

Trustee research – 2021

For the Charity Commission for England and Wales

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This report brings together findings from both a quantitative survey of trustees and in-depth qualitative interviews with trustees.

It is the first time that Yonder and the Charity Commission have carried out detailed qualitative research with trustees on their experiences and attitudes towards their role.

Executive summary

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Executive summary (1/2)

The pandemic has had a diverse impact on charities, depending on their size and ways of working

- + The pandemic has meant different things to different charities, though most have had to adapt in some way, and many say Covid has placed their charity under financial pressure.
- + A majority of trustees say their charities halted some or all services or activities during the pandemic. A quarter of the smallest charities (with incomes of less than £10k) halted all services or activities, whilst around one in six of all charities started new activity to respond to the crisis. Over a third moved some of their services or activities online, with a fifth adapting how they worked in other ways.
- + Access to general emergency funding and furlough was also uneven – half of the largest charities made use of these sources of support, but fewer smaller charities did. Nearly a quarter of charities drew on their reserves.
- + While many trustees point to pressures thrown up by the pandemic, some cite benefits. In qualitative conversations, some trustees indicated that moving to meeting via video conferencing technology has made it easier to meet more frequently and make faster decisions.

Trustees say they are confident in their roles and mostly understand their responsibilities, but often do not take a formal approach to measuring activity

- + Most trustees say their charity has been forced to adapt due to Covid (often by moving activities online), but they remain focussed on delivering on their purposes and the vast majority remain confident in their roles.
- + Decisions are made collectively with other trustees, and they are rarely concerned about how this process works. While trustees make decisions with their charity's purpose firmly in mind, they often do not have a systemic or formal approach to reviewing performance against the stated purpose or to behaving in a way that is ethical.
- + Instead, they view these as basic requirements that are intrinsic to the role and implicit in all they do.

Executive summary (2/2)

Trustees share the same outlook as the public when it comes to impact and behaviour

- + Approaches to measuring and demonstrating impact are equally varied, though trustees share the same expectations as the public: that having an impact and doing so in an ethical and transparent way is fundamental to being a charity trustee.
- + Most trustees also explicitly recognise the importance of taking public expectations into account, and feel a sense of collective responsibility to uphold the sectors' reputation.
- + Here, they think the Commission plays an important role. While they are very confident in the Commission's handling of wrongdoing and harm, they are less sure about its ability to uncover it in the first place (though still more confident than not).

Most trustees we interviewed do not feel an urgent need for more guidance from the Commission, but financial matters are an area of variable confidence

- + Confidence with financial matters or regulatory paperwork responsibilities is an apparent dividing line within the trustee population. Some – often with backgrounds in business or accounting – are comfortable with these tasks and cannot see a need for further assistance, whilst others find them too complex. Consequently, smaller charities often develop systems in which one or two confident individuals take on responsibility for such matters.
- + We know from our research among the public that perceptions about stewardship of funds are critical to public trust in the charity sector. It is therefore vital for the future success of the sector that charity trustees are equipped to handle financial responsibilities.

The Commission's guidance is helpful to those who use it, but there is potential to make it more accessible to the broader trustee base

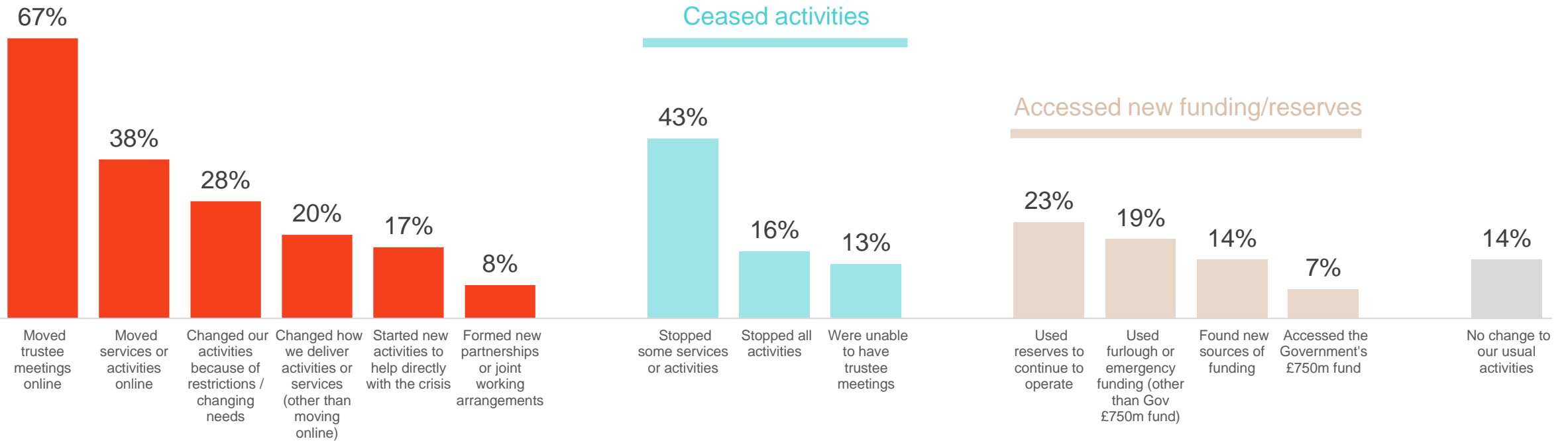
- + The Charity Commission's guidance is used infrequently, but praised by most of those who do use it. It is most commonly used a) when people first become trustees and b) to get to grips with specific, complex issues.
- + Some trustees perceive the Commission's advice to be too general and so look elsewhere for more detailed advice tailored to their charity or their specific need. They are more likely to turn to other trustees, the internet, and friends or family members.
- + To improve on its current guidance, trustees suggest that the Commission should consider presenting information in different formats, offering simple training on financial duties, signposting what is relevant based on charity size, and using simpler language.

Covid has had a range of impacts on the vast majority of charities, with differing experience based on charity size.

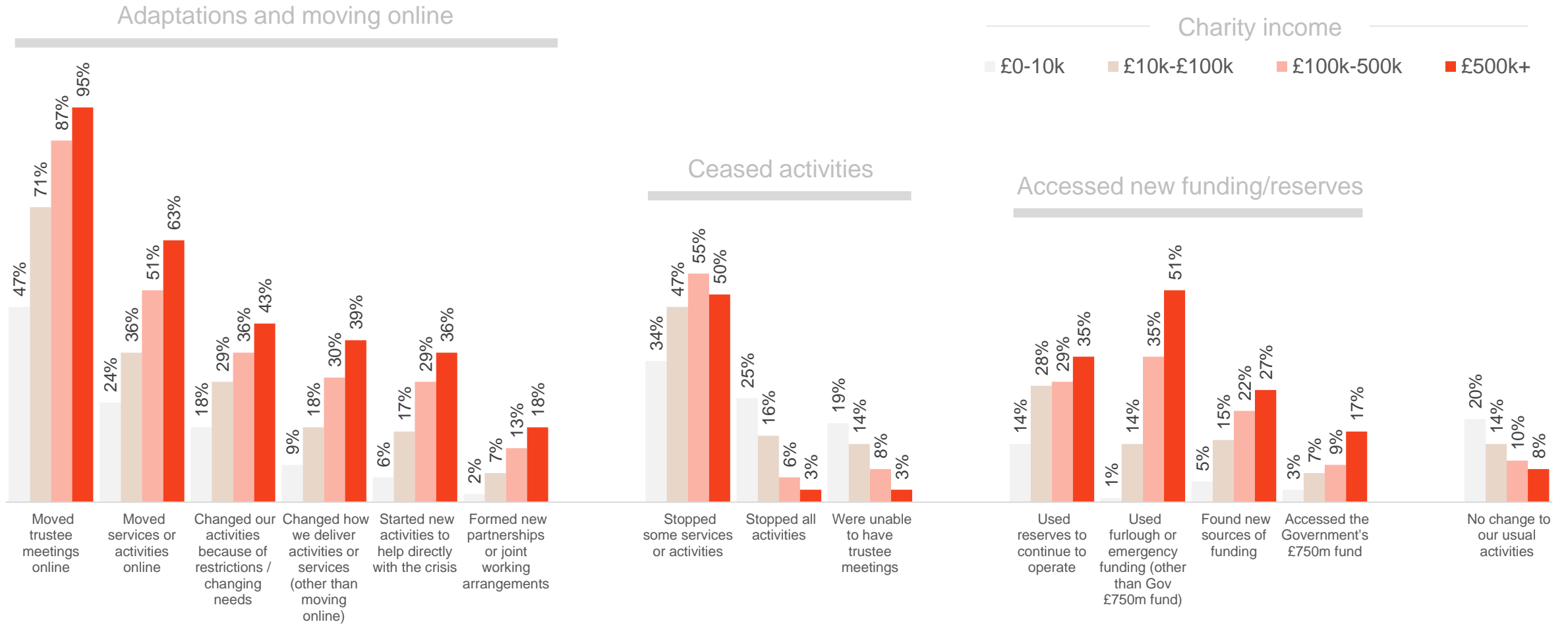
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Covid has had a range of impacts on charities, mostly in moving activities online

Adaptations and moving online



By income: larger charities are more likely to have faced disruption though smaller charities are more likely to have stopped all activity



Most trustees say they have felt the pressure of the impact of Covid

- + Many trustees say their charities have been under increasing financial pressure, with many losing income due to Covid. One in five (19%) have made use of the furlough scheme or other emergency funding. 7% benefitted from the £750 million coronavirus funding for frontline charities.
- + In qualitative conversations, some trustees are concerned for the future survival of their charity if the impact of Covid continues, suggesting that fundraising has become harder while demand in some areas has become greater.
- + Most believe public opinion of charities may have changed because of the pandemic. Some say the public may view charities as more important than ever, particularly given the rise in visibility of charities who have been delivering vital services (e.g. food banks).
- + Others have had to significantly alter the methods they use to deliver impact, due to restrictions on face-to-face contact. In qualitative conversations, trustees refer to meeting via video conference technology (e.g. Zoom), with some indicating that this has made it easier to meet more frequently and make faster decisions.



“It's just driven up the need and it's driven down our opportunity to make money.”

“We had an issue this year. Because of Covid, we were late in reporting our statutory accounts.”

“If things get worse financially and Covid goes on for a long time, we may come to the point where we have to think about winding up if we can't cover our expenses, and then we might need more help, but we hope we're not going to get to that stage.”

“Since Covid a lot of reliance came on charities to do the work, e.g. support those without an income, so I think its made a big impact.”

“Over Zoom, of course, has meant we can have more meetings and decide things quickly, which has been quite a good result for us. Having one meeting every three months in London isn't ideal, where it could cost us £500 for a meeting, because we live all over the country, whereas we can do it on Zoom for virtually nothing.”

“Now we're tending to meet more often on Zoom for shorter periods.”

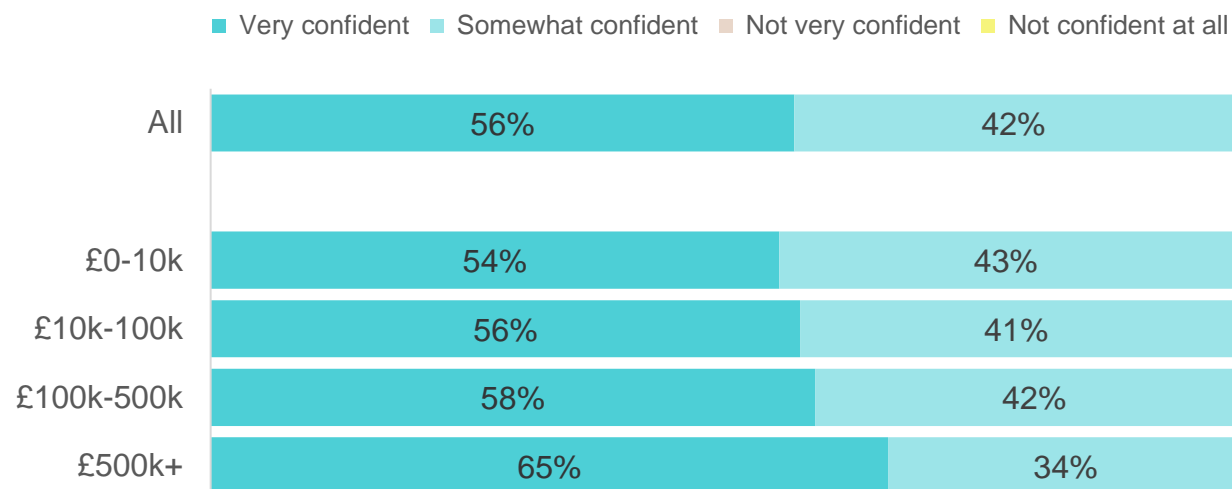
Overall confidence in managing or governing charities is high among trustees.

Confidence is weakest when it comes to financial matters and conflicts of interest – trustees suggest the need for more training and advice here.

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Most trustees are ‘very confident’ in their role. Trustees of the smallest charities are slightly less confident

- + While trustees across all charity sizes are confident in their roles, trustees of larger charities are more likely to be ‘very confident’. Often, this is due to prior exposure to the charity sector or to professional environments more generally.
- + Trustees at smaller charities appear less likely to have had directly relevant experience in charity management, and so are slightly more likely to say they are only ‘somewhat’ or ‘not very’ confident.
- + They are also acutely aware of the difference between running a small charity and a large charity, and like any communications relating to charity governance to recognise that difference.



“My confidence is about a 9 and half out of 10, because of my background. I know the health and social care sector really well, having worked in a big charity before.”

“I’m very new to it [...]. Some of the details that have to go into the annual report seem rather abstruse, to be honest.”

“I became a trustee when I retired from teaching. I wasn’t very confident at first because I hadn’t done this sort of thing before. [...] There’s this enormous discrepancy between large charities and small charities like ours.”

Trustees are overwhelmingly comfortable with their responsibilities as trustees

	Statement A (0-4)		Neutral (5)		Statement B (6-10)	
Responsibilities	7%	I find my responsibilities for the charity overwhelming	6%	I am comfortable with the responsibilities I have for the charity	87%	▲ +3%
Time	11%	I feel like I don't have enough time to properly carry out everything I need to in my role	9%	I feel like I have time to properly carry out everything I need to in my role	80%	▲ +9%
Regulations burden	10%	There are too many unnecessary rules and regulations for trustees to comply with	10%	The rules and regulations trustees have to comply with are important, and are not too much of a burden	80%	▲ +4%

- + In qualitative conversations, trustees rarely feel like they are overburdened or that being a trustee takes up too much time. Compared with 2020, more trustees feel that they have time to properly carry out everything they need to in their roles.
- + However, the amount of time they spend on trustee responsibilities does vary significantly, from a day per month to several hours per week. While the majority are comfortable, 7% still find their responsibilities overwhelming and 11% feel they don't have enough time.
- + Most say board meetings typically occur monthly.

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“Being a trustee is not particularly onerous. I find it rewarding. I got involved as a trustee because my son benefited from their services, and this was an opportunity of giving something back.”

“I probably spend around four hours a day and I find it easy.”

“I spend around four hours a week and it's not a problem finding the time.”

This overwhelming sense of confidence is echoed in qualitative conversations

Most trustees say they feel very confident in their ability to carry out their role

- + Many have a sense of pride in their responsibilities and enjoy dedicating time to being a trustee.
- + Indeed, all interviewees claim to feel fairly or very confident in their own ability and clearly outline what they perceive to be their key responsibilities as a trustee, including ensuring the charity is adhering to its purpose.
- + Many say they draw on skills from previous careers, such as accountancy, and actively recruit trustees to the Board with complementary skillsets.
- + Newer trustees admit that being a trustee requires a significant commitment to learning rules and regulations, often learning on-the-job, but nevertheless feel confident they are able to do so. Broadly, confidence grows with length of service and number of positions held.

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“I feel pretty confident, I know where to go and find out how to do things. The formal part is fairly straightforward.”

“I'm very new to it as I've only just started being a trustee, but as clerk of the Area Meeting, I've received trustees' reports on a monthly basis and I know, more or less, what they do.”

Trustees find areas such as financial management more challenging

Confidence varies when it comes to financial management and conflicts of interest

- + Financial management is an area that not all trustees feel confident in. Typically, in smaller charities, one trustee has more experience of or a background in finance and those responsibilities fall to them. Others disengage from the process.
- + Most say they have not dealt with conflicts of interest, and whilst they understand the basics, feel it is an area they would need guidance on if an issue were to arise.
- + We know from other research among the public that perceptions about stewardship of funds are critical to public trust in the charity sector. It is therefore vital for the future success of the sector that charity trustees are equipped to handle financial responsibilities.

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“In any board meeting I’ve been to, as soon as you mention finances you can see half the table just gloss over or totally turn off. As soon as you say ‘finance’, people say ‘I just don’t understand.’”

“That’s not my strength, but I’m incredibly lucky - all the way through, I’ve had superb treasurers with financial backgrounds and that’s made it a lot easier.”

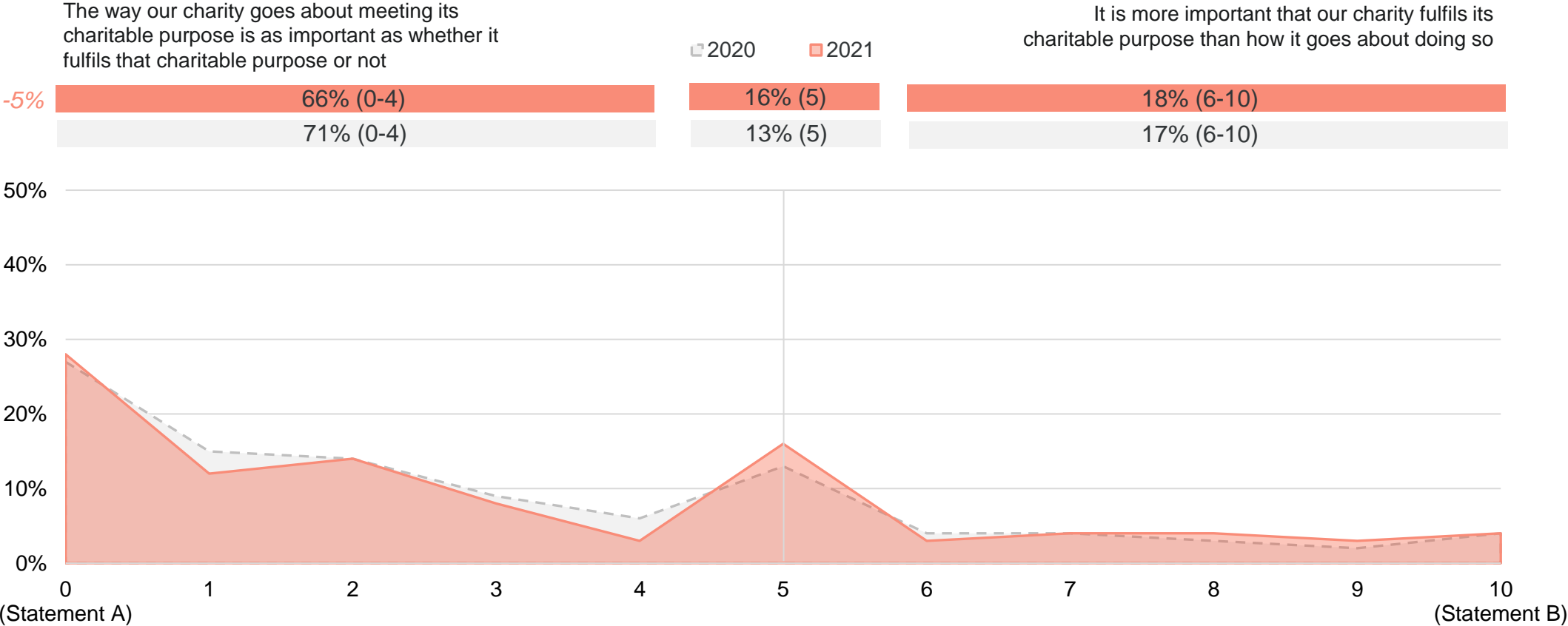
“I think a lot of money is potentially wasted by trustees not really having sufficient financial understanding.”

Most trustees continue to feel a sense of collective responsibility and generally recognise the risks of dismissing public expectations.

They tend to be confident in the Commission's handling of wrongdoing and harm, but are less sure about its ability to uncover it.

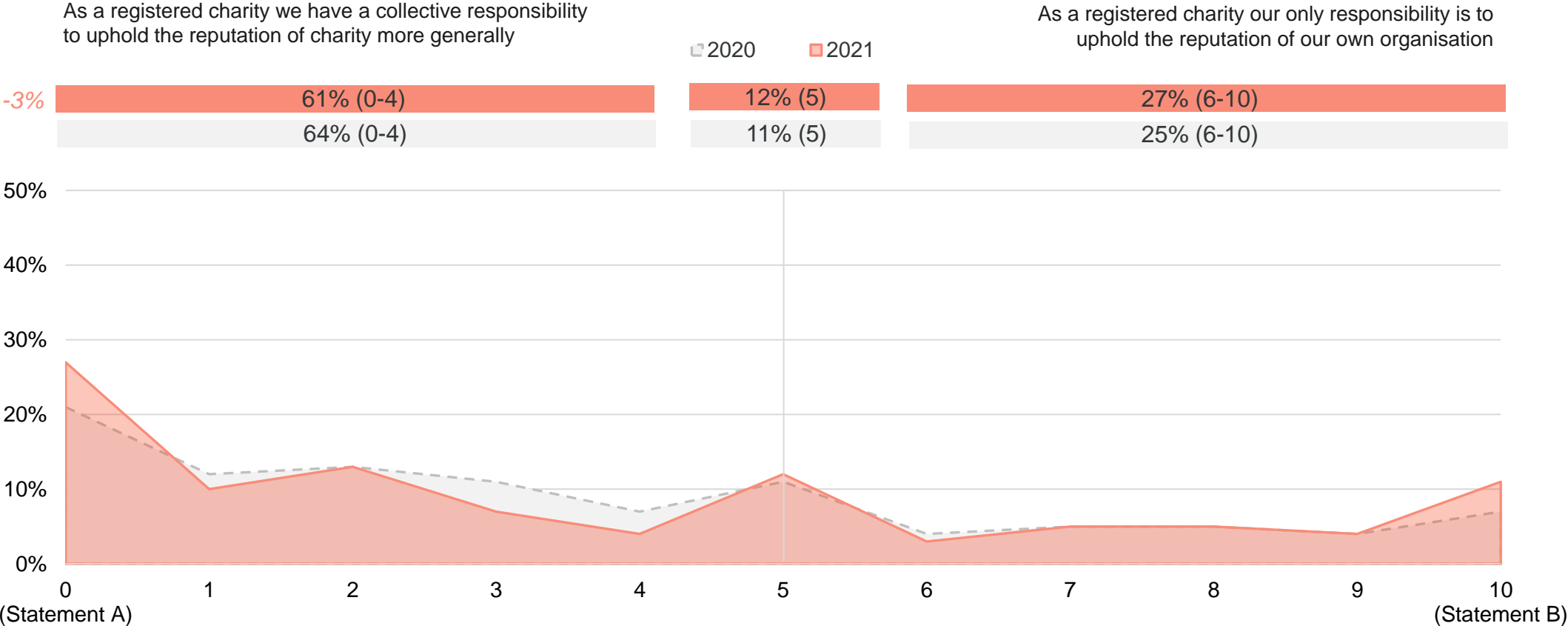
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A majority of charity trustees tend to think that the way charities fulfil their purpose is as important as whether they do fulfil it or not



Q. Please read the following pairs of statements. In each case, please indicate which statement you agree with, using a 0-10 scale on which 0 means you completely agree with statement A, and 10 means you completely agree with statement B. Base (2,713)

Most trustees also tend to think that they have a collective responsibility to uphold the reputation of the sector more generally



Q. Please read the following pairs of statements. In each case, please indicate which statement you agree with, using a 0-10 scale on which 0 means you completely agree with statement A, and 10 means you completely agree with statement B. Base (2,713)

Qualitatively, trustees recognise that standards of conduct and behaviour are vital to protect the reputation of charities

Behaviour and standards

- + Trustees in larger charities often operate to strict codes of conduct that are explicitly written into charity policy.
- + Trustees of smaller charities also recognise the importance of standards of behaviour and conduct, primarily because of the sense of responsibility they have with regards to their beneficiaries. However, they are less likely to have formal practices in place relating to behaviour and conduct.
- + There is a lack of consensus as to whether charities should be held to higher standards of conduct and behaviour than other organisations. Many feel private businesses should be held to similar standards and be expected to contribute to their wider communities. Others feel charities are already held to high expectations, often operating with fewer resources and funds than private businesses.

Collective responsibility

- + Many feel acutely aware of the impact the misbehaviour of one charity can have on the reputation of others, primarily through observing the impact of high-profile scandals on public opinion.
- + Registration is seen as a privileged and special status which should be appreciated by those responsible for running charities.
- + It is thought that the responsibility, however, does not solely lie with individual charities; some say collective responsibility only adds to the importance of the Charity Commission's ability to uncover and deal with charity wrongdoing or harm.

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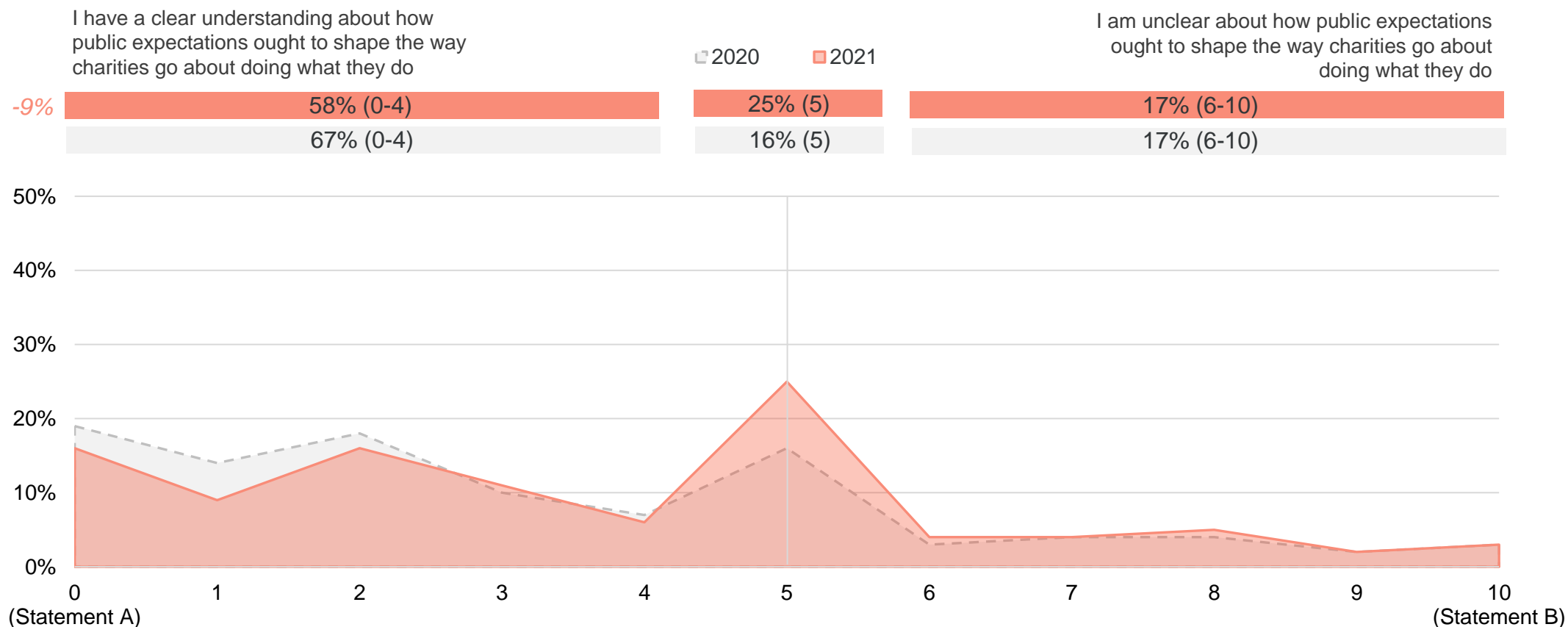
“Its just about setting an example in everything we do.”

“I think that charities should be held to a high standard of behaviour because they're benefitting from being registered.”

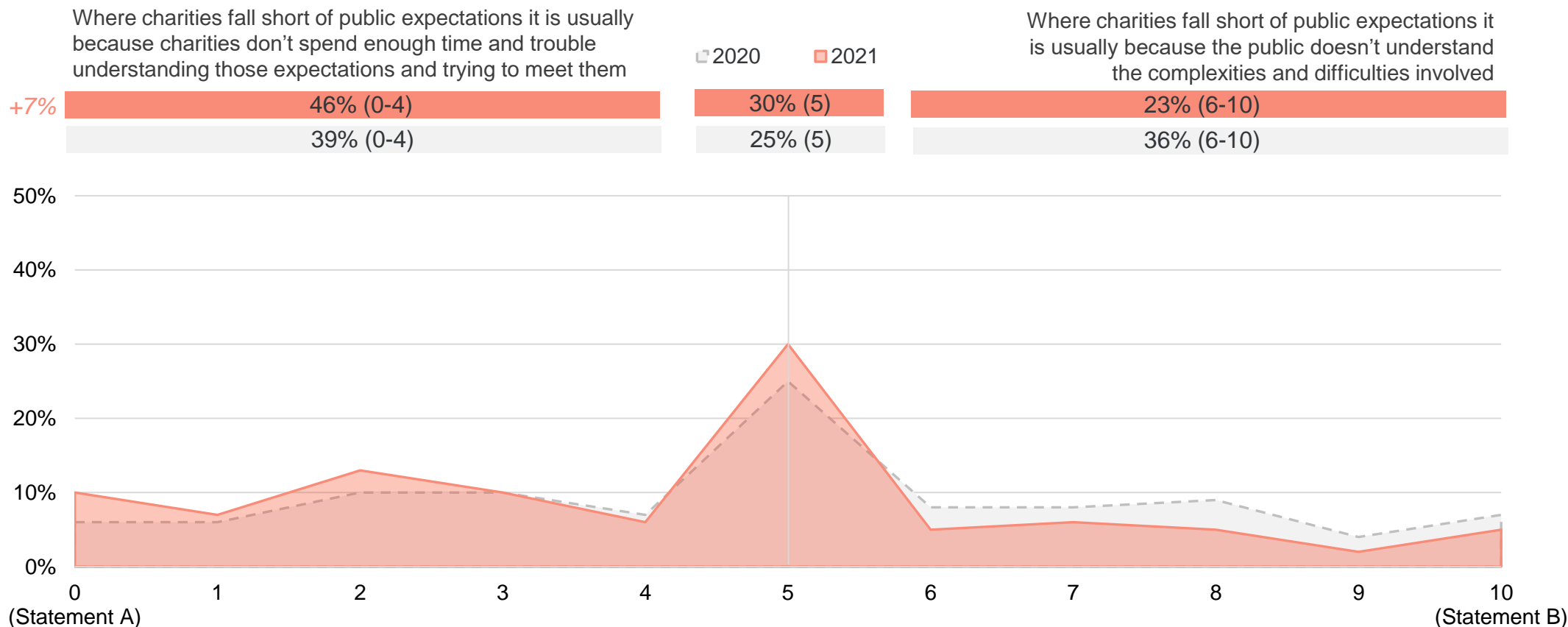
“There are industry scandals that tend to bring down the name of everybody.”

“Yes, we wouldn't be able to operate as a charity without being registered by the Charity Commission.”

Most trustees continue to say they have a clear understanding of how public expectations should shape their work, but a fall vs 2020



But trustees are more likely than in 2020 to show consideration for public expectations



Trustees recognise the importance of public opinion, but question whether the public really comprehends how charities operate

Some say the public does not appreciate the complexities of running a charity

- + Many trustees feel the public does not understand how charities operate or how complex charity operations may be, focussing solely on the end output. Moreover, some are concerned that the public may generalise the behaviour of all charities based on their views of one or two, which can lead to disproportionate public reaction to stories concerning the malpractice of individual charities.
- + Nevertheless, they place importance on charities understanding and considering public expectations because the consequences of not doing so would mean a weakened charity sector. They think this applies to their direct supporters and the public at large.
- + Many smaller charities are locally focussed; they feel a responsibility to reflect the views of their local community or beneficiaries in their work.

“ ”

“I think the public should be more aware of the work charities do and how they operate. When there are articles of wrongdoing, the public automatically have a different view of charity. I think that needs to be balanced.”

“We take public expectations into account by maintaining the highest possible standards of integrity and honesty.”

“We are very concerned about public expectations.”

“It’s important because one bad charity tars the reputation of everybody.”

“You should look and hear what people are saying. We are very responsive at working with our local community for what they need and don’t need.”

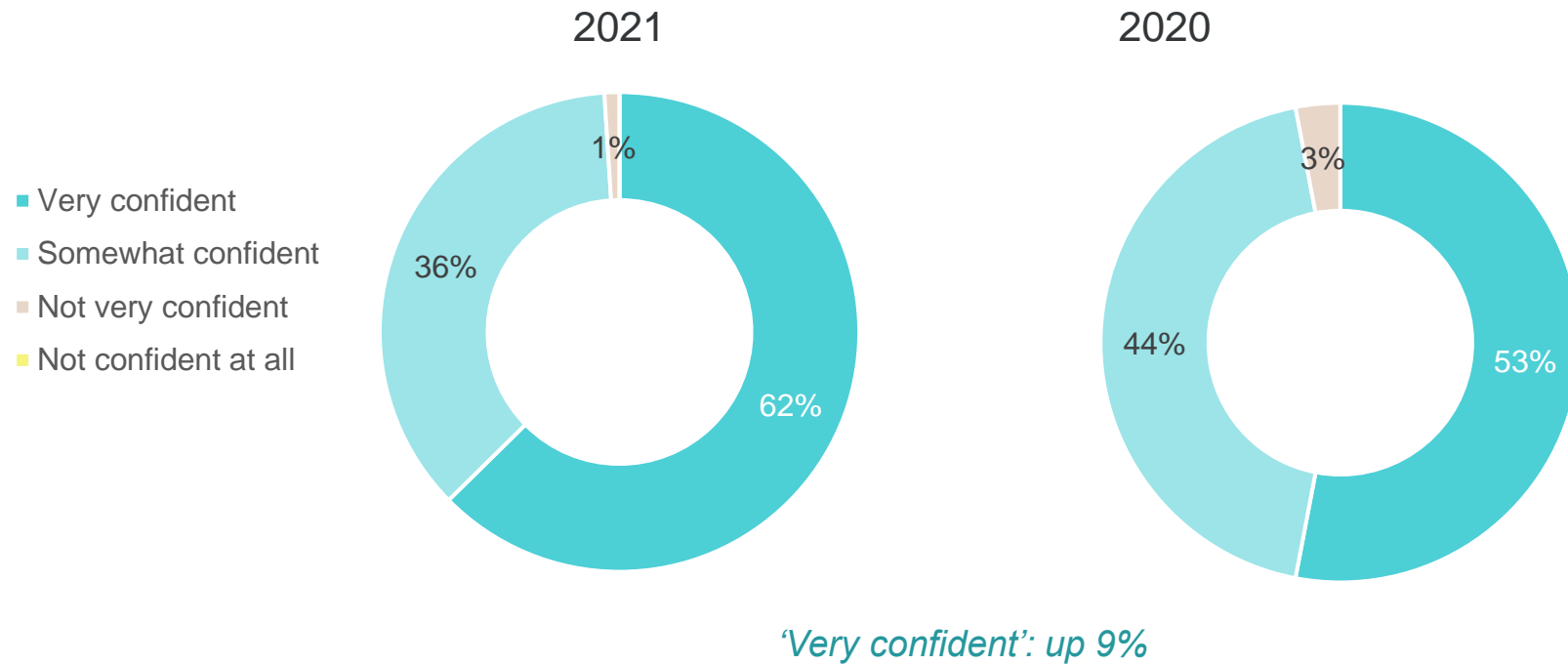
The views of the public and charity trustees largely align, particularly when it comes to collective responsibility, standards, and the regulator



Q. Please read the following pairs of statements. In each case, please indicate which statement you agree with, using a 0-10 scale on which 0 means you completely agree with statement A, and 10 means you completely agree with statement B. Base (2,713). Question wording slightly adapted for public survey.

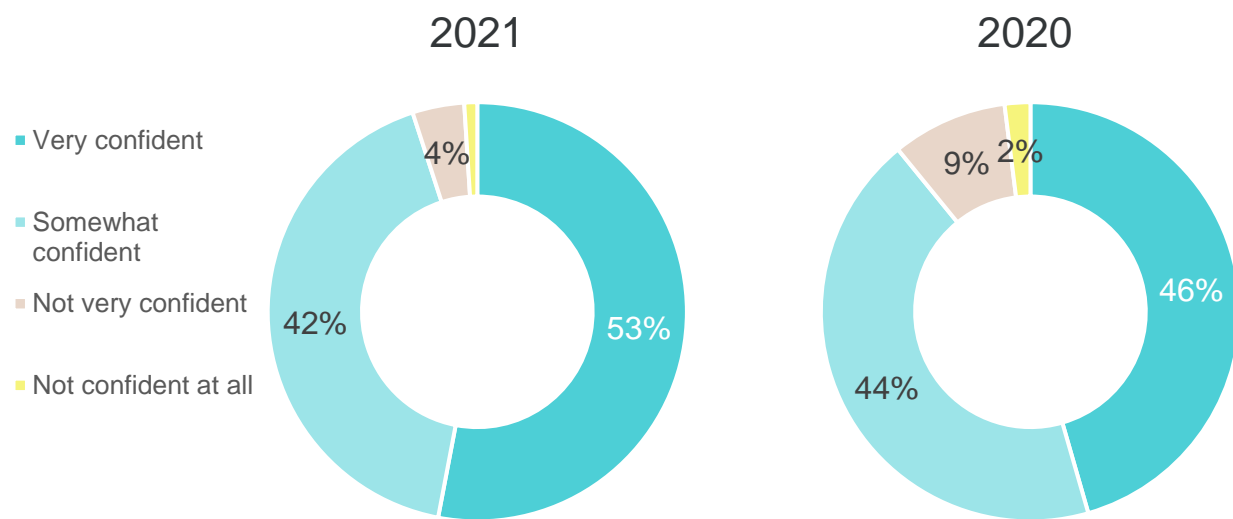
Most trustees feel very confident in their own ability to protect their charity from wrongdoing & harm

My ability to protect my own charity and its beneficiaries from wrongdoing and harm



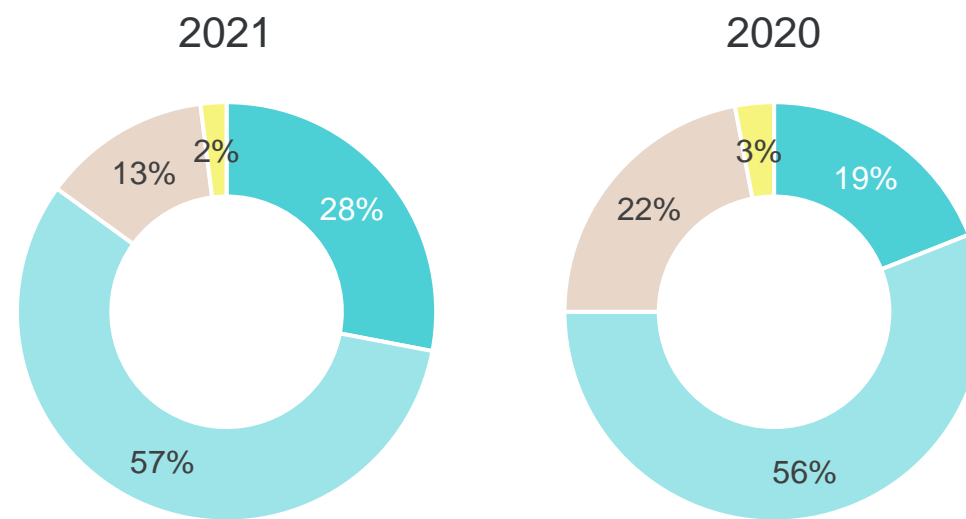
Trustee respondents this year are more confident than last year in the Commission's tackling of wrongdoing

That instances of wrongdoing and harm once uncovered will be dealt with appropriately by the Charity Commission



'Very confident': up 7%

The Charity Commission's ability to uncover wrongdoing and harm when they occur in other charities



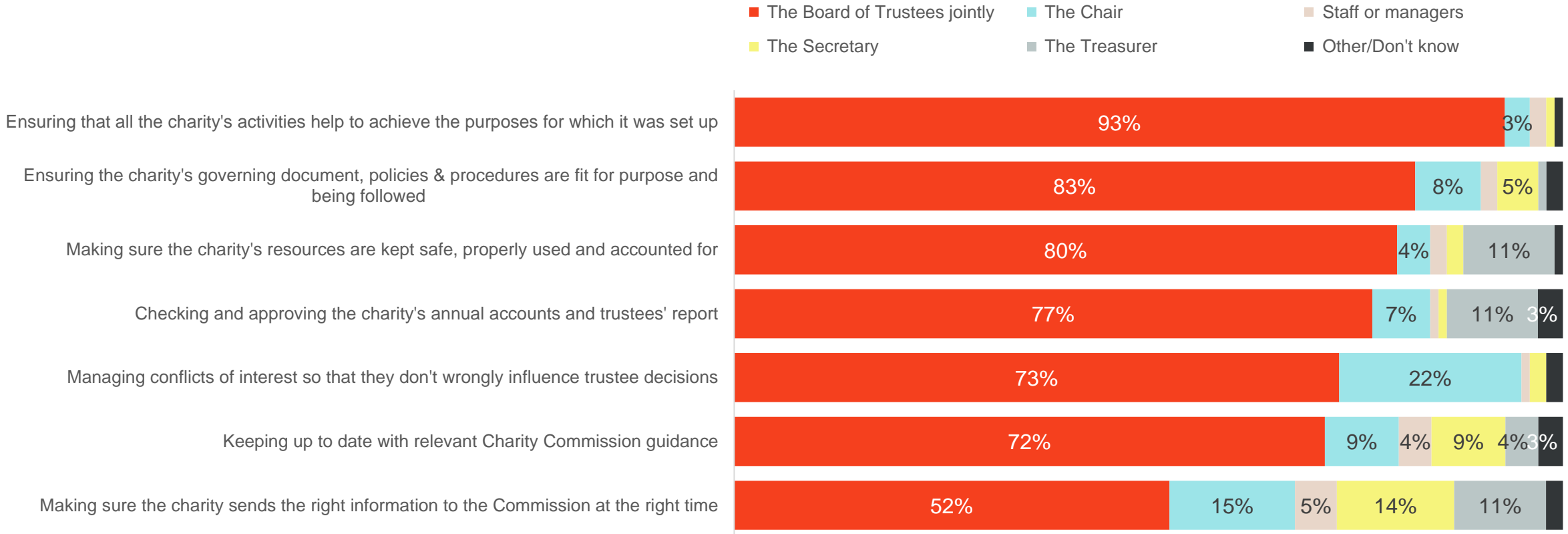
'Very confident': up 9%

When making decisions, trustees feel confident in their (often informal) approaches and mostly understand that trustee responsibility is collective.

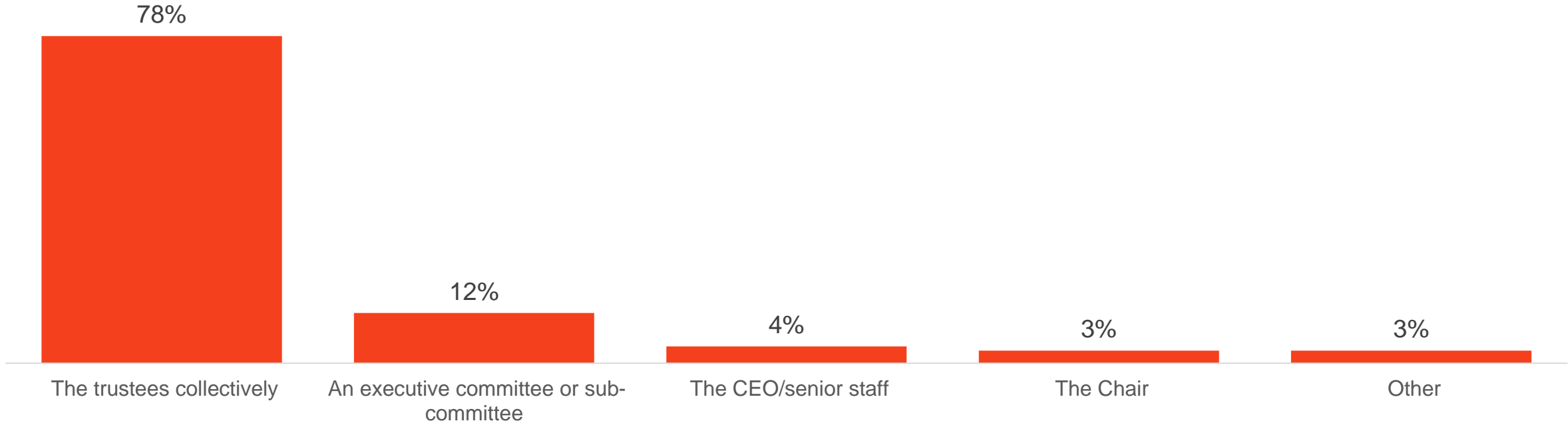
Upholding the charity's purpose is seen as second nature and implicit in all trustees do; many do not have a formal approach to reviewing their activity against it.

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Trustees do not always see themselves as collectively responsible – there is room to reinforce trustees’ collective duties on certain issues



Most, but not all, say they make important decisions collectively (in line with their duty). There is room for further improvement



Trustees feel confident in their ability to come to collective decisions

- + There is no single way that trustees approach collective decision-making, although all qualitative interviewees agree that they are able to work together with the Board to make important decisions where necessary.
- + Some simply rely on debate and discussion to resolve disagreements when they arise, whereas others have more formal voting systems in place.
- + Most feel confident in their processes.
- + The ability to work together and make decisions is seen as an important quality when recruiting new trustees.

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“We have a voting system. We have four meetings a year, quarterly meetings and you can vote on which way things can go. Generally, we tend to agree on it, although Zoom of course has meant we have more meetings and decide things quickly which has been quite a good result for us.”

“We used to recruit friends, but now we don’t and we interview people. We’re amiable and we all get on as trustees.”

“On both my Boards, the relationships are pretty good and people know what they’re doing.”

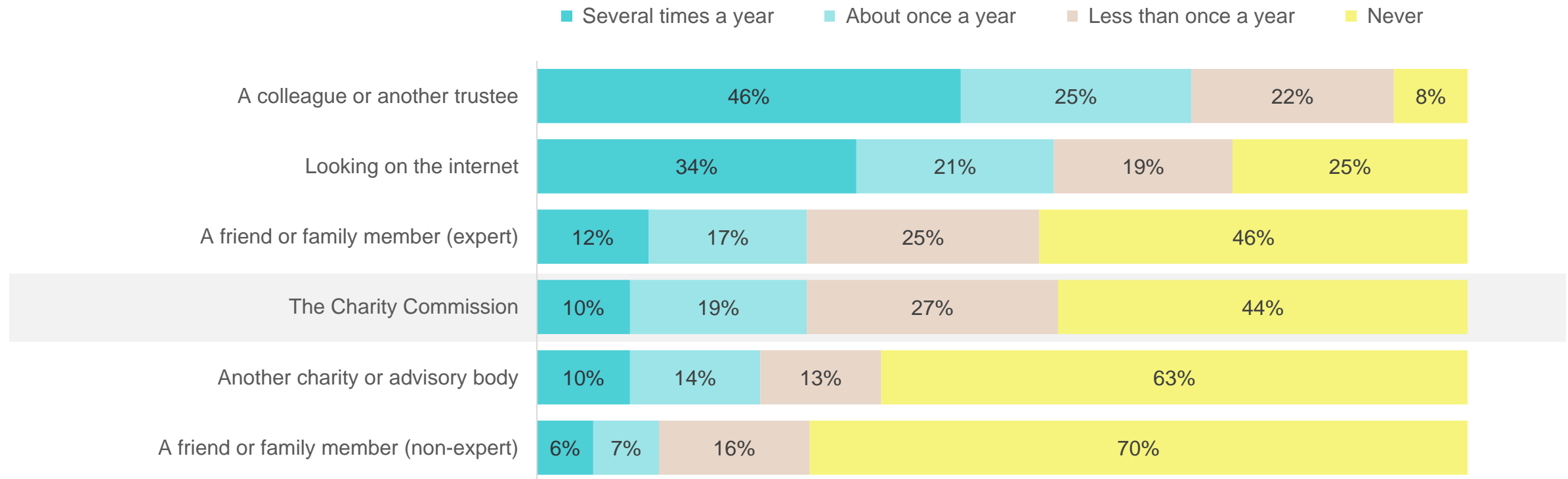
“We have minutes, decision-making is made on a voting basis and all ideas and suggestions are considered.”

The Charity Commission's guidance is used infrequently, but praised by most of those who do use it.

Suggestions for improvement include different formats, training on financial duties, signposting of what is relevant based on charity size, and simpler language.

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Trustees frequently turn to other trustees and the internet for help and guidance, but only rarely to the Charity Commission



Aside from these sources, trustees say they have used professionals such as accounts or lawyers, local council staff and auditors

Nearly all qualitative participants are aware the Commission provides help and guidance for trustees, but most do not use it regularly

- + Trustees are mostly aware that there is help and guidance available on the Commission's website.
- + Most have used guidance at some point, typically very early on in their role. Many recall reading guidance on how to apply to become a charity or filling in an annual return, and other basic but important duties.
- + Most speak highly of the guidance they have used in the past and felt it enhanced their knowledge and understanding.
- + However, most do not use guidance regularly.
- + Other common sources of help and guidance are fellow trustees or charities of a similar nature. This is particularly applicable for trustees of smaller charities looking to learn from shared experience. Colleagues or specialised organisations are seen to offer more practical or personalised help than can be found in Commission guidance.

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“I have been onto the website a couple of times. I was actually quite surprised to find there was really good guidance on how to deal with ex-gratia payments and the reporting issues.”

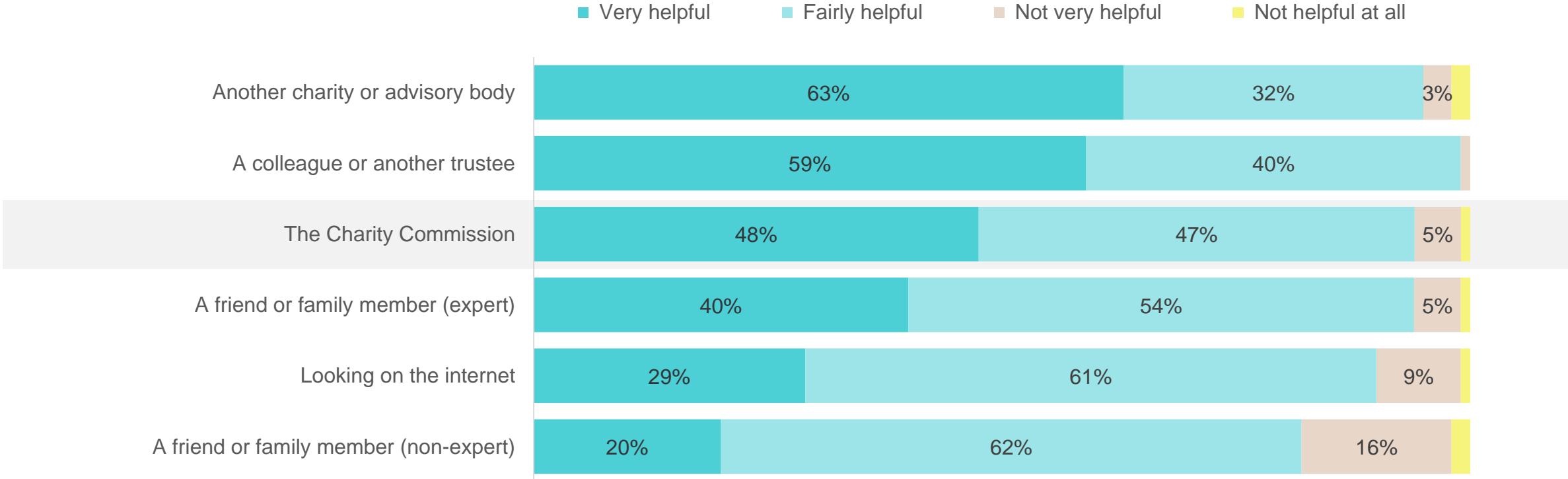
“The Charity Commission website and the material made available was very useful in guiding us through the process of [applying to be a charity]. The majority of stuff however isn't applicable to us because we're so small.”

“I certainly would have used the guidance when I joined, but not since.”

“I probably used it when I joined, but I haven't had any notifications from the Commission since about any changes.”

Among those who had used it, the Charity Commission’s help or guidance was considered helpful

Among those who had used each...



Some trustees praise the Commission's guidance for providing detailed explanations of responsibilities

Those who have used guidance recalled finding it useful

- + Most feel the guidance is useful, albeit admitting that they had not used it recently.
- + Some praise the Commission's guidance for providing clear explanations of trustee duties, particularly in areas that might be more complicated or technical.
- + Others found it helpful when they were new to the role and required an understanding of their basic responsibilities.
- + However, wider research suggests there is work to do to ensure the guidance is perceived to be comprehensible and actionable amongst trustees.

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“You can drill down through links to get where you want to, and some of the help provided by the Charity Commission is very detailed, very helpful.”

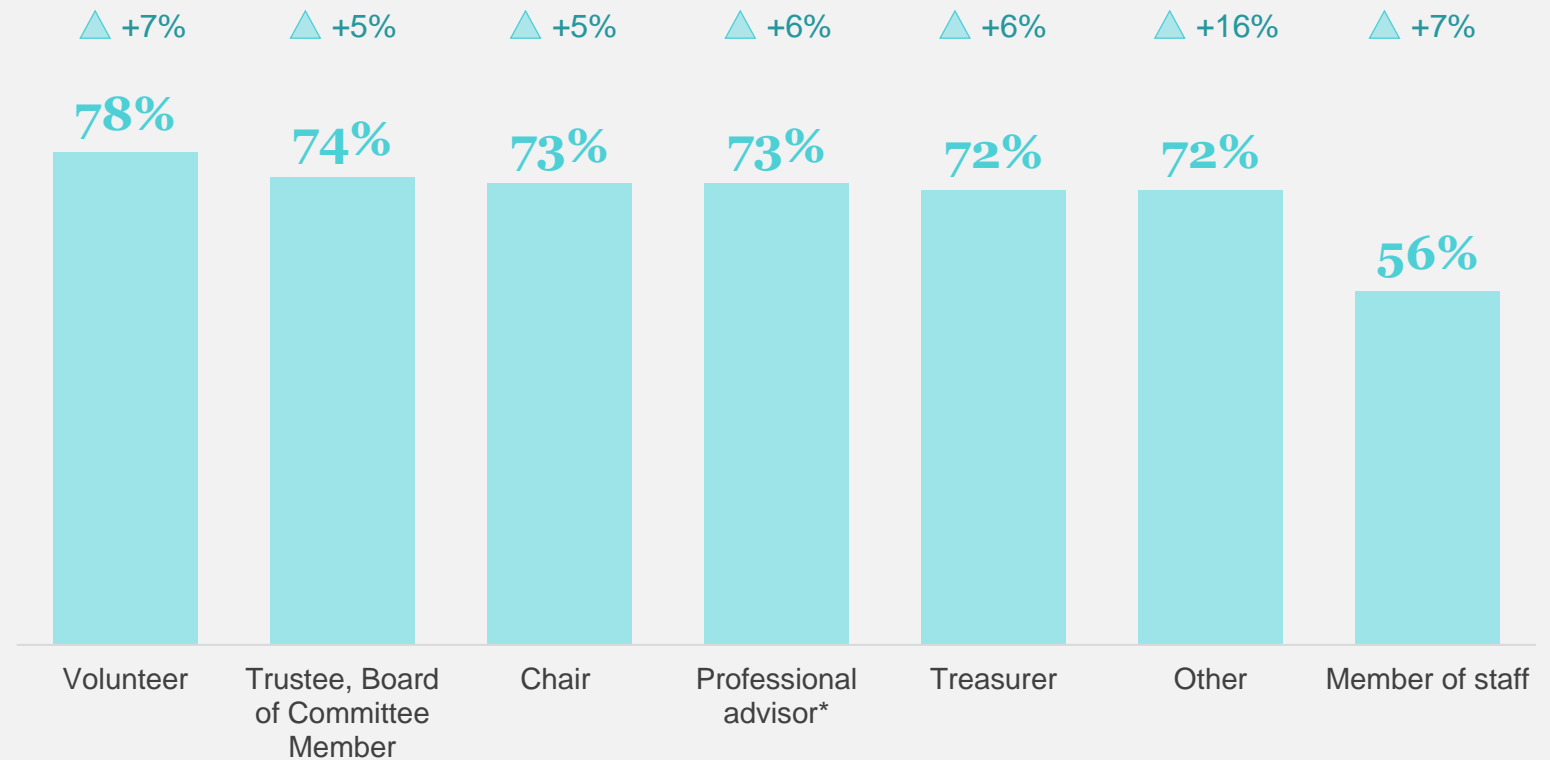
“I found it very helpful to look at the Charity Commission leaflet on ex-gratia payments which has case studies.”

“When we run into issues, we use the guidance and it points us in the right direction.”

The Customer Survey shows signs that improvements to guidance and other services have had an effect

- + The 2021 Customer Survey showed improvements in perceptions of the Charity Commission’s customer service for a range of different types of customers.
- + When prompted, around a third suggest some of the Commission’s services have improved, and qualitatively some noted that there had been greater use of plain English and clear headings within guidance.
- + Separately, the Guidance Survey showed that those who had read the new 5 minute guides responded positively, with the vast majority saying they were easy to understand and two thirds recommending them to other trustees.

% who say the Commission’s customer service is ‘good’ (with changes from 2020)



Methodology

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Methodology

Quantitative survey of trustees

- + Yonder conducted an online survey of 2,713 participants taken from the Charity Commission's database of charity trustees. These trustees came from a range of charity types, regional areas of focus, and length of tenure.
- + Where relevant, answer options were randomised and scales rotated. All questions using opposing statements were asked using a sliding scale.
- + The data was weighted to be representative of the breakdown of income size on the Commission's register.

Qualitative interviews with trustees

- + Yonder conducted 20 in-depth interviews with trustees via phone from a range of different charities.
- + Each interview lasted around 30 minutes and followed a discussion guide agreed upon in advance with the Charity Commission.
- + Participants were recruited through the online survey.

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