

City & Guilds Group

Board Effectiveness Review 2017/18 & Action Plan 2018/19

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Vice Chairman

Agreed by the Board of
Trustees in September 2018

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Group website

In accordance with the Charity Commission's Charity Governance Code (July 2017) and at the request of the Chairman, I was asked, in my capacity as Vice Chairman, to undertake a review of the effectiveness of the Trustee Board of The City and Guilds of London Institute (Board) during the period July 2017 - June 2018, using as a baseline the action plan for improvement written by the external consultant, Mark Goodridge in his Board and Governance Review, produced in January 2017 and published on the City & Guilds Group (Group) website.

All Trustees on the Board have experience as NEDs on a range of boards across the public, private and charitable sectors. In this context, in reviewing Trustee and Board performance in the last year, **the overall judgment of Trustees is that the Board is essentially effective and fit for purpose.**

The Board operates in an open, friendly, respectful and mature way. The Board is well organized and attendance is good.

Trustees behave professionally and courteously.

Trustees' relationships with the CEO and the Management Board are positive but not cosy.

Trustees are able to, and do, question and challenge the CEO and Management Board.

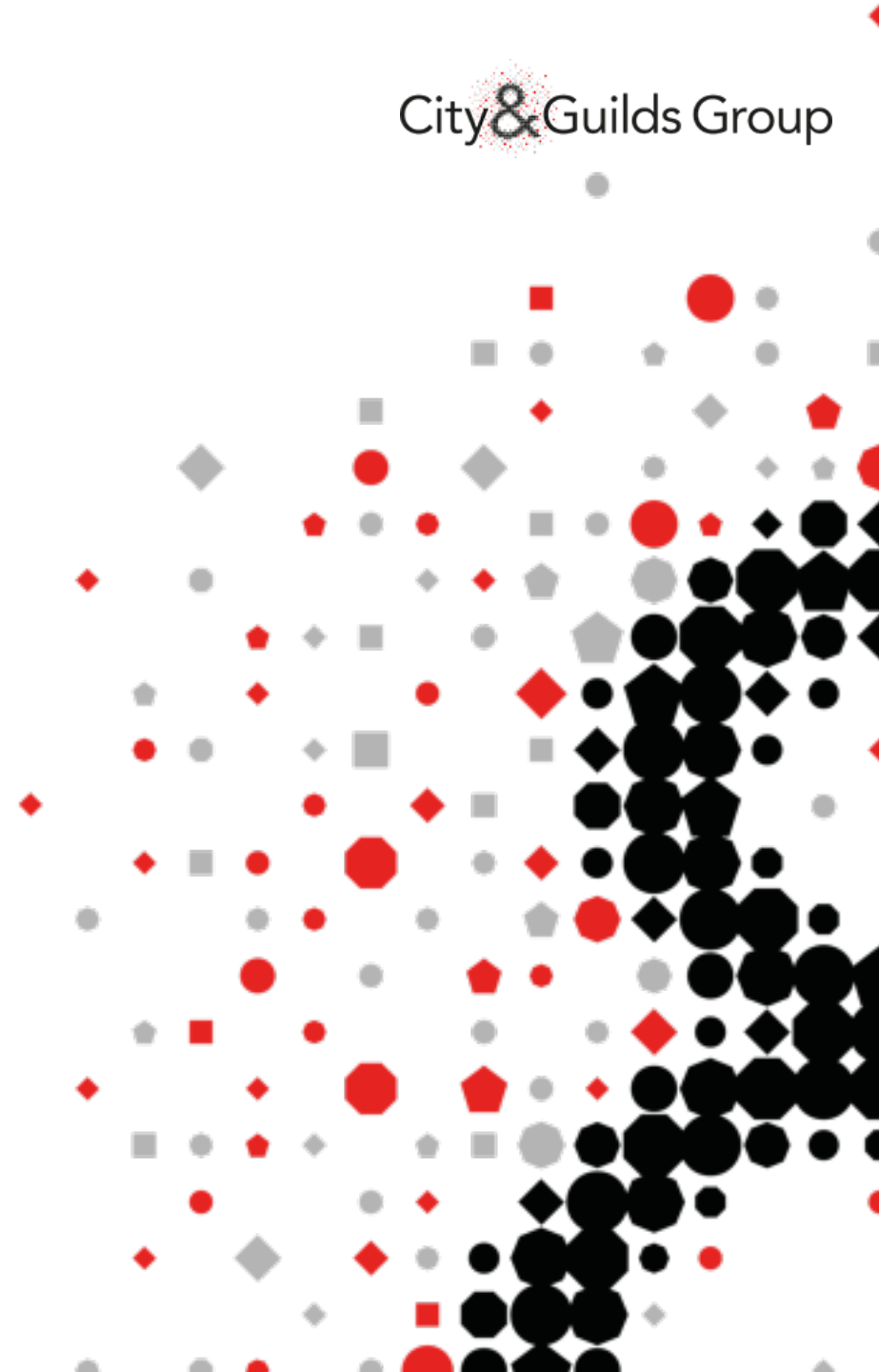
Trustees enjoy working together and with the CEO and Management Board.

Trustees feel that the experience of working on the Board provides an opportunity for personal learning and development.

Trustees are unanimously passionate about what the Group does and are proud to be associated with the organisation.

Suggestions for improvements made through this review are ideas that constitute 'fine tuning' in order to further enhance Board and Management Board performance and are detailed in the action plan 2018/19.

Action Plan 2018/19



Principle 1. Organisational purpose

The board is clear about the charity’s aims and ensures that these are being delivered effectively and sustainably.

Charities exist to fulfil their charitable purposes. Trustees have a responsibility to understand the environment in which the charity is operating and to lead the charity in fulfilling its purposes as effectively as possible with the resources available. To do otherwise would be failing beneficiaries, funders and supporters.

The board’s core role is a focus on strategy, performance and assurance.

KEY OUTCOMES	AGREED ACTION FROM 2018 REVIEW	BY WHOM
1.1 The board has a shared understanding of and commitment to the charity’s purposes and can articulate these clearly.	Continue to hold an annual strategy away day and engage Trustees in the shaping of the programme for the away day	Chair and CEO Director Legal Services
1.2 The board can demonstrate that the charity is effective in achieving its charitable purposes and agreed outcomes.	Devise impact measures that provide evidence – using the work undertaken with Cranfield on Skills Development Fund as a model	CEO
1.3.2 The board leads the development of, and agrees, a strategy that aims to achieve the organisation’s charitable purposes and is clear about the desired outputs, outcomes, and impacts.	Engage Trustees in the shaping of the programme for the away day	Chair and CEO
1.4.2 The board evaluates the charity’s impact, measuring and assessing results, outputs and outcomes.	Devise impact measures that provide evidence – using the work undertaken with Cranfield on Skills Development Fund as a model	CEO
1.5.1. The board regularly reviews the sustainability of its income sources and business models and their impact on achieving charitable purposes in the short, medium and longer term.	<p>Engage Trustees in thinking through next stages of business development for the Group; this may involve some Trustees getting more closely, appropriately, involved with, and therefore visible in, some parts of the Group’s activities.</p> <p>Board annual plan to include a visit and holding of a Board meeting in a part of the Group operating outside London</p>	<p>Chair and CEO</p> <p>CEO</p>

Principle 2. Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity’s aims and values. Strong and effective leadership helps the charity adopt an appropriate strategy for effectively delivering its aims. It also sets the tone for the charity, including its vision, values and reputation.

KEY OUTCOMES	AGREED ACTION FROM 2018 REVIEW	BY WHOM
2.4.1 The board and individual trustees take collective responsibility for its decisions.	Trustees to challenge and scrutinise each other and the CEO and Management Board in an open and constructive manner in order to ensure decisions are taken robustly and held to collectively	Trustees
2.5.2 The board recognises, respects and welcomes diverse, different and, at times, conflicting trustee views.	Trustees to challenge and scrutinise each other and the CEO and Management Board in an open and constructive manner, commensurate with Group values	Trustees
2.5.4 The board, through its relationship with the senior member of staff, creates the conditions in which the charity’s staff are confident and enabled to provide the information, advice and feedback necessary to the board.	<p>The Board holds Trustees only meetings regularly and appropriately</p> <p>The Board continues to hold a range of meetings over dinner with CEO, Management Board, with each other, and with external stakeholders, some of which might be programmed around a theme or business need</p>	Chair & Trustees
2.6.2 Where individual board members are also involved in operational activities, for example as volunteers, they are clear about the capacity in which they are acting at any given time and understand what they are and are not authorised to do and to whom they report.	CEO to involve Trustees appropriately, as a sounding board, in getting more closely, involved with, and therefore visible in, some parts of the Group’s activities where the Trustee can add value and bring in expertise that is helpful	Chair and CEO

Principle 3. Integrity

The board acts with integrity, adopting values and creating a culture which helps achieve the organisation’s charitable purposes. The board is aware of the importance of the public’s confidence and trust in charities, and trustees undertake their duties accordingly.

Trustees, and the board members collectively, have ultimate responsibility for the charity’s funds and assets, including its reputation. Trustees should maintain the respect of beneficiaries, other stakeholders and the public by behaving with integrity, even where difficult or unpopular decisions are required. Not doing this, risks bringing the charity and its work into disrepute.

KEY OUTCOMES	AGREED ACTION FROM 2018 REVIEW	BY WHOM
3.2 The board safeguards and promotes the charity’s reputation and, by extension, promotes public confidence in the wider sector.	Trustees to feed in, appropriately, to CEO and Management Board feedback received on the Group’s activities, as part of their regular dealings with the Group’s work	Trustees

Principle 4. Decision making, risk control

The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control and risk-assessment, and management systems are set up and monitored.

The board is ultimately responsible for the decisions and actions of the charity but it cannot and should not do everything. The board may be required by statute or the charity’s governing document to make certain decisions but, beyond this, it needs to decide which other matters it will make decisions about and which it can and will delegate.

Trustees delegate authority but not ultimate responsibility, so the board needs to implement suitable financial and related controls and reporting arrangements to make sure it oversees these delegated matters. Trustees must also identify and assess risks and opportunities for the organisation and decide how best to deal with them, including assessing whether they are manageable or worth taking.

KEY OUTCOMES	AGREED ACTION FROM 2018 REVIEW	BY WHOM
4.5.1 The board regularly reviews which matters are reserved to the board and which can be delegated. It collectively exercises the powers of delegation to senior managers, committees or individual trustees, staff or volunteers	The Board annually reviews the schemes of delegation	CEO and Director Legal Services
4.5.2 The board describes its ‘delegations’ framework in a document which provides sufficient detail and clear boundaries so that the delegations can be clearly understood and carried out. Systems are in place to monitor and oversee how delegations are exercised.	The Board annually reviews the schemes of delegation	CEO and Director Legal Services
4.6.2 The board regularly monitors performance using a consistent framework and checks performance against delivery of the charity’s strategic aims, operational plans and budgets. It has structures in place to hold staff to account and support them in meeting these goals.	The Board to agree a defined set of KPIs which it regularly reviews at each Board meeting	CEO and Director Legal Services

Principle 5 Board Effectiveness		
<p>The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.</p> <p>The board has a key impact on whether a charity thrives. The tone the board sets through its leadership, behaviour, culture and overall performance is critical to the charity's success. It is important to have a rigorous approach to trustee recruitment, performance and development, and to the board's conduct. In an effective team, board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics.</p>		
KEY OUTCOMES	AGREED ACTION FROM 2018 REVIEW	BY WHOM
5.5.3 The board has a vice-chair or similar who provides a sounding board for the chair and serves as an intermediary for the other trustees if needed.	Vice Chair to conduct annual review of Board effectiveness with Trustees and together produce annual action plan. External review of Board effectiveness to be undertaken every 3 years	Vice Chair & Trustees
5.5.4 The board regularly discusses its effectiveness and its ability to work together as a team, including individuals' motivations and expectations about behaviours. Trustees take time to understand each other's motivations to build trust within the board and the chair asks for feedback on how to create an environment where trustees can constructively challenge each other.	Trustees to challenge and scrutinise each other and the CEO and Management Board in an open and constructive manner in order to ensure decisions are taken robustly and held to collectively with feedback from CEO	Trustees & CEO
5.8.2 The board reviews its own performance and that of individual trustees, including the chair. This happens every year, with an external evaluation every three years. Such evaluation typically considers the board's balance of skills, experience and knowledge, its diversity in the widest sense, how the board works together and other factors relevant to its effectiveness.	Vice Chair conducts annual review of Board effectiveness with Trustees and produces annual action plan, with external review of Board effectiveness undertaken every 3 years	Chair CEO & Vice Chair

Principle 6 Diversity

The board’s approach to diversity supports its effectiveness, leadership and decision making.

Diversity, in the widest sense, is essential for boards to stay informed and responsive and to navigate the fast-paced and complex changes facing the voluntary sector. Boards whose trustees have different backgrounds and experience are more likely to encourage debate and to make better decisions.

The term ‘diversity’ includes the nine protected characteristics of the Equality Act 2010 as well as different backgrounds, life experiences, career paths and diversity of thought. Boards should try to recruit people who think in different ways, as well as those who have different backgrounds.

KEY OUTCOMES	AGREED ACTION FROM 2018 REVIEW	
<p>6.4.1 The board regularly carries out an audit of skills, experience and diversity of background of its members to find imbalances and gaps and inform trustee recruitment and training.</p>	<p>Board to take a proactive stance to recruitment of a diverse Board of Trustees</p>	

Principle 7. Openness and Accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

The public's trust that a charity is delivering public benefit is fundamental to its reputation and success, and by extension, the success of the wider sector. Making accountability real, through genuine and open two-way communication that celebrates successes and demonstrates willingness to learn from mistakes, helps to build this trust and confidence and earn legitimacy.

KEY OUTCOMES	AGREED ACTION FROM 2018 REVIEW	BY WHOM
7.1 The organisation's work and impact are appreciated by all its stakeholders.	Board to receive regular customer feedback and quality reviews as part of the Board performance pack (see 4.6.2 above)	CEO & Management Board
7.2 The board ensures that the charity's performance and interaction with its stakeholders are guided by the values, ethics and culture put in place by the board. Trustees make sure that the charity collaborates with stakeholders to promote ethical conduct.	Board explores ways to ensure that 'lived' culture is in line with espoused values and stated organisational culture of the Group	Trustees and CEO
7.5.2 The board makes sure that there is a strategy for regular and effective communication with these stakeholders about the charity's purposes, values, work and achievements, including information that enables them to measure the charity's success in achieving its purposes.	Board to receive data on any stakeholder perception survey undertaken	CEO & Management Board