



Department  
for Education

# **Academy Trust Governance- Structures and Role Descriptors**

**October 2020**

# Contents

Summary	4
Review date	4
Who is this publication for?	4
Terminology	5
Terminology specific to academies with a religious character	5
Map of Common Governance Structures in an Academy Trust	6
Department for Education (DfE) and its agencies	7
Members	7
Trust Board	7
Local Governing Body (LGB)	7
Executive Leaders	7
Audit and Risk Committee	7
Finance Committee	8
Other Committees/Panels	8
Academy trust role descriptor: Members	9
Role	9
The powers of Members	10
Structure	11
Independence from the trust board	11
Academy trust role descriptor: Academy Trustees and the trust board	12
Role	12
Decision making	13
Structure	14
Additional Roles	15
Register of business interests	15
Academy trust role descriptor: Chair and Vice-Chair of Academy Trustees	16
Role	16
Structure	17
Academy trust role descriptor: Clerk – the governance professional	18
Appointment	18
Role	18

Performance and restrictions	18
Academy trust role descriptor: CEO, Principal, and other Employees serving as Academy Trustees	19
Structure	19
Role of the Executive Leader as an employee	20
Academy trust role descriptor: Committees including Local Governing Bodies and Parent Local Governors	21
Structure	21
Local Governing Bodies (LGBs)	21
DfE and agencies: role descriptors	23
DfE role descriptor: Regional Schools Commissioners	23
Structure	23
Core functions	23
School and academy performance	23
DfE agencies role descriptor: Education and Skills Funding Agency (ESFA)	25
Role	25
Core functions	25
Intervention	25
Further Information	27
Annex A- Map of Common Governance Structures for Academies with a Religious Character	29
Department for Education (DfE) and its agencies	30
Members	30
Dioceses/Religious Body	30
Trust Board	30
Local Governing Body (LGB)	30
Executive Leaders	30
Audit and Risk Committee	31
Finance Committee	31
Other Committees/Panels	31

## Summary

This document is designed to provide high-level information about the roles and responsibilities each structure and person holds in academy trust governance. The map and descriptors contained in this document serve as an introduction to, and clarification of the roles in the governance system.

We would advise that you use this document as part of an introduction to academy trust governance. To assist you, we have included [further detailed information](#) via the links at the end of this document.

## Review date

This guidance will be reviewed before October 2021.

## Who is this publication for?

This guidance is for:

- Academy Trustees
- Chairs of Academy trust boards and committees
- Local Governing Bodies
- Members of academy trusts
- Clerks/Governance Professionals
- Executive and School/Academy Leaders
- School Staff
- Local Authorities
- Those who have a role in the governance of an academy trust e.g. the foundations, dioceses and other relevant religious bodies
- Organisations who support trust boards, for example training providers

## Terminology

Throughout this document:

- The *board/trust board* should be taken to mean the accountable body for the academies which is the board of Academy Trustees.
- The *organisation* means the academy or group of academies being governed;
- *Executive Leaders* should be taken to mean those held to account by the board for the performance of the organisation. This may be the CEO, executive Headteacher, Headteacher or principal, as well as other senior employees/staff, depending on the structure of the organisation;
- *Academy Trustees* means those who sit on the trust board (who in some academy trusts, most commonly academies with a religious character, are referred to as directors or company directors);
- *Member(s)* refers to those who are the founder members and/or subsequent members of the academy trust
- *Local Governing Body (LGB)* means a committee of a trust board with multiple academies that is established as such under the academy trust's articles of association.

### Terminology specific to academies with a religious character

Throughout this document we will use the terminology outlined above. However, academies with a religious character use some additional and alternative terminology as outlined below.

#### **Academy Trustee (as Charity Trustees)**

In an academy trust with a religious character Academy Trustees are referred to as 'directors' or 'company directors'.

All Academy Trustees (in an academy trusts without a religious character) and 'directors' (in academy trusts with a religious character) are both charity trustees and company directors.

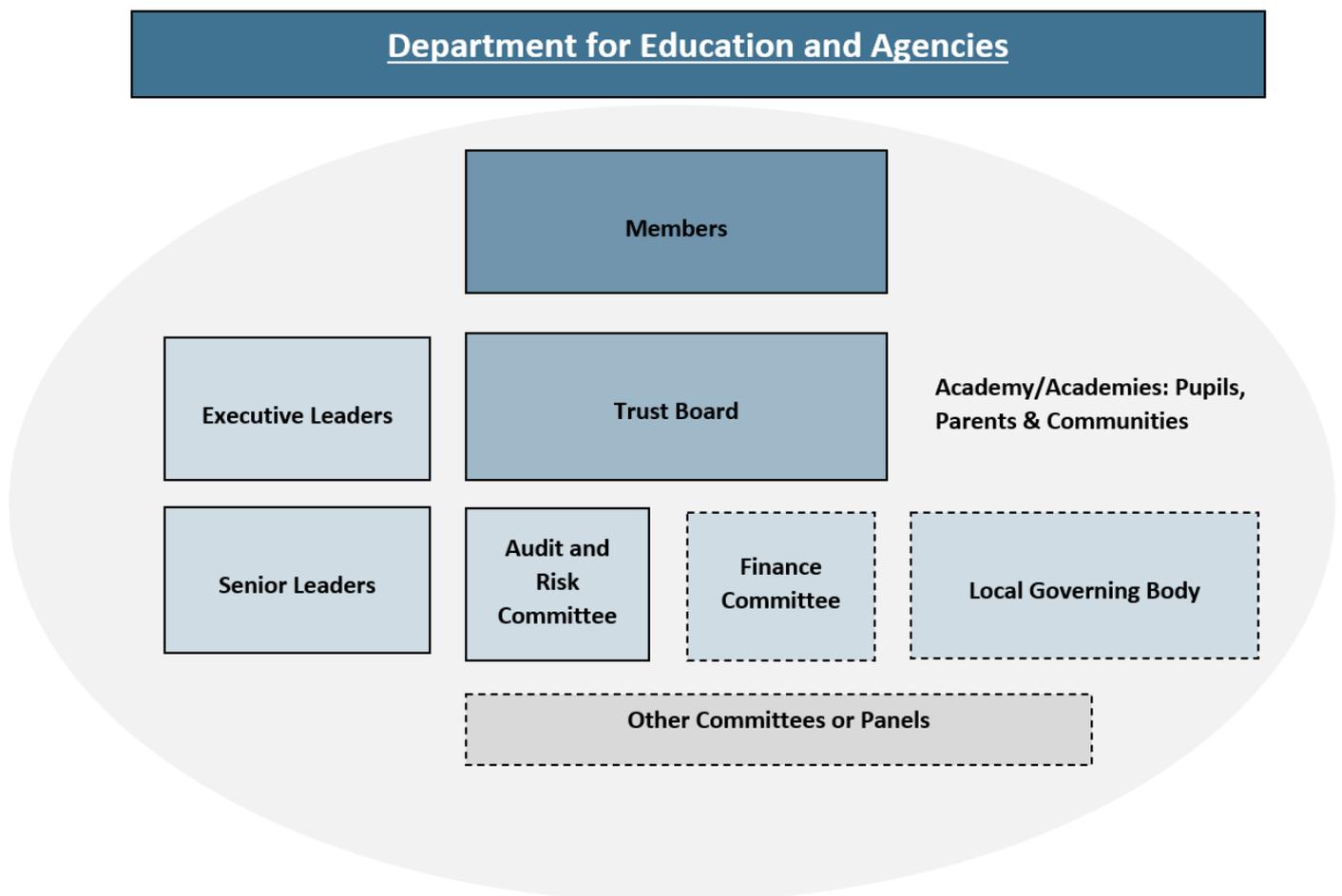
#### **Trustees**

In church academies, the term 'trustees' is reserved for those on the board of the separate trust that owns the land. For academy trusts with a religious character the trustees are the:

- Church of England
- Catholic Church
- other religious body

# Map of Common Governance Structures in an Academy Trust

The map below illustrates the common governance structures that each academy trust must have and additional structures we recommend academy trusts include. Academy trusts continue to have the freedom to design their structure and scheme of delegation to best ensure they have robust and effective governance. Academy trusts with a religious character use alternative terminology and have slightly different structures - a map reflecting this can be found at [Annex A](#).



**Key**

The relationships between the trust board and the committees, including the Local Governing Body, are based on the academy trust's scheme of delegation

<b>Governance Structure Legally or Contractually Required</b>	<b>Optional Structure</b>
---------------------------------------------------------------	---------------------------

## **Department for Education (DfE) and its agencies**

The DfE devolves authority to the academy trust through its own legislation and the academy trust's funding agreement. Other requirements and authority are also devolved through charity and company law. [RSCs](#) and the [ESFA](#) are key components in delivering the department's role.

### **Members**

Academy trusts are founded by members who have a general duty to exercise their powers, to further the academy trust's charitable purpose

Key Documents: Trust's Articles of Association, Governance Handbook and Academies Financial Handbook

### **Trust Board**

The trust board, led by a [Chair](#), is the decision-making body of the academy trust and is accountable and responsible for all the academies in the academy trust.

Key Documents: Academy Trust's Articles of Association, Governance Handbook and Academies Financial Handbook

### **Local Governing Body (LGB)**

A trust board may decide to set up one or more LGBs to oversee an academy or group of academies (sometimes grouped by region) in the academy trust. The trust board will decide which, if any, governance functions they will delegate to LGBs.

Key Documents: Academy Trust's Scheme of Delegation

### **Executive Leaders**

The Executive Leader in an academy trust with a single academy is the Executive Principal and, in an academy trust with multiple academies is the Chief Executive (alternate phrases can be used). Members can appoint the Executive Leader to the Trust Board.

Key Documents: Academy Trust's Article of Association

### **Audit and Risk Committee**

Through the Academies Financial Handbook (from 1 September 2020) academy trusts must establish an audit and risk committee. Academy trusts with an annual income over £50 million must have a dedicated audit and risk committee. Smaller trusts must either have a dedicated audit committee or combine the function with another committee.

Key Documents: Academy Trust's Scheme of Delegation and Academies Financial Handbook

### **Finance Committee**

Academy trusts should have a finance committee to which the trust board delegates financial scrutiny and oversight.

Key Documents: Academy Trust's Scheme of Delegation and Academies Financial Handbook

### **Other Committees/Panels**

E.g. standards committee, pay and remuneration committee

Key Documents: Academy Trust's Scheme of Delegation

## Academy trust role descriptor: Members

### Role

Members play a limited but crucial role in safeguarding academy trust governance. While they must ensure they do not stray into undertaking the Academy Trustees' role, they should assure themselves that the governance of the trust is effective, that Academy Trustees are acting in accordance with the trust's charitable object(s) and that they, the Members, use their powers to step in if governance is failing. Academy trusts are founded by Members, who may then appoint additional Members to join them. The first Members are the signatories to the memorandum of association which is drawn up when the academy trust is first established. These first Members agree the academy trust's first articles of association, which include the academy trust's charitable purpose.

Members should not be involved in the day-to-day business of the academy trust and must ensure they do not assume the powers of the Academy Trustees. However, they do have an important role in an academy trust, based on a number of key powers set out in the department's [model articles of association](#) and in company law. In the case of trusts which include Church academies, the role of the Members is set out in the appropriate Church's [model articles of association](#). These include powers to appoint and remove the board and direct the Academy Trustees to act in certain circumstances.

Members have a general duty to exercise their powers to further the academy trust's charitable object, which in the majority of trusts is 'to advance for the public benefit education in the United Kingdom'<sup>1</sup>. In trusts which include Church academies<sup>2</sup>, Members must also ensure that the religious character of the Church academy is preserved and developed as part of ensuring the charitable objects of the trust are met. It is essential

---

<sup>1</sup> Article 4 in [Academy Articles of Association: Model One](#)

<sup>2</sup> Additional information on the charitable object of Church academies is available in the relevant model articles: <https://www.gov.uk/government/publications/church-academies-model-documents>

that Members are aware of the powers available to them and know when and how to use those powers effectively.

Members should make sure they are familiar with their own articles of association and funding agreement. Additional guidance that Members may find helpful is shared in the [Further Information](#) section.

## The powers of Members

Members help to ensure that Academy Trustees are exercising effective governance by utilising a range of powers including:

- **Appointing and removing Academy Trustees:** Members can appoint Academy Trustees and remove any or all serving Academy Trustees.
- **Appointing and removing Members:** There must always be a minimum of three Members. Members can appoint new Members or remove existing Members except:
  - the foundation/sponsor body or a related body, e.g. religious body, and any Members appointed by the foundation/sponsor.<sup>3</sup>
- **Directing Academy Trustees:** Members can, by special resolution, direct Academy Trustees to take a specific action where Academy Trustees are unable, or unwilling to act in the best interests of the academy trust. Members should consider using this power if they believe the trust board is failing to carry out its core functions, or is acting unlawfully. Other examples of when members might consider issuing a direction to Academy Trustees include where they believe an external review of governance should be carried out and the Academy Trustees have not done so, where the board has failed to act on child safeguarding, and where the academy trust is in breach of its funding agreement.
- **Amending the academy trust's Articles of Association:** Members can amend the articles of association (including the objects clause), subject to any restrictions in the articles, the funding agreement or charity and company law. Members can also change the name of the academy trust and wind it up. Academy trusts must gain permission from the Charity Commission for changes to some clauses; these are known as regulated amendments. These clauses relate to the academy trust's charitable object, benefits, and arrangements on dissolution or winding up of the academy trust.
- **Appointing and removing Auditors:** Members appoint the academy trust's auditors and will receive and review (but do not have to sign off) the academy trust's annual audited accounts (subject to the Companies Act).

---

<sup>3</sup> The churches' model articles of association include specific provisions in relation to who can appoint and remove Members

## Structure

The academy trust **must** have at least three Members, although the department's strong preference is for academy trusts to have at least five Members. Having more Members increases the range of perspectives represented and ensures that Members can take decisions via special resolution without requiring unanimity.

Members can be individual people or corporate bodies. Employees of the academy trust must not be Members. The department's current model articles of association for trusts do not allow Members to be employees.

## Independence from the trust board

As the responsibility to conduct the academy trust's business sits with the Academy Trustees, it is important Members do not overstep their powers or undermine the trust boards' discretion when exercising its responsibilities. The department's strong preference is therefore for at least the majority of Members to not sit on the trust board.

It is important for Members to be kept informed about academy trust business so they can be assured that the trust board is exercising effective governance. This must include providing the Members with the academy trust's audited annual report and accounts.

One way in which some academy trusts decide to keep Members informed and engaged is for one or more Members to also serve as an Academy Trustee on the trust board, which may be through appointing the Chair of the Academy Trustees as a Member. When operating as an Academy Trustee such Members have no greater power than other Academy Trustees, and should remain conscious of the corporate nature of the trust board's identity and decision making and not seek to dominate the trust board because they are also Members. It remains the department's strong preference however that at least the majority of Members should remain independent from the trust board.

[Return to map](#)

## Academy trust role descriptor: Academy Trustees and the trust board

### Role

The trust board is the decision-making body of the academy trust and is accountable and responsible for the academy (or all the academies equally) in the academy trust. The academy trust will also be the employer of any central staff and those within its academies. Everyone in governance should be aware of and accept '[The 7 principles of public life](#)', as set out by Lord Nolan.

Academy Trustees are the people who make up the trust board, in some academy trusts, particularly in relation to academies with a religious character, they may be referred to as directors. Academy Trustees are both the charity trustees and company directors of the academy trust. The '[competency framework for governance](#)' outlines the knowledge, skills and behaviors needed by trust boards for effective governance'. The Charity Commission's '[Essential Trustee](#)' gives further detail about the key duties of all trustees of charities in England and Wales, and what trustees need to do to carry out these duties competently. Companies House also publish '[Being a company director](#)' which gives further details on the duties of all company directors.

The trust board must operate and make decisions to further the academy trust's charitable object, which in the majority of trusts is 'to advance for the public benefit education in the United Kingdom'<sup>4</sup>. In trusts which include Church academies<sup>5</sup>, Academy Trustees must also ensure that the religious character of the Church academy is preserved and developed as part of ensuring the charitable objects of the trust are met. The Academy Trustees are responsible for the general control and management of the administration of the academy trust.

Subject to the provisions of the Companies Act, the academy trust's articles of association and the Members' ability to direct the trust board by special resolution, the Academy Trustees may exercise all the powers of the academy trust. They have statutory duties to exercise care, skill and diligence and avoid conflicts of interest.<sup>6</sup>

As the strategic leader of the academy trust, it is vital that the trust board is connected with, and engages, the communities and stakeholders it serves. In the interests of transparency, the trust board must publish on its website up-to-date details of the overall governance arrangements it has put in place. The [Academies Financial Handbook](#) and

---

<sup>4</sup> Article 4 in [Academy Articles of Association: Model One](#)

<sup>5</sup> Additional information on the charitable object of Church academies is available in the relevant model articles: <https://www.gov.uk/government/publications/church-academies-model-documents>

<sup>6</sup> Further information is available in S170-177 of the '[Companies Act 2006](#)'

[‘What Academies, Free Schools and Colleges Should Publish Online’](#) webpage give more details on an academy trust’s website requirements.

The role of the Academy Trustee is a voluntary one. As academy trusts have charitable status, payments to Academy Trustees are by exception only and subject to very specific legal restrictions. Under the department’s current model articles, any academy trust wanting to make a payment to an Academy Trustee must gain explicit consent from the Charity Commission. Further information about Academy Trustee payments and expenses can be found in the [Governance Handbook](#).

**As set out in the Governance Handbook, all trust boards have three core functions:**

1. Ensuring clarity of the vision, ethos and strategic direction.
2. Holding the Executive Leaders to account for the educational performance of the school(s) and its pupils and the effective and efficient performance management of staff.
3. Overseeing the financial performance of the school(s) and making sure that its money is well spent.

In a Church academy the trust board will also be responsible for liaising with the relevant diocese or other religious body as appropriate.

Trust boards should also have regard to the need for the Executive Leader and teachers in their academy(ies) to be able to achieve a satisfactory work life balance, and, through their strategic role, should provide support and challenge to help reduce unnecessary burdens, for example, in relation to the number of data requests that are made. Further guidance on the use of data can be found in the [‘Making data work’](#) report.

The [Statutory Policies for School and Academy Trust’s](#) webpage provides a full list of statutory policies that academy trusts must hold and requirements the academy trust, academies and trust board must meet.

Additional guidance on the role of Academy Trustees is available in the [Further Information](#) section.

## Decision making

The board is the academy trust’s key strategic decision maker. It may delegate certain responsibilities to the Executive Leader (in certain circumstances) and in accordance with the academy trust’s scheme of delegation, a committee or an individual, but the trust board remains accountable and is responsible for all decisions made. The trust board must make decisions in the best interest of pupils, not personal interests, and welcome a diverse range of viewpoints when debating decisions. Good decision making is well

informed by both available evidence of what works or is likely to be effective, and by the views and needs of key stakeholders, particularly parents.

Boards should play a strategic role and avoid routine involvement in operational matters. They should focus strongly on holding their Executive Leader to account for exercising their professional judgement in these matters and all of their other duties. However, since the board is responsible in law for the school(s), it may need to intervene in operational matters if a circumstance arises where, because of the actions or inactions of the Executive Leaders, the school may be in breach of a statutory duty. Having advised the board, Executive Leaders must comply with any reasonable direction given by it.

## Structure

The trust board must include at least two parent Academy Trustees, unless (in an academy trust with multiple academies) there are at least two parents on each LGB. Reference to parents in this context also includes other carers. Where an academy trust has parent Academy Trustees or parents on LGBs, they are elected by the parent body. If not enough candidates put themselves forward, the academy trust can appoint parent Academy Trustees to ensure it is operating in line with its articles.

Electing parent Academy Trustees helps to make sure that trust boards stay accessible and connected to the community they serve and that there is always a diverse range of perspectives around the table to support robust decision making.

- In addition, in academies with a religious character: The Members and Academy Trustees (who in this context are referred to as directors) must support and develop the religious character of the academies in accordance with the objects of the academy trust, as set out in its articles of association.
- In most academies with a religious character, the land occupied by the academies is owned by a separate charitable trust, which holds the land and the buildings and provides them for use and occupation, by the academy trust. An academy trust's articles of association require Academy Trustees (who in this context are referred to as directors) to ensure that the education provided on the site they occupy, is provided in accordance with the academy trust's objects, which will include upholding the religious character of the academy/academies<sup>7</sup>.

---

<sup>7</sup> Further information on the charitable object in Church academies can be found in the relevant model articles: <https://www.gov.uk/government/publications/church-academies-model-documents>

## Additional Roles

### Link Academy Trustee

Trust boards may wish to consider linking Academy Trustees to specific areas of responsibility. The [Governance Handbook](#) and [Competency Framework for Governance](#) sets out the areas where academy trusts should, e.g. SEND, safeguarding (as set out in the statutory guidance- [Keeping Children Safe in Education](#)) and Prevent, and where the department recommends that someone on the trust board should take on responsibility for a specific area, particularly where the trust board has specific legal duties. Having link Academy Trustees does not remove the trust board's responsibility for these areas.

The role of a link Academy Trustee is to ensure that someone has specific oversight of a particular area and deepen the Academy Trustees' and trust board's knowledge of a particular area. The role will involve visiting academies within the academy trust and meeting with key staff to understand how the strategic objectives are being embedded, how money is being spent and any particular issues affecting delivery. These roles should always remain strategic and not operational. Academy Trustees and members of LGBs should be aware of and familiarise themselves with any designated link Academy Trustee.

### Register of business interests

The trust board, as well as all Members, senior employees and members of LGBs, **must** ensure requirements for managing related party transactions are applied across the academy trust. The Chair of the trust board and the accounting officer **must** ensure their capacity to control and influence does not conflict with these requirements. All Academy Trustees **must** manage personal relationships with related parties to avoid both real and perceived conflicts of interest, promoting integrity and openness in accordance with [the seven principles of public life](#).

[Return to map](#)

## Academy trust role descriptor: Chair and Vice-Chair of Academy Trustees

### Role

An effective Chair and Vice-Chair provide visionary strategic non-executive leadership to the academy trust and, as with other Academy Trustees, the roles of Chair and Vice-Chair are voluntary ones.

The Chair, supported by the Vice-Chair and the Clerk, plays an important role in the academy trust, which goes beyond chairing meetings. The Chair takes the lead in ensuring the effective functioning of the trust board and has a vital role in setting the highest expectations for professional standards of governance. It is the Chair's responsibility to give the trust board clear leadership and direction, keeping it focused on its [core functions](#). Whilst the Chair will carry out specific functions, as mentioned above, the legal duties placed on the trust board apply to all Academy Trustees and not just the Chair.

A Chair should encourage the trust board to work together as an effective team, building its skills, knowledge and experience. The Chair needs to ensure that everyone is actively contributing relevant skills and experience, participating constructively in meetings, and is actively involved in the work of committees. It is the Chair's role, in conjunction with the [Clerk](#), to make sure everyone understands what is expected of them and receives appropriate induction, training and development. It is for the Chair to have honest conversations, as necessary, if anyone appears not to be committed or is ineffective in their role, proactively engaging with the Members where necessary.

The Chair, along with the trust board and with input from the Clerk, should regularly consider the make-up and skills of the trust board and, when appointing new Academy Trustees to the trust board, should consider any recent skills audits they may have completed and the identified skills gaps on the trust board. The Chair should also undertake an annual performance review of the Clerk and look to them as the governance professional to provide advice and support that assists them in their role.

If the ESFA has concerns about issues in an academy trust, such as executive pay and related party transactions, or where there is insufficient oversight or control of an academy trust's money, it will work closely with the Chair to resolve them. In the case of Church academies, the ESFA will also involve the relevant diocese, as agreed in the Memoranda of Understanding between the department and the Church of England and the department and the Catholic Church:

<https://www.gov.uk/government/publications/church-schools-and-academies-memoranda-of-understanding>

The Chair will receive the academy trust's financial management accounts each month and the trust board must consider these when it meets, ensuring appropriate actions to

maintain financial viability. All Academy Trustees must receive the management accounts at least six times per year.

## Structure

The DfE model articles of association state that the Academy Trustees shall elect a Chair and Vice-Chair each school year. It is possible for a trust board to have Co-Chairs and Co-Vice-Chairs if the trust board feels this is necessary and in the best interests of the academy trust. A trust board may choose to advertise and appoint a highly-skilled Chair from outside its trust board. The successful candidate would need to be appointed to the trust board prior to being elected as Chair.

With effective succession planning in place, it can be beneficial for strong Chairs to move on to another school or academy trust after a reasonable time (e.g. two terms of office as an Academy Trustee). This can help to share expertise across the system and prevent trust boards stagnating or individuals gaining too much power and influence solely through their length of service. For academies with a religious character, this will be done in consultation with the diocese, diocesan board or other relevant religious body.

Additional guidance on the role of the Chair and Vice-Chair is available in the [Further Information](#) section.

[Return to map](#)

## Academy trust role descriptor: Clerk – the governance professional

### Appointment

The Clerk is the trust board's governance professional. They are paid to undertake the role and report directly to the Chair.

Clerks can be appointed either directly by the trust board, through the local authority or via an independent clerking agency. From 1 September 2020 all academy trusts must have a Clerk for their trust board. Academies may employ or use a company secretary, or other governance professional to undertake the clerking role, therefore different terms and conditions may be used.

### Role

The role of a Clerk is about helping the trust board understand its role, functions and legal duties and to provide clear impartial advice to the trust board. The clerking role should be a discrete and independent function but remains accountable to the Chair. The role is variable depending on the trust board's requirements but will also include supporting the Chair and the trust board with organising meetings, circulating papers and taking a note of meetings and should include advising the board on their compliance with the Articles of Association, funding agreement and with relevant legislation and regulations.

Clerks are also responsible for supporting the Chair to enable and facilitate strategic debate and decision making. This is crucial in helping the trust board exercise its functions appropriately and confidently, so that it can stay focused on its core functions. The '[Clerking Competency Framework](#)' outlines the knowledge, skills and behaviours required to provide professional clerking to the trust board.

Committees of the trust board should also be clerked but do not need to be clerked by the trust board Clerk but should be clerked by someone with the necessary skills and knowledge.

### Performance and restrictions

The Headteacher cannot act as a Clerk. In the absence of a Clerk, an Academy Trustee can step-in, proving they have the necessary skills and knowledge, but this should not happen on a regular basis.

Clerks will receive direction from and are accountable to the trust board. The Chair should undertake an annual performance review of the Clerk.

Additional guidance on the role of the clerk is available in the [Further Information](#) section.

[Return to Map](#)

## Academy trust role descriptor: CEO, Principal, and other Employees serving as Academy Trustees

### Structure

The trust board must appoint an Executive Leader. In a single academy trust (SAT) setting, the Executive Leader will be the academy principal or Headteacher. In an academy trust with multiple academies, the Executive Leader will be the Chief Executive Officer (CEO) or equivalent.<sup>8</sup> The academy trust must also appoint an accounting officer, who should be the Executive Leader.

As set out in the department's Model Articles of Association<sup>9</sup>: *'Providing that the [Chief Executive Officer]/[Principal] agrees so to act, the Members may by ordinary resolution appoint the [Chief Executive Officer]/[Principal] as a Trustee.'*

An Executive Leader and any other employee appointed as an Academy Trustee is done so on the basis of their paid employment by the academy trust.<sup>10</sup> This means that if a principal, CEO or employee holds a position based on their employment and leaves the academy trust, they cease to be an Academy Trustee.

The department's strong preference is for no employees other than the CEO or principal to serve as an Academy Trustee. This is to secure clear lines of accountability through the academy trust's single Executive Leader. If other employees do serve as Academy Trustees, the trust board must ensure that no more than one third of the trust board is made up of employees, including the Executive Leader. In church academies there may be additional requirements about who should be appointed to the academy trust board and these requirements will need to be discussed with the relevant diocese, diocesan board or appropriate religious body.

The department's current model articles of association for academy trusts do not allow Members to be employees. From 1 March 2021, no Member may be an employee. No employees are permitted to serve as Chair or Vice-Chair of the trust board and should not Chair a committee.

---

<sup>8</sup> Academy trusts with multiple academies may use alternative descriptions for this post such as 'executive principal'.

<sup>9</sup> Separate Model Articles of Association are available for Church of England and Catholic Academy Trusts. <https://www.gov.uk/government/publications/church-academies-model-documents>

<sup>10</sup> It is up to individual academy trusts to determine employee status. HMRC publishes advice (<https://www.gov.uk/government/collections/employed-or-self-employed>) on how organisations should determine whether an individual's terms of engagement are that of employment.

The Executive Leader and other employees should not be appointed to the audit committee but should attend meetings frequently to provide information and participate in discussions. This is regardless of whether or not the individual is serving as an Academy Trustee. Where the audit committee is combined with another committee, employees may be members, but should not participate as members when audit matters are being discussed.

## **Role of the Executive Leader as an employee**

The role of the Executive Leader is to implement the strategic framework established by the trust board, which they will help develop either as an Academy Trustee or in supporting the trust board with the necessary information. Crucially, it is the Executive Leader, not the trust board, who is responsible for the operational and day-to-day running of the academy trust, although the trust board may intervene in certain circumstances.

One of the Executive Leader's responsibilities is to provide information to the trust board so that the trust board can meet their [three core objectives](#). Academy Trustees should agree with the Executive Leader the data and information they need in order to fulfil their duties. The aim should be to avoid duplication and unnecessary additional workload for leaders and teachers, while ensuring Academy Trustees receive the information they need to assist them in meeting their legal duties. The Executive Leader's report to the trust board need not be extensive but it should provide management information and data, relating to the whole academy trust's pupil performance, latest positions regarding priority areas for improvement, staffing updates, financial information etc., therefore supporting the trust board to undertake their strategic function. The trust board will use the information to inform their discussions and challenge the Executive Leader, and it is for the whole board, as part of their core functions, to performance manage the Executive Leader. Therefore, trust boards will need to have this information in advance of trust board meetings.

Additional information on the role of the Executive Leader and structure of Trust Boards is available in the [Further Information](#) section.

[Return to map](#)

## Academy trust role descriptor: Committees including Local Governing Bodies and Parent Local Governors

### Structure

The trust board may establish committees and may choose to delegate functions to them. Where the trust board does delegate functions, the trust board remains responsible and accountable for decisions made. The department's Model Articles of Association set out reporting requirements that support Academy Trustees to exercise their accountability where delegated powers are used. An academy trust will have a scheme of delegation detailing the organisation's delegation of powers. This should be made available to all Academy Trustees and those on Local Governing Bodies (LGBs).

Committee constitution is largely, excluding the audit committee, at the discretion of the trust board, but the department's model articles set out that all committees, except LGBs, must have a majority of Academy Trustees on them. At meetings of all committees, except LGBs, a vote may only be taken when Academy Trustees form the majority of members present.

Academy trusts must establish an audit and risk committee (from 1 September 2020) appointed by the trust board. The committee must include directing the academy trust's programme of internal scrutiny. Bigger academy trusts (with an annual income over £50 million) must have a dedicated audit and risk committee. Other academy trusts must either have a dedicated audit and risk committee or can combine it with another committee.

In addition, academy trusts should have a finance committee to which the trust board delegates financial scrutiny and oversight.

### Local Governing Bodies (LGBs)

#### Structure

Academy trusts with multiple academies may establish a type of committee known as a Local Governing Body (LGB). In some trusts LGBs may be known as 'academy committees' or 'local advisory committees'. A Trust board may decide to set up one or more LGBs to oversee an academy or group of academies in the academy trust.

Unless the trust board has at least two parent Academy Trustees, each LGB in an academy trust must include at least two parent local governors. Arrangements for the election of parent local governors (and parent Academy Trustees) are set out in the [model articles of association](#). Parent trustees and parent local governors bring an important perspective but have the same responsibilities to the trust as other Academy Trustees and local governors and need the same skills. Their role is to support the trust, rather than act as parent representatives. Having parents on LGBs (or trust boards) is not

a replacement for engagement with parents more broadly. All trust boards should assure themselves that mechanisms are in place for their organisation to engage meaningfully with all parents and carers.

Unlike other committees, LGBs do not need to have Academy Trustees sitting on them. Academy Trustees and members of LGBs should be aware of and familiarise themselves with any designated [link Academy Trustee](#).

## Role

The Academy Trustees will decide what, if any, governance functions they will delegate to LGBs. They may set up LGBs as wholly advisory bodies. Academy Trustees may choose to vary the extent of delegation over time, for example to reflect a change in capacity at local level. LGBs are a full and formal part of the trust governance structure and can:

- support the effective operation of the trust and its policies
- provide support and challenge to the local (school level) executive (although trusts must be careful to make sure accountability is clear and not muddled through local reporting to the LGB and CEO)
- provide a vehicle for trust board engagement with the school, its parents and local community, to help ensure that the Academy Trustees stay connected. Trusts may choose to bring in people to sit on LGBs who provide links to the local community, in addition to parents.
- bring issues and risks to the attention of the trust board. It is important that the board listens and responds to concerns the LGBs may raise.
- provide constructive feedback to the board where a policy may not be effective in the local context, and suggest alternative approaches
- help ensure the trust works as one entity, in the interests of all its schools equally

In addition, in academies with a religious character, the members of the LGB will also be required to preserve and develop religious character of their academy.

Additional guidance on the role and structures of LGBs is available in the [Further Information](#) section.

[Return to map](#)

## **DfE and agencies: role descriptors**

### **DfE role descriptor: Regional Schools Commissioners**

#### **Structure**

The eight Regional Schools Commissioners (RSCs) act on behalf of the Secretary of State for Education and are accountable to the National Schools Commissioner (NSC).

Each RSC is supported by a Headteacher board (HTB) made up of academy headteachers and other local sector leaders. HTBs advise and challenge RSCs on the decisions they make.

#### **Core functions**

RSCs are responsible for taking action and making decisions on a number of areas, including:

- taking action where academies and free schools are underperforming, including matching schools to a strong sponsor where appropriate
- intervening in academies where governance is inadequate
- deciding on applications from local-authority-maintained schools to convert to academy status
- improving underperforming maintained schools by providing them with support from a strong sponsor
- encouraging and deciding on applications to form new academy trusts, or to grow or consolidate existing academy trusts
- encouraging and deciding on applications from sponsors to operate in a region
- taking action to improve poorly performing sponsors
- advising on proposals for new free schools
- advising on whether to cancel, defer or enter into funding agreements with free school projects
- deciding on applications to make significant changes to academies and free schools

#### **School and academy performance**

One of the RSCs' core functions is to intervene with under-performing academies and free schools to commission high quality support to improve them quickly. This includes taking action where governance is inadequate. Governance of academy trusts will be of concern where the academy trust lacks the capacity to deliver any of its three core functions.

Where the primary issue is one of financial management and compliance with the funding agreement, the Education and Skills Funding Agency (ESFA) will have overall decision-making responsibility. When responding to issues of inadequate governance, the RSC will

work with the ESFA to ensure that all issues about the academy trust are considered (e.g. issues of inadequate financial management) and that appropriate action is taken.

In the case of Church academies, the ESFA will also involve the relevant diocese, as agreed in the Memoranda of Understanding between the department and the Church of England and the department and the Catholic Church:

<https://www.gov.uk/government/publications/church-schools-and-academies-memoranda-of-understanding>

[Return to map](#)

## DfE agencies role descriptor: Education and Skills Funding Agency (ESFA)

### Role

The Education and Skills Funding Agency (ESFA) is accountable for £58 billion and provides assurance that public funds are properly spent and achieve value for money in the delivery of the Government's policies and priorities.

It also regulates academies, intervening where there is a risk of financial failure, or mismanagement of public funds. The ESFA sets out a clear framework for academy trusts to operate within; provides oversight and scrutiny of academy trusts' performance; supports the sector in improving its capabilities and takes action where academy trusts fall short of these expectations.

### Core functions

In its role, the ESFA considers three key functions of the academy trust: financial management, governance, and supports the RSCs with their consideration of educational performance. In practice, this means working to ensure academies are:

- **Accountable and transparent** - with a clear framework communicated and regulated by the ESFA through the Academies Financial Handbook and academy trust's funding agreement.
- **Improving** – with an increased focus on strengthening the sector's financial expertise and capability to achieve value for money. This includes working alongside the wider department to support effective school resource management with specialist advisers, three year financial forecasting and developing buying hubs and national deals for all schools.
- **Compliant** – with a strong focus on public money being properly spent and achieving value for money. This includes challenging on high salaries and ensuring RPTs follow robust processes.
- Subject to **Intervention** – based on a robust risk assessment and a proportionate response when public funds are at risk, so that education provision is preserved.

### Intervention

The ESFA intervention powers under the Academies Financial Handbook (AFH) (2020, 6.15 - 6.19) allows the ESFA to issue a Financial Notice to Improve (FNtI) to an academy trust, setting out its concerns and the necessary steps required to resolve them. Whilst the vast majority of FNtIs are issued in relation to financial concerns, the ESFA may issue an FNtI on governance grounds. The FNtIs set out the steps the academy trust is required to take to address the identified issues and risks.

The ESFA also carries out and publishes investigations into academy trusts' financial management and governance. These investigations may form the basis of intervention action taken by the ESFA/RSC as set out above. FNTIs and financial investigations or reviews are actioned, primarily to address financial management and governance concerns.

In the case of Church academies, the ESFA will also involve the relevant diocese, as agreed in the Memoranda of Understanding between the department and the Church of England and the department and the Catholic Church:

<https://www.gov.uk/government/publications/church-schools-and-academies-memoranda-of-understanding>

[Return to map](#)

## Further Information

The [Governance Handbook](#) and [Academies and Financial Handbook](#) provide further information about:

- the role and responsibilities of each committee and LGBs,
  - AFH Sections 3.6-3.14: Audit Committee,
  - AFH Sections 2.1-2.5: Financial Oversight, including finance committee,
  - AFH Sections 1.35-1.37: Chief Financial Officer,
- the role of the Executive Leaders and requirements around CEOs, Principals and other employees as Academy Trustees,
- the role of the Clerk and how they can support a trust board to be effective,
- the role of the Chair and Vice-Chair,
  - the AFH gives details with a particular focus on financial accountability,
- the role of Members and summarises the department's requirements and preferences for the constitution of academy trusts,
  - The AFH gives details with a particular focus on financial accountability and avoiding conflicts of interests.

Every academy trust has articles of association. The department's [Model Articles of Association](#) sets out:

- requirements and processes for appointing and removing Members and Academy Trustees
- provisions for the constitution of trust boards
- disqualification criteria for Academy Trustees
- election and appointment procedure for Academy Trustees
- terms of office for Academy Trustees
- processes for removal and resignation of Academy Trustees
- provisions for the eligibility, election, term of office, resignation and removal of Chairs and Vice-Chairs
- appointment of Executive Leaders as Academy Trustees and, restrictions around on the number of employees permitted to serve as Academy Trustees
- the requirements and processes for appointing and removing Members, Academy Trustees, and auditors.

[Model articles of association for church academy trusts](#) are also available.

The department funds training for governance leaders and Clerks. Further information is available at [Academy and school governance: professional development](#).

The Schools Commissioners Group [‘About Us’](#) page gives further information on the role of the National and Regional Schools Commissioner.

The [Competency Framework for Governance](#) gives more detail on the knowledge, behaviours and skills that a trust board must have across its Academy Trustees to be effective.

The [‘Clerking Competency Framework’](#) outlines the knowledge, behaviours and skills required to provide professional clerking to a trust board.

Guidance on setting executive pay is available in the guidance [‘Setting Executive Salaries’](#).

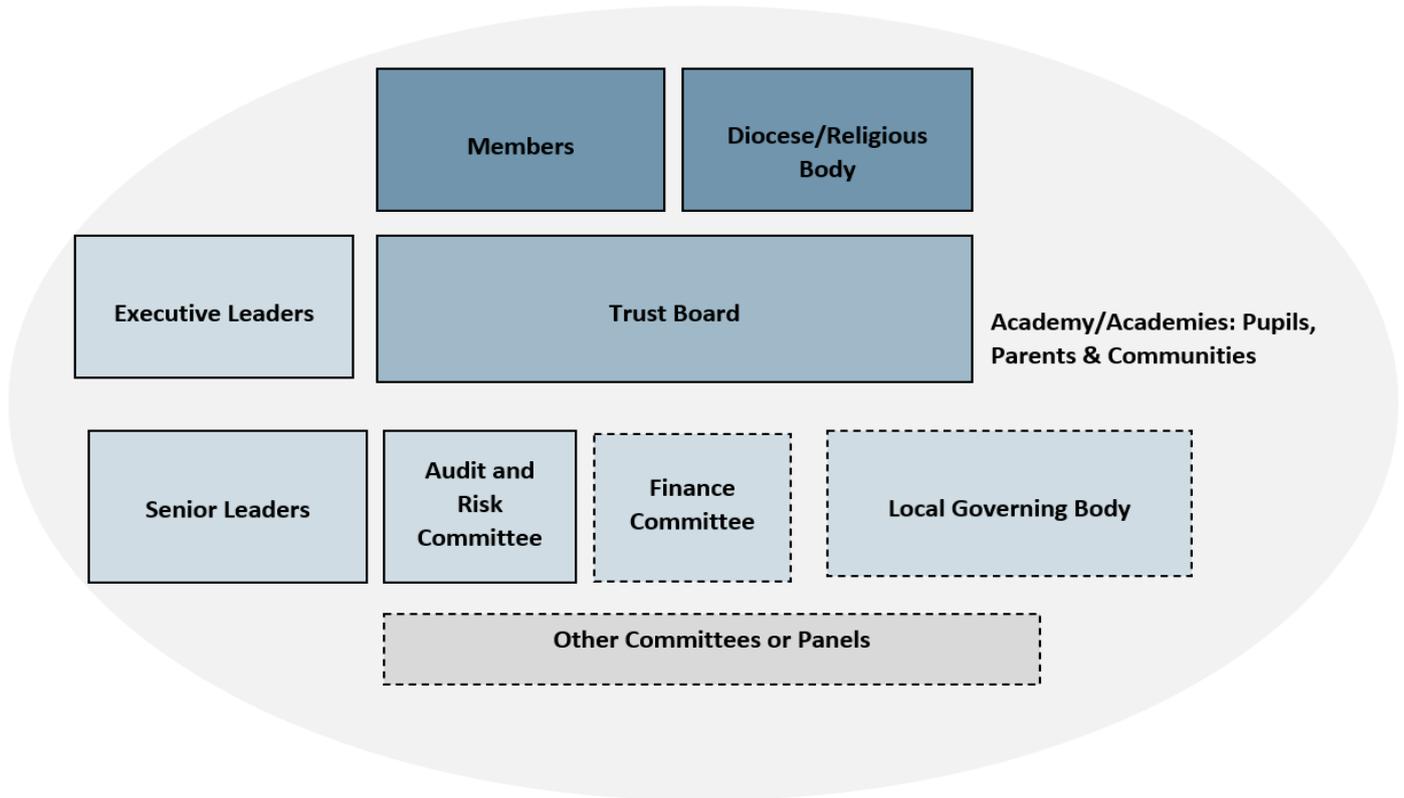
The [Charity Commission](#) and Companies House provide further information and guidance for charity trustees.

Guidance to support trusts’ use of data is available: [Understanding Your Data- A Guide for School Governors and Academy Trustees](#)

# Annex A- Map of Common Governance Structures for Academies with a Religious Character

The map below illustrates the common governance structures that each academy trust must have and additional structures we recommend they include. Academy trusts continue to have the freedom to design their structure and scheme of delegation to best ensure they have robust and effective governance. Links are included to the corresponding role descriptor for academy trusts without a religious character.

**Department for Education and Agencies**



**Key**

The relationships between the trust board and the committees, including the Local Governing Body, are based on the academy trust's scheme of delegation

Governance Structure Legally or Contractually Required	Optional Structure
--------------------------------------------------------	--------------------

## **Department for Education (DfE) and its agencies**

The DfE devolves authority to the academy trust through its own legislation and the academy trust's funding agreement. Other requirements and authority are also devolved through charity and company law. [RSCs](#) and the [ESFA](#) are key components in delivering the department's role.

### **Members**

Academy trusts are founded by members who have a general duty to exercise their powers, to further the academy trust's charitable purpose.

Key Documents: Trust's Articles of Association, Governance Handbook and Academies Financial Handbook

### **Dioceses/Religious Body**

For academies with a religious character, the relevant diocese or religious body exercises general oversight and provides support. Their responsibilities include, but are not limited to, overseeing the academy trust's maintenance of the religious character of the academy trust and carrying out inspections to evaluate the quality of religious education and collective worship. A significant number of dioceses/religious bodies have established academy trusts and have a key role in appointing the foundation directors/Academy Trustees, which will normally make up the majority of the trust board.

### **Trust Board**

The trust board, led by a [Chair](#), is the decision-making body of the academy trust and is accountable and responsible for all the academies in the academy trust.

Key Documents: Academy Trust's Article of Association, Governance Handbook and Academies Financial Handbook

### **Local Governing Body (LGB)**

A trust board may decide to set up one or more LGBs to oversee an academy or group of academies (sometimes grouped by region) in the academy trust. The trust board will decide which, if any, governance functions they will delegate to LGBs.

Key Documents: Academy Trust's Scheme of Delegation

### **Executive Leaders**

The Executive Leader in an academy trust with a single academy is the Executive Principal and, in an academy trust with multiple academies is the Chief Executive (alternate phrases can be used). Members can appoint the Executive Leader to the Trust Board.

Key Documents: Academy Trust's Articles of Association

### **Audit and Risk Committee**

Through the Academies Financial Handbook (from 1 September 2020) academy trusts must establish an audit and risk committee. Academy trusts with an annual income over £50 million must have a dedicated audit and risk committee. Smaller trusts must either have a dedicated audit committee or combine the function with another committee.

Key Documents: Academy Trust's Scheme of Delegation and Academies Financial Handbook

### **Finance Committee**

Academy trusts should have a finance committee to which the trust board delegates financial scrutiny and oversight.

Key Documents: Academy Trust's Scheme of Delegation and Academies Financial Handbook

### **Other Committees/Panels**

Other Committees/Panel

E.g. standards committee, pay and remuneration committee

Key Documents: Academy Trust's Scheme of Delegation



Department  
for Education

© Crown copyright 2020

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/3](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3)

email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries [www.education.gov.uk/contactus](http://www.education.gov.uk/contactus)

download [www.gov.uk/government/publications](http://www.gov.uk/government/publications)

Reference: DfE-00167-2020



Follow us on Twitter:  
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:  
[facebook.com/educationgovuk](https://facebook.com/educationgovuk)