

Committee Roles

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**Supporting rural
community-owned businesses**



1. What are your legal responsibilities?

- The Society or other legal form
- The Business



2. What are the essential committee roles?

- Chair
- Secretary
- Treasurer
- Committee Member



3. What are the key duties of each committee role?

- Role
- Responsibilities
- Duties



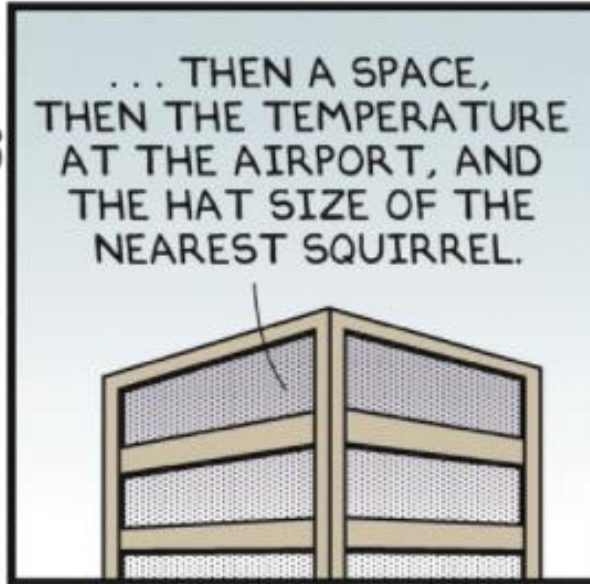
4. How do you recruit successfully?

- Job Descriptions
- Person Specifications
- Recruitment and Selection
- Achieving a good fit





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- **The management committee members are collectively responsible for everything done by the Business**
- The requirements can be demanding and wide ranging, and
- All committee members should be prepared to dedicate a reasonable amount of time and effort to managing and supporting the business
- This applies to all; not just the named functions - the Chair, the Secretary & the Treasurer.



What sort of Committee are you?

Non-executive

- Business run by a CEO/General Manager
- Paid management team
- Volunteers and staff report to management
- Strategic oversight and governance by the Committee or Trustees

Executive

- All members of the Committee are operationally involved in managing the business
- Some paid staff, or all volunteers
- Some businesses may be a hybrid – e.g. tenanted community pubs

Responsibilities of the Committee

- **Regular & consistent management committee/board meetings.** Typically these will be once a month, with an agenda that conforms to the governing document, with prescribed roles for all committee members
- **Custodian of members' assets.** All decisions should be financially prudent, in keeping with the aims & objectives of the organisation, and in line with members wishes
- **Engaging & involving members.** Outside the AGM/AMM, communicating with, and involving members & the broader community is vital, and will need an over-arching strategy that should involve use of social media, social events, leaflet drops & poster campaigns & regular surveys
- **Managing the share register.** This is a key legal requirement, and will be governed by the organisation's rules or articles
- **Managing the AGM/AMM & other members meetings.** Another requirement governed by the rules/articles. There are specific requirements for the chair, treasurer and secretary, including the receiving of accounts, distribution of minutes, elections of directors/ management committee

Responsibilities of the Committee

- **Managing the accounts.** Reporting to the elected team in a timely and accurate way, submitting the annual return, timely and accurate payment of VAT and corporation tax
- **Dealing professionally with volunteers and paid staff.** Managing the latter will involve regular performance reviews, putting in place disciplinary & grievance procedures, writing contracts, organising PAYE etc. Having one key contact from the management committee/ directors to liaise with staff is key – rather than employees having 12 bosses. Managing volunteers is a separate webinar!
- **Managing statutory requirements.** These will include health & safety, food hygiene, the premise license, fire procedures, and the sale of restricted goods
- **GDPR, and the general management of data;** to ensure good communication and the necessary control of personal information

Committee Roles



Committee Roles Recruitment

- All management committee members should have a role description which outlines what is expected of them.
- There should also be a person specification which outlines the skills which are needed.
- Check your governing document to see if it limits the length of time people can be members of the board (limit is useful to prevent lack of diversity on the board)
- The members vote individuals onto the committee not into their roles

Committee Roles Induction

- This is one of the most practical ways of ensuring new Management Committee members understand their role, the workings of the organisation and their relationship with others in and outside the organisation. All organisations, regardless of their size and purpose, should provide an induction programme and a pack for new Committee members. The better your induction, the more effective new members will be! Create a standard induction process for new members and reduce your ongoing training requirements.

What is a secretary?

- The society secretary is a strategic position of considerable influence at the heart of governance operations within an organisation.

Governance describes the way that an organisation is directed and controlled, which includes a company's strategy and decision making, how it achieves its aims, and ensuring that all activities undertaken comply with legal, ethical and regulatory requirements.

- Community business may refer to the position as Company Secretary, Society Secretary or just Secretary

Committee Roles Secretary

In summary, the Secretary is responsible for:

- Ensuring meetings are effectively organised and minuted (use of technology)
- Maintaining effective records and administration
- Upholding the legal requirements of governing documents, charity law, company law etc (where relevant).
- Communication and correspondence
- It is important to note that although the Secretary **ensures** that these responsibilities are met, much of the work may be **delegated** to paid staff or volunteers.
- Given these responsibilities, the Secretary often acts as an information and reference point for the Chair and other committee members: clarifying past practice and decisions; confirming legal requirements; and retrieving relevant documentation.

Your society secretary should..

- 1) Arrange and hold the AGM
- 2) Arrange audit of accounts
- 3) File returns to the FCA
- 4) Display the balance sheet
- 5) Keep a register of members (including shareholding)
- 6) Provide members with the Rules
- 7) Give notice of meetings
- 8) Communicate with FCA – rule changes etc.

Their responsibilities

- To keep check on the progress of work of the committee
- To deal with correspondence on behalf of the committee
- To check that a quorum is present at meetings
- To record the business of the meetings in the minutes
- To prepare the agenda with the chairperson & chief officer
- To keep the membership lists of the committee(s) up to date

Your Secretary..

- Those using Plunkett rules must have a secretary
- When setting up your legal structure the FCA require a named secretary
- Does not need to be a member of the society
- Can be paid

Person specification

- Committed to the organisation
- Clear judgement
- Willing to devote the necessary time
- Organised
- Basic knowledge of administrative procedures
- Ability to write clearly
- Ability to provide clear relevant guidance to the committee on procedural and governance matters

Committee Roles

Treasurer

The Treasurer has a watchdog role over all aspects of financial management, working closely with other members of the Management Committee to safeguard the organisation's finances.

It is important to note that although the Treasurer **ensures** that these responsibilities are met, much of the work may be **delegated** to a finance sub-committee and paid staff or volunteers.

In summary, the Treasurer is responsible for:

- General financial oversight
- Funding, fundraising and sales
- Financial planning and budgeting
- Financial reporting
- Banking, bookkeeping and record keeping

The Treasurer must...

- Ensure that the organisation meets all its financial related legal requirements
- Carry out financial activities in line with the organisation's governing document
- Carry out your role as Treasurer in line with your organisation's Policies & Procedures and agreed work instructions

The Treasurer should...

- Have clearly documented Policies & Procedures related to the organisation's financial activities
- Keep up to date with any changes to the organisation's legal requirements
- Work with fellow Management Committee members to develop and implement an approved annual budget

The Treasurer could...

- Assist in the recruitment and mentoring of potential successors
- Develop a well structured handover process that is documented and provides the organisation with an ongoing level of financial stability

Budgeting and financial planning

- The Treasurer needs to be on top of finances so that the organisation knows how well it is tracking against the approved budget and how to respond if unexpected problems arise
- A small finance sub-committee can work closely with the Treasurer to develop a full analysis of the organisations finances, short term, medium and projected long term sustainability

Budgeting and financial planning

- This analysis gives the Management Committee the ability to make informed decisions about future income or expenditure and organisational activities
- You should compare actual financial performance against predicted financial performance so the Management Committee understands the state of the organisation's finances before making decisions



Types of Chair

- The specifics of what the committee/organisation need from a chair will vary over times and different elements may need emphasis at different times.
- As well as a role description you may want to create a specification listing all desirable characteristics in your ideal chair, this can help with development and the chair can use to help recruit next chair.

Committee Roles

Chairperson

Chairing is a key role on any voluntary Management Committee. The Chairperson must ensure that the Management Committee functions properly, that there is full participation during meetings, that all relevant matters are discussed and that effective decisions are made and carried out.

The role of a Chairperson is time consuming, with work between meetings, external representation of the organisation, and work with staff. Chairing a large organisation requires diplomatic and leadership skills of a high level.

The responsibilities of a Chairperson can be summarised under five areas:

- 1. To provide leadership
- 2. To ensure the Management Committee functions properly.
- 3. To ensure the organisation is managed effectively.
- 4. To provide support and supervision to the staff and volunteers and new committee members.
- 5. To represent the organisation as its figurehead.

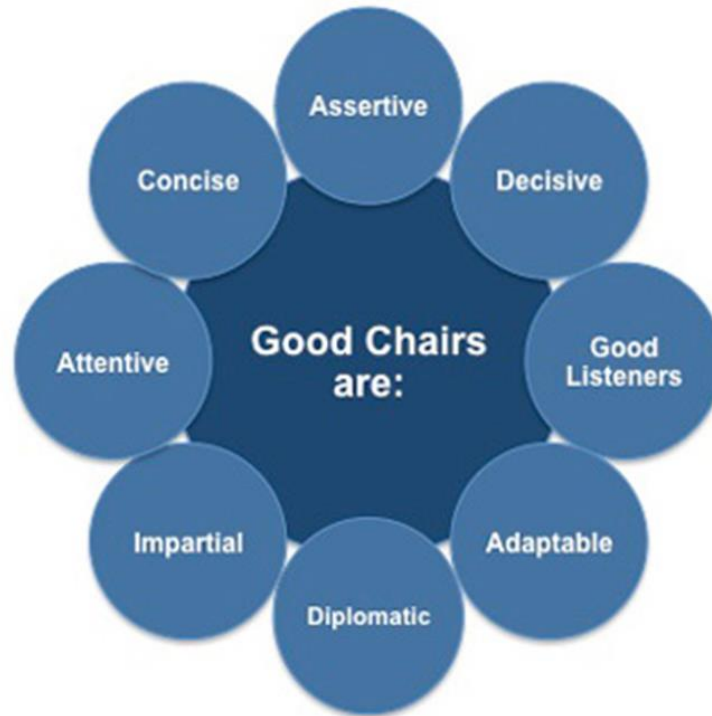
Leadership styles



What characteristics do you look for?

- Capacity to Lead
- Style of leadership
- Personal characteristics
- Ability to remain impartial and calm
- To represent the organisation externally
- To implement vision

Skills a chair needs



Changing chairs regularly

Advantages

- No one person irreplaceable
- Change of direction
- Allows power to be shared
- Allow committee to make changes if unhappy

Disadvantages

- Lack of continuity
- Lack of stability
- Lack of suitable alternative

Chairing Meetings

Opening and setting it on course based on pre arranged agenda

Structure the meeting – take each item in turn, facilitate discussion, keep to time

Summarise to

- Recap
- Clarify
- Check actions and commitment
- Keep control

Close meeting



"I know we didn't accomplish anything, but that's what meetings are for."

What does the chair do in a meeting?

Control

Remarks should be addressed through the chair

Make sure arguments do not get personal

Ensure everyone is heard and not dominated by one or two people

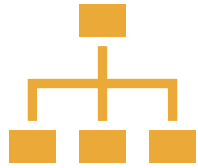
Help reach a consensus

Hold a vote and make sure all members accept majority decision

Other committee roles include

- Vice chair
- Maintenance and repairs
- Health and safety
- Volunteer/Staff liaison/HR
- Marketing and communications
- Grant Funding

Committee Roles Managing Staff



Appropriate organisational
structure and clear lines of
responsibility



Good management
structures



Good management
committee and senior staff
relations

Committee Roles Managing Staff

- Clarify key responsibilities:
- Where is the line between board and day-to-day operational responsibilities? Don't be too rigid, it will change over time.
- Who can take which decisions?

Committee Roles Managing Volunteers

Boundaries are still the issue here – what makes it slightly trickier is that the boundaries are in people's heads. In a community business where those involved may have more than one role

It is easy to confuse them, for example by assuming that board decisions can be taken in the workplace or undermining the authority of a staff or volunteers because you are a member of the board. It helps if you can keep issues of the direction of the co-operative separate from day-to-day operational issues

Committee Meetings and Decision Making

The Management Committee shall hold such meetings as it considers appropriate to discharge its roles and responsibilities.

Three members of the Management Committee shall comprise a quorum.

The Management Committee shall cause proper minutes to be made meetings of the Management Committee and of any sub-committees. *All such minutes shall be open to inspection by any Member at all reasonable times.*



Oversee the business so that it meets the defined purpose and objectives



Manage the requirements defined in your rules



Strike the right balance between the strategic objectives and day to day operational management



Recruit and train new committee members to meet their agreed roles



Understand how you will collectively make decisions and manage conflict



Ensure that staff and volunteer management processes are effective for all

