

## **Unit 2 - Determine the strategy and structure of the voluntary or community organisation**

This unit is about present and future *strategic planning*. It covers decisions about how the voluntary or community organisation's *values* and *mission* are expressed in *aims* and *activities*, and in the *structures* and processes needed to implement them.

### **When determining the strategy and structure of the organisation, as Trustees you are responsible for:**

1. ensuring the organisation sets *aims* or legal *objects* that reflect its *values* and *mission*, that look positively to the future and that enable the organisation's current *mission* to be achieved
2. where an organisation employs staff, working with them to produce a *strategic plan* that meets the organisation's agreed *aims* and intended outcomes
3. ensuring the organisation has an appropriate *structure* incorporating legal and *governance* frameworks
4. ensuring a programme of *activities* which continually builds upon, and makes good use of, the organisation's *resources*
5. regularly reviewing and updating the *strategic plan* to keep it fit for purpose

### **In order to be able to carry out these responsibilities fully, as Trustees you need to know and understand:**

- a. the advantages, disadvantages, and implications for *Trustees*, of the different types of legal *structures* for an organisation, as appropriate
- b. the requirements of the *Governing Documents*
- c. the day-to-day nature of work carried out by the organisation
- d. your organisation's *governance*, management and operational *structure*, and why it is appropriate to the organisation
- e. the importance of financial planning, budgets and of monitoring income and expenditure, outputs and outcomes
- f. how to evaluate current and recent performance and what has or hasn't worked

### **In order to determine the strategy and structure of the organisation you need to have read, where applicable:**

- i. the organisation's annual budget
- ii. the organisation's *strategic plan*
- iii. the organisation's *business plan*
- iv. the organisation's annual report

## Relevant to all units

### In order to carry out your responsibilities, as Trustees you should draw on the following qualities:

- be committed to the purpose, *objects* and *values* of the organisation
- be constructive about other *Trustees'* opinions in discussions, and in response to staff members' contributions at meetings
- be able to act reasonably and responsibly when undertaking such duties and performing tasks
- be able to maintain confidentiality on sensitive and confidential information
- be supportive of the *values* (and ethics) of the organisation
- understand the importance and purpose of meetings, and be committed to preparing for them adequately and attending them regularly
- be able to analyse information and, when necessary, challenge constructively
- be able to make collective decisions and stand by them
- be able to respect boundaries between executive and *governance* functions

### You need to have access to, have read and understood, or sought clarification if necessary about:

- the organisation's *Governing Documents*
- *policies* relevant to the functioning of the *Board*
- *policies* relating to diversity and inclusion
- relevant written operational *policies* and *procedures*
- role descriptions and person specifications for *Trustees, Board* and Officers
- the documentation of the Charity Commission, Office of the Scottish Charity Regulator and the Inland Revenue, where relevant

## Key Words and Phrases used in this Unit

### • **Activities**

Anything done using *resources* belonging to the organisation, or under its control and including all of its work and services.

### • **Aims**

Long-term targets for the future that the organisation would work towards achieving.

### • **Board**

This is the organisation's governing body. This may be called the management committee, executive committee or board of directors, or may be referred to by some other title.

The *trustee* board of a charity is the group 'responsible under the charity's *governing documents* for controlling the management and administration of the charity, regardless of what they are called' (Section 97 of the Charities Act 1993).

### • **Business Plan**

A document prepared by an organisation's management, detailing the past, present, and future of the company. It generally projects future opportunities for the organisation and maps the financial, operations, marketing and organisational *strategies* that will enable the organisation to achieve its goals.

### • **Governance**

The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation.

- **Governing Documents**

Any document setting out the organisation's purposes and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, will, conveyance, Royal Charter, Scheme of the Commissioners, or other such formal documents.

Governing documents means any document setting out the organisation's purpose and how it is to be run.

- **Mission**

This is a specific purpose, which contributes to the organisation's *vision*.

- **Objects**

The objects of a voluntary or community organisation are usually contained within its *governing documents*. They are a legal statement of the purpose of the organisation. If they are wholly and exclusively charitable in law, then the organisation is a charity and subject to charity law and the charity regulator. It is the objects and *activities*, which make an organisation a charity, not registration with the Charity Commission or other regulator.

- **Policies**

Policies are of two types. The first are statements of good practice and *procedure*, which determine the conduct of the organisation, its volunteers and (where relevant) staff, and provide remedies for breaches of that conduct. These often form part of the operational handbook, which can be referred to in the contract, where this is relevant. Examples are: equal opportunities, a disciplinary code, and they often have legal force. Other policies deal with more general issues and are advisory. Examples include financial *procedures*, recruitment and selection.

- **Procedures**

Procedures are an approved standard way of how to do something. They are invariably in writing because otherwise they will not be approved or standard, but will be soon forgotten and re-invented regularly. Procedures are a useful means of helping maintain quality in an organisation's *activities*. They can be used for such areas of activity as *governance*, as well as in the delivery of services to *beneficiaries*. The writing and regular updating of procedures can consume a disproportionate amount of time in smaller organisations and the likely benefits should always be weighed against the cost.

- **Resources**

The total means available to an organisation for increasing productivity, including labour, and raw material.

- **Strategy**

A broad course of action with an identifiable outcome. This is achieved through a sequence of steps, which are subject to monitoring and modification, to accomplish desired goals and objectives.

This should incorporate the organisations *vision*, *mission* and *values* statement, where appropriate. (NB. A '*Strategic Plan*' is therefore a timetabled account of the strategy)

- **Structure**

How the organisation is set up. This may indicate a chain of command, titles and areas of responsibility. It could include numbers of personnel involved, or may actually name them and their responsibilities.

- **Trustee**

A person who has legal authority to take control of and manage another's finance and property; this authority must always be exercised to the full advantage of the *beneficiary*. In most legal trusts the Trustee holds legal title to the trust property, is a representative of the Trust, and has the capacity to sue and be sued on behalf of the Trust.

A Trustee may also be known as a managing trustee, committee member, governor or director.

- **Values**

A set of principles, which the organisation seeks to apply, both in setting its *mission* and *aims*, and in its day-to day operations.

- **Vision**

This is the ideal towards which the organisation is working.