



**GrowBiz Scotland**  
**Scottish Charity Number SC043278**  
**Company Number SC341655**  
**Trustee Charter and Role Specification**

**Background**

GrowBiz Scotland is both a registered Charity and a company limited by guarantee, having no share capital, and is governed by its Charitable Purposes and Articles of Association.

A company limited by guarantee is non-profit distributing.

The Charitable Purposes are:

1. to advance community development, including sustainable rural and urban regeneration, throughout Scotland ("the Operating Area");
2. to advance education by training, mentoring and coaching, particularly in skills which are relevant to establishing and/or developing social enterprises and other businesses within the Operating Area;
3. to relieve unemployment within the Operating Area in such ways as may be considered appropriate, including measures to encourage social enterprises and other businesses within the Operating Area to provide work experience and/or recruit new employees from among those who are unemployed; and
4. to further any other charitable purposes which are similar to any of the preceding objects, for the benefit of communities within the "Operating Area."

All Trustees of GrowBiz Scotland are also the Directors of the company limited by guarantee. The Directors of a company have certain legal, financial and fiduciary duties under Company Law. Trustees are also bound by Charity Law, in particular, the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees are collectively as known as 'the Board'.

Trustees have collective responsibility. This means that all of a Charity's Trustees must share responsibility for the running of the Charity, and for decisions that are taken.

Even though duties can be delegated to staff or contractors, the Board must make clear decisions about such delegation; the ultimate responsibility for every aspect of the organisation's operation lies with the Board. It is therefore important that all Board members ensure that they understand the



history of the GrowBiz Scotland and its current situation and keep abreast of other issues that might affect the organisation, in particular those of a financial nature.

The role specification is intended to act as a checklist of these responsibilities and to define any other duties expected of Trustees.

This specification is based on the principle that the Board of the GrowBiz Scotland should comprise people who are able to fulfil the skills requirements of the organisation and will thereby support the work of the Charity.

### **Desired personal attributes of Trustees**

1. An enthusiasm for rural enterprise and for the work of GrowBiz Scotland in particular.
2. A commitment to carry out the duties of a Board member.
3. To be a respected member of the community with good networks.
4. The ability to work as a member of a team and a willingness to state personal convictions and, equally, to accept a majority decision and be tolerant of the views of other people.
5. A willingness to deal openly with staff and colleague Board members when pleased or displeased about an issue.
6. Preparedness to offer personal and business skills and experience to support the work of the contractors and Growbiz Scotland, generally.
7. A commitment to be well informed about the work of the GrowBiz Scotland.
8. A willingness to act as an ambassador of GrowBiz Scotland.
9. The ability to treat sensitive information confidentially.

### **Other matters**

#### **1. Skills requirement**

Currently GrowBiz Scotland acknowledges the need for one or more of the following areas of expertise:

- Enterprise / business support
- Mentoring and / or coaching skills
- Financial Management
- Company and charity law
- Company and charity management
- Project development and management
- Business and commercial skills
- Communications / PR
- Resource management
- IT and digital skills



- Training skills
- Quality Management
- Funding application and fundraising
- Human Resources
- Employment Law
- Fair recruitment and selection
- Staff appraisal
- Equal opportunities and social inclusion
- Social auditing and evaluation
- Strategic planning
- Policy development
- Lobbying
- Volunteer management
- Chairing experience.

## **2. Sources**

Trustees will generally be drawn from within the area we routinely operate, but those residing further afield will be considered when particular skills are required. The Board will carry out a regular audit of its skills.

## **3. Commitment**

The expected attendance at Board meetings of more than 50% in a year. Any Trustee who fails to attend (without permission) on 3 or more consecutive meetings in a year may be asked by the Board to resign.

## **4. Term of office**

In terms of the Articles of Association, at each AGM one third of the Trustees (or the nearest number downwards) shall retire from office although a retiring Trustee will be eligible for re-election without limit. The expectation would be that Trustees would be anticipating to serve at least a three year duration, to ensure continuity.

## **5. Attendance**

1. At Board meetings (which are held approximately every two months and typically last 2-2.5 hours) and at any special or emergency meetings.
3. At Growbiz public events, as appropriate.
4. To provide advice and support to the contractors, either by telephone or in person, if required.

## **6. Conflicts of Interest**



Trustees must always act in the best interests of the organisation and cannot give priority to the interest(s) of another person or organisation. Trustees must put the organisation's interests first, and be able to demonstrate that the decisions taken are and have been in the organisation's best interests.

Conflicts are either direct (involving a Trustee personally) or indirect (involving a family or business connection to the Trustee). A Trustee must not take decisions which are best for themselves personally, or for his or her friends, family or business connections. Trustees are expected to declare such conflicts and remove themselves from any deliberations in connection with that matter. Where a Trustee fails to declare a conflict there is a duty on the other Trustees to question whether the conflict should have been declared. This is because, in terms of the law, Charity Trustees have a collective responsibility.

## **7. Legal Duties of Trustees**

The principal duties of a Charity Trustee are spelt out in the Charities and Trustee Investment (Scotland) Act 2005, section 66, as being:

- "to seek, in good faith, to ensure that the charity acts in a manner which is consistent with its purposes"
- "to act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person";
- "in circumstances capable of giving rise to a conflict of interest between the charity and any person responsible for the appointment of the charity trustee—
  - (i) put the interests of the charity before those of the other person, or
  - (ii) where any other duty prevents the charity trustee from doing so, disclose the conflicting interest to the charity and refrain from participating in any deliberation or decision of the other charity trustees with respect to the matter in question"; and
- "to ensure that the charity complies with any direction, requirement, notice or duty imposed on it by virtue of the Act".

The principal duties of a Charity Trustee who is also a director of a guarantee company are spelt out in the Companies Act 2006 (sections 171-177), namely:

- to act in accordance with the company's constitution, and only exercise the powers of the company for the purposes for which they are conferred;
- to act in the way which, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:
  - (a) the likely consequences of any decision in the long term,
  - (b) the interests of the company's employees,
  - (c) the need to foster the company's business relationships with suppliers, customers and others,

- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company;
- to exercise independent judgment;
- to exercise reasonable care, skill and diligence that would be exercised by a reasonably diligent person with the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the director in relation to the company, and the general knowledge, skill and experience that the director has;
- to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company (this applies in particular to the exploitation of any property, information or opportunity), unless it is a matter which has been authorised by the Board;
- not to accept a benefit from a third party conferred by reason of his or her being a director, or his or her doing (or not doing) anything as director; and
- to declare an interest in a proposed transaction or arrangement, where a director of a company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the company.

In implementation of these principal statutory duties, additional duties of a Charity Trustee include:

- to give proper time and attention to the task of being a Charity Trustee;
- to undertake initial and regular training in order to be and remain a skilled and effective Charity Trustee;
- to account to the shareholders of the charity for its current well-being and future development;
- to obtain regular, accurate and informative, budgets, forecasts, budgetary controls, cash flows and Accounts;
- to act in good faith and with honesty, prudence and competence in what he/she considers to be the charity's best interests;
- to assess all risks relating to the charity (financial, health & safety, training needs), to consider the probability and impact of each and to address the likely outcomes;
- to ensure that statutory documents, including the Annual Return and Accounts, are lodged timeously;
- not to put himself/herself in a position where personal interests might or do conflict with those of the charity;
- not to receive any personal benefit or profit from the office of Charity Trustee (except as permitted - see note below);
- not (as a general rule) to be an employee or contractor of the charity (see note below);
- not to allow the charity to trade when he/she knows – or ought to have known – that it was insolvent (that is, where its liabilities exceed its assets, which is known as 'wrongful trading');
- to calculate and maintain an appropriate financial reserve;



- to comply (as relevant) with the formalities of the CTI Act and the Companies Acts;
- to respond timeously and fully to any enquiries by and requests from OSCR.

All charities in Scotland are regulated by The Office of the Scottish Charity Regulator (OSCR). It is highly recommended that both proposed trustees and existing trustees visit OSCR's website which contains helpful guidance including Charity Trustees Duties and Good Governance.

### **Note: Remuneration of Trustees**

*In most cases, a charity cannot remunerate a Charity Trustee for his/her acting as a Trustee.*

*Whilst the safest rule to follow is that a Charity Trustee should not be remunerated for being a Charity Trustee and that, in consequence, an employee of should also not serve as a Charity Trustee, this is not prohibited by the CTI Act.*

*In terms of section 67 of the CTI Act remuneration can be given to a Charity Trustee (or to someone "connected to" a Charity Trustee) in certain specific circumstances.*

*The full list of those "connected to" a Charity Trustee is given in section 68(2) of the CTI Act; it includes partners, immediate family and organisations in which the Charity Trustee is involved.*

*Otherwise, remuneration can be given to a Charity Trustee (or to someone connected to a Charity Trustee), in terms of section 67, only on specific conditions including the provision of the Remuneration Agreement.*

*Whilst it is the general policy of the organisation not to directly remunerate Trustees there will be instances where a Remuneration Agreement may be necessary, such as, where a Trustee is connected to an employee of the organisation or connected to a business that acts for the organisation.*