Bridging the gap:
moving onto nonprofit boards

The Lord Mayor's
Charity Leadership Programme

fostering the effectiveness of
charity Chairs

Edited by: Denise Fellows
Co-authors: Mary Chadwick,
Caroline Copeman, Paul Gibson, Ian Joseph

trustees
unlimited

Quality Trustees from a
Trusted Source

M MAZARS

Cass Business School
CITY UNIVERSITY LONDON
EST 1894

FOREWORD

When it became clear that in 2013/14 the Lord Mayor would be my wife, Alderman Fiona Woolf CBE, I determined that I would support her year as the Lord Mayor's Consort by providing a leadership programme within the City to increase the number and effectiveness of charity Chairs. The theme of Fiona's mayoralty is 'The Energy to Transform Lives' and the charitable aspects embodied within this focus are all within the framework of the Lord Mayor's Appeal.

The idea for a Lord Mayor's Charity Leadership Programme reflects my personal experience as Chairman or Vice-Chairman of four healthcare charities. There are few programmes designed specifically for actual or potential charity Chairs and I wanted to fill this gap. I am delighted to be joined as very active and engaged main sponsors by the Centre for Charity Effectiveness at Cass Business School, Mazars and the Macquarie Group Foundation. I am grateful also to Trustees Unlimited for their support in co-authoring and printing this particular guide.

The programme is focused on supporting those from professional services firms, major City organisations and publicly quoted companies who may be approached or have already been approached to join nonprofit boards. The programme may be particularly pertinent for those who are seeking to extend their skills in another sector or who are nearing retirement and looking for new challenges and ways to redeploy their skills to the maximum benefit of the charity sector.

I am very excited by all the elements throughout the year, as well as by the legacy materials to be produced, such as this guide, so that the expertise and experience are captured and made available in the future.

Nicholas Woolf

CONTENTS

INTRODUCTION

This guide is aimed primarily at those who are working within the private sector and who wish to take up a trusteeship or other volunteer role within the charity or nonprofit sector. It is also recommended for those who wish to recruit from outside the sector. We hope that through reading this guide you will learn how best to use the skills and experience of people, irrespective of their sector background.

There are huge rewards to be gained from moving into the sector: a sense of accomplishment in supporting social change, being challenged with new perspectives, and meeting diverse and inspirational people. Many people from the private sector approach opportunities to serve in the nonprofit sector with good intentions and with the expectation that their significant experience and wisdom will be gratefully accepted. These people often talk in terms of wanting 'to give something back'. It can be a shock to find that their sincere intentions are perceived as patronising and are rejected or, worse, that they are treated as some kind of outcast with no real understanding of what is happening.

The guide comprises a series of chapters that aim to provide an overview of the sector, the differences that you may find and how to become successfully engaged.

The culture of much of the nonprofit sector is different from that of the private sector. It is not better or worse, it is just different, and it is helpful to understand how to navigate the disparities. However, it is a very broad sector and you will encounter a variety of cultures and types of behaviour. Those who are able to embrace the differences will be able to make the most of the opportunities that diversity can bring in any environment.

There are challenges in the world today which require the broad thinking and understanding that can be gained by putting together the knowledge and experience of those in all three sectors – public, private and voluntary. People who can navigate through the different cultures and sectors will be much better equipped to meet those challenges.

Denise Fellows
Director and CEO, Consultancy
Cass Centre for Charity Effectiveness

Ian Joseph
Chief Executive
Trustees Unlimited (and Russam GMS)

CHAPTER 1
THE SECTOR – CONTEXT, COMPOSITION AND CHARACTER

By Dr Mary Chadwick, Principal Consultant, Cass Centre for Charity Effectiveness

Background

In a society where trust in institutions is diminishing, charities are still held in high regard. The sector's regulator, the Charity Commission, has regularly commissioned polling to understand perceptions of charities. These polls consistently show high public confidence, with only police and doctors being more trusted. They reveal a steady public belief that charities have an important role to play in society, that their motivations are sound and that they make a positive difference to the cause for which they work.[1]

Uniquely, charities offer the funnel through which public altruism in the form of cash or other donations, time spent volunteering or membership of a favoured cause is channelled. They uncover new areas of need and mitigate some of society's seemingly intractable challenges, such as the care needs of an increasingly elderly society, or opportunities for children and young people to develop their sporting prowess or to break the cycle of persistent re-offending.

However, the charity sector is subject to constant change and, digging below the surface of approbation, there is often a real lack of external understanding about what the sector is and does. This is combined with public concerns about certain activities – for example, the pay levels of senior sector leaders, hard-hitting campaigns or inappropriate fundraising techniques.

The aim of this chapter is to set charities within their context in society through a brief overview of their history, in order to gain a clearer understanding of the opportunities and challenges that may lie ahead.

Strength of the voluntary sector

Realising the inadequacies of medical practice in respect of the dying, Dame Cicely Saunders founded St Christopher's Hospice in 1967, which quickly became a source of inspiration for others. Today it is estimated that one in three people have been touched by hospice care. Yet only about one third of the funding comes from the government, with the majority deriving from local fundraising. And over 100,000 volunteers are involved, providing care valued at over £112 million a year. The modern hospice movement is an exemplar of the strength of the voluntary sector.

The 'loose and baggy monster'

Charities are a critical component of civil society. Academic definitions of civil society vary, but one way of understanding it is to imagine it as the space outside the private and public spheres where people come together to build a good society based on values associated with social, economic and political progress.[2]

The sector's leading umbrella body, the National Council for Voluntary Organisations (NCVO), regards the voluntary sector, comprising over 160,000 active organisations, as the core of civil society.[3] Memorably described by one distinguished academic as a 'loose and baggy monster',[4] the boundaries and even the nomenclature of the sector are vague, changeable and complex. NCVO's definition of the voluntary sector excludes a number of large charities that belong elsewhere in civil society, such as housing associations, independent schools, government bodies, faith groups and trades associations; it also omits those registered as charities but not independent of government, such as NHS charities and quangos such as the British Council. Many very small volunteer-led organisations remain outside the official statistics because their size exempts them from registration with the Charity Commission.

Meaning of 'Charity' in the Charities Act 2011

For the purposes of the law in England and Wales, 'charity' means an institution which
- is established for charitable purposes only
- falls to be subject to the control of the High Court in the exercise of its jurisdiction with respect to charities.

To add to this rich mix, recent years have seen the sector growing in complexity. Many charities now have trading and commercial income-generating arms, perhaps charity shops or affinity products (which build a relationship with the charity brand). We have seen the rise of social enterprise, businesses that trade for a social/environmental purpose with profits reinvested to further their social mission; some, but not all are registered as charities. Government is encouraging the farming out of parts of public services, especially the NHS, to mutual organisations where employees have a substantial stake. Charities increasingly deliver services or publicise their mission in partnership with others. They collaborate to increase their campaigning reach or to share back-office costs. They form consortia in order to gain access to contracts to deliver public services, and these may generate their own organisational forms and governance structures. Sometimes they form partnerships with private sector organisations – for example, British Gas and Shelter work together to improve heating and insulation in privately rented homes.

As organisations develop, they may mutate into 'hybrids', not only displaying characteristics of the voluntary sector, but also incorporating aspects of the private or public sectors.

Types of UK civil society organisations by income, 2011/12

Name		Faith Groups
Organisations		10,886
Income (£ millions)		3.7

The State

Formal / Informal

Non-Profit / For-Profit

NHS Charities

Lottery Distributors

Universities 160 27.9

Academies

Leisure Trusts

Co-op Schools

GP Mutuals

Public / Private

Public / Private

Excepted Charities

General Charities 161,300 39.2

Housing Associations 1,800 15.8

Financial Mutuals 60 9.6

Sports Clubs 135,000 5.8

Political Parties

CLGs 46,300 6.2

Co-operatives 5,900 26.8

Faith Groups 24,700 4.5

Independent Schools 2,600 6.5

Benevolent Societies

COIFs

Trade Unions

CICs

Credit Unions

Employee Owned Businesses 250 30

Supporters Trusts

Clubs and Societies

Trade Associations

Building Societies

Communities

The Market

This chart from The UK Civil Society Almanac 2014 is reproduced with thanks to the NCVO. It portrays the various types of organisations contained within the broad description of 'civil society' by income, 2011/12.

The historical and political context

What gives this sector its flavour, uniqueness and vibrancy is its sheer diversity. An important aspect of this diversity derives from its history. Over hundreds of years philanthropists and self-help groups have founded organisations to ameliorate suffering or change society, in eras where there was little public provision. Many of the hospitals, schools and charities founded in the past still exist today, sometimes in different forms or (as in the case of many hospitals) in different sectors.

Definitions of what constitutes a charity date back to at least 1601.[5] During the last decade of the reign of Queen Elizabeth I, harvest failure and the aftermath of war against Spain led to parliament legislating for the provision of poor laws to relieve hunger and poverty. Almost as an afterthought, legislation was passed to reform the myriad trusts that had been established, whether to build almshouses or to give marriage dowries to poor girls. In the absence of any sort of regulation, there was suspicion that some of these funds were being diverted for private use and the Act defined what purposes were charitable. Subsequent parliamentary legislation and legal judgments set out four main charitable purposes:

- The relief of poverty
- The advancement of education
- The advancement of religion
- Other purposes considered beneficial to the community.

For centuries these definitions spurred philanthropic activity.[6] The growth of population, cities and industrialisation during the nineteenth century, often combined with religious zeal, saw a passion for philanthropy and mutual self-help. Some of our best-known charities and philanthropic bodies date from this time, while working people also organised through friendly societies and other self-help bodies. Thus the NSPCC, founded in 1884, initially lobbied to prevent cruelty to children, and achieved major child-protection legislation. It has helped over 10 million children since its foundation, and its work continues to be relevant to children in today's conditions, acting as their independent voice through ChildLine.

Historical Almshouses

Almshouses trace their history back to monastic times where the terms 'bedehouse', 'hospital', 'maison dieu', 'almshouse' and others described the provision of accommodation for those in need. The first recorded almshouse was founded by King Athelstan in York in the tenth century, and the oldest still in existence is thought to be the Hospital of St Oswald in Worcester that dates from circa 990.

From the National Almshouse Association

In the latter part of the Victorian era, the growing complexity of society, political pressure, the seemingly intractable nature of social problems and a more collective attitude to possible solutions led to increasing state intervention.

After the Second World War, successful mobilisation for the war effort led to a welfare settlement decisively organised and delivered through state provision. The National Health Service pulled together, under state control, the vast majority of the old voluntary hospitals, municipal hospitals and the patchwork of GP provision. For decades it was accepted that welfare provision should be paid for and delivered through state mechanisms, with the voluntary sector a junior partner at best.

Yet real life was not so tidy, and organisations such as the RSPCA, the Royal National Lifeboat Institution and the National Trust continued to flourish.[7] The voluntary sector did not disappear but adapted. Some bodies worked within the changed structures and fresh organisations emerged to campaign against new or newly acknowledged problems in society. Thus the Child Poverty Action Group was formed

in 1965 to campaign on the persisting issue of family poverty, even in families that did not suffer from sickness and unemployment.[8]

On all sides of the political spectrum, scepticism grew slowly about the capacity of state-centred institutions to meet rising and diverse expectations. This was exacerbated by the failure of private market solutions to meet the needs of citizens without economic resources. The role of the state started moving away from providing welfare services and towards contracting them out: that is, commissioning private or voluntary sector organisations to deliver them. This is a powerfully growing trend, albeit subject to much public debate.

In addition, charities are more generally seen as a positive force within society – not just in providing better choice and greater responsiveness in services but also in the wider role they can play in building trust, engagement and social capital in local communities and in society more generally.[9] The voluntary sector has moved away from the margins to centre stage and is likely to stay there.

Both the previous Labour government and the current coalition government are cheerleaders for the sector and have supported it in a range of ways. There is now a dedicated government unit with its own minister within the Cabinet Office. All political parties now express enthusiasm and support for the sector as being uniquely close to beneficiaries, understanding social disadvantage and offering innovative and unique solutions in a cost-effective way, that neither the state nor the private sector can readily deliver. Add to this an enthusiasm for local solutions, for community engagement and even for the 'Big Society', and the future for the sector looks promising indeed.

The composition of the sector

Within the simple phrase 'the voluntary sector' lies a diversity of type, size and activity that is complex and not easily understood. This section briefly describes some of the sector's main characteristics.

The sector currently employs approximately 800,000 people, 2.7 per cent of the UK's workforce. It is growing fast, partly organically but also boosted by the transfer of much residential and domiciliary care provision from the state to the private and voluntary sector, with over half the workforce now employed in health and social care.[10] Part-time working is a feature of the sector, with 36 per cent so employed. The sector is comfortable with family-friendly policies at all levels.

The latest available figures from NCVO show that the income of the voluntary sector was £39.2 billion in 2011/12, an impressive increase of some £10 billion over the decade.[11] But this overall figure hides huge disparities and a concentration among a small group at the top of the pyramid. Over three-quarters of the expenditure, some £28.2 billion, is spent by the top 4,803 major and large charities. Most of these, such as Cancer Research UK, The National Trust, Oxfam and Save the Children are household names.

But below these behemoths lies a very different picture. The majority of voluntary organisations are very small, with over 80 per cent having an annual income of less than £100,000 a year. Combine this with the dependence of most small charities on volunteers rather than on paid staff, their lack of assets (whether reserves or buildings) and their reliance on fundraising and individual donations, and it becomes clear that there are huge disparities not only in size but also in relative stability.

Size	Income	No. of charities
Micro	Less that £10,000	82,391
Small	£10,000–£100,000	52,815
Medium	£100,000–£1 million	21,257
Large	£1 million–£10 million	4,270
Major	More than £10 million	533

Most UK voluntary organisations are very small

Volunteers

The characteristic that marks out the sector above all is its harnessing of volunteers and the opportunity that it offers to those who wish to contribute to building a strong civil society. Volunteers exist at all levels; they perform a huge range of tasks, including providing office support, driving minibuses, organising events, serving on committees, giving advice and counselling, and visiting and befriending people. Some people remain attached to organisations for decades, while the participation of others is spasmodic. The most important motivation expressed is: 'I wanted to improve things/help people.'

The sheer amount of volunteering is extraordinary: nearly 20 million people in England and Wales formally volunteer. Sport and recreation, arts and social clubs, religion, schools and youth activities are particularly dependent upon the input of volunteers, but volunteering stretches across the entirety of the sector and makes it culturally very different from private business or the public sector.[12]

Charitable purpose

The purpose of a charity is to serve its beneficiaries. We all benefit in some way from the array of museums, residential care facilities, community centres and so on that comprise the richness and diversity of the sector. For instance, there are no fewer than 28,000 playgroups, nurseries, scout groups and parent–teacher organisations.

Activities that fulfil a charity's public benefit requirements range from the small village hall or community nursery, kept alive by the devotion of volunteers, to the largest charity of all, the Wellcome Trust, funded by the proceeds of an endowment worth some £14.5 billion. This gave £643 million in charitable cash payments in 2012 in the areas of biomedical research and the medical humanities.[13] Activities undertaken by charities include health, leisure, culture and recreation and international development, with social services organisations comprising the largest group. Sometimes a charity comes into being as the result of the passion of a person driven by a need to do something – perhaps to raise funds after the death of a beloved child.

The missions of charities vary too. Some seek to deliver public services in a manner attuned to the needs of beneficiaries; others aim to empower local communities to overcome disadvantage through encouraging local people to organise themselves and to volunteer. The sector is known especially for its pioneering role in uncovering need and in providing innovative solutions to the problems it has identified. As a result, such successful small, local programmes are then often 'mainstreamed' to become part of state provision. Some organisations act as a voice for their members or beneficiaries and seek to change attitudes – for example, with regard to mental health issues. Sometimes more controversial is the role of individual organisations in

campaigning for legal change, whether through close links to government or through public campaigns.

Above and beyond all these activities lies the value of this sector as a means of practising freedom of expression and association. At its best the sector can act as a guardian of society's values, as part of the checks and balances scrutinising less trusted parts of society (such as politicians or large businesses) and proposing a better way of operating.

Funding

About 35 per cent of the income of charities derives from statutory sources. Within this there has been a shift towards working to fulfil contracts for services delivered and away from less prescriptive grants. The other major source of income is the general public. Members of the public contributed over £17.4 billion through donations and trading – 44 per cent of the total income. The balance is made up from grant-making trusts and foundations, the National Lottery, the private sector and investment income.

Again, broad statistics about sources of income disguise huge differences between organisations. There is no common pattern, and the culture of an organisation can be fundamentally driven by the way in which it raises its income; a charity that relies on fundraising from the public might feel very different from one which is wholly focused on securing public service delivery contracts, or one which relies on the generous endowments of previous generations.

Charities enjoy a wide range of tax reliefs and exemptions based on their public benefit purpose. This government support is worth over £3 billion a year. In particular, Gift Aid, designed to encourage charitable giving, is worth over £1 billion a year to charities.[14] Some raise the question of whether such benefits may give an unfair competitive advantage – for example, can a private company in the business of selling used clothes ever compete with charity shops?

Yet financial measurements reveal only part of the assets of the sector. Going beyond the bare figures shown in financial statements and in this chapter lies a major difference from the private sector. We have seen the critical role played by volunteers (one estimate is that to replace them with paid staff would cost around £23 billion), yet the complexity of calculating the value means that it is not usually shown in financial statements. The 'brand value' of a sector that is trusted generally and the household name status of some of the well-known charities is inestimable, and again rarely calculated.

A new form of investment called social investment is emerging internationally, alongside commercial investment made for a financial return. Social investment and social impact bonds are made for a blended return of social and financial benefits – effectively investing against the social impact envisaged and the social change this will bring. Social investment is a coming together of the commercial and philanthropic with delivery of social impact at its core, a good example of charity at the heart of society.

The future: challenges and opportunities

With a political following wind and strong public support, it seems overwhelmingly likely that the role of charities and other civil society organisations will only grow in importance in the future – both in a greater role in the delivery of public services and also to fill the gaps in civil society created through continuing public sector austerity. It is hard to re-imagine the post-1945 landscape.

But austerity also affects the voluntary sector. NCVO has calculated that, in the five year period from 2010/11 to 2015/16, the voluntary sector may lose around £1.2 billion in funding a year, a fall of 9.4 per cent due to public sector cuts. And this is happening at a time when economic conditions have resulted in an increasing demand for services – for the vulnerable, for homeless people and for those seeking advice for debt problems.

The government is trying to find ways to encourage the public to give and volunteer, and is exploring how to make giving easier, yet disposable income has also been squeezed hard. Will people anxious to retain their jobs be prepared to give up precious spare time to help others?

Government policy is also supportive of local action by citizens. For example, we hear of enthusiasm to take on libraries that local authorities cannot afford to run, a brilliant way to retain valued local assets; but how much larger can the already committed pool of appropriate volunteers grow?

Charities can point to their unique role in meeting the needs of beneficiaries by offering flexible and personalised solutions that neither private nor public sectors can match. Nevertheless, they too have questions to answer. Increasingly they will need to demonstrate the impact they make, not just through counting heads, for example, by recording the number of callers at a drop-in centre – but by showing that they have really made a difference, for instance to clients that they have helped to move away from homelessness or alcohol dependence. However, these non-financial impacts are extraordinarily hard to measure, especially with clients who may have multiple needs and disadvantages, and for whom progress is necessarily slow with frequent setbacks.

And what of public attitudes? The public often answers that there are 'too many' charities and indeed the number of charities has continued to rise for decades, with 4,448 alone being formed in 2010. Funders and potential donors can be confused by the plethora of charities often offering the same or very similar services. But new charities bring in fresh enthusiasm and commitment to a cause, so should the state or other authority seek to limit this?

Polling reveals discomfort about fundraising methods and the belief that charities spend too much on salaries and administration. There has been concern expressed about the seemingly high salaries paid to CEOs of some of the very largest charities. Increased transparency may help educate people about how charities spend their money and how this benefits the public. But how is it possible to balance a mission-driven sector, reliant on public donations and goodwill, with the need for a workforce as professional as that in other sectors and compensated appropriately?

The hard-earned reputation of the sector will need to be guarded, and only appropriate governance in each charity can protect the sector against the many possible challenges – whether fraud, misuse of a charity's favourable tax status, poor-quality residential care, or child abuse.

As voluntary sector organisations become increasingly drawn into delivering public services, does this reduce the very independence that is at the heart of the sector? Will they be forced to comply with what service commissioners want rather than what they know their beneficiaries need? A vital role of charities is to 'speak truth to power': does the government's loving embrace of the sector weaken this?

There is a trend for some of the bigger charities to grow, swallowing up minnows as they do so. Benefits include increased professionalism, better organisational structures and greater resilience. But is this at the expense of the local knowledge, empathy and community-building that small, quirky and often seemingly inefficient local organisations can provide?

Over the past decade or more, we have seen a mood that emphasises a 'business-like' approach: we hear a great deal about social enterprise, impact measurement and social investment. Yet these terms do not have much resonance with the organisations that constitute the majority of the voluntary sector – these are small, sometimes local, often financially fragile, comfortable with what they do and highly dependent on volunteers rather than on professional staff. As some grow and flourish in this brave new world, will these divides grow so much that the notion of a coherent 'voluntary sector' will disappear?

CHAPTER 2
GOVERNANCE

By Paul Gibson, National Charity Specialist, Mazars LLP

Law and regulation

The charity sector in the UK is highly regulated. A charity is defined in the Charities Act 2011[15] as an institution that is established for charitable purposes only and falls to be subject to the control of the High Court. A charitable purpose is defined as one which falls within one or more of thirteen purposes and is for the public benefit.

The first three of the charitable purposes have a long tradition: the relief or prevention of poverty, the advancement of education and the advancement of religion. Others are more modern: the fifth purpose, the advancement of citizenship or community development and the ninth, the advancement of environmental protection or improvement.

Charitable purposes

1 Prevention or relief of poverty
2 Advancement of education
3 Advancement of religion
4 Advancement of health or the saving of lives
5 Advancement of citizenship or community development
6 Advancement of the arts, culture, heritage or science
7 Advancement of amateur sport
8 Advancement of human rights, conflict resolution or reconciliation or the promotion of religious harmony or equality and diversity
9 Advancement of environmental protection or improvement
10 Relief of those in need because of youth, age, ill-health, disability, financial hardship or other disadvantage
11 Advancement of animal welfare
12 Promotion of the efficiency of the armed forces of the Crown or of the efficiency of the police, fire and rescue services or abulance services
13 Any other purpose currently recognised as charitable or which can be recognised as charitable by analogy to, or within the spirit of, purposes falling within (1) to (12) or any other purpose recognised as charitable under the law of England and Wales.

This chapter deals mainly with the governance of medium-sized and larger charities with a brief reference to other nonprofit models.

Charities in England and Wales are regulated by the Charity Commission; there are separate regulators for Scotland and Northern Ireland. The Charity Commission registers new charities, keeps a register of existing charities and has considerable powers under the Charities Act 2011 to protect charitable assets and vulnerable beneficiaries and to promote public trust and confidence in charities.

HM Revenue and Customs administers the various tax reliefs and exemptions. Gifts to charity by individuals can benefit from Gift Aid and legacies to charity can be free of inheritance tax. The income and capital gains of a charity can be free of tax if that income is applied wholly for charitable purposes.

Most smaller charities, typically those with no staff and no property, are unincorporated; that is, there is no legal entity or organisation which is separate from the trustees as a body. Trustees enter into contracts personally, with the right to reimbursement from the charity's assets, if this is available. Members of an unincorporated organisation have unlimited liability and this is usually joint and several (that is, all members are expected to meet any debts, with the burden falling most heavily on those most able to pay).

Definition of a Trustee

'except in so far as the context otherwise requires, "charity trustee" means the persons having the general control and management of the administration of a charity'

from the Charities Act 2011

Trustees have common-law duties to act with care and prudence and to comply with law and regulation. A key governance issue for small charities with no staff is to manage the conflict of interest and loyalty between the legal role of trustee and the role of trustee as volunteer. There are more than 82,000 charities in England and Wales with an income of under £10,000. These are usually run solely by volunteers and include organisations such as village halls and scout and guide packs.

A larger, more complex charity is usually incorporated, most commonly as a company limited by guarantee. This is a legal form, governed by the Companies Act 2006, with an asset lock to protect charitable assets. A guarantee company has guarantors, who are akin to the shareholders of a company limited by shares. The trustees are also directors for the purposes of company law.

The duties of the directors are codified in sections 170 to 177 of the Companies Act 2006. Section 172 sets out a new duty to promote the success of the company by having regard to factors such as the impact of the company's operations on the community and the environment. The directors of a guarantee company enjoy the general benefit of limited liability, except for acts of illegality, recklessness or negligence or in preferring creditors in the event of insolvency.

There are two models of guarantee company. The first has the guarantors as the same individuals as the directors/trustees and is known as the foundation model. The other has guarantors who are different from the directors/trustees (and usually come from a wider group). This is the association model.

The Charitable Incorporated Organisation is a relatively new legal structure which brings the benefit of limited liability to trustees, governed only by the Charities Act 2011. This avoids any dual regulation by the Companies Act 2006 and is proving to be an attractive option for trustees of both new and existing charities. Like guarantee

companies, the Charitable Incorporated Organisation has foundation and association models.

Lord Hodgson completed his Review of the Charities Act 2006 (now 2011) in 2012 and concluded that the Act is working well. The principle of voluntary trusteeship is retained, where trustees act only in the best independent interests of their charity. The existing arrangements in charity law and in the governing documents of individual charities to allow trustees to be paid for providing services to their charity strike the right balance.

Models of governance

Policy Governance®, a model of governance, was developed by John Carver in the United States in the 1970s.[16] The model is also known as the Carver Model and distinguishes clearly between organisational purposes (ENDS) and organisational issues (MEANS). To quote from the website:

> Policy Governance®, an integrated board leadership paradigm created by Dr John Carver, is a groundbreaking model of governance designed to empower boards of directors to fulfill their obligation of accountability for the organizations they govern. As a generic system, it is applicable to the governing body of any enterprise. The model enables the board to focus on the larger issues, to delegate with clarity, to control management's job without meddling, to rigorously evaluate the accomplishment of the organization; to truly lead its organization.
>
> In contrast to the approaches typically used by boards, Policy Governance separates issues of organizational purpose (ENDS) from all other organizational issues (MEANS), placing primary importance on those Ends. Policy Governance boards demand accomplishment of purpose, and only limit the staff's available means to those which do not violate the board's pre-stated standards of prudence and ethics.
>
> Policy Governance is a radical and effective change in the way boards conceive of and do their job. It allows greater accountability. Board leadership isn't just rhetoric. It's a reality.
>
> Policy Governance® is an integrated set of concepts and principles that describes the job of any governing board. It outlines the manner in which boards can be successful in their servant–leadership role, as well as in their all-important relationship with management. Unlike most solutions to the challenge of board leadership, its approach to the design of the governance role is neither structural nor piecemeal, but is comprehensively theory based. The model covers all legitimate intentions of corporate governance codes (including Sarbanes-Oxley), but in a far more comprehensive, theory-based manner.

The Carver Model still has its advocates, especially in the United States.

More recently, in the UK, the second edition of *Good governance: a code for the voluntary and community sector* was published in October 2010.[17]

The Code sets out six principles needed if a board is to be effective and provide good governance and leadership. It focuses on the collective role of the board. The Code mentions the role of the Chair twice, the first in terms of 'well-structured agendas and well-chaired meetings' (Principle 1 on the board's roles and responsibilities).

The Chair is also seen as 'responsible for the strategy for board renewal' (Principle 3, which deals with working effectively, both as individuals and as a team).

The role of trustees and Chairs

The Charity Commission publication *The essential trustee: what you need to know (CC3)* provides guidance for trustees on their roles and responsibilities. The emphasis is on the trustees taking decisions collectively to discharge their responsibilities. The role of the Chair is described as 'helping to plan and chair trustee meetings, may also be the link between the trustees and the employees and representing the charity at appropriate events'.

The Charity Commission publication *The hallmarks of an effective charity (CC10)* is intended to be complementary to the Good governance code.

The six hallmarks are written from the perspective of the Charity Commission. 'Hallmark 2: A strong board' advises that the Chair and Treasurer should have written role descriptions. Both publications focus on the role of trustees as a body and not on that of the Chair.

A typical role description for the Chair of a charity would be similar to that of the Chair of a commercial company. It would include:
- the conduct of meetings
- board leadership and renewal
- formulating policy and strategy
- representing the organisation
- fundraising leadership (in terms of both income generation in absolute terms and also the diversity of different income streams)
- risk management
- overseeing performance and delivery of the strategy
- ensuring the charity is able to demonstrate its impact in achieving its charitable objects
- senior staff oversight.

The 'Good governance' principles

An effective board will provide good governance and leadership by:
- understanding their role
- ensuring delivery of organisational purpose
- being effective as individuals and a team
- exercising control
- behaving with integrity
- being open and accountable.

The hallmarks of an effective charity
- Clear about its purposes and direction
- A strong board
- Fit for purpose
- Learning and improving
- Financially sound and prudent
- Accountable and transparent

What do the commercial and charity sectors have in common?

Both sectors will be familiar with the following examples of competing forces (polarities) that a board needs to keep in harmony and balance for the benefit of the organisation. A board needs to be:
- strategic, and at the same time to keep a focus on operations
- resilient and adaptable to change, and also good in the steady state
- a board of individual high achievers, and to work well as a team.

Where do the two sectors differ?

The motivation of much of the commercial sector is to build long-term shareholder value by delivering sustainable financial profits in a competitive market place. This shareholder value is underpinned by a range of factors such as the quality of goods and services and the care of the workforce, customers and suppliers. Shareholder value depends critically on the organisation's ethics, values, culture and behaviour. The organisation is funded by shareholders as investors and is structured as a unitary board, often with a mix of executive and non-executive directors.

In contrast, a charity is for the benefit of the public or a section of the public, under charity law. Its activities must deliver its charitable purposes for the benefit of its beneficiaries. Any private benefit to the organisation must be incidental to its public benefit. The organisation is funded by stakeholders and, in larger charities, has a two-tier structure. The upper tier is the board of trustees/directors, who have ultimate responsibility for all aspects of the organisation. The board of trustees/directors delegates authority for day-to-day

management to a chief executive officer and, through him or her, to the senior management team. The beneficiary is seen as the focus of the charity's work and not as a source of profit.

On the polarity between values and value, the charity is more likely to focus on values and the commercial company on value. On the risk polarity, the commercial company is more likely to be risk-averse in order to protect shareholder value, and the charity to be risk-seeking in order to fulfil its purposes and maximise its impact.

A charity is more likely than a commercial company to work collaboratively with other organisations, including other charities and public bodies, for the wider good. The Peterborough Prison Social Impact Bond to reduce the rate of re-offending by ex-prisoners is a good example. Through this, the Prison Service is working with experienced charities – St Giles Trust (support in prison and in the community), Ormiston Trust (support for families) and the YMCA (support in the community) – in order to bring about positive, long-term change.

Qualities of a high-performing charity Chair

The differences in role between the Chair of a charity and that of a commercial company are perhaps more of degree than of substance. There are skills that are transferrable between the two roles. The motivation of the charity Chair is vital. There is an important distinction between 'wanting to make a difference', which is generally perceived as positive by those in the sector and 'wanting to give something back', which can be seen as patronising.

A high-performing Chair joining a charity from a commercial company will bring a full range of broad, board leadership skills. However, there may be technical and cultural differences that may need to be acquired, for example: understanding the differences in charity accounting with restricted and designated funds, the nuances of governance and the centrality of charity objects. A high-performing Chair will have the humility and empathy to understand the charity's values and culture and its engagement with

stakeholders, particularly beneficiaries. For instance, beneficiaries are individuals with potential, and not limited by conditions such as diabetes or learning difficulties, or by circumstances such as homelessness or unemployment. The charity may engage with its beneficiaries to agree on what they are trying to achieve in their lives and to provide support to achieve this, with minimum intervention from the charity. A high-performing Chair will empathise with the charity's work and be passionate about the charity's impact.

Finally, a high-performing Chair will embed their personal qualities in the work of the board and the charity; being fair and being seen to be fair, listening and making sure that every voice is heard, building high-quality relationships inside and outside the organisation, encouraging respectful challenge at board meetings and being open and honest about the charity's impact, especially about its failings.

CHAPTER 3
CULTURE

By Denise Fellows, Director and CEO, and Caroline Copeman, Principal Consultant,
Cass Centre for Charity Effectiveness (Cass CCE)

Stereotypes

There are certain stereotypes existing across the different sectors that are less than helpful. Everyone who works in the private sector is not solely motivated by money; in the public sector people are not totally motivated by power; and in the nonprofit sector they are not totally motivated by a woolly desire to do good.

In 2005, PrimeTimers, a successful social enterprise that focuses on helping business people to move to other sectors, whether as trustees or as employees, questioned one hundred such sector swappers. The results of the survey showed some prejudices and misconceptions, which were corrected through the actual experience of working together.[18]

Perceptions of the nonprofit sector by the private sector

- Begging bowl
- Woolly
- Inefficient angels
- Whingeing
- Not much to learn from them!

Realities of nonprofit sector encountered when working together

- Innovative
- Passionate and pragmatic
- Resourceful
- Bright
- Egomaniacs
- Byzantine decision-making
- Deliver high-quality services

Attitude toward the private sector by the nonprofit sector

- 'Loadsa money'
- Ruthless
- Innovative and entrepreneurial
- Unable to deal with the softer side of the sector
- Thatcherite – 'there is no such thing as society'

Realities of private sector encountered when working together

- Systematic
- Planners
- Process crazy
- Performance minded
- Softer than they had imagined

Your perceptions and beliefs may prejudice what you think about the nonprofit sector and might be worth exploring as you consider the sort of role and organisation which you would like to support. The next chapter on 'How to become Trustee' will invite you to consider what you really want to bring to a nonprofit organisation: your time, energy, money, passion for a cause – and where your skills and energy might be put to best use.

Etiquette guide

When we go to a new country, we often consult guides which tell us how to dress and behave, what hospitality will be like and how we should speak to ensure that we don't offend anyone.

As we have seen in Chapter 2, the nonprofit sector comprises a broad spectrum of general charities, social enterprises, arts, schools, hospitals and faith-based organisations. The nonprofit sector can be perceived as a very multicultural society.

However, there are some custom and etiquette guidelines that, if observed, will make life a lot easier. Given that the sector is so diverse, you should take it as read that 'usually' or 'generally' applies to most of the suggestions given below.

Be sensitive to what is appropriate for the environment in which you are working and, if in doubt, ask for advice from the trustees or staff of the organisation.

Language

It's important to think carefully about the language you use and to ensure that you do not express yourself in any way that could be seen as discriminatory or displaying negative attitudes towards particular groups in society. If you are attentive to what the people around you are saying, you will soon learn what the currently acceptable expressions are. For example, people with disabilities used to be referred to as 'handicapped', then 'disabled'; now the term 'with disabilities' is thought to be more positive.

Attempts to change people's language, and their perceptions, are sometimes described as 'political correctness'. This is a term that refers to language, ideas or policies that address perceived or actual discrimination against or alienation of politically, socially or economically disadvantaged groups. These groups most prominently include those defined by gender, race, religion, ethnicity, sexual orientation and disability. The term is usually mistakenly used in a negative way and implies that these social considerations are excessive or of a purely 'political' nature.

Respect and care for every individual is fundamental to the way that most people work within the nonprofit sector. Social care organisations in particular are helping and supporting people who have all kinds of learning and physical disabilities, and will be finding ways to enable them to have a full and active life. It is not acceptable therefore to engage in any conversation or banter which might denigrate individuals, even in jest.

What to wear

People who work in the nonprofit sector are not motivated by money. They are therefore not going to be impressed by power dressing or expensive watches or jewellery

and they might find the ostentatious flaunting of wealth offensive. Think about what others are wearing and how you might dress appropriately so that you and others feel comfortable.

How to address people

Most organisations are quite informal and non-hierarchical and people will expect to be called by their first names, even those who have titles. However, there are some organisations that delight in being seen to be correct in how they address each other. People may be addressed by their title and surname, or perhaps in more traditional organisations by their position, such as 'Master' or 'Beadle'. When in doubt, use formal forms of address to start with and relax only when given permission.

Behaviour

The voluntary sector is about fighting for particular causes and for others – the beneficiaries – rather than for the success and promotion of an individual. In theory at least, and generally in practice, modesty rather than the promotion of the ego is at the core of the way people behave. It is about professional will and personal humility.[19]

You will be judged on what you do and what you give rather than who you are, so think carefully about the value of your activities and whether they are helping to achieve the aims of the organisation.

Speed of change

The sector is very varied in the ability with which it can make change. Some charities can react very quickly when required but many organisations with multiple stakeholders can be frustratingly slow. It is necessary to ensure that the majority of stakeholders are brought into agreement and it can often take months and years to formally work through the layers of governance and informally through layers of supporters and volunteers. Attempts to move without consent of the majority of stakeholders will be vetoed. Clarity about the course of action and constant communication are paramount and an understanding that, without the power to demand change, it must be made through influencing and negotiation.

Collaboration not competition

Charities need a collaborative mind-set to focus on how best to meet the needs of the beneficiaries. Many charities are contributing towards big changes in society: reduction in prisoner reoffending, child poverty, and death by cancer. They are improving opportunities for those with disabilities and for those from disadvantaged backgrounds, or they are promoting healthy lifestyles. However large a charity and however broad its scope of services, it can only play a small part in the change and needs to work collaboratively with other organisations to be most effective.

Leadership styles

Jim Collins, writing about the research from his classic book Good to great, describes 'Level 5 Leadership' as the triumph of humility and fierce resolve'. His research is based across the sectors, but models of great and Outstanding Leadership[20] are particularly appropriate in the nonprofit sector where the cause is more important

than the individual. Great and outstanding leadership styles reflect the need to work with multiple stakeholders and build non-hierarchical relationships. Good leaders have highly developed emotional intelligence and the political skills to be able to influence and work collaboratively, to empower. Using command and control to demand action is inappropriate with people who are passionate, engaged and vociferous about what is right for the charity. However, if you are used to a different style of leadership, there is a danger that 'humility' can be misinterpreted as 'weakness'. Decisions and changes need to be thoroughly evidenced and relentlessly defended. The leader needs to have the skills, both reasoning and social, to understand how things interrelate and the impact of their actions.

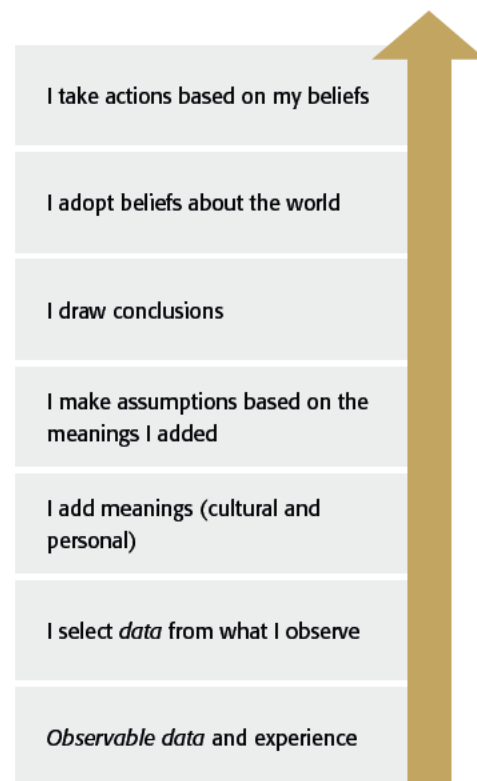# How to handle the differences in culture

It can be difficult, operating in a culture that is subtly different from your norm, to understand whether the behaviour and actions being demonstrated are positive or negative. You may experience a decision being made or an action that looks wrong based on your current beliefs about the way things work. It can be immensely frustrating for you if the action continues because the vote is that it's the right thing to do. It can be immensely frustrating for others if you are regularly querying or suggesting alternative actions which they feel are inappropriate.

The ladder of inference

There is an art in simple observation, being able to look at data and experiences without making any inference about what they might mean. Peter Senge[21] described the process of moving from observation to taking action in the 'ladder of inference'. We select data almost without being aware that we are doing it and we add meaning to the data based on our cultural and personal preferences. We make assumptions and draw conclusions based on the meanings we add, which are based on our current understanding, and from that we adopt beliefs and take actions.

It is a reflexive loop and our beliefs will determine what data we select next time. The danger is in selecting the wrong data, adding the wrong meanings and making the wrong assumptions based on our current beliefs about the world, so developing a vicious circle.

If something is happening which does not look or feel right based on your current understanding about the way things should work, how do you know whether the action is correct and you need to change your assumption or belief? Or that the action is wrong and you need to step in and make a change?

I take actions based on my beliefs

I adopt beliefs about the world

I draw conclusions

I make assumptions based on the meanings I added

I add meanings (cultural and personal)

I select *data* from what I observe

Observable data and experience

Taking action

We've identified four key areas where the culture may create misunderstandings
about the way things operate:

- Drivers and rationales
- Multiple stakeholders with different needs
- Income sources
- Trustees' expertise and motivation.

Each section explains:

- the background
- why things may be different to the way you are used to working
- the implications of the differences
- what behaviour or actions are positive and which are negative and need action
- if action is needed, the course of action that can be taken.

Drivers and rationales

Background

Charities are usually seeking social, medical or environmental change. They have to demonstrate public benefit as part of their charitable purpose and they are motivated by making change, however small, towards their vision.

People are often passionate about 'the cause' and align themselves strongly with the associated values and beliefs. These act as drivers for the reasons they join the organisation as staff, volunteers or supporters, and the values and beliefs determine how they behave.

Some charities can be grassroots movements with very powerful motivators which may operate emotionally, from the heart and not the head. These are often about rights.

Charities hold assets in trust on behalf of society and have a requirement to use these effectively.

Implications

Long-term impact will not be defined in financial terms – money is just a means to an end; there is a need to grasp and evidence social impact; it's challenging and inspires people, but is hard to define.

Sometimes this can lead to a lack of focus on long-term financial sustainability.

Sometimes there's too much focus on the current financial position (it's the only thing you can pin down).

Staff and volunteers can often be there because they are motivated by what the charity stands for and may not be interested in it as an effective entity.

Trustees need to be clear that they can align themselves with the impact sought and the values and beliefs.

Holding assets in trust for society sometimes means a reluctance to take measured risks and a focus on short term, safe activities.

How to spot what's happening

Positive indicators
- Conversations are about changing lives, not merely making money.
- A strong entrepreneurial spirit drives creativity and debate.
- There's a lot of evidence of caring for people.

Negative indicators
- Woolly and unfocused plans and priorities, as specificity is tough.
- Huge bundles of financial reports, to make people feel safe, but no future forecasts and scenarios.
- Caring is sometimes at the expense of running an effective business.

How to respond – possible actions

Learn to embrace this crucial driver, and see it as an opportunity to enrich your knowledge, skills and experience: you too can be part of changing the world!

Ask about the difference the charity seeks to make; try to pinpoint it in tangible terms. It may need to be woolly for a while – social change is hard to pin down.

Seek analysis and summaries. Seek a future focus.

Don't judge solely on financial measures.

Suggest ways of being both caring of people and caring about long-term sustainability.

Really question your motives for joining the charity. You have to be able to align yourself with the cause and drive for impact, and not just be seeking an opportunity to 'put something back'.

Help the board agree on decision-making criteria that fit both the ethos and ensure effectiveness.

Behave at all times in ways congruent with the values; find ways of challenging that fit with the values.

Case study

Bruce Gordon took up his first role in the nonprofit sector in the late 1990s when he became a trustee with the Guide Dogs for the Blind Association, where he remains as Chairman of the Investment Committee and Pension Fund Trustees. His background was as senior partner with Deloitte & Touche LLP and member of the board of partners. He now runs Thames Valley Capital Limited, which advises venture capital funds. He also chairs several high-growth companies. He is the founder Chairman of the Honorary Treasurers Forum and is currently Honorary Treasurer of NCVO.

'There are three challenges in making the transition between the nonprofit and private sectors. The first challenge is around finances. A business person has been driven by the premise that the major objective is to make profit and increase reserves. Therefore there is a conflict between the exec team who want to spend and the board who want to conserve. The reason you become successful in business is because you've created financial value and not that you've helped a lot of people. You need to learn quickly how to exercise the spending muscle. In business the person who controls the money is very powerful and influential – giving advice on what to chop and what to grow. In the charity world finance supports rather than leads. Strategic decisions are not made on the basis of finance, it's all about "where do we get the money from to increase impact on beneficiaries?" not, "do we have the money to do this?"

'The second challenge is around the collegiate nature of charity boards. There is a need to spend much more time to build consensus and it takes longer to ensure that objectives are shared in the same consistent way. Engaging lots of volunteers who are focused on helping beneficiaries takes time and there is a need to be very determined and stick with it.

'The third challenge is around governance. Trustees wrestle with the fundamental difference in legal operations and personal responsibilities. In an unincorporated charity the trustees are personally liable for losses or misdemeanours. In an incorporated charity the board still has collective responsibility for the operations even where these are delegated through the executive team. There is a struggle between the desire to manage and the need to effectively influence. There must be open discussions about how structures and policies can be put in place for effective monitoring which provide the right level of oversight.'

Multiple stakeholders with different needs

Background

External stakeholders have different and often conflicting value propositions and remits.

Commissioners of statutory services have a sharp focus on a political agenda, necessitating a short-term contract approach.

Increasingly, philanthropists seek close alignment with their Theory of Change.

The focus of beneficiaries is likely to be on getting their immediate needs met, and not on looking at the underlying causes of the problems they are facing.

Increasingly, funders insist that service users are involved in the decision-making processes of service providers, as funders want to be sure that those using

services feel that their needs are being met.

Funders (including commissioners) want to make arrangements with a single (often therefore big) provider to get economies of scale.

Different charities in the same market may have different approaches to bringing about the change.

Implications

The board needs to hear a range of different voices/to have different voices in the room to ensure balance.

It needs to tread a careful strategic path, being clear about the spectrum of needs, relative needs, and those it has to meet.

The loudest voice (funder, commissioner or beneficiary) can drown out others with detrimental effect.

It is increasingly seen as a prerequisite for effective governance that a board takes account of the views of members/service users/clients.

Giving voice to their needs can be challenging for some clients.

The charity needs to be clear about its vision, aim and scope, otherwise it will drift and dilute the impact it makes.

A 'consortium' approach from providers working in the same market can stifle innovation and creativity; consistency can bring a bland and 'lowest common denominator' approach.

Competition between providers (including, increasingly, 'for profit' organisations) can be healthy but survival of the fittest may mean your charity needs to sharpen up its act.

How to spot what's happening

Positive indicators
- Sufficient time is given for decision-making to allow different interests to be consulted and reflected.
- There are complex strategy development processes to allow for changing priorities – the need to be flexible and operate in real time and be fleet of foot.
- Board meetings are about delivering the contract efficiently.
- The charity's performance is measured against that of other players, and comes out well.

Negative indicators
- No mention of 'minority' stakeholder needs in board meetings.
- There is limited reference to client needs or there is a prevailing assumption that their needs are understood.
- Complex strategy processes don't necessarily generate new ideas for improving future impact.
- The effective delivery of major contracts or satisfaction of clients are not discussed.
- Other players are not considered either in terms of performance benchmarking or for possible collaboration.

How to respond – possible actions

Be patient – you are working to bring about social change, and it isn't a 'quick fix' kind of problem!

Develop your empathy skills and really try to identify with the needs of different groups.

Challenge colleagues to recruit people from different backgrounds.

Suggest that trustees have briefings on and from key external stakeholders.

Establish some trustees as key points of contact for different stakeholder groups, so that they can develop a deep understanding of the needs of these groups.

Suggest the charity holds at least two 'generative thinking' days a year. Also

hold 'blue sky' sessions at alternate board meetings. Do your 'future thinking' research and don't rely on the CEO to keep you up to date.

Seek information about how the charity's performance stacks up against other players.

Income sources

Background

There are multiple sources across the income spectrum (from donations to grants through contracts to trading income).

Some income will be (voluntarily) designated to achieving specific outcomes; some will be restricted to certain activ-

ities; some will be unrestricted (that is, you can spend it on any mission-related activity).

All of the income will be 'uncertain', or only certain for a defined contract period.

Some funders do not agree to fund the charity's infrastructure (management, finance function, etc.), so it is hard to cover real costs or build capital and reserves.

Implications

Living 'hand to mouth' forces you to be creative and to improvise; charities are highly skilled at doing very effective work on a shoestring.

Funding might be short term, but strategies have to be for the long term. It's tough to have a long-term vision,

though, when you only have money for next year.

Enterprise and trading activity are attractive because they provide unrestricted funds.

Uncertainty can stifle creativity and induce a reluctance to take necessary risks.

Management of the whole portfolio is a necessity if you are to be effective – a surplus in one area may subsidise a loss-making service elsewhere.

How to spot what's happening

Positive indicators
- The reserves and the reserves policy are allowing both proper investment in the long term and safeguarding the current state.
- Board decision-making demonstrates the ability to 'drill down' to see the integrity of decision-making at every level of the process, while also having a view to future strategic implications.

Negative indicators
- A focus on the balance sheet and short-term risk occupies board meetings – excluding the other equally important conversations about long-term impact and sustainability.
- The product portfolio shows an uneven mix of services – some loss-making and others just breaking even – but no one talks about it.
- Funders are only prepared to fund short-term high-impact services, with no regard to also funding 'what it takes' to make these services successful.

How to respond – possible actions

Watch and learn; use a spirit of positive inquiry to generate new approaches and ideas that build on what you see.

Listen to (other) trustees who are deeply rooted in the cause; see what you can learn from them, and then build on that.

Ask to see the board's decision-making criteria and make sure you are not sti-

fling creativity by the questions you ask, while still ensuring proper stewardship.

Push for products and services that cover their proportion of infrastructure costs, that is 'wash their own face', but be prepared to support services that are central to the charity's mission – can

they can be subsidised from elsewhere? Understand the portfolio mix.

Invite funders to board meetings so that you can really understand their motivations and 'sell' your approach.

Trustees' expertise and motivation

Background

Trustees will come to the charity with a range of different motivations and different expertise.

Trustees with specialist knowledge or experience have a greater duty to 'exercise such care and skill as is reasonable in the circumstances'.

But all trustees have an equal and collective responsibility for all decisions made (even those that are delegated).

Implications

Trustees need to have a general as well as a specific knowledge of all aspects of governance and of the work of the charity.

Every trustee has to ensure that they understand the basis of decision-making and are able to scrutinise how decisions are implemented (across all aspects of the work of the charity).

Trustees with a background and experience from the private sector may not fully appreciate the different culture or the regulatory environment in the nonprofit world.

How to spot what's happening

Positive indicators

- Trustees receive a thorough induction to all aspects of the charity and the Board committees.
- Trustees rotate around the different sub-committees and ensure they both understand and have sufficient knowledge to challenge.

Negative indicators

- Trustees who come from a specific professional background only 'come alive' in board meetings when their subject is being discussed.
- Others on the board have got into the habit of looking to the specialists for reassurance.

How to respond – possible actions

Don't sit on the board solely as a specialist – learn about other aspects of the board's work.

Really think about your skill set and the difference you can make. What can you give? What can you learn?

Learn about the different legislation and regulations applying to nonprofit organ-isations – don't assume that you know it all and that everything works in the ways that you are used to.

Ask to see the system of alerts and flags that demonstrate that the board can drill down (as and when it needs to, on an ad hoc basis) to assure itself of the integrity of what's going on. Don't delegate this.

Encourage a review of the board's performance, individually and as a group; if colleagues are not adapting to the culture, give them some feedback to help them understand better what is needed from them.

CHAPTER 4
HOW TO BECOME A TRUSTEE

By Ian Joseph, Chief Executive, Trustees Unlimited

Know thyself – motivation

When thinking about becoming a trustee, one of the first things to consider is why you want to become a trustee at all. Research has shown that the reasons for becoming a trustee are often mixed, with one survey of potential and existing trustees suggesting that there are often mixed motives, notably:

- 30 per cent keen to learn new skills
- 30 per cent passionate about a particular cause.[22]

It is okay to have mixed motives, for example wanting to learn new skills whilst using your existing talents for a purpose you feel strongly about. However, it is crucial that you are deeply committed to the mission of the charity with which you are thinking of engaging; anything less and you could find yourself struggling to put in the commitment the role requires.

This commitment will be tested and there may be times when the charity will require more of you, perhaps during a crisis or transition. At those times the dedication that you have to the objects of the charity will help you to have the energy and drive you need to provide the support asked of you. There is a caveat, however, and that is the danger of being a trustee of an organisation where you are too close to the cause. In these circumstances it can be a struggle to maintain objectivity. This is particularly the case within medical charities, where the health issue concerned may be one which is a personal condition of either the trustee or a close relative.

As well as reflecting on your motives, it is also important to know, if you are an employee elsewhere, what your employer thinks about you volunteering, and for you to be clear about the time commitment involved. Most enlightened employers now actively encourage staff to volunteer in some form or another and it is increasingly common to find companies giving people time off during company hours to do so. However, it is always worth checking that your employer will be supportive and also that there are no conflicts of interest. For example, a conflict might arise if your firm audits the accounts of the charity with which you wish to engage. So clarity with your employer about any issues that may raise concern is a must.

It is also sensible to have clarity about the charity's expectations of you and whether they are expecting that you can leverage pro bono services or funding. Be careful here; the UK model of governance typically recognises the skills people bring to the table

rather than the US model of bringing your chequebook and contacts. However, many trustees are also active fundraisers for the charity they are involved with and there is nothing wrong with that – the key is expectations both ways.

Case study

Rebecca (not her real name) is a young investment banker who became a trustee of a small social care charity. This didn't go well and here she shares some candid reflections.

A big lesson for me has been to be as clear as possible from the outset what the expectations are for me as a trustee and what I should expect from the charity. I would even advocate something formally written down! I was expecting to operate at a strategic level, but I was increasingly being asked why I was not inviting the charity to corporate events that I was hosting. Even if I had wanted to, this would have breached my contract with my employers and would have put my own career in jeopardy. The Chief Executive of the charity failed to see this.

One thing I did not realise was how resistant to change the organisation was. The charity expressed a huge interest and desire to embrace the fresh ideas that new trustees were bringing to the table, but when push came to shove they had no interest in trying anything but their own way of doing things – even (and possibly especially) when their way wasn't working anymore! This was immensely frustrating, as I thought, and still

do, that my suggestions were sensible and would add real value.

At first I was appreciative and humbled by the fact that the organisation wanted me to be a trustee; I forgot that I was giving them my time and my knowledge and experience. When they started to forget that too, and began demanding access to information I wasn't prepared to give, I was no longer interested in helping. I am very committed to the charity sector and to the organisations and people that make it great but, as with any other sector, there are some people who will take advantage of what you have to offer. For a good organisation and good people, a trustee (who, let's not forget, is a volunteer with a hefty burden of responsibility) will be willing to take up what amounts to a very involved, unpaid second job, and they will do so with a firm commitment and unfailing gusto, but when what they offer and give is no longer appreciated and when their services are taken for granted, the sad reality is that no amount of belief in a mission will save that failing relationship.

The only legacy I left was bringing in several other good trustees, one of whom has remained.

Skills

One mistake people sometimes make is to leave their professional skills at the door of the boardroom. If a person has been fortunate enough to have been trained in accountancy, for example, and has had many years of investment in that training, it would be a great pity for that individual to not use their expertise and to sit on the finance committee or become the honorary treasurer. All trustees have fiduciary and strategic responsibility for a charity, but you might be the only one who brings a specific skill to the board and that should be used willingly and gladly. So, if your experience is accountancy, offer to chair the finance committee; if is recruitment, offer to chair a nominations committee; and if it is law, consider taking on the role of company secretary. However, if it is general management, do not offer to run the organisation with the CEO!

The kinds of skills which boards are looking for are broad. Most organisations will complete a regular skills audit to identify where there are skill gaps. However, in thinking about your skills, you should also look beyond narrow professional boundaries and consider what else you have to offer. For example, your experience of managing through influence rather than control (as you will have read in earlier chapters, the sector is all about consultation), or your analytical skills or your ability to ask insightful questions in order to get to the heart of an issue, are all valuable contributions which you could make. Probably the most important skill of all is being able to offer sound judgement.

Understand the role of a trustee or non-executive

Much has been written about good governance, but one thing that needs to be clear is that being a trustee is rarely an operational role. There is a clear delineation between being a non-executive and an executive, and you should be prepared to have, as one candidate for a trustee role once told me, 'your nose in but your hands off'. That said, for small organisations with few or no staff, there is often a requirement for the trustees to be hands-on and to volunteer in ways that are operational. What needs to be clear is where the boundaries of decision-making are placed.

Some senior executives find the transition to the boardroom a challenge; they may be highly competent in their own fields but, whilst they understand intellectually the distinction between being operational and being strategic, in practice they can't help but get involved. So when you're thinking about joining a board, you must be comfortable with not being informed of every operational detail and happy to let the executive team (if there is one) run the organisation on a day-to-day basis.

Checklist
- Know and be able to articulate why you want to become a trustee
- Know what your skills are and be happy to use them
- Recognise that as a trustee you have collective responsibility for the governance of a charity
- Understand the delineation of responsibilities between the board and the executive

Due diligence

With over 160,000 charities in England and Wales alone, it is inevitable that some organisations will be exemplars of good practice with excellent management teams, healthy reserves and high-performing boards. It is also the case that many will be poorly run and there will be some that you'd probably be better off avoiding. So, assuming that you have been approached to join a board or perhaps you have found a charity with which you are thinking of getting involved, what research can you do?

Annual report and accounts

One of the first things to look at is the last set of audited accounts. These are available on the Charity Commission website: www.charitycommission.gov.uk. The Charity Commission will also show you the income and expenditure over previous years and the charity's compliance history in terms of filing their accounts.

The report and accounts are a treasure trove of information and often the report at the beginning will be illustrative of recent issues, including financial performance and plans for the future.

One key thing to look for is that the accounts are unqualified and that words to the effect of 'In our opinion the financial statements give a true and fair view of the charity's state of affairs …' are stated by the auditors.

Other items which can prove quite helpful are the organisation's reserves policy (and whether they are hitting it), its income risk profile (how dependent it is on particular sources of income) and the remuneration of key staff (this is normally recorded only if it is above a certain level).

Clearly the last set of audited accounts will not necessarily give a true indication of the charity's current situation, so you should request at the very least to see the last set of management accounts and be happy to sign a non-disclosure agreement if required.

People

You will want to satisfy yourself that you are able to work with the people in the organisation. Key relationships will be with the Chair and the other trustees. Tools such as LinkedIn will enable you to understand who your colleagues on the board will be. You will want to meet the board before joining them, perhaps as an observer at a board meeting, in order to satisfy yourself that the board is fit for purpose.

Another key relationship is with the chief executive and you will want to be reassured that this person is someone who is competent, who serves the board well and is comfortable with a board that will act as a critical friend. There are organisations with very powerful chief executives, where the board simply rubber-stamps decisions made at the executive level; these organisations should be approached with caution or avoided altogether.

Strategy

Most organisations, although by no means all, will have a strategy that they are working towards fulfilling. You might be joining a board because it requires your help to define the strategy and it can be a deeply rewarding process to be a part of strategy development.

If you are joining an organisation that already has a strategy, you will want to have read this thoroughly so that you can understand what the charity's immediate goals are and assess how your skills can best be put to use in order to achieve these aims. Some strategies are better than others, but at the very least there should be some key performance indicators which have specific time-bound objectives.

Memorandum and articles of association

The memorandum and articles of association of an organisation act as its constitution. You should read these before committing yourself to joining a board. Among other things, you will find information about the process for recruiting (and removing) trustees, about a trustee's term of office and, perhaps most importantly, about the objects of the charity. Check in the annual report that the activities the charity is undertaking match the objects. It has been known for organisations to experience 'mission drift'. This occurs when an organisation, often because it is in pursuit of

funding, starts to do things which are outside the scope of its objects or charitable purpose. The Charity Commission takes a dim view of this and it is the responsibility of all trustees to ensure that the charitable activities are in line with the objects.

Incorporation

Insolvency laws apply to charity trustees in the same way they apply to directors of companies. While it is exceptionally rare for a trustee to become liable for the losses of a charity, it is very important that you check that the organisation you are joining is incorporated in some way. Most charities are also companies limited by guarantee. In recent years, an increasing number are becoming or have registered as Charitable Incorporated Organisations (CIOs). If the organisation you are joining is unincorporated, you should ensure that you understand the personal risks and liabilities. Many organisations take out liability insurance for the trustees as added protection.

Checklist

- Study the charity's annual report and accounts
- Review the latest set of management accounts
- Obtain and study the charity's memorandum and articles of association
- Make sure that the organisation is incorporated
- Find out as much as you can about the other board members and the Chief Executive, and meet them

- Make sure that you are clear about the vision, strategic aims and values
- Check there is a plan to achieve the aims
- Enquire about the skills of exec team and their capability to be successful
- Ask about any big issues facing the charity
- If there are issues, be comfortable that there is a will and capability to change

Where to find opportunities

In the past, most charities would recruit trustees through their own network. It is now regarded as good practice to recruit from a wider pool in order to find the best talent available. It is also increasingly being recognised that diverse boards make better decisions. Through testing the market an organisation will inevitably bring to light a greater variety of talent than it will find if it recruits through its existing networks.

There is not one place for finding opportunities to become a trustee. However, there are many organisations involved in trustee recruitment in one way or another.

Useful websites

- Trustees Unlimited – www.trustees-unlimited.co.uk
- goprobono – www.goprobono.cityphilanthropy.org.uk
- Reach Skills – www.reachskills.org.uk
- Do-it.org – www.do-it.org.uk
- Honorary Treasurers Forum – www.honorarytreasurers.org.uk
- ICAEW – www.icaewvolunteers.com
- Charity Job – www.charityjob.co.uk
- The Guardian – www.theguardian.com
- Traditional head-hunters and recruitment firms.

Early days

Assuming you have been successful and have joined a board, what can you expect and what will be expected of you?

Induction

The first thing is to make sure that the charity has a good induction process in place. In an ideal world every charity will have a well organised and comprehensive process; the reality can often be quite the opposite. Nevertheless, a good induction process will include:

- meetings and introductions to other trustees, employees, beneficiaries, service users, etc.
- invitations to events, meetings and presentations
- an induction pack
- buddying or coaching.

Induction pack

Your organisation's induction pack should include information on the role and responsibilities of a trustee, plus key internal documents such as:

- a copy of its governing document
- a brief history of the organisation
- its current strategic plan
- its organisational structure
- the role description of a trustee
- contact details of other trustees and of the organisation
- the latest annual report and accounts
- minutes of the most recent board meetings
- key policies, where available, covering areas such as conflicts of interest, code of conduct for trustees, financial controls, equal opportunities and human resources.

The first meeting(s)

No one will expect you to be the most vocal person at the first board meeting. Often there is a huge amount of information to assimilate and you should use your first couple of meetings to imbibe as much as you can. However, a new trustee has the distinct advantage of being able to ask the 'stupid' questions and it can be very helpful for a board to have this objectivity at a board meeting.

Try to get to know your fellow trustees and get a feel for how decisions are made and how best you might be able to influence and contribute. Effective boards will run away days to build understanding and trust amongst the board members. Good behaviour leads to better decision making.[23]

And remember, you are taking on this role for the beneficiaries, so do not become side-lined with internal politics.

Mentoring is not something that many trustees have in place, although it is quite common for senior executives in other sectors to have this kind of support. If this is your first trusteeship, consider acquiring a mentor, perhaps an experienced trustee from another organisation or from a specialist organisation such as Trustees Unlimited.

END NOTES

1 Ipsos Mori (2012) *Public trust and confidence in charities.* Available from: www.charitycommission.gov.uk/media/92891/ptc_ipsos_mori_2012.pdf

2 Osborne, S. (ed.) (2008) *The Third Sector in Europe.* London: Routledge. Includes a discussion about the definitions of civil society pp. 9–25.

3 Unless otherwise stated, the statistics in this chapter are for the year 2011/12 and are taken from *The UK Civil Society Almanac 2014*, a reference guide to the key facts and figures on the voluntary sector produced by NCVO. Kane, D., Bass, P. and Heywood, J. (2014) *The UK Civil Society Almanac 2014.* London: NCVO.

4 See Kendall, J. (2003) *The Voluntary Sector.* Abingdon: Routledge, especially p. 233 for attributions of this phrase, both its original source and its adoption as a label for the sector by Professor Colin Rochester.

5 1601 Statute of Charitable Uses (43 Eliz I, c.4).

6 Jordan, W. (1959) *Philanthropy in England 1480–1660.* London: George Allan and Unwin. Describes the outpouring of philanthropy during the period between 1480 and 1660.

7 Owen, D. (1965) *English Philanthropy 1660–1960.* London: OUP, p. 532. An unmatched overview of the creation and support of services to mitigate poverty in this period.

8 Information about Child Poverty Action Group. Available from: www.cpag.org.uk

9 Kendall (2003) p. 2: an excellent academic overview of the voluntary sector.

10 Kendall (2003) p. 27.

11 Kane, D., Bass, P. and Heywood, J. (2013) *The UK Civil Society Almanac 2013.* London: NCVO.

12 Institute for Volunteering Research: www.ivr.org.uk/ivr-volunteering-stats

13 Information about the Wellcome Trust. Available from: www.wellcome.ac.uk

14 Charity Tax Group (2012) The Charity Tax map. Available from: www.ctrg.org.uk/files/tax_map/CTG_Charity_Tax_Map_Second_Edition_03-12-12.pdf

15 Charities Act 2011. Accessed at: www.legislation.gov.uk/ukpga/2011/25

16 The Policy Governance® Model. Available from: www.carvergovernance.com/model.htm

17 Code Steering Group (2010) *Good Governance: a code for the voluntary and community sector,* 2nd edition. Available from: www.governancecode.org

18 For more information see Eastside Primetimers www.ep-uk.org

19 Collins, J. (2001) *Good to great.* London: Random House Business.

20 Tamkin, P. (2010) *Exceeding expectation: the principles of outstanding leadership. Briefing Note.* London: Work Foundation.

21 Senge, P. (1994) *The Fifth discipline fieldbook.* London: Nicholas Brealey.

22 Trustees Unlimited, December 2012.

23 Hudson, M. and Ashworth, J. (2012) *Delivering effective governance – insights from the boards of larger charities.* London: DSC.

GLOSSARY OF TERMS

ASSETS Probable future economic benefits resulting from past activities that will affect organisational capacity.

BENEFICIARY Those expected to benefit from a project, programme or organisation.

COLLABORATION A spectrum of different ways in which two or more organisations can work together for mutual benefit – such as cost reduction, or to add value for beneficiaries. A collaboration can be formal (a merger) or informal (a network), and it can last for a fixed length of time or can be permanent.

COMPLIANCE Conforming to regulations and legislation (and being able to demonstrate this).

CONSTITUTION The legal document that, in written form, establishes the rules and principles, powers, duties, structures and processes of the organisation.

DIVERSIFICATION Establishing a broad portfolio (e.g. in terms of services, investments or funding streams) in order to minimise risk and create choice.

DRIVER A major force or trend that could positively or negatively influence the future of an organisation. Drivers have a complex relationship with each other; some drivers are an outcome of others. Some are reasonably predictable; some are uncertain.

EVALUATION Using information from monitoring and elsewhere to assess the performance of an organisation or to project against its stated aims or outcomes.

GOVERNANCE The process of oversight by trustees/board that ensures the organisation works to its aims, uses its assets to pursue those aims and acts at all times in the interests of beneficiaries.

GRANT A one-way, non-contractual transfer of money or other assets for a social purpose (often, but not always, charitable).

IMPACT All changes resulting from an activity, project or organisation. This includes effects that are intended as well as unintended, negative as well as positive, and long-term as well as short-term.

INDUCTION An event or programme of activities to welcome, orient and introduce a new recruit (staff, volunteer or trustee) to the structures, procedures, people and culture of the organisation.

LIABILITY An obligation that may put an organisation at a disadvantage. Often associated with past obligations causing future transfer of assets, delivery of service or other duty and/or yielding of benefits.

OTHER PLAYERS Any organisation or group that works in the same field as your organisation and/or that has similar or overlapping interests. They might be charities, commercial organisations or statutory bodies. They might also be competitors, suppliers or collaborators.

OUTCOMES The changes, benefits, learning or other effects that result from what the project or organisation makes, offers or provides.

SOCIAL ENTERPRISE A social enterprise is a business set up to tackle a social or environmental need. Their main aim is to generate profit which can be used to further the organisation's social or environmental goals.

SOFA Statement of Financial Activities. A charity's SOFA shows all the incoming resources becoming available during the year and all its expenditure for the year, and reconciles all the changes in its funds.

SORP *Statement of Recommended Practice Accounting and Reporting by Charities*, published by the Charity Commission, provides guidance on the format and content of charity accounts and annual reports.

STAKEHOLDER All individuals and groups who are affected by, or can affect, a given project, programme or organisation.

STATUTORY BODY An institution empowered by the state through legislation to establish policy, regulate, fund and provide services.

STRATEGY A way of mobilising an organisation in its direction of travel: setting direction, analysing what the organisation needs to do, planning, implementing and evaluating the plan.

SUSTAINABILITY The ability or facility to remain robust and last into the longer term; continuing to exist and being maintained at a defined level of strength indefinitely.

THEORY OF CHANGE A tool which shows how an organisation's day-to-day activities contribute to its overall mission. It sets out a clear path from needs to activities to outcomes to impact, describing the change an organisation wishes to make and the steps needed to make that happen.

TRADING The exchange of goods or services, or both, through a market, using a medium of exchange such as barter (direct exchange of goods or services) or money.

TRUSTEE In legal terms, the holder of property in trust on behalf of beneficiaries. For most nonprofit organisations, trustees are board members with defined duties under the constitution; the people with the general control and direction of a charity. A trustee may also be called a 'management committee member' or similar.

SIGNPOSTS TO MORE INFORMATION

Publications

Adirondack, S. (2006) *Just about managing.* London: London Voluntary Service Council

Association of Chief Executives of Voluntary Organisations (2002) *Leading the organisation.* London: ACEVO

Charity Commission (2012) *The essential trustee: what you need to know (CC3).* London: Charity Commission

Charity Commission (2013) *What makes charity (CC4).* London: Charity Commission

Charity Commission (2008) *The hallmarks of an effective charity (CC10).* London: Charity Commission

Dyer, P. (2014) *The Good Trustee Guide,* 6th edition. London: NCVO

Hudson, M. (2009) *Managing without profit – leadership, management and governance of third sector organisation*s, 3rd edition. London: DSC

Websites

The Association of Chairs
www.associationofchairs.org.uk
For Chairs of social purpose and not-for-profit organisations, formed in order to help Chairs with their unique task.

The Charity Commission
www.charity-commission.gov.uk
Provides support, advice and information and a number of really helpful publications.

KnowHow NonProfit
www.knowhownonprofit.org
Offers knowledge and expertise on governance in the voluntary sector.

NCVO
www.ncvo-vol.org.uk
Follow links to governance and leadership.

Tools for Success guides
www.cass.city.ac.uk/cce
These are intended for use by any small voluntary and community organisation wishing to invest in its long-term sustainability.

Lord Mayor's Charity Leadership programme
www.cass.city.ac.uk/lmclp
Further information about the programme and access to materials including this guide.

Honorary Treasurers Forum
www.honorarytreasurers.org.uk
The Honorary Treasurers Forum is the source of professional development and camaraderie for Treasurers of nonprofit organisations

THE AUTHORS

MARY CHADWICK'S successful cross-sectoral career has encompassed business, nonprofit organisations and the academic environment. In the City she was a Director of a private bank, and Non-Executive Director (NED) of a Guernsey Trust Company, and she has also been a NED of a Strategic Health Authority. She was Chair of One World Action for seven years, and is currently a trustee of the international development charity Practical Action and also a director at Cass and Claredale Halls of Residence, an Industrial and Provident Society. Mary was the joint founder and director of a successful social enterprise, PrimeTimers. She writes regularly through thought pieces and blogs. She is a Principal Consultant with Cass CCE and has a Doctorate in nineteenth century British history.

CAROLINE COPEMAN is a consultant and a Senior Visiting Fellow at Cass, with a particular interest in strategy, organisational development and leadership. Caroline is the lead author for the NCVO publication *Tools for tomorrow*, the best-selling guide to strategy development and implementation for the nonprofit sector. She has also produced an NCVO guide to scenario planning, *Picture this*, and co-authored a guide to strategic analysis, *Looking out*. Caroline has taught on the MSc in Voluntary Sector Management for the past 15 years and has an MBA from Henley Management College.

DENISE FELLOWS is Director and CEO of Consultancy and Talent Development in Cass CCE with particular interests in leadership, federated charities and collaborations. She has worked in the nonprofit sector for the last ten years, after an earlier career in high-tech companies, including a role as European director of an internet services company. Denise is also part-time Chief Executive of the Honorary Treasurers Forum, which provides support and advice, primarily through regular meetings, to trustees who take the role of treasurer in their charity. She is on the board of a number of faith-based charities and has an MSc in Voluntary Sector Management.

PAUL GIBSON is a Senior Manager in Mazars Charity Sector and Social Enterprise Group, based in the London region and working across England. He is a chartered accountant and holds a Diploma in Charity Accounting. Paul works with charity clients on trustee development, governance, strategy, mergers, change management, risk and financial control. He writes and lectures on charity matters and co-authors the *Tolley's Charities Manual*. He is trustee of a number of Quaker and social enterprise boards. He is a Non-Executive Director of the Social Stock Exchange, which brings together impact investors and impact businesses for the benefit of society.

IAN JOSEPH is both CEO of Trustees Unlimited and Managing Director of Russam GMS, the UK's oldest interim management company and a leading executive search firm. For a number of years Ian was Chief Executive of a charity which specialised in the fields of homelessness, addiction, mentoring and international development. He has been a member of various boards over the years and has served on a number of committees including the Chief Executive Remuneration Committee of the RSPCA. He is a founding trustee of Cyclopark, an Olympic legacy project, and he is on the professional advisory board of Charityworks. He holds a Masters degree in Voluntary Sector Management from Cass Business School and is a Fellow of the RSA.

THE SPONSORS

Trustees Unlimited

Trustees Unlimited is a joint venture between Bates Wells Braithwaite, the National Council for Voluntary and Community Organisations (NCVO) and Russam GMS. It provides a solution to the problem many organisations face – trying to recruit high-quality trustees and non-executive directors in a rigorous and yet cost-effective way.

Formed in 2009, Trustees Unlimited has quickly established itself as one of the premier providers of trustee and non-executive recruitment. For more information visit: www.trustees-unlimited.co.uk

Cass Centre for Charity Effectiveness

Cass Business School is ideally placed in the City of London, close to the Bank of England, and at the heart of the capital's charity triangle. The School's research output is ranked as world-leading and internationally excellent. Cass CCE is the leading nonprofit and philanthropy centre in the UK. The world-class blend of academic research, post-graduate programmes, talent development and consultancy services deliver leading-edge thinking by combining extensive practical experience with best practice, theory and research. For more information, visit: www.cass.city.ac.uk/cce

Mazars LLP

Mazars LLP is a single integrated international partnership in 72 countries, providing audit, accounting, tax and advisory services. In the UK, it has 127 partners and over 1,300 employees working at its 20 offices. It acts for a wide range of not-for-profit organisations, including charities, social enterprises, social housing and education bodies. As well as providing compliance services, it works with its charity clients on board development, strategic planning, governance arrangements and risk mitigation. It also has teams working on social finance, sustainable banks, sustainable cities and ethical supply chain auditing. For more information, visit: www.mazars.co.uk