

>enquiries<

# Diverse and Inclusive Governance

Report 03



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## Arts Fundraising & Philanthropy Enquiries Programme

Between 2021 and 2024, Arts Fundraising & Philanthropy has delivered a series of enquiries in relation to challenging areas of arts, culture and heritage fundraising, with a view to informing future policy and research. Each enquiry is made up of eight fundraisers working in arts, culture and heritage organisations, who have worked alongside the wider Arts Fundraising & Philanthropy team to explore a topic of national significance. The output is a short publication outlining policy ideas and suggestions for key funders, where all participants will be co-authors and credited for their participation. The publications will be disseminated to a wide range of stakeholders, including Arts Council England, and will be used to inform discussion at Arts Fundraising & Philanthropy events and related training courses.

## With thanks to our Ethics Enquiry group for their support and insight:

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**Kerry Andrews:** Executive Director at Level Centre

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## Introduction

**With nearly 170,000 registered charities in the UK, and a further 20,000 organisations with charitable status, Trustees play a crucial role in ensuring that the organisations that they govern, operate effectively and ethically, and in the best interests of the beneficiaries and the broader communities that they serve. The commitment and dedication of volunteer Trustees is essential to the impactful and sustainable functioning of the charitable sector.**

However, in recent years, changes to regulation and compliance, as well as the expectations of funders, have

made the commitment for volunteer Trustees more extensive. This has coincided with a drive from within charities and externally via funders such as Arts Council England and the National Lottery Heritage Fund, to ensure that Boards are more welcoming of Trustees from diverse backgrounds, with lived experience and with protected characteristics.

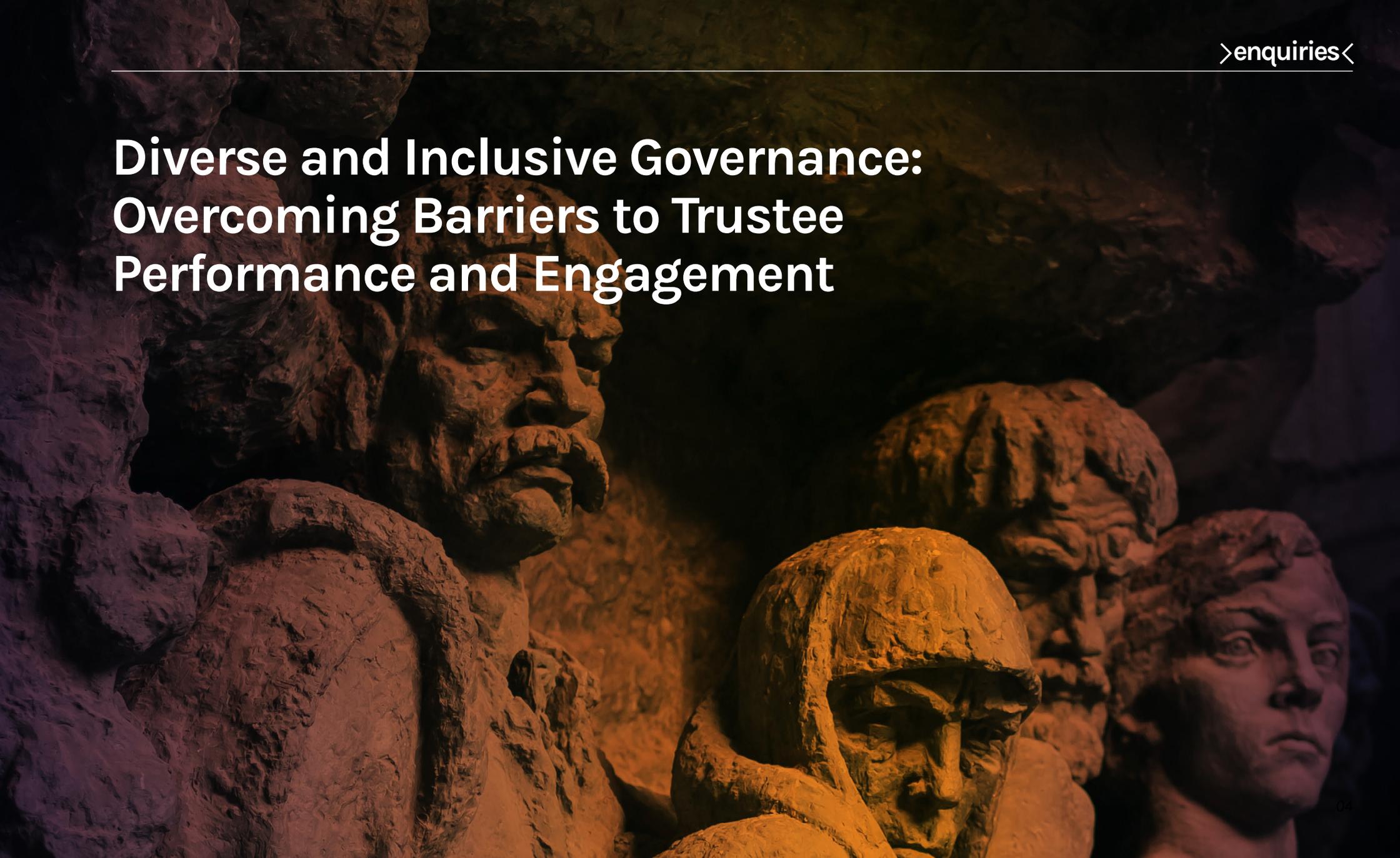
In 2024, Arts Fundraising & Philanthropy set up a new enquiry to focus on this complex issue, led by eight arts fundraisers. The work centred on how to support all Trustees to overcome some of the barriers to performance and engagement that might arise from the expectations

from the Charity Commission as the key regulator and those outlined by funders. It asked the question, *'If we genuinely want diverse and inclusive boards, then how might 'the system' need to adapt to better facilitate that goal?'*

The accompanying recommendations have grown out of some of the enquiry group's reflections and are suggested to provide support to the cultural sector in navigating the issues inherent in embedding diverse and inclusive governance.

**Michelle Wright,**  
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# Diverse and Inclusive Governance: Overcoming Barriers to Trustee Performance and Engagement



## Context of diverse and inclusive governance

**Ultimately, being a volunteer Trustee for a charity has never been so challenging. There is increasing pressure on trustees, particularly with heightened expectations of transparency and accountability. The need to adapt to these changing dynamics, and the importance of diversity within boards to bring new perspectives and talents into the charitable sector, is greater than ever.**

The list of potential and perceived barriers to genuinely diverse Trusteeship is long, a few examples, might include:

- Requirements from the Charity

Commission, which suggest a certain level and type of education, particularly in relation to the financial and legal knowledge required for Trustees to fulfil their roles.

- The increased demands of funders, many of which are seeking more input from Boards, which can place more time and travel pressures onto volunteer Trustees than may be financially feasible for them as individuals.
- Long written documents with extensive guidance for Trustees, which may present difficulties for Boards if information is not presented in accessible formats, for example, in large print or braille.

- Tokenistic recruitment, where Trustees are not properly onboarded or trained.

In a 2017 [article authored by Lord Michael Grade, former Chair of the Fundraising Regulator](#), the barriers to engagement were clearly outlined:

- 1. Increased Expectations:** Trustees in the charity sector are facing escalating pressures, especially concerning open, honest and accountable conduct.
- 2. Balancing Act:** Balancing high expectations with the realities of trustee roles can be challenging. Most trustees are unpaid and part-time, juggling trustee



duties with their regular jobs and personal lives.

**3. Diversity on Trustee Boards:** To meet the diversity and inclusion expectations of today's world, charity boards need to reflect the diversity of both society and the beneficiaries and community groups that the charity is serving. The report emphasises the importance of bringing new faces and talents into trusteeship to infuse the charitable sector with fresh ideas and perspectives.

**4. Promoting Trusteeship as Personal Development:** Trustees need competencies in managing reputational risk, scrutinising operations, and managing budgets

effectively, whilst complying with legal and sector-wide standards. Companies are increasingly promoting trusteeship as a way for their workforce to develop skills, benefiting both charities and employees.

**5. Balancing Challenges and Opportunities:** While trustees face increasing challenges, opportunities are also expanding. The inclusion of new talent on trustee boards can enhance the efficiency and effectiveness of charities. Businesses promoting trusteeship as a form of personal development can help both the charitable sector and employees succeed in their endeavours.

Overall though, there is minimal published research into the barriers that individuals face when serving as a trustee.



# Challenges with Reporting Requirements

**The Charity Commission provides extensive guidance to encourage diversity on charity boards.**

However, the Charity Commission governance framework can sometimes inadvertently create barriers for boards to act effectively, some examples include the following:

**1. Traditional Practices:** Some regulations may reinforce traditional practices and governance structures, which can be biased towards certain demographics or backgrounds, making it difficult for underrepresented groups to access trustee roles.

**2. Complex Reporting:** Overly complex reporting requirements, or a lack of guidance about how to report on diversity metrics, can discourage charities from collecting and disclosing data related to the diversity of their boards.

**3. Reporting Burden:** Smaller charities may lack the resources, capacity or experience to manage the reporting requirements of the Charity Commission.

**4. Lack of Clarity:** Unclear or ambiguous regulations may lead to confusion about the obligations related to board diversity, making it harder for charities to take meaningful action.

**5. Resource Constraints:** Charities, particularly smaller ones, may struggle to allocate resources to meet regulatory requirements related to board diversity, such as training and recruitment practices.

One of the barriers to trustee recruitment in the charitable sector is the perceived burden of regulatory guidance on volunteer trustees. The volume and complexity of guidance can place a strain on potential and existing trustees, possibly discouraging their involvement, and the often risk-focused tone of the guidance can deter individuals from taking on trustee roles.



In [an article shared on Third Sector](#) (July 2022), it was found that a coalition had called for the regulator to add reporting requirements to help address the ‘massive diversity problem,’ stating that the complexity of reporting requirements, lack of EDI data collection, and the levels of expertise and skills needed for effective governance, continues to present a barrier to Trustee diversity and engagement.



## Increasing Demands from Funders

**Alongside rigorous reporting requirements, cultural organisations are facing increased scrutiny as stakeholders and funders demand greater accountability from their boards.**

Arts Council England's [Let's Create](#) strategy 2020-30 highlights this by saying:

*We will invest in organisations that are committed to strengthening their governance and leadership, developing the skills and wellbeing of their workforce, improving their data culture, and adopting appropriate new technologies across their business. We will expect them to become more*

*entrepreneurial and to develop business models that help them maximise income, reduce costs and become more financially resilient.'*

*We will invest in a cultural sector that sets out clear measurable plans for how it will ensure that its leadership, governance, workforce, programme and audiences, are more reflective of the communities it serves - in terms of geography and socio-economic background, as well as protected characteristics (including disability, sex and race).*

As a result, while funders play a critical role in supporting charitable organisations, their specific

requirements and priorities will of course influence an organisation's selection processes for trustees. There are particular realities in terms of the volume and format of reporting, which might require extensive understanding of spreadsheets or complex narrative.

[A series of recruitment surveys](#) highlight difficulties attracting trustees, with 52% of respondents struggling to fill board vacancies in 2022, with concerns that the requirements from Arts Council England and other major funders could make attracting trustees particularly challenging for the arts sector, especially those that



are time-poor, or with caring responsibilities. For existing trustees, the responsibilities of trusteeship balanced with other priorities, may also make fully engaging in the role extremely challenging.

There are also internal barriers to ensuring effective trustee engagement, with some charities not having the internal resources or expertise to adequately service governance. Senior Managers working in an executive capacity in charities may require support about how best to manage boards, to maximise their engagement. This could include formalizing the expectations of the trustee via role

descriptions, being clear about the time commitment needed and ensuring a clear remit. Training modules, or working groups, that include both staff and trustees, can prove very beneficial to ensure reciprocal learning.

Similarly, to prepare papers that are fully-accessible, may require executive teams to spend many hours adapting board papers to include the relevant video/graphic or visual information. This can increase the pressures on already stretched staff teams.

## Lack of Support for Existing Trustees

**Despite the drive to improve board diversity, the actual support when you become a Trustee is fragmented and lacking in quality. There is often no formal training; no formal pay and no ‘best-practice’ when it comes to successful induction and onboarding.**

In a [report produced by Getting on Board](#), commentary was made about why there is such lack of support, stating various factors including the voluntary nature of trustee roles and the absence of sector-wide expectations. It cited areas such as:

- > **Lack of trustee training:** many trustees join boards with minimal training and may not receive any formal training or induction throughout their tenure, meaning that they don't have a full grasp of the role.
- > **The impact of training:** effective trustee training and development can significantly enhance the impact of trustees on the organisations that they serve. It allows trustees to better understand their roles and responsibilities, the charity's operations, and the changing needs of service users.
- > **Continuous learning:** training should not be limited to a one-time induction but should include ongoing access to both formal and informal learning opportunities. Trustees' questions and needs evolve as they become more involved with the charity.
- > **Sector-wide expectations:** unlike many other sectors, there is no sector-wide expectation for trustees to undertake training or development. This lack of expectation hinders trustees' ability to fulfil their roles effectively.

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- > **Learn from other sectors:** the charity sector should learn from other related disciplines, such as school governance, where training is expected, widely available, and is often free for board members.
  - > **Fragmented training:** currently, trustee training beyond basic legal responsibilities is fragmented, potentially expensive, and is often not tailored to the trustees of smaller charities.

It is no surprise then, that in [another Getting on Board report, a survey found](#) that only 14% of respondents feel that their charities are well-equipped to meet compliance, strategic and development needs.

To address this issue, there's a growing call for easily accessible, free and high-quality training programmes designed specifically for trustees.



## Access Support for Trustees

**Being a trustee is not easy, and there have even been calls from individuals in the sector, urging others to avoid the role. One such example is the [Guardian article by David Walker](#), which outlines the rigorous reporting requirements, legalities and complexities of being a trustee, and highlights the worrying lack of knowledge from trustees of their duties and obligations.**

This lack of support becomes even more worrisome when you factor in the recruitment and support of trustees with protected characteristics. For example, for trustees with a disability, travel

requirements may present too high a barrier if some meetings are not held virtually, or in a hybrid manner. Similarly, for charities based in rural communities, transport can prove prohibitively expensive, especially if no buses or trains are available to travel to meetings.

In a report titled [‘Place/s at the table: a review of disability and governance in the cultural sector’](#)

Tim Wheeler highlights the barriers preventing D/deaf, disabled and neurodivergent people from engaging in governance, stating that a lack of resources, prejudice, legal complications, ableist systems

and a lack of confidence, all add significant barriers.

For those from lower-socio-economic backgrounds, or those with caring responsibilities, or operating as freelancers without a regular pay-cheque, the lack of pay, the need to travel to attend meetings or events, or even the need to financially support the charity themselves, can all add another significant barrier.

Additionally, there are areas of diversity such as socio-economic background, which the Charity Commission doesn’t ask charities to record. Other funders, such as Arts Council England, do ask funded



organisations to report on these areas, but the measurements used to provide evidence can be rather limited.

Finally, the diversity of trustees needs to be acknowledged beyond officially recognised protected characteristics. For example, a trustee having 'lived experience' is important. Diversity in context for individual charities will vary from organisation to organisation but Boards should have considered the skills and experience that they need trustees to have to ensure they are compliant, can meet the requirements of the

organisational strategy and are looking ahead to be able to respond to beneficiary, community and sustainability needs of the charity in the future.



## Payment of Trustees

**Small payments, or honorariums, may help recruit trustees from diverse backgrounds onto charity boards. However, statements from the Charity Commission actively discourage boards from considering paying trustees:**

*'When you become a trustee, you volunteer your services and usually won't receive payment for your work ... Generally, charities can't pay their trustees for simply being a trustee. Some charities do pay their trustees – they can only do so because it's allowed by their governing document, by the Charity Commission or by the courts'*

There have been several calls to look at paying Trustees, including a [report from NPC](#), which looks at how improving incentives such as payment, volunteering days from employers, and training, could bolster diversity and impact.

Clore Leadership published a similar report, asking the key question ['Could we make Boards better?'](#) The article highlights the issues that boards are facing and draws out some interesting recommendations:

- There is a lack of diversity amongst board members in cultural organisations, with many coming from older, wealthier and more established backgrounds.
- The increasing complexity of board responsibilities is not effectively adapting to the fast-changing world.
- Two potential changes to the charity model could be considered, including paying board members with an honorarium and considering senior staff as board members to bring a wider perspective.



Occasionally, charities will be granted permission from the Charity Commission to pay trustees. For example, at Arts & Homelessness International, where 50% of trustees and staff are, or have been, homeless, the Charity Commission supported payment of trustees with lived experience who were not on a full-time salary. The charity's experience is outlined [here](#).



## Summary

**The key concerns raised by charity boards in relation to trusteeship, including financial resilience, collaboration, diversity, support, digital adaptation, and sustainability, underscore the multifaceted nature of the challenges that they face. These concerns highlight the need for ongoing support and training for trustees, and a shift toward more inclusive, innovative and effective governance.**

It is clear that improving governance within the UK charitable sector necessitates change. This includes fostering better communication between charities and their funders, adopting more professional and inclusive onboarding and training practices, and focusing on innovation to achieve greater diversity. Ultimately, achieving these goals can lead to more resilient, inclusive, and effective charitable organisations that better serve their communities and beneficiaries.

# > Recommendations

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## **The Arts Fundraising & Philanthropy Diverse and Inclusive Governance enquiry, makes suggestions in six areas to provide support to the cultural sector in responding positively to the challenges of the performance and engagement of trustees.**

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### **01. TRUSTEE RECRUITMENT SUPPORT**

To develop a guide (online/video) on best practice in trustee recruitment for arts, culture and heritage organisations, building on expertise from diverse-led organisations. The guide will include case studies, information and check lists to support organisations to both recruit and induct trustees. It will include:

- Understanding how Boards need to be fit for the future and the risks of poor approaches to diversity.
- Identifying trustees with the skills, knowledge and lived experience to support the charity for a resilient future.
- Developing a recruitment pack and application process to reach key audiences for trusteeship through targeted advertising and partnership with expert organisations/communities.
- Ensuring effective engagement in the recruitment process via Open Days for trustees and visits and observations of the Board.
- Being clear on the expectations of trusteeship, expected levels of engagement and what training/coaching and mentoring will be available.
- Recommendations in relation to how to structure meetings to maximise the engagement of Trustees.
- Suggestions in relation to effective presentation of information for trustees, including use of language and clarity of data.
- Guidance as to how to set and maintain positive Board Cultures.

## 02. TO SUPPORT BOARDS TO MAXIMISE TRUSTEE ENGAGEMENT

To develop resources (online/video) of best practice in ensuring Trustee engagement for arts, culture and heritage organisations. This will include resources, case studies, training and peer networks covering areas such as:

- Exploring Co-chair structures - the pros and cons, and commissioning other relevant action research.
- Exploring different approaches and models for effective Board oversight.
- Encouraging peer networks for trustees and buddy systems between trustees and staff.
- Exploring the realities of trusteeship in a hybrid environment - how best to structure meetings and how best to engage trustees prior to meetings and afterwards.
- Ensuring creative engagement of trustees with the art, culture or heritage offer of the organisation.
- Creating a simple Culture Plan, promoting and developing a safe Board environment that is welcoming to trustees from the broadest range of backgrounds.

## 03. TO SHARE BEST PRACTICE ACROSS THE ARTS SECTOR TO SUPPORT THE DEVELOPMENT OF EXCELLENCE IN ACCESS SUPPORT FOR TRUSTEES

Resources will be shared via case studies, events and peer networks. It will be led and will build on the excellent knowledge held by diverse-led organisations across the sector. It will include areas such as:

- Providing access riders and access surveys before each trustee meeting.

- Best practice in presentation of Board information, for example, across print/graphics/charts – as well as good structure and tone and use of plain English.
- Ensuring space for trustees to ask questions prior to meetings and to explore areas where they may have less confidence e.g. finance.
- Identifying and delivering on training needs for trustees as a planned and strategic programme of work to support governance.
- Ensuring the culture and tone and experience of a Board meeting is a safe space that is welcoming to people and that access requirements for individual trustees are regularly updated.

#### **04. PROVIDING FREE OR LOW COST TRAINING ONLINE FOR TRUSTEES, SENIOR MANAGERS AND OTHERS INTERESTED IN BECOMING TRUSTEES, OR IMPROVING THEIR KNOWLEDGE**

Such training, would need to be provided either free or at low cost, and would be layered to cater for different levels of experience, from entry level to experienced trustees. It would cover key areas such as:

- Do I want to be a trustee, what is involved? Checklists for inducting trustees and other key areas of administration.
- The requirements of being a trustee – legal and financial responsibilities.
- Changing regulation and trustee responsibilities.
- Effective engagement of a Board as a senior manager.
- Modules for trustees to work through together – for example, in new areas such as safeguarding or in navigating through crisis, or welcoming young trustees.
- To explore a kitemark, such as Good Business Charter for Boards, that commits trustees to certain levels of CPD or training each year.

- To explore accreditation models e.g. Chartered Institute of Management.
- Encouraging the sharing of best practice and knowledge exchange between arts organisations via mentoring models and peer exchange.

#### **05. TO ENCOURAGE A POSITIVE SECTOR-WIDE RESPONSE TO ENCOURAGE IMPROVEMENTS IN GOVERNANCE EXPECTATIONS FOR TRUSTEES, SPECIFICALLY IN RESPONSE TO THE DEVELOPMENT OF DIVERSE BOARDS**

This will include sector-wide responses to the regulator and key funders covering suggestions such as:

- Overhauling of all documentation produced by the Charity Commission, funders and anyone with expectations for board members. For documents and guidance policy to be simplified and prepared in Plain English with video, audio and BSL as standard.
- Encouraging a relational approach e.g. a Charity Commission helpline for charity Trustees and similar support at organisations such as Arts Council England.
- To ensure funders' requirements are proportional to the ratio of funding and type and scale of organisation.
- To develop better metrics for measuring the diversity of trustees, e.g. meaningful metrics to effectively measure socio-economic background.

## **06. EXPLORING MODELS FOR TIME RELEASE TO PAY TRUSTEES TO ATTEND BOARD MEETINGS AND TO UPSKILL**

To develop a report for the arts sector, to explore case studies and to make recommendations about how to facilitate payment or honorarium payments to trustees, to better support carers and freelancers into trustee roles and to explore other ideas that might support trustees from lower socio-economic backgrounds to serve as trustees and to attend training to upskill where required.

- To explore paid release for trusteeship for key people such as carers or freelancers so that they can serve on boards, such as the model of volunteer days for the Civil Service (at least one paid day a year) and supporting travel costs for trustees in rural communities.
- Employer-supported volunteering (ESV), also known as Corporate Volunteering, is where an organisation's employees take paid time off to volunteer during work hours. Employees can choose to use this time to support a charity or community group of their own choice, or to take up an opportunity provided by their employer. Such models applied equitably across the arts sector, could support more arts employees into trusteeship.
- To make the case to funders to include funding for trustee development within grant models as standard.

## For more information:

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