

Trustee Recruitment, Selection and Induction

A guide for charities
produced by Lloyds
Bank Foundation

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**LLOYDS BANK
FOUNDATION**
England & Wales





Front cover: Staff member at Behind Closed Doors with Lloyds Banking Group mentor
This page: Chief Executive at WAITS (Women Acting in Today's Society) with Lloyds Banking Group mentor

Lloyds Bank Foundation for England and Wales partners with small and local charities who help people overcome complex social issues. Through long-term funding, developmental support and influencing policy and practice, the Foundation helps those charities make life-changing impact. The Foundation is an independent charitable trust funded by the profits of Lloyds Banking Group as part of their commitment to Helping Britain Prosper.

This guide was developed by Lloyds Bank Foundation working with the [Foundation for Social Improvement \(FSI\)](#). The FSI provides strategic support for small charities including free and heavily subsidised training courses (class-based and online), 1:1 advice and resources covering governance, strategic planning, fundraising and impact.



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Welcome

We know that many small charities struggle to attract trustees that bring suitable experience, skills and perspectives. To help to address this issue, Lloyds Bank Foundation has developed this toolkit.

It has been developed to provide guidance on the fundamentals of trustee recruitment, selection and induction. It offers information as well as useful exercises and practical tips that you can put in place in your organisation. We know that there is a great deal of variety in experience and knowledge across the small charity sector. Whether your charity is very experienced in this area or just starting out, we hope that the toolkit offers some insights and tips for all.

Graham Bullock, a former Relationship Manager at Lloyds Banking Group, mentored Streets2Homes CEO Kerrie Eastman and became a Trustee of the charity upon his retirement



Setting the scene

Good governance is essential to enabling small charities to navigate the key challenges they face. Time and time again, research indicates that small charities are facing a continuing increase in demand for services, coupled with falling or static income:

Demand for the support small charities provide is growing. 88% of charities told us they are experiencing a change in demand¹ as more people, with more complex problems need their help. The FSI's Small Charity Index reports a cumulative increase in demand of 134% since June 2013.²

At the same time, the money they have to support people is falling. Many small charities used to get a large part of their funding from local government grants in recognition of the vital local services they provide. But this income is falling as government and councils increasingly move away from grant funding for public services and towards large contracts which can be very hard for small charities to compete fairly for and win.³ At the same time, income raised from grants and donations is flatlining, and while earned income is on the increase it is not enough to offset the losses elsewhere.⁴

Overall, small charities experience greater volatility in their income, and the smaller the charity the more volatile the change. Since 2008, half of small and medium-sized charities experienced a rise or fall in income of more than 20%. For charities with income between £100k-£500k in 2008, one quarter had moved into a lower income band by 2013.⁵ This volatility means long-term planning and resourcing is very challenging for smaller charities.

Against this backdrop, strong and effective governance is even more important. Thousands of people give up their free time to sit on charity boards as they want to make a difference to the communities and causes that they are passionate about. However, small charities tell us that recruiting trustees continues to be a challenge, as well as ensuring the right mix of trustees who bring diverse perspectives, skills and experience and are able and willing to be fully engaged in their important role.

134%

increase in demand for
small charities' services

Dave is dynamic and energetic; he's motivated the board to become more proactive. He's also added a commercial perspective, which balances the sector perspective that other people bring, and he's supported the board to become more strategic in their governance role too

Louise Tyne

Director, Behind Closed Doors (pictured)

Dave Moore is a Relationship Director at Lloyds Banking Group and a Trustee at Behind Closed Doors

² Expert Yet Undervalued and on the Front Line. Lloyds Bank Foundation for England and Wales, 2015

³ Small Charity Index report Dec 2017-Feb 2018. Foundation for Social Improvement, 2018

⁴ Small and Medium-sized Charities After the Crash. Lloyds Bank Foundation for England and Wales, 2016

⁵ Small Charity Index report Dec 2017-Feb 2018. Foundation for Social Improvement, 2018

⁶ Small and Medium-sized Charities After the Crash. Lloyds Bank Foundation for England and Wales, 2016

Diversity

A balanced board is much more than having a range of skills and experience. You should also consider the diversity of your board. Some practical questions you may want to address include:

- Does the Board's make-up reflect the diversity of the community the charity serves?
- Is the Board representative of relevant existing or prospective stakeholders?
- How could we make the role more accessible to a wider group of people, and remove some of the barriers to being a Trustee? For example, can we use virtual participation such as teleconferencing or skype to enable working professionals or those with caring responsibilities to participate? Can we offer appropriate support to people with disabilities?
- What other ways – in addition to trusteeship – do we have of capturing different perspectives and viewpoints, including those of our beneficiaries? For example, sub-committees, advisory groups.

2. Promote Your Vacancy

At any one time, an online search yields many hundreds of trustee vacancies. How can target your recruitment and make your vacancy stand out? To reach your ideal candidate, you'll need to start by marketing the role effectively.

Understanding Motivations

Just as with volunteers, donors and other supporters, potential trustees will have a range of motivations for being involved in your charity, these are not necessarily stated explicitly. You could start by asking your current Board members and staff the following questions:

- What motivated you to join your organisation?
- What was it about being a Board member that you found appealing/attractive?
- Were your motivations and expectations fulfilled?
- Did you gain something unexpected from the role?

Your findings may help you understand the different motivations and expectations that a potential new trustee might have, informing your recruitment messaging. The table below provides a useful tool to start to hone your recruitment; try applying this format yourself.

Trustee motivation	Advertising message	Where we might find this person
E.g. to give something back within their local community	The impact we have on local people	Local newspaper, Chamber of Commerce
E.g. to build their strategic and leadership skills and experience	The specialist skills gained and how a trusteeship can help	Through corporate volunteering schemes and websites like Reach Skilled Volunteering
E.g. to use my time productively	How trusteeship contributes to the charity's mission	Local newspapers and magazines, libraries, local noticeboards

Application Pack checklist

Put together a comprehensive application pack for interested candidates. Consider including:

- ☐ Information on the charity
- ☐ Background information about the role of Trustee
- ☐ Role description
- ☐ Skills and experience you are looking for – the person specification
- ☐ Who to contact for more information
- ☐ Details of open information sessions (if being held)
- ☐ Copy of advertisement
- ☐ Details of how to apply e.g. application form, deadline, who to respond to
- ☐ Information about current Board Members

Where to promote your vacancy

Aside from publicising widely via your website, newsletter and social media, there are other resources available for publicising trustee roles free of charge such as:

- Reach Volunteering – the single biggest source of trustees with professional skills in the UK (over 7,000 people registered): <https://reachvolunteering.org.uk/im-an-organisation>
- Do-it/Trustee Finder – a national volunteering database with a dedicated channel for Trustee recruitment: <https://do-it.org/channels/trustee-finder>
- NCVO's Trustee Bank (for NCVO members only – membership is free for charities with an income under £100,000): <https://www.ncvo.org.uk/practical-support/information/governance/trustee-bank>
- Honorary Treasurer's Forum – to promote Treasurer vacancies: <http://www.honorarytreasurers.org.uk/index.html>
- Bar in the Community – a trustee finding service for charities that need to appoint legally qualified trustees: <https://www.barinthecommunity.org.uk/advertise/>
- The Big Give Trustee Finder (requires an account): <https://secure.thebiggive.org.uk/trustees>
- Institute of Chartered Accountants (ICAEW) – free advertising for people with specialist finance and business skills: <https://www.icaewvolunteers.com/>
- Your local Volunteer Centre: <https://www.ncvo.org.uk/ncvo-volunteering/find-a-volunteer-centre>
- Local media – newspapers, magazines
- Local noticeboards

3. Selection

Prior to the selection process, it's helpful to first make sure you are up to date with [the Charity Commission's rules around eligibility and automatic disqualification of trustees](#).

Your governing document will usually set out the procedures for electing or appointing new trustees, so you'll need to make sure that your selection method is consistent with these procedures. For example, a charity with a wider membership base (beyond trustee) may have a procedure where members elect trustees at the AGM. While existing trustees might be able to suggest which candidates they feel are most suitable, they will not have the final say on who is appointed.

While some charities have informal selection processes involving meeting with one or two key staff and trustees, others follow a very formal process, similar to that used to recruit staff – for example, shortlisting candidates based on a CV and trustee person specification, and conducting a formal interview.

The selection process will need to strike the appropriate balance between rigour and practicality for your charity. At a minimum, we would recommend the following:

- An application process – either through an application form, or more commonly a CV and cover letter
- Shortlisting and interviews that are consistent and take place against agreed criteria to ensure a fair and objective approach.
- Interviews or meetings carried out by the Chair and a small panel of Trustees. It could also be helpful to include the senior staff member as they are likely to be working closely with any Trustees.

In addition to your documented procedures, it's helpful to consider incorporating additional steps to enable both you and your prospective trustees to get to know one another before making a commitment. Options include:

- Observing one or more trustee meetings
- Attending an event or open day
- Shadowing key workers
- Inviting the prospective trustee to carry out or contribute to a project for the charity (e.g. reviewing your funding strategy).

In our experience, investing time in the recruitment process and in getting to know one another is always worthwhile.



4. Confirmation and Induction

Once you have selected your new trustee, you need to confirm them in post and induct them into the charity and their role. Read the Charity Commission's [advice on vetting trustees](#) to ensure that you are conducting the appropriate checks.

Checklist: confirmation of a new Trustee

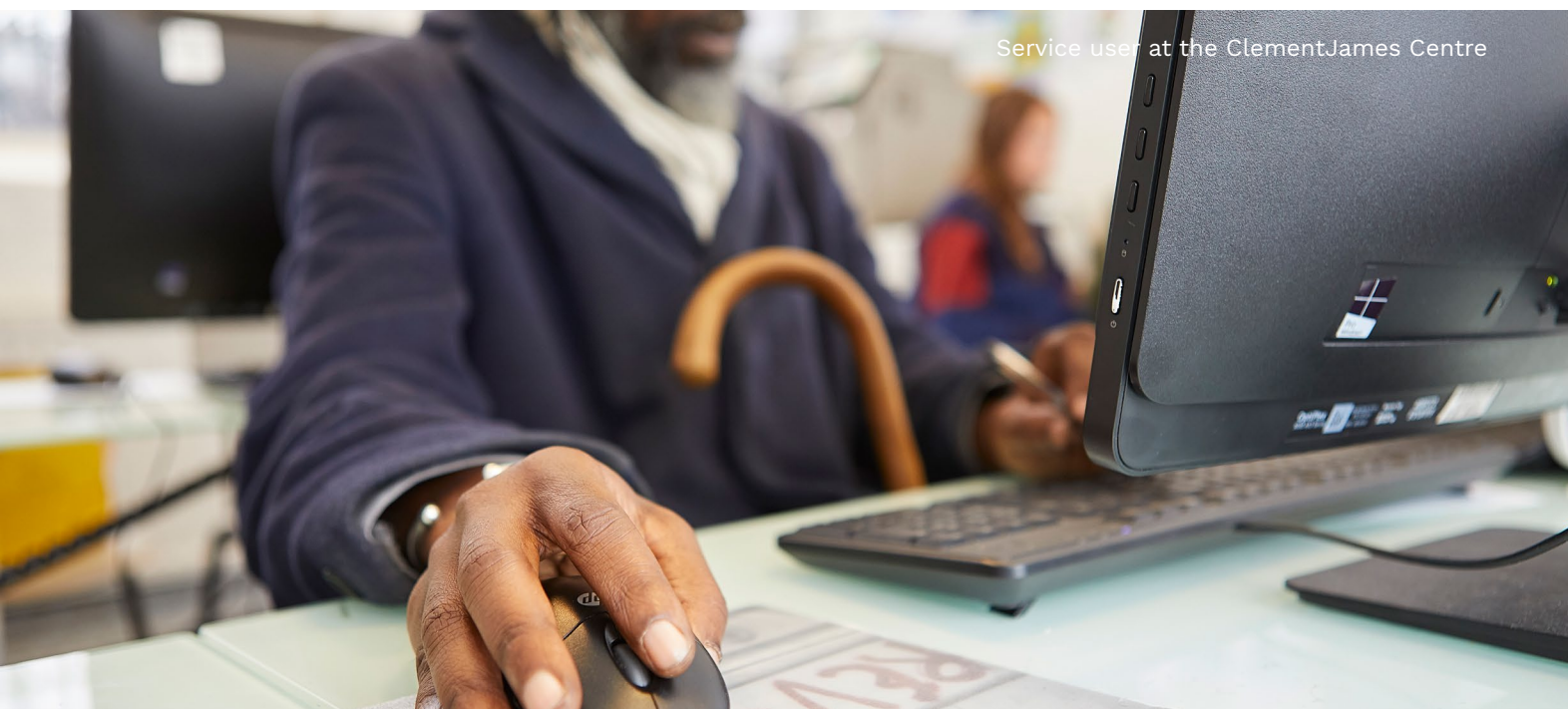
- ☐ Take up references
- ☐ Check that the candidate is eligible to be a Trustee
- ☐ Signed the eligibility declaration
- ☐ Search the register of disqualified directors at Companies House
- ☐ If you are required to, undertake DBS check
- ☐ Confirm the appointment in writing
- ☐ Include information about induction and training
- ☐ Include the Trustee Handbook
- ☐ Indicate the appropriate probationary period (if there is one)

Induction

Induction is vital for both the new trustee and the charity. It helps trustees to get acquainted with the role, the charity and their legal responsibilities. It also reassures the Board that new trustees have an awareness and understanding of key policies and procedures such as equal opportunities, health and safety, and data protection.

Again, the specific induction process your charity follows will depend on the nature of your work, the size and complexity of your organisation, and the formality of your recruitment and selection processes. The following activities can be useful to include as part of an induction process if they have not already been covered in your promotion and selection stages:

- Induction pack or trustee handbook: trustees should be given a copy to keep
- Meetings/introductions to other trustees, employees, beneficiaries (if appropriate)
- Invitations to events, meetings and presentations
- Buddying with a more experienced trustee or regular check-ins with the Chair



Checklist: [what to include in an induction pack](#) – useful guidance from KnowHow NonProfit

The Charity

- ☐ Vision, mission and values
- ☐ Most recent annual report and accounts
- ☐ Strategic and business plans
- ☐ Key policies (e.g. health and safety, safeguarding, reserves, social media)
- ☐ Report of annual risk audit

Legal status and regulatory guidance

- ☐ Copy of the governing document and associated documents
- ☐ Copy of the Charity Commission guidance The Essential Trustee: What you need to know (CC3)
- ☐ Copy of Charity Governance Code

Governance

- ☐ Role descriptions for trustees, chair, treasurer and CEO
- ☐ Code of conduct for trustees and other relevant policies (e.g. anti-bullying, confidentiality, conflicts of interest, grievance procedures and whistle-blowing)
- ☐ Details of your trustee indemnity insurance (along with broader note emphasising that it is recommended that all charities take this out regardless of their legal form)
- ☐ Diagram of governance structure or list of board committees, together with membership details
- ☐ Terms of reference for board committees
- ☐ Document setting out levels of the board's delegated authority, including financial delegation and controls
- ☐ List of current trustees and contact details
- ☐ List of important dates (e.g. board meetings, annual general meeting etc)
- ☐ Details of travel and subsistence allowances for trustees with a copy of a claim form

Management

- ☐ Contact details for the chief executive
- ☐ Diagram of management structure
- ☐ Role description for the chief executive and other senior staff

Formalities: inform and update

Ensure that you carry out the following actions after appointing your new trustee:

- Inform your charity's professional advisors: Accountants, Auditors, Solicitors, Bank Manager, Insurance Provider, other
- Update the bank mandate if the trustee is to be a signatory
- Inform the Charity Commission via your online account
- Inform (if applicable) Companies House
- Update the charity's stakeholders: Staff, Volunteers, Users, Funders, Supporters, Partners, etc. This might be through an existing communication tool such as a regular newsletter.
- Add trustee's name and profile to the relevant publicity materials: Website, Brochures, Organisation's Address Book, Mailing List, Letterhead, etc.

Getting to know your new trustee

Your recruitment and selection activity will have given you some insight into your new trustee and what they want and expect from trusteeship. It can be helpful in the early stages for the Chair and/or CEO to meet with them to understand how they would prefer to contribute their skills for the benefit of the board. This might include the following:

- Advisory: expert advice and knowledge on a specific issue relevant to your charity
- Regulatory: keeping a close eye on compliance
- Democratic: taking particular interest in different stakeholders
- Educational: stimulating debate, learning and sharing of expertise
- Participatory: seeking and supporting the user voice
- Networking: being an ambassador, promoting the organisation, bringing in contacts
- Involving: motivating and developing board members
- Visionary: bringing passion to the mission and inspiring others
- Leaders: steering organisation in the right direction
- Supporters providing support to staff and volunteers through an advisory or mentoring role

A note on Trustee terms of office

If the governing document does not specify the length of service of a trustee, the appointment continues until the trustee resigns, dies or is removed from office. Best practice would be for your governing document to state the length of service of a trustee and would allow for re-appointment either immediately or within a set period. If your governing document does not include this, your Trustees might adopt a policy limiting the number of consecutive terms a trustee can serve.

Ending the relationship

There will be occasions where, despite the best intentions, the relationship isn't working for the charity, the new trustee or both parties. This might happen early on, where the needs of one party can't be met, or because the charity and the new trustee simply operate very differently. It's ok. Please don't view this as failure. If you can, try to embrace any differences – they may offer value in broadening out your charity's approach and perspectives. Ideally, you'll both be able to focus on the outcomes you are seeking, while acknowledging your differences.

Where this isn't feasible, the most straightforward route would be for the trustee to resign, by mutual agreement. Your governing document will set out procedures for resignation; it's important to make sure these are followed. If this is not an option, your governing document will also include procedures for removal of a trustee, although you will usually need a good reason to remove a trustee (for example, damage to the charity's reputation). There are different rules if your charity is also registered with Companies House. The Charity Commission provides [useful guidance](#) on these issues.

If possible, seek feedback from your departing trustee to inform future recruitment.

Tip: Make sure you have enough trustees to run your charity. Your governing document may state a minimum size for your trustee board. If it does, you'll need to make sure you don't go below that number. You'll need to find and appoint a new trustee before the retiring trustee leaves.



Sources of support

There are a number of organisations that can provide information or assistance to trustees. These include:

Charity Commission for England and Wales

<https://www.gov.uk/government/organisations/charity-commission>

The regulator of charities in England and Wales with useful guidance and publications available

Association of Chairs (AoC)

<https://www.associationofchairs.org.uk>

Offers resources and support to chairs and vice-chairs of charities and non-profit organisations

Charity Finance Group (CFG)

<http://cfg.org.uk>

Champions best practice in finance management in the voluntary sector

Directory of Social Change (DSC)

<https://www.dsc.org.uk>

Provides trustee training courses, publications and several free resources

Ethical Property Foundation (EPA)

<http://www.ethicalproperty.org.uk>

UK charity which offers voluntary organisations free property guidance, advice and workshops and a wide range of expert advice on legal issues and premises management

The Foundation for Social Improvement (FSI)

<http://www.thefsi.org>

Provides strategic support for small charities, including free and heavily subsidised trustee training courses, webinars and 1:1 advice

Fundraising Regulator

<https://www.fundraisingregulator.org.uk>

The independent regulator of charitable fundraising

ICSA: the Governance Institute

<https://www.icsa.org.uk>

Trains, informs and represents the interests of governance professionals across all sectors and offers free to access guidance notes specific to the charity sector

Information Commissioner's Office (ICO)

<https://ico.org.uk>

UK's independent body set up to uphold information rights

National Association for Voluntary and

Community Action (NAVCA)

<https://www.navca.org.uk>

England's largest network of local charities and community groups

National Council of Voluntary

Organisations (NCVO)

<https://www.ncvo.org.uk>

Champions the voluntary sector and volunteering. Connects, represents and supports voluntary organisations, from the smallest community groups to the largest charities; a useful starting point is their Legal Compliance Checklist

Reach Volunteering

<https://reachvolunteering.org.uk>

Provides a trustee recruitment service and useful resources for charities and people interested in joining trustee boards

Small Charities Coalition (SCC)

<http://www.smallcharities.org.uk>

Helps trustees, staff and volunteers of small access the skills, tools and information they may need

Wales Council for Voluntary Action

(WCVA)

<https://www.wcva.org.uk>

Supporting and representing the third sector and volunteering across Wales

People often comment on the divide between the voluntary sector and the private sector but we have so much to learn from each other. We've found that when we work together, we can make great things happen.

Judith Ford
CEO, Wyre Forest Nightstop
Mentored by Lloyds Banking Group Senior
Manager Josh Cole