

In the Hot Seat

Michael Carpenter, CTN's deputy chair and chair of two other charities shares his views and experiences of being a chair.

1. What attracted you to becoming a chair?

I am Chair of two very different charities – the Alpha Common Investment Fund (CIF) for Income and Reserves (I am also on the board of its sister Endowments Fund), and a grant giving charity which distributes about £70,000 per annum. I have long been interested in the investment environment for charities and some years ago I wrote a Report for the Charity Commission on the regulatory framework for CIFs and devised a new regime for the assessment of applications. I little thought I would subsequently represent the first Fund to apply for registration under the rules I devised! The grant giving charity enables me to engage with many wonderful Christian charities whose work I find a constant inspiration.

2. How did you become chair?

The Chair of the Common Investment Fund is elected by board members annually. The Fund has been operating for 3 years and my colleagues have been very trusting in reappointing me each year. I think I was approached initially because the board felt that it could be helpful to have a Chair with primary experience in the charity world, with secondary experience in investment (rather than the other way round). I became Chair of the grant giving charity many years ago thanks to the confidence of the founders.

3. Is there anything that would make you an even more effective chair?

My career as a practicing solicitor and then as a regulator meant that when I “retired” there was a lot to learn about the really difficult day by day operational issues faced by small organisations with minimal or no staff. This remains the case now. So, more practical knowledge and understanding of the charities we serve.

Saying less and listening more.

4. What's the biggest challenge you have faced in your role?

A Common Investment Fund is an unusual charity in the sense that it has 3 distinct heads (Board, Manager and Trustees) all regarded as a matter of law as being “charity trustees”. Handling the inter relationship and overlap between the roles has required some finessing and sensitivity although there is a high level of goodwill and cooperation between all of us. Our challenge is to ensure that

the Fund deserves to be branded as a charity with the distinctiveness that goes with this rather than just another (hopefully, very good) investment product. We have developed the role of the Board so that it acts in effect as a proxy for the charities investing in the Fund and we carry out this role by challenging assumptions, performance and processes, and ensuring that as a charity we comply with best charity practice as well as best investment practice.

5. What is the major area of work or issue that you are facing now as chair?

The grant giving charity receives hundreds of unsolicited applications every year but it has very limited resources. It has established clear criteria for grant making but has recently developed a policy under which the number of charities we support has been reduced from around 75 to around 25. We believe this new policy will make our grants more effective not only because they can be bigger but also through the influence we can exert through closer relationships. We will need to watch carefully the impact of this change. Whilst we have considerable experience of making judgments against our criteria, we are facing the need for succession planning and possibly administrative support to ensure continuity. The present trustees have been in office since the charity was established (at much more modest levels) so this is a key time for us.

6. What do you consider the most satisfying aspect of your role as chair?

Nobody would take on the role of board member or Chair unless they wished to make a difference. The two charities of which I am Chair support other charities so their influence is one stage removed from service delivery. But it is particularly gratifying to see charities we have supported having influence in their fields and making a difference to the lives of those in need.

On a personal level, the challenging fellowship of board members, all seeking the very best outcomes, is extremely rewarding (and a great source of my own learning and development).

7. What do you think is the ideal term of office that a chair should serve?

It depends on the organisation. For the CIF I think no more than 5 years would be appropriate. The investment environment has always evolved but is now doing so at an ever faster pace and it is important that the Chair does not lag too far behind in understanding of this environment. For the grant giving charity

rather different considerations arise, particularly as, in effect, the trustees do everything (including writing letters to all the applicants we turn down). The issue is not so much the length of the term of office but more the succession planning coupled with retaining corporate knowledge and experience

8. What tip would you give to a new chair?

Empower staff, value the knowledge and experience of your colleagues, start and end meetings on time, ensure that you focus on key strategic issues, uphold the values of the organisation internally and externally, do not be frightened of failure and celebrate success.

9. If you weren't a chair, what would you do with that time?

Although it sounds pompous to say this, nevertheless as a Christian I believe strongly there are always ways in which one can be of service and this expectation of service lasts life long. But I would like to lower my golf handicap – anybody have any guaranteed tips to improve putting?

10. Does your trustee board have any methods in place for appraising its own performance?

No formal appraisals but we do discuss periodically how we might perform better. I have never had to face the issue of underperforming board members (in my days as a solicitor it was often on the agenda for charity clients) but I have no doubt we would address it vigorously if needed. Your question prompts me to ensure that the issue of appraisals is discussed by my boards in the near future to see whether it would add value.

11. Is there any particular publication, course or resource that you have found helpful and would recommend to other chairs?

As Deputy Chair of CTN you would expect me to say (although I believe it strongly) that CTN's face to face networks and its interactive website are extremely good ways of sharing knowledge, raising questions, tapping in to other people's experiences, and building individual and board confidence. I am a fan of the *Code of Good Governance* whilst accepting that it has to be read and applied in the context of individual organisations rather than being a universal blueprint. The Charity Commission website is excellent and its recently revised publication *Hallmarks of an Effective Charity* is well worth a read.