



Trustee Academy #11: turn and face the strange

Description

Trustees learning and development programme

Always striving to find a better way through lifelong learning



Introduction

‘Change begets change,’ said Charles Dickens in his novel *Life And Adventures Of Martin Chuzzlewit*, ‘nothing propagates so fast.’

I sense an acceleration of change at MMHS, as we work through the implications of our strategy

document for 2022-27. There are useful *MindTools* articles on change – see towards the end of this bulletin. To complement these, I recently came across [the 5 Cs of change](#) – culture, communication, courage, conviction and compassion.

Former US President Barak Obama said, ‘Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for. We are the change we seek’. Perhaps my favourite of all time is the ancient Greek proverb, ‘You can’t step in the same river twice’.

I must confess, note taking is not one of my strong points. So the article on good minute taking in this bulletin will be a useful challenge. At one of our away days, we were introduced to the idea of charity loans as a tool in the change process. The article below will help aid our understanding.

Alan

Legal and governance

The practice of good minute taking

You may have served on many boards, but have never had to take minutes. If that is you, this [guidance note](#) is essential reading! There are some really good ‘takeaways’ from the publication. To whet appetites for a full reading of the document, here are a few quotes:

- ‘*Not for the minutes*’. How often have we heard that said, and is it okay?
- ‘*...there is no one-size-fits-all approach for minute writing.*’ Have you noticed how MMHS’s minutes have evolved over the years?
- ‘*Excuse me, but just so that I am clear for the minutes...*’ It’s acceptable for the minute-taker to seek clarification but how can we help them, so they don’t need to do so?
- ‘*Minutes should not be a verbatim record*’. What is likely to happen if that’s the practice?



The Governance
Institute

Guidance note

Minute taking

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Foreword from Dame Alison Carnwath

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Finance

Charity loans

This [guidance note from CAF Bank](#) on charity loans is a really good resource as it covers much – directly and indirectly.

Charity Loans: Guidance Note from CAF Bank

Are you considering applying for a loan for your charity or social purpose organisation? Make sure you're ready for the process by considering these seven key questions before you apply.

1. Are you permitted to borrow money?

Have you checked your governing document to ensure your organisation is permitted to borrow money?

What is a governing document?

A governing document is a legal document that serves as a rulebook. Its exact form will depend on how your charity is constituted, but it could be a Trust Deed, Articles of Association or an external document. It sets out your charitable purpose and dictates how it's run and who can be a member, among other things. It should also make clear whether:

- your charity is permitted to borrow money
- there is any limit to taking on debt
- you can borrow against your assets, which is essential for a secured loan

If your governing document does not allow loans, it will need to be updated before you can receive loan finance.

The Charity Commission offers guidance on [changing your charity's governing document](#), as does the [Scottish Charity Regulator](#) if you are based in Scotland.

2. When's the right time to talk to lenders?

At CAF Bank, we encourage potential borrowers to speak to us at an early stage in considering sources of funding of their project. This initial conversation helps provide rough parameters on the size and term of a loan, the minimum criteria required (i.e. three years of trading, a minimum loan of £150,000, etc.), as well as the conditions or security that need to be in place. This preliminary conversation is crucial in helping you understand what we look for and helps us understand your project and needs before you progress too far into the process.

Here is a quote from a solicitor at Stone King – ‘The charity sector is perhaps the only sector where some of those running charities think that it is possible to grow or develop without external funding. Trustees should look at borrowing as one of several options available to them for raising money and should not be afraid to borrow – if to do so would help their charity do its job better’.

Strategic Objective 16 of MMHS’s 5-year Strategic Plan 2022-2027 says MMHS will ‘consider debt options mindful that borrowing can be an effective tool for achieving charitable goals’. It will be interesting, in due course, to see the outcome of our deliberation

Personal development

Bringing in change

With transformation underway at MMHS, it is useful to spend a little time on this engaging infographic about a well-known [Change Management Model](#) devised by John Kotter. This gives key milestones on the route to implementing lasting change (if that is not an oxymoron!).



To complement this, reflection on how individuals may *feel* about change and how this may cause them to behave merits attention through another well-known model, the [Kubler Ross Change Curve](#). Both personally and professionally, this can help us to understand people's reactions to significant change or upheaval.

Category

1. Bulletins

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