

# Chairs, Vice Chairs and Other Trustees

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# Overview of the Third Sector

.....some statistics

Source: NVCO UK Voluntary Sector Almanac

## The Third Sector -Income

- Total income 2005/6 - £31.7 billion
- Total income increase last two years - £1.3 billion
- 70% of income is generated by 2% of the sector
- Earned income £15.6b; £12.9b of voluntary income; investment income £2.5b
- Public sector provides £10.8b of income (largest single source)
- 48% is earned income (sale of goods& services) and now greater than voluntary income (grants & donations) - 44%

## The Third Sector - Workforce

- 611,000 paid employees (2.2% of workforce)
- 61% full time
- 39% part time/fixed term (29%public; 23%private)
- 88% Permanent staff;12% temporary

## The Third Sector - Trustees (1)

- 890,000 Trustees
- Approx 40% of trustees sit on more than one board/management cttee
- 85% of the trustees sit on boards of orgs with less than £100k turnover

## The Third Sector - Trustees (2)

- 55% trustees are men (% grows in larger orgs)
- 71% trustees are aged 45 and over
- 4.8% trustees are from black and ethnic minority communities

# Boards looking to the Future

## Trends:

- Plateau in growth of resources (income, expenditure, paid workforce)
- Professionalised sector
- Large increases in income from statutory sources; rise of contracting
- Marketisation and monopolisation: 'winner takes all'
- Growth of social enterprises
- Impact of new technologies
- Focus on the individual
- Falling voluntary income (esp. small and medium-sized organisations)
- Partnership and collaborations between sectors; mergers within sector

# The Third Sector - Summary

## A Complex Sector...

- Driven by a not-for-profit value base
- Aspiring to be business like (not 'like a business')
- Origins philanthropic or oppositional
- Aspirations to improve quality of life

# So what sort of Board does your organisation need?

NfPs have a wider range of objectives than a commercial company, their outputs and outcomes are more difficult to measure and the constituents they serve are harder to define.....This makes the question of how they should be governed a crucial issue"

*Sir Adrian Cadbury, 'Rethinking Governance' ;  
acevo Dec 2003*

## Basic Functional Governance ...

- Board meets as required by constitution; is quorate
- Board ensures organisation operates within its legal framework
- Has relevant honorary officers and a process for trustee recruitment, selection and rotation
- Makes decisions
- Has accurate records of meetings and decisions taken
- Trustees familiar with structure of organisation and what it does

## Boards moving on.....Chairs Taking the Lead

Your view.....

*What are the key areas in which the Chair should take a lead to achieve Board improvement?*

## Chairs Taking the Lead

Board business including:

- ❑ Effective meetings
- ❑ Support and monitoring of CE
- ❑ Engagement with strategic planning
- ❑ Recruitment, selection & retention of trustees
- ❑ Sub-committee structure (purpose, ToR, review process)
- ❑ Board development programme
- ❑ Effectiveness review (individual and corporate)
- ❑ Trustee conflict; trustee behaviour

**Aiming for High Performance- “...The Board should have clear responsibilities and functions that are effectively organised”** (*Code of Good Governance 2005*)

**Duties & Responsibilities**: clearly understood and in written form

**Effective Board**: Board is organised to make the most effective use of time, skills and knowledge

**Information & Advice**: sought as needed to make good, effective decisions

**Skills & Experience**: as diverse as needed to be effective

**Development & Support**: appropriate induction, training and learning to ensure effective discharge of duties

**The CE**: appropriate support, supervision and appraisal and remuneration

# High Performing Chairs

**Duties & Responsibilities**: work with CE and trustees to ensure written information and good induction

**Effective Board**: knows the talents of trustees and how best to use them

**Information & Advice**: consults trustees and CE about what and when professional advice is needed by the Board

**Skills & Experience**: thoughtful about range of skills/experience needed in relation to organisation's services and end users

**Development & Support**: active in planning and taking part in induction and Board relevant development programme

**The CE**: manages support, supervision and appraisal of CE; involves other trustees, keeps Board informed

# What's a Vice Chair for?

Focus on the scope of the chairing role and consider:

- ❑ What's the size of the job?
- ❑ What is the range of skills, knowledge and attributes required?
- ❑ How much time will be needed to lead the Board?
- ❑ How can the role be shared? How is the work to be divided?
- ❑ How will this affect the other honorary roles (Treasurer, Company Secretary)

## The Trustees Contribution...

Effective trustees hold the organisation and its needs in mind e.g.

- Talk to each other between meetings
- Inform themselves about progress
- Clear minor queries through the Chair/Vice Chair
- Volunteer to take on tasks - and deliver
- Are realistic about what they don't know - and find out

## Boards: Survival of the Competent...

- ❑ Chairs/Vice Chairs support and work in partnership with the CE
- ❑ Chairs/Vice Chairs support and work in partnership with each other
- ❑ The most effective trustees are clear about their own strengths and limitations
- ❑ Effective trustees recognise the need for continuous learning
- ❑ Effective Boards recognise the achievements of their Executive and work positively to mitigate any limitations

## And finally.....

- ❑ A Board will only function well with good leadership.
- ❑ Trustees owe it to their end users to actively support/work with their leader(s)
- ❑ Governance leadership is an art; it requires continuous reflection and review



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*Millcaster town*

**poll**

[Contract or gag?](#)  
Is contracting making us less able to speak out?

- Very much**  
15 (48.39%)
- Somewhat**  
6 (19.35%)
- Not really**  
6 (19.35%)
- Not at all**  
4 (12.90%)

Votes : 31

# KnowHowNonProfit

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