

Lessons for the future of governance?

It's not a small question. And, it's a particularly difficult one when the world around us is so uncertain. The rising role of online tools in being a trustee means we're all working differently.

Stewart Macgregor, The Robertson Trust and Judith Turbyne, OSCR joined a group more than 40 board members during Trustees Week to talk about some of the things we can learn and what we can do to prepare for what lies ahead.

1. Funders and the regulator are part of our team.

A clear lesson is that funders and OSCR are even more committed to sharing what they learn from having an overview of what's going on for organisations across Scotland and responding to those needs and challenges. There was a clear commitment of support to help organisations develop their skills and procedures, and to breaking down perceived barriers that exist between the funders and the funded.

The Robertson Trust, like others, are taking a 'funder+' approach to ensuring that training and tools are available to help organisations improve their practice and get support when it is needed. This will help us operate confidently and well.

OSCR made a clear commitment to continuing to build public trust in the sector and in helping us tackle crises when they arise. They're not trying to catch us out, but instead help navigate difficult times. Notifiable Events sound pretty scary to many but the system is designed to help us overcome our problems and do that with expert insight.

Why does it matter? Being a charity trustee is a privileged role that places us as caretakers of our organisations as well as the needs of the people and communities we serve. Funders, OSCR and other umbrella bodies can help us work through our current challenges.

2. Transparency and trust are cornerstones, but we'd like them to come with more humanity.

Be honest about what your organisation needs. Don't try to hide behind paperwork or process. Organisations and their boards are made up of human beings. Each speaker wanted to see how those people interact so that they have an understanding of the organisation as a whole. As Stewart Macgregor put it 'We want to fund good work, not (simply) good applications.'

There was a call from the virtual room for lighter touch applications and a recognition that good organisations and good work cost money. Full cost recovery should be part of your thinking and your budgets at all times. We shouldn't be hiding our real costs, and project budgets should take an honest view of what's actually needed for success. After all, a project worker without a computer or management support can do very little.

The pandemic has seen a huge shift happen towards more core funding of organisations and it seems this is set to continue. The Robertson Trust's new funding strategy acts as a clear statement of intent on this issue, as they hope to build long-term relationships with organisations delivering work to address poverty and trauma in Scotland. Funders want to help and empower us do what's needed most and not squeeze our work into ill-fitting boxes.

3. Good Governance is founded in living documents.

We talked about bad governance to get a sense of where organisations can easily go wrong, and what can be changed. The key issues that were highlighted include:

- Poor decision making, and poor records of past decisions can lead organisations astray. The importance of clear minutes is something I typically take for granted, but I have thought less about the importance of these in looking backwards. Why did we decide to do what we are doing? The logic that applied five years ago may not be relevant in a changing world and only in looking back can we confidently move forward from some issues that trustees sometimes see as immovable barriers.
- Conflicts of interest and composition of a board were the other focus. Where a board has stagnated or is suffering from 'founders syndrome' it can be difficult for an organisation to operate well and give staff the freedom they need to do their jobs confidently. Too much operational interference or vested interests can lead charities into difficulties and erodes the transparency and best practice that our colleagues, beneficiaries, funders, partners and regulators need from us.
- Weaknesses in these areas cause complaints, rejected applications and lack of trust.

Good governance means that your constitution and processes are living things:

- Review your constitution or Mem & Arts regularly. Is it up to date, relevant and future proofed?
- Have clear processes for appointing board members and carry out a skills audit of your board regularly. Set aside a budget for training or see what SCVO, ACOSVO or your funders are offering that you can access for your board.
- Ask OSCR or your funders for help when you need it. Are you board at odds with each other? OSCR can signpost you to help manage conflict or navigate constitutional change.
- Assess your board and use Scotland's Governance Code for the Third Sector. The Code sets out the core principles of good governance for the boards of charities, voluntary organisations and social enterprises in Scotland.

4. Understand the impact of the digital world on your governance practice

So much has changed for all of us this year, not least the inability for boards to come together in person.

The speakers' advice was that direct service delivery looks very different than it did in March. Be prepared and open to change staying for the longer term. Embrace digital models of working and provide training and support where it is needed for success.

Ensure your constitution allows for your board to meet digitally and take decisions remotely. If it doesn't, you need to update it.

Invest in training and technology, and be explicit in your needs for support in these areas in your grant applications.

Be open to a different way of communicating. Judging tone and chairing or participating in a meeting digitally is different. Think about your softer skills and approach to tackling difficult conversations to ensure all voices are heard.

There are benefits too. Enabling remote meetings reduces travel cost, travel time and removes geographic barriers to participation. Look for trustees further afield and enable them to contribute this way in the future.

The same is true with people who face other barriers too. For example, a disabled trustee may find it easier to attend a meeting digitally than they might in a building with poor access or no parking, or a parent whose family commitments mean travelling to a meeting in person is too time consuming could attend remotely. Digital attendance at meetings opens up a world of possibility for greater board diversity if you welcome remote access permanently.

Make sure your website is fit for purpose and use it not only to provide service information but your accounts, trustee profiles and annual review too. These help build trust and openness.

The key message to all trustees is to look ahead and look after the building blocks of your organisation. Be open, communicate well and build transparency into all that you do. Ask for help when you need it, our funders and regulator want us to succeed as much our service users need us to be there.

There was commitment from OSCR and the Robertson Trust to consider and identify future opportunities to collaborate with others on improving knowledge and skills of the charity sector in Scotland.

Virginia Anderson, Chair of the Chartered Institute of Fundraising Scotland