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### What you can and cannot delegate

The Institute of Chartered Secretaries and Administrators has released guidance on matters reserved for boards of trustees.

The Guidance Note draws upon a number of documents and legislation in order to develop a specimen list of matters reserved for the board in respect of those decisions that cannot be delegated, and can be found at:  
[www.trusteenet.org.uk/resources/matters-reserved-board-trustees-icsa-guidance-note](http://www.trusteenet.org.uk/resources/matters-reserved-board-trustees-icsa-guidance-note)

## news and opinion from a Chair's perspective

### Hints for effective meetings

It can be difficult knowing how to be as effective as possible in using the precious time you have together with your trustees. Here are some hints that have been shared by chairs of other boards.

- **Structure your agenda.** Be clear in the papers whether agenda items are for information, discussion or decision. It may also help to include estimated times for each of the agenda items, so that the board know how much weight various items are being given and how much time there will be for discussion.
- **Make sure you have sufficient time for key discussions,** by putting them at the top of the agenda, rather than at the end.
- **Develop your Deputy or Vice-Chair,** so that they are ready to stand in for you at a moment's notice.
- **Try to make sure that everyone has a say around the table.** This may not be necessary on every item, but it can help on major decisions to go around the table and give each person a turn.
- **Ask one of the other board members to lead on one item on the agenda** – perhaps where they have particular knowledge of the issue or it would be good for them to develop such knowledge.
- **Consider visiting another charity's board meeting** to see how they handle their meetings.
- **Think of ways outside of meetings to give your board time for getting to know each other,** to have unstructured discussions and help build them as a team.

### Working with sub-committees

Like them or loathe them, sub-committees are a major feature of the governance of many charities and voluntary sector organisations. But when should you use them and how do you get the best out of them?

Sub-committees can help the board save time by dealing with the detail of board issues separately from the main meeting; and they are a valuable training ground for new board members, future chairs and a mechanism for involving trustees and outside advisors.

The question of whether to delegate the work of the board to a sub-committee or to retain it as a whole board is not always easy to answer. To start with, the board must have power in their governing document to delegate decisions to sub-committees. Even so, it is important to remember that the whole board is responsible for the decisions taken.

The main advantage of using sub-committees is that they can be more effective in getting the most out of the trustees' expertise and time, but this has to be weighed against the risk that the board may lose its overall

**Tip:**

How about 'working parties' as an alternative to sub-committees? They are task-orientated – focusing on one particular topic, and time-limited – finishing as soon as the work is complete.

oversight role. Other risks are that the full board does not take complete responsibility for the decisions of sub-committees and that trustees can become overloaded with meetings.

When setting up sub-committees, it is helpful to clarify decision-making powers by drawing up terms of reference. The following basic template can be a useful starting point for this purpose:

**Terms of reference of [insert theme] sub-committee**

1. The purpose of the [theme] sub-committee is to [state purpose].
2. The sub-committee shall have the following membership [delete/fill in details as applicable]:
  - a. Chaired by: [insert name or role of chair]
  - b. Honorary officers
  - c. [x] Board members
  - d. Independent/external members
  - e. Staff members
3. EITHER -The sub-committee has authority delegated by the full board of [name of charity] to make the following decisions:
  - a. List of areas of delegated authority
  - b. As aboveThe quorum is [insert minimum number of people who must be present at a meeting in order to make decisions].  
OR -The sub-committee has an advisory role and does not have authority delegated by the full board of [name of charity] to make decisions.
5. The sub-committee will report to the full board.
6. Meetings will be held monthly/x times a year.

**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 for Income (CIF) 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. 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.

**3. 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,

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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.

### **4. 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.

### **5. 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.

**6. 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.

### **7. 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.

### **8. 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.

Unfortunately there is not space to include all Michael's answers, so the full interview is available at: [www.trusteenet.org.uk/resources/2046](http://www.trusteenet.org.uk/resources/2046)