



Charity Commission Governance Code Review
Principle 5: Board Effectiveness

Questions to consider:

- Do trustees work together as a committed, effective, and supportive team?
- Are there trustees on your board with the skills, knowledge, and experience that your organisation needs?
- Do you have a trustee recruitment plan to ensure this remains the case to refresh the board?
- Do you have term limits for trustees to ensure that the board is constantly refreshed?
- Is your board big enough to have the skills required but small enough to make decisions collectively (typically between 5 – 12 trustees)
- Does your board ensure that beneficiaries and other stakeholders can contribute appropriately and meaningfully to decision making?
- Does your board meet enough to be effective?
- Are meetings structured and productive and are trustees well prepared?
- Do you focus on the right things?
- Do you regularly review the performance of your board and individual trustees?
- Do you provide trustees with opportunities for training and development?
- Are new trustees given a suitable induction?

Principle 5 – Board effectiveness: The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

<p>Rationale</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>	<p>Key outcomes</p> <p>5.1 The board’s culture, behaviours and processes help it to be effective; this includes accepting and resolving challenges or different views.</p> <p>5.2 All trustees have appropriate skills and knowledge of the charity and can give enough time to be effective in their role.</p> <p>5.3 The chair enables the board to work as an effective team by developing strong working relationships between members of the board and creates a culture where differences are aired and resolved.</p>
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	<p>5.4 The board takes decisions collectively and confidently. Once decisions are made the board unites behind them and accepts them as binding.</p>
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Recommended Practice	Evidence of application / explanation	Areas for improvement / implementation
5.5 Working as an effective team		
5.5.1 The board meets as often as it needs to be effective.		
5.5.2 The chair, working with board members and where they exist staff, plans the board’s work and meetings, making sure trustees have the information, time and space they need to explore key issues and reach well-considered decisions.		
5.5.3 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 foster an environment where trustees can constructively challenge each other.		
5.5.4 Where significant differences of opinion arise, trustees take time to consider the range of perspectives and outcomes, respecting all		



viewpoints and the value of compromise in board discussions.		
5.5.5 The board collectively can get independent, professional advice in areas such as governance, the law and finance. This is either on a pro-bono basis or at the charity’s expense if needed for the board to discharge its duties.		
5.6 Reviewing the board’s composition		
5.6.1 The board has, and regularly considers, the skills, knowledge and experience it needs to govern, lead and deliver the charity’s purposes effectively. It reflects this mix in its trustee appointments, balancing the need for continuity with the need to refresh the board.		
5.6.2 The board is big enough that the needs of the charity’s work can be carried out and changes to the board’s composition can be managed without too much disruption. A board of at least five but no more than twelve trustees is typically considered good practice.		
5.7 Overseeing appointments		
5.7.1 There is a formal, rigorous and transparent procedure to appoint new trustees to the board, which includes advertising vacancies widely.		



<p>5.7.2 The search for new trustees is carried out, and appointments or nominations for election are made, on merit, against objective criteria and considering the benefits of diversity. The board regularly looks at what skills it has and needs, and this affects how new trustees are found.</p>		
<p>5.7.3 Trustees are appointed for an agreed length of time, subject to any applicable constitutional or statutory provisions relating to election and re-election. If a trustee has served for more than nine years, their reappointment is:</p> <ul style="list-style-type: none"> ■ subject to a particularly rigorous review and takes into account the need for progressive refreshing of the board ■ explained in the trustees’ annual report. 		
<p>5.7.4 If a charity’s governing document provides for one or more trustees to be nominated and elected by a wider membership, or elected by a wider membership after nomination or recommendation by the board, the charity supports the members to play an informed role in these processes.</p>		
<p>5.8 Developing the board</p>		
<p>5.8.1 Trustees receive an appropriately resourced induction when they join the</p>		



<p>board that includes meetings with other members and staff (if the charity has staff) and covers all areas of the charity’s work.</p>		
<p>5.8.2 The board reviews its own performance, including that of the chair. These reviews might consider the board’s balance of skills, experience and knowledge, its diversity, how the board works together and other factors that affect its effectiveness.</p>		
<p>5.8.3 Trustees can explain how they check their own performance.</p>		