

## Work with a board in a social enterprise

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### Overview

This standard is for entrepreneurs who work with a board in a social enterprise. Social enterprises can be directed by many kinds of governing bodies, boards of directors, management committees and trustees, depending on whether the social enterprise is an incorporated body. To keep it simple, the terms 'board' and 'board members' have been used. Whatever they are called, they have an important role to play in social enterprise. Working closely with stakeholders, using the right membership, voting rights, skills and relevant information will help them make decisions that support the work of the organisation. The board members need to have clear understanding of their roles and responsibilities. Working with a board of directors in a social enterprise involves choosing the right members, ensuring they understand the corporate objectives and how the enterprise is run.

You might need to do this if you are:

1. setting up a new social enterprise;
2. running a social enterprise's governance.

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### Performance criteria

#### You must be able to:

1. identify the knowledge, skills, competence and expertise levels required for board members
2. identify the remit of your responsibilities as set out in the social enterprise's constitution
3. choose and, where possible, elect board members in accordance with relevant criteria
4. negotiate and agree rules of authority for the board members
5. assign roles and responsibilities to the board members
6. ensure your board members' training and development needs are identified and met
7. ensure the board members have information about their legal responsibilities, the structure of social enterprise and the codes of conduct they are expected to follow
8. identify the issues your board members need to look at and help them to take decisions, using the principles, guidelines and rules they agreed
9. analyse information to identify patterns, trends, prioritise and issues in terms of their importance and urgency
10. check the validity and reliability of information in decision-making
11. encourage key stakeholders to be involved in deciding which direction the social enterprise should take
12. delegate the tasks among the board members as appropriate
13. respond to the board's instructions, requests and enquiries
14. identify the actions and decisions requiring the board's formal approval
15. complete any actions decided by the board and make sure that stakeholders have information about how to influence and challenge the board's decisions
16. help the board and key stakeholders to communicate effectively with each other
17. help the board review its performance and answer to stakeholders
18. build working relationships with board members and stakeholders
19. report on social performance or social return
20. notify the board about any changes in corporate law that may affect the social enterprise
21. review the remit of roles and responsibilities for the board members on a regular basis

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### Knowledge and understanding

#### You need to know and understand:

##### The Board

1. the knowledge, skills, competence and expertise levels required for the board members
2. how to use the values and principles of the social enterprise to develop board membership
3. the powers and responsibilities the legal constitution of the social enterprise gives to managers and board members
4. the identified learning and development opportunities for the board members
5. how to help the board develop policies and strategies that will improve the social enterprise's performance
6. the powers of the board and their relationship with stakeholders
7. the legal duties and responsibilities of the board
8. the code of conduct for the board to follow, especially relating to their actions, possible conflicts of interest, and on what grounds a board member can be dismissed
9. how to make sure the board's guidelines are followed in managing and running the social enterprise
10. when management matters should be brought to the board's attention
11. the issues to be dealt with at an annual general meeting and how to call an extraordinary general meeting
12. the voting rights for each board member
13. the number of votes needed to pass different types of resolution
14. how to check that the board's decisions are legal, and in line with the enterprise's vision, strategy and policies
15. why it is important for the board to communicate with stakeholders

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16. how to use quality assurance to make sure that managers and board members complete their legal duties with care and attention

17. the actions to take if the board fails to act with care and attention

### Law and regulations

18. the corporate law in relation to the social enterprise

19. the benefits and disadvantages of becoming incorporated and when to consider it

### Strategic planning

20. how to develop the social enterprise's strategy,

21. the strategic plan that reflects the social enterprise's stated purpose and vision

22. how to use the strategic plan for running the social enterprise

### Social performance or social return

23. how to report on social performance or social return

24. the commercial objectives to be met

25. how social and commercial objectives relate to each other

### Key stakeholders

26. when to involve key stakeholders in decisions that the board is making

27. how to keep key stakeholders informed about the board's decisions

28. the key stakeholders with authority to challenge the board's decisions and how they can do it

### Decision-making

29. how to analyse information to identify patterns, trends, prioritise and issues in terms of their importance and urgency

30. how to check the validity and reliability of information in decision-making

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31. how to use the social enterprise's values and purpose when making decisions about running the social enterprise
32. how to delegate decision-making but still be responsible

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Developed by	Skills CFA
Version Number	1
Date Approved	14 Jan 2022
Indicative Review Date	01 Mar 2027
Validity	Current
Status	Original
Originating Organisation	Instructus
Original URN	CFAOP11
Relevant Occupations	Business, Administration and Law, Managers and Senior Officials
Suite	Business Enterprise
Keywords	success, business, idea, social, enterprise, customers, products, service, support, creative, idea, skills, needs, suppliers, cash, flow, legislation, marketing, market, trends, competitors, health and safety, VAT, equipment, costs, profit, staff, product