

Newport Mind Directors Induction Pack

This pack is for all new directors or for those considering putting themselves forward to be a director.

Information about Newport Mind

1. Operating Context

- 1.1.** Newport Mind provides services in the Newport City Council (NCC) area, which is a densely populated urban area with a population of over 140,000, although there are some semi-rural areas bordering the neighbouring local authority areas of Cardiff, Torfaen, Monmouthshire and Caerphilly.
- 1.2.** Newport has:
- a higher percentage of people from BME communities than the Welsh average,
 - a greater number of people living in social housing
 - a high percentage of people with limiting long term illnesses
 - a large number of people providing unpaid care
 - a high percentage of people who are economically inactive, 36% at the last census and this figure is expected to be substantially higher due to the economic situation in common with other areas an increasing proportion of the population over 65.
- 1.3.** Newport Mind has six main sources of income:-
1. Rent from the houses,
 2. Newport City Council Supporting People Programme Grants,
 3. Contract funding from Aneurin Bevan University Health Board(ABUHB),
 4. Newport City Council Contract.
 5. Big Lottery Funding
 6. Newport City Council Families First Funding

2. Services

Newport Mind provides the following services:-

- 2.1.** Supported Housing in four houses for 16 tenants funded by the Supporting People Programme from Newport City Council.

- 2.2.** Tenancy Support is provided to 49 people funded by Supporting People Programme Grant from Newport City Council.
- 2.3.** Skills, Training and Community Wellbeing Services are provided funded by Newport City Council and ABUHB includes:-
- Activity Groups; Writing, Art, Crafts, Singing, Walking and Allotment groups
 - Self-Management Courses; Depression Management, Anxiety Management, Understanding Anger, Confidence Building and a Rolling Recovery Programme.
 - Wellbeing and Peer Support Groups including specific groups for women and men.
 - One to one support
 - Volunteering Opportunities
- 2.4.** Information, Advice and Assistance funded by Newport City Council and ABUHB
- 2.5.** Counselling funded by ABUHB provided by paid workers and volunteers.
- 2.6.** Newport Mind is part of a partnership with Newport Live, ABUHB Dietetics Department and Kaleidoscope, a substance misuse charity, to provide the Newport City Council Family Wellbeing Strand of the Welsh Government Funded Families First project. Newport Mind employs two Family Wellbeing and Resilience workers to work with children, young people and Families on mental health issues.
- 2.7.** The Changing Minds Young People's Project funded for five years by the Big Lottery is for young people aged 14 -25. The project provides one to one support with life transitions, mental health self-management courses for young people, peer support and volunteering opportunities for young people including being a peer support volunteer. The project began as a partnership between the four local Minds in Gwent and developed to include partnership working with Coleg Gwent. The project began in Newport in year one, in year two delivered to Torfaen and Monmouthshire and from year three the project delivered in Caerphilly

and Blaenau Gwent operating across the whole of Gwent. The project is in its final year and strenuous efforts are being made to secure continuation funding.

2.8. Newport Mind is in partnership with Mind Cymru in a number of projects delivering services to specific groups in conjunction with other organisations:-

- My Generation Project – for older people in partnership with Age Cymru
- Long Term Conditions Project – for people with long term health conditions currently specifically people with arthritis in partnership with Arthritis Care
- Blue Light Project – for emergency service personnel in partnership with the emergency services.

3. What is a Charity?

3.1. Charities are particular kinds of non-profit organisation that benefit the public. To qualify, an organisation has to carry out charitable activities, which are quite tightly defined by law and regulated by the Charity Commission (under various Charities Acts)

3.2. Charities can be organised in a number of different ways; with each of these has a different governance structure. Every charity has to have a **governing document** that sets out the charity's objects and how it is to be administered. The people who have the overall responsible for the charity are called **directors or trustees**.

4. What is a director?

4.1. Directors are the people who are responsible for ensuring that a charity has a clear direction, that it remains true to its original vision, and that it complies with all necessary rules and legal obligations.

4.2. Collectively, directors are known as **the board or executive committee**, and they have a number of formal roles and responsibilities, this includes keeping a check on the organisation's finances and activities and appointing key staff.

- 4.3.** Director can be thought of as guardians of the organisation's best interests and promoting its aims in the wider world.
- 4.4.** Directors govern the organisation. They steer the organisation in the right direction and ensure that it is doing what it was set up to do. Directors shouldn't get involved in the detailed, day-to-day running of the organisation: that's the job of the Chief Executive and staff team.
- 4.5.** The role of director is voluntary. However, the law allows for directors to be paid for providing goods or services to a charity if certain conditions are satisfied.

5. What's in a name?

- 5.1.** The term director relates specifically to the people running a Charity. However they may be called **members of the committee, management committee members, trustees, executive committee members, governors** or something completely different. Whatever name they go by their roles are the same.
- 5.2.** If the charity is also a company limited under guarantee, then the directors are also **directors** of the charity and must also comply with Company Law.

6. What is a Governing Document?

- 6.1.** The governing document is like the rulebook for the organisation. It identifies what the organisation can and can not do as well as the process for running meetings and electing people to the group.
- 6.2.** The directors must ensure this document is followed. If the organisation is a company the governing document will be called **Memorandum & Articles of Association**.

7. What do directors do?

- 7.1.** Every charity should be lead by an effective board of directors. Director boards have several key roles:

- 7.2.** Directors have and must accept ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.
- 7.3.** Directors must ensure that the charity is compliant with the law and as such they must:
- Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports on what it has achieved and Annual Returns and accounts as required by law.
 - Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.
 - Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.
 - Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.
- 7.4.** Directors have a duty to be prudent and therefore:
- Ensure that the charity is and will remain solvent.
 - Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.
 - Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.
 - Take special care when investing the funds of the charity, or borrowing funds for the charity to use.
- 7.5.** Finally directors must have a duty of care and as such;
- Use reasonable care and skill in their work as directors, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.
 - Consider getting external professional advice on all matters where there may be material risk to the charity, or where the directors may be in breach of their duties.

8. Who can be a director?

8.1. No-one under the age of 18 can be appointed as a director, and some people are disqualified by law from acting as charity directors. This includes:

- Anyone who has been convicted of an offence involving deception or dishonesty, unless the conviction is spent anyone who is an undischarged bankrupt
- Anyone who has previously been removed from directorship of a charity by the court or the Charity Commissioners
- Anyone who is under a disqualification order under the Company Directors Disqualification Act 1986

9. What are the qualities needed to be a director?

9.1. The following qualities are sought of directors:

- A commitment to the organisation
- A willingness to devote the necessary time and effort
- Strategic vision
- Good, independent judgement
- An ability to think creatively
- A willingness to speak your mind
- An understanding and acceptance of the legal duties, responsibilities and liabilities of directorship
- An ability to work effectively as a member of a team
- Selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- A willingness to be available to all staff for advice and enquiries on an ad hoc basis.

9.2. It is also important that directors understand the work of the organisation and the people it is helping. Past and present service users are therefore particularly welcome and encouraged to become directors and the knowledge that they bring is invaluable to the organisations development.

10. I'm interested but not sure if I have the right skills?

10.1. Rarely, if ever does anyone have all the qualities and skills to make a 'perfect' director right away. Where people have specific training

needs or requirement training will be provided and directors are encouraged to attend training to support their own personal development as well as that of the organisation.

10.2. All directors learn from being on the board, even the most experienced directors will always be learning new things as the organisation develops and takes on new challenges.

11. Ok, so I think I want to become a director, what do I do now?

11.1. Complete and submit the application form, this helps identify the skills and experiences that you bring to the board. Staff and other directors can help with this if needed.

11.2. You will then be invited to an informal meeting with the Chief Executive Officer to discuss your application and to for you to get a better sense of what is involved, provided it is agreed that your application is progressed you will be invited to a meeting of the Board of Directors, initially just to listen and observe. This will allow you to see what goes on in a meeting and make sure it is right for you. After this you will be able to have further a conversation with Chair of Directors or Chief Executive Officer about any questions you have.

11.3. You can then either be elected by the members of Newport Mind Association to the Board of Directors at the AGM or the existing directors can vote to co-opt you onto the board. Co-opting allows directors to recruit new members in-between the Annual General Meetings when directors are elected.

Definitions guide:

Articles of Association The articles of association of a company, (often simply referred to as the articles) are the regulations governing the relationships between the shareholders and directors of the company. Articles of association typically cover the issuing of shares, the different voting and dividend rights attached to different classes of share, restrictions on the transfer of shares, the rules of board meetings and shareholder meetings, and other similar issues.

Common Law this is the body of law made up of judicial opinions and precedents as opposed to legislation or statutes.

Charitable Trust A charitable trust is a trust established for charitable to promote a purpose and does not primarily benefit specific individuals. The purpose of the trust is to benefit society as a whole or a sufficiently large section of the community so that it may be considered public.

Constitution of a company The company constitution will contain both the articles and the memorandum and sets out the powers and purpose of the company.

Director A director is a person who is appointed or elected to sit on a board and manage the affairs of the company. The director controls the management of the company.

Fiduciary duties the fiduciary duty is a legal relationship of confidence or trust between two or more parties, most commonly a director and a beneficiary.

Legislation This refers to the collected body of statutes (as defined) which make up English/Welsh law.

Liability Liability is the obligation of the director/directors to repay any debts of the company and the extent to which they are personally responsible for these debts.

Limited Liability This is where the liability (as defined) of all directors extends only to the capital they have already put into the company. Therefore no personal property will be required to be sold to cover any debts which the company cannot repay.

Memorandum of Association The memorandum of association of a company is the document that governs the relationship between the company and the outside world. It states the name of the company, the type of company (such as public limited company or private company limited by shares), the objectives of the company, its authorised share capital, and the original shareholders of the company. It also states the purpose of the company and what it is permitted to do.

Objects clause The objects clause is contained in the memorandum of association and sets out the powers of the directors in running the company. If a director/directors make any act outside of these powers they will be personally liable for the outcome.

Personal Guarantees (debts) Even though a company director/directors may have limited liability they may sometimes be required to give a personal guarantee to fulfil a payment. If they do they are legally obliged to ensure this payment is made and will then have unlimited liability (as defined).

Personally Liable This is where the person, who has taken on the liability, in whatever capacity, is obliged to fulfil the obligation attached to it. Often this refers to debts and it would mean the person would have to pay off all the debts and would even have to sell personal property to pay the business's debts.

Statute Statutes are laws passed by the government which must be complied with.

Director A director is a party who is given legal responsibility to hold property in the best interest of or for the benefit of another. In the case of Newport Mind the role of a director and directors are combined as it is a company set up to act for a charitable purpose.