangerous areas or work with vulnerable people or if your cause is controversial or unpopular.

There are times when the right thing is to put your head down – and there are times when it is the charity's duty to speak up for itself no matter how unpopular. A really useful role for you as the Chair is preparing your colleagues to weather these challenging times and deal positively with criticism or hostile coverage. You might also want to explore with your Chief Executive who would be your lead spokesperson in such turbulent times. Sometimes, it might need to be you, for example if it's about the Chief Executive's pay.

Questions to consider

1. Is your organisation's reputation included in your risk assessments?
2. How might the board assess the effectiveness with which reputational risk is managed? Is a policy needed?
3. What if any involvement should your board have in shaping the key messages in a time of crisis?

Ideas for board action

- Plan ahead, for example about who your media spokespeople are, even if board members are not the first port of call

- Anticipate and discuss in advance issues that may attract negative coverage
- Role play a scenario of unexpected very bad press coverage – with someone nominated to represent the media, someone else the regulator, and another to role play a donor
- Identify outside advisers you could call on in a crisis – even if you have communications executives on your staff; in a crisis it can be hard for the organisation to remain objective and dispassionate
- Consider if the board would benefit from having a member with marketing or communications expertise

Structure

A young charity tends to have a simple structure, but as it grows is likely to need sub-committees. Productive committees enhance the effectiveness of a board by focusing on an important area of work which they interrogate and distil, before reporting back for board consideration. They can have an additional function in developing future Chairs.

Committee work consumes valuable time and energy, so encourage your board to think hard about the committee structure and processes it establishes. The best boards have a consistent framework for sub-committees reporting to the main board: simply providing their minutes is rarely effective and often tokenistic! Finally, your context and size may make it appropriate to have one or more trading subsidiaries to carry out activities that the charity cannot undertake; if so, you will need to seek specialist advice and guidance. Your role is to make sure you and your colleagues understand the overall structure and the inter-relationship of the different legal entities.

Questions to consider

1. Does your Constitution allow for the inclusion of 'external' people on sub-committees? They can contribute useful specialist knowledge or expertise.
2. Which committees does your board really need?
3. How can the board help sub-committees work well and remain properly accountable to the main board?

Ideas for board action

- Think and test your ideas out about your board structure with others to ensure they really add value to your governance
- Keep committees to a minimum. Create a tight written brief (to reduce loss of focus) and be clear about the powers delegated to them
- Make committee Chairs responsible for identifying what you and the board need to be briefed about

Chair–Chief Executive relationship

This is one of the most significant aspects of the Chair's role. When it works well it can be a source of stimulating and enjoyable learning, enhancing the ability of both Chair and CEO to add value and achieve job satisfaction.

There is no single right way to manage this important relationship. An approach that initially works well for you and your board may need to adapt and change over time. Given the infinite variety of settings, temperaments and knowledge of both Chairs and lead officers, we can give no simple formula for the successful navigation of this important relationship. We offer insights we have gleaned from our experience, and our work both with Chairs and with CEOs. They are designed to help you keep the relationship healthy.

It is important to remember that a good relationship with your CEO is not an end in itself; it is however an important contribution to the ongoing success of the organisation. If you and your CEO are

not able to work together, the impact will reverberate throughout the organisation. Strained relationships keep both Chairs and CEOs awake at night. And for CEOs they are potentially career threatening. The Association of Chief Executives of Voluntary Organisations report that the majority of calls to its helpline for CEOs in crisis, concern their relationship with the Chair. Poor relationships make it difficult for individual board members to work with the Chief Executive or their team, as they manage their loyalty to you or need to navigate their way around areas of dispute.

Experienced Chairs recognise that they need to invest time with the Chief Executive to become a cohesive 'top team', getting to know what they each value, understanding each other's strengths and weaknesses, and building trust. Agreeing boundaries and how to negotiate grey areas is important, including agreeing the extent of delegated authority and how its use is reported. Agree on regular communication that works for you both. Genuine, generous recognition of achievement and high quality work by both parties is essential and you can contribute by ensuring it is reflected in the CEO's reward package. But the best Chairs also accept that some degree of tension is inherent, since the role is also to assist the organisation to have the best possible executive leadership. That will involve the scrutiny, challenge and 'stretch' of your Chief Executive; without these, you are doing a partial job.

Time and again we hear the mantra – 'no surprises'; and for good reason, since it is the basis for trust and gives the opportunity for you to work together on opportunities or difficulties. Experience indicates that the Chair can make a real difference in containing the anxiety of the board; in particular, they have the potential to mediate board members' worries and frustrations with the operational complexities that the CEO is managing.

The Chair–Chief Executive relationship is most tested at times of crisis – whether it concerns money, people or reputation. You can help by maintaining a sense of stability and calm, to help weather

the storm. You can help your board to make considered judgements both about opportunities and any crises that emerge. For example in response to a contract for service delivery with tight deadlines; or when there is a financial or personnel crisis. Your leadership may also enable the board to avoid making an unfair scapegoat of the CEO.

Most Chairs are clear about the need to understand their legal obligations as employers, but that does not necessarily mean that they recognise when they need external advice, for example from an independent mediator or a legal professional. There is not always an obvious right time to do so. You need to balance infringing on the Chief Executive's territory and confidence, without allowing an unsatisfactory position to deteriorate, or exposing the organisation to potential legal challenge.

Despite your best efforts some Chair-CEO relationships founder badly; this is likely to create a sense of crisis for the whole board and for the senior executive team. You should not feel that you need to deal with this entirely on your own. You may already have a Vice Chair or 'senior independent trustee' to talk it over with. It helps to talk to a fellow Chair who has been through something similar; if nothing else, they will be able to give you a sense of perspective. At best you will get some good advice based on their experience.

Questions to consider

1. Do you celebrate success and support the development of your CEO?
2. Do you and your board colleagues have a real sense of the extent and limits of your Chief Executive's abilities? How do you compensate for areas of weakness?
3. Do board colleagues shape the annual review of performance for the Chief Executive – and are you agreed what the form of feedback will be?

Ideas for board action

- Consider who the board might look to for advice and guidance about the Chief Executive – in both good and difficult times
- Explore mutual expectations with your Chief Executive at an early stage and agree how you'll work on the things that are important to you both
- Operate on the basis of reciprocal fairness and honesty. Agree what the Chief Executive needs to achieve, use this as the basis for feedback and review of performance. If you are experiencing difficulties in the relationship consider getting help such as a mediator
- Reflect on your work with the Chief Executive, be self aware, identifying what irks you and what makes you feel vulnerable and what motivates you to go the extra mile
- Consider whether you might be the problem and explore how you might be contributing to difficulties. Ensure there is someone on the board with the authority to give you honest feedback on this. And finally...You are unlikely to get it right every time, whatever the circumstances! The art of the role is to be ambitious, but realistic in your expectations of yourself and of your Chief Executive.

The board team

Building a team

If you've had the privilege of serving in an excellent team you understand that good teamwork is transformative. It brings out the best in people, fosters innovation and creativity, and generates energy and commitment that lightens the work.

It is probably the most demanding aspect of the Chair's role to get board members to work well together. They may come from different backgrounds and be motivated by different things. They may be driven by altruism or by status, enjoy the big picture or like to get into the details. They may have a great deal of time to give or very

little; have considerable experience or not. They will have a range of emotions about their work as board members, which they may or may not acknowledge. Some may have a very deep commitment to the cause, perhaps founded on their own personal experience or that of a family member; some may see their board work as an important part of their identity.

The challenge for Chairs is to work out how to create and sustain a sense of team that enables their colleagues to operate at optimum.

There is no easy or perfect solution, but Chairs can make a major contribution by accepting that part of their job is to manage these disparate individuals so that they become a productive team. This takes planning but also sensitivity, insight, intuition, observation and goodwill.

Questions to consider

1. What are the dynamics of your board? What are the key features of its culture, both positive and negative?
2. What do you know about what motivates each of your board members?
3. Are diverging views solicited and welcomed? Does the ensuing discussion stimulate alternative perspectives? Do your board members build on each other's contributions?
4. Do board members trust each other? Are they willing to admit mistakes or say when they do not know?
5. Are you able (and do you) laugh with each other? Do team members enjoy serving on this board? Do you encourage each other?
6. Do you know what brings out the best in your board members and circumstances in which they are less effective? How do you use that knowledge?
7. How diverse is your board in terms of experience, outlook, personality and ways of thinking?

8. Do all views count? Or do some board members carry more weight than others, or think they should do?
9. Do you have frank conversations? How does your board deal with conflict?
10. Does the board share out work; if it does, can people be relied on to carry it out?

Ideas for board action

- Recruit with the overall team in mind. You are not looking for a collection of individual stars but for a constellation. Take account of softer skills
- When recruiting look for qualities that are lacking. For example, perhaps you need more challenge around the board table, or someone who is better at seeing what is going well rather than what is not going so well
- Remember to think about having future candidates to take your place as Chair
- Notice your colleagues' attitudes and behaviours – manifested in their words, deeds (or lack of!) And their body language
- Meet people individually and find out what is important to them. Look for common ground and notice differences in perspective and approach
- Create opportunities and space for board members to get to know each other in informal settings, for example by eating together
- Acknowledge that it takes time to establish or change the culture of a board team and that you cannot achieve this alone. Find kindred souls and work with those who are already manifesting helpful ways of working
- Support an evolutionary approach in the first instance; make small changes, that create some 'quick wins' – things that make most people feel good and build a positive attitude to their role
- If they are absent, introduce ways of working that make people feel included, for example keeping in touch with board members between meetings; well-structured reports in Plain English

- Take time to learn about and develop your team-building skills, especially if you have limited experience in this area
You can find more resources on teamwork on our website.

Achieving good meetings

Good meetings take time and preparation; conversely bad meetings waste time and can be deeply demotivating to board members and staff. Reflecting critically on your board meetings can tell you a lot about the effectiveness of a board. Chairs can make a substantial impact on the quality of engagement by good management of board meetings. Your effort will be rewarded by participants feeling useful and productive, and confidence and quality spiralling up as a result. Meetings management is a big and important topic. Here we offer some brief pointers for you. You can find more resources on our website.

Questions to consider

1. Where does the board spend its time?
2. What is the quality of the papers? What is the quality of the discussion?
3. Did the discussion change anyone's mind? Did we actually make any decisions?

Ideas for board action

Pre meeting

- Plan the annual meetings calendar so that major agenda items find their place and are not overlooked. Work with the Chief Executive on this so that it aligns important aspects of the organisation's annual calendar to timely contributions by the board
- Include in the board calendar one or more board/senior team away days, which are not business meetings. You may find it helpful to plan the programme with an external facilitator who then leads on the day. This releases the Chair to be a full participant

- Allocate indicative timings to agenda items; this focuses the mind and helps to ensure an appropriate amount of time for important items
- Invest time in working with the Chief Executive or lead officer to create a good accessible framework for all papers. Some Chairs also expect to see an early draft of important reports, so they can comment and discuss how they are to be presented and discussed
- Ensure good news and items to celebrate are reported

At the meeting

- Set a tone that is constructive and upbeat. It helps if you can bring laughter to the table
- Consider using a 'consent agenda' to use board time more productively. Routine items such as board minutes and routine committee reports can simply be agreed without discussion 'by consent'. If anyone objects – then make time for the item to be discussed
- Routinely or sporadically book time for board members to meet without the senior managers for 'board member only' time. Some boards include the Chief Executive in the meeting, others do not; there are strongly held arguments put both for and against. If your board has decided it wants some trustee-only time, make sure they have a clear and agreed view about why, what is to be explored and agree some ground rules. In some organisations, the Chair is delegated to give the Chief Executive an overview of what was covered – while maintaining any necessary confidentiality
- Vary use of time, space and grouping within the board meeting. Ways to 'mix it up' include creating small groups to interrogate particular challenges, strategy development or to problem-solve. Or book a schedule of external specialists who can brief you all on a relevant topic at alternate board meetings

After the meeting

- Review meetings, asking for feedback on what worked well and what could be better
- Ensure minutes are distributed promptly and indicate clearly any decisions made and actions agreed including who is responsible and by when
- Create regular space for board members to get to know each other, for example by including a meal before or after the board meeting

Reviewing and developing your board

At its best a board adds value to the work of the organisation and the delivery of its mission. At their worst, board members are wasting time, energy and financial resources. It is becoming more common and more accepted for boards to conduct a regular review of their performance, either through their own self-assessment or with the help of someone independent. Some boards also review the performance of individual board members.

There are board members who find performance review threatening or consider it excessive if they are volunteers. Such objections may stem from lack of familiarity with such reviews, or a previous poor experience, where the emphasis has been on weaknesses with little recognition or emphasis of strengths. Sometimes it is simply the language that is alienating.

While it's worth exploring and accommodating concerns about the process, the principle is a key one: the board as a whole and each member of it should be accountable for the quality of their contribution.

It is the duty of the Chair to ensure that such reviews are productive. It's often a good idea to get the ball rolling by asking for a review of your own performance. It's an opportunity to model the behaviour you want to see in others.

This is a big and important topic. Here we offer some brief pointers for you. You can find more resources on our website.

Questions to consider

1. Does your board understand and support the principle of scrutinising its own performance, as individuals and as a team?
2. If needed, who can help you work out how to make an effective but affordable start?
3. If you already use board reviews what action has been taken and with what result?

Ideas for board action

- Tailor the process to the needs and capacities of your board. (Without this, the exercise can become mechanical and feel to members and Chair alike as though it is just ‘going through the motions’.) Remember to seek input from senior staff
- Start by making feedback a part of your culture if it is not already, for example taking five minutes at the end of board meetings to review the meeting
- A simple approach is to start with an annual interview to assess the contribution of each individual board member. It’s a great opportunity to check understanding of the role and pick up on problem areas such as attendance. For whole board appraisal you can use the Code of Good Governance as a framework. Under each principle identify strengths and actions needed to drive continuous improvement
- Make sure you act on the results. Prioritise the actions you are going to take and keep them manageable
- Identify the development needs of your board and set aside a budget



Section 5

Reaching the end of the journey

There comes a point when your role as leader is done and it's time to move on. It is generally better to go leaving your colleagues wishing for more. You may have a set term of office with a maximum number of years to serve. If not it's a good idea to propose a set term. But whether you have a set term or not, you need to keep asking yourself whether you are still adding value to the board, or whether you need to think about going.

There may be a natural time to go, for example once a major project is completed or a key aim is fulfilled. Sometimes it is less obvious. If you seek regular feedback it will give you a good indication of whether it's time to move on. If you find yourself losing the confidence of your board colleagues or have problems with key relationships that are beyond repair and impede your effectiveness in the role, heed the signs and go.

It's never too soon to think about looking for your replacement and one mark of success for an outgoing Chair is to help ensure you have a good successor and have presided over a smooth handover. Although you may have a role in recruiting your successor – the decision is not yours to make. Many boards like to recruit internally to reduce disruption and the risk of the unknown. If this is the case, it's good to bring a potential Chair onto the board a year or more in advance, in case they don't work out or their circumstances change.

Do your best to plan the timing of your departure. It is best to avoid going at the same time as the Chief Executive, as this can be destabilising.

As you approach the end of your term of office it's a good time to reflect on the journey and its highs and lows. Take satisfaction in what has been achieved and celebrate successes with your board colleagues and Chief Executive (if you have one). Consider what you have learnt, how you can share that learning and carry it with you into your next role.



Section 6

Further support and resources

Useful weblinks

Our website provides resources specifically for Chairs:

www.associationofchairs.org.uk

Other resources that you may find helpful are listed below, more are listed on our website.

Good governance code

You'll find the latest version of *Good Governance: a Code for the Voluntary and Community Sector* as well as a version for small organisations and for Welsh organisations at governancecode.org

Charity Commission for England and Wales

The Charity Commission is the regulator of charities. It provides a wide range of useful free resources on different aspects of governance. See in particular *The Essential Trustee*, *Hallmarks of an effective charity* and *Big Board talk*. Definitely a site that charity Chairs should visit: charity-commission.gov.uk Scotland and Northern Ireland have their own regulators: the Office of the Scottish Charity Regulator is at oscr.org.uk and the Charity Commission in Northern Ireland is at charitycommissionni.org.uk

Regulator of community interest companies

The Regulator of community interest companies provides information and resources at gov.uk/government/organisations/office-of-the-regulator-of-community-interest-companies

NCVO: National Council for Voluntary Organisations

Provides a very wide range of information and resources on most matters affecting the voluntary and community sector. Look out for their microsites as well, for example data.ncvo.org.uk and knowhownonprofit.org NCVO publishes the very useful and regularly updated *Good Trustee Guide*. Why not make sure every member of your board has a copy? It also runs an annual Trustee Conference. Find out more at ncvo-vol.org.uk

Small Charities Coalition

(merged with Charity Trustee Networks in 2011)

Small Charities Coalition provides a range of information, support, mentoring and networking opportunities especially for smaller charities and their trustees at smallcharities.org.uk

DSC: Directory of Social Change

A leading provider of publications and training on voluntary sector issues at dsc.org.uk

Social Enterprise UK

SEUK provides advice information and services to social enterprises and helps social enterprises to network at socialenterprise.org.uk

ACEVO: Association of Chief Executives of Voluntary Organisations

You may find ACEVO a good resource for your Chief Executive. ACEVO provides a range of support, training and information. This includes some resources on the Chair–CEO relationship. Its annual conference is open to Chairs. See acevo.org.uk

Co-operatives UK

Co-operatives UK have a range of resources including the *Corporate governance code* for consumer co-operative societies at uk.coop

Sector magazines and newsletters

Civil Society is a useful online resource on news and developments in the sector. You might like to take out a subscription to their Governance magazine. The subscription includes additional copies that you can share with board members. If you have an online subscription you can access past copies, research and model documents which you may find useful.

Third Sector is published online and in print and is a useful source of news and analysis of events in the non-profit sector.

Supporters

City Bridge Trust

The City of London Corporation's charity, City Bridge Trust is the grant-making arm of Bridge House Estates and was set up in 1995. The Trust aims to address disadvantage by supporting charitable activity across Greater London through quality grant-making and related activities with clearly defined priorities. We currently estimate that £15m per annum may be available for distribution.

CCLA

CCLA is one of the UK's largest charity fund managers. For over 50 years they have provided competitive and attractive investment management services that help their clients achieve their aims. CCLA's products and services have a strong long-term performance record, are fairly priced, managed responsibly and in a manner consistent with the ethics of their clients. CCLA's staff understand the particular needs and challenges of charities and public sector organisations. CCLA's ownership ensures stability and independence. CCLA Investment Management Limited and CCLA Fund Managers Limited are authorised and regulated by the Financial Conduct Authority.

Lord Mayor's Charity Leadership programme

Part of Alderman Fiona Woolf CBE's year as the Lord Mayor of London, the programme aims to increase the number and effectiveness of Charity Chairs. The programme includes events and legacy materials, such as *A Chair's Compass*.

The programme is administered by Cass CCE, the UK's leading nonprofit and philanthropy centre, which delivers leading-edge thinking through a blend of world-class academic research, postgraduate degree courses and consultancy.

cass.city.ac.uk/lmclp

A Chair's Compass

A guide for Chairs of charities and non-profit organisations

Chairs have a vital role to play in their organisations, yet there is little support for those who chair charities and non-profit organisations.

This guide focuses entirely on the Chair's perspective and the particular challenges and opportunities of the role. Whether you are a new Chair, or highly experienced, this guide seeks to provoke both thought and action.

To help you on your journey it provides

- A compass to help you as Chair to remain focused on the core elements of the role
- Suggestions and advice on taking on the role of Chair
- Pointers on how to map the terrain for your particular charity or non-profit organisation

This guide will be useful to Chairs and those who support them including Vice Chairs, trustees, Chief Executives and governance advisers.

The Association of Chairs was founded to support Chairs of charities and non-profit organisations. To find out more about us and to download this guide for free visit our website: associationofchairs.org.uk

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