



# **Governance Handbook**

September 2018

## **Contents**

|                                    |     |
|------------------------------------|-----|
| Contents                           | 2   |
| Foreword by the Chair of the Board | 3   |
| Tiers of governance                | 4   |
| Key documentation                  | 5   |
| Principles/approach                | 6   |
| An overview of Trust governance    | 7-8 |
| Accountability for decisions       | 9   |
| Trust values                       | 10  |

## Foreword from the Chair of the Trust Board

This document sets out the principles and formal arrangements for governance across the Mercia Learning Trust. As a charitable Trust we are accountable for:

1. The educational outcomes and welfare of all children attending Mercia Learning Trust schools
2. The livelihoods of our employees
3. The prudent management of taxpayers' money; and
4. The stewardship of public buildings and land

The quality and effectiveness of our governance is critical to ensure resources are used, academies are effective and best value is secured for the taxpayer. Ultimately this means that the educational experience and outcomes for each child are outstanding.

At the heart of governance in a charity like Mercia Learning trust is the non-executive team, made up entirely of volunteers. These individuals bring their experience and judgement, and accept accountability, not for material benefit, but for the greater public good. In particular, to improve the life chances of the pupils / young people in our academies.

The law places accountability for the educational outcomes and financial diligence of the Trust firmly with the Trustees and the CEO as Accounting Officer. Much of this responsibility is located in the **Trust Board**. However, a fundamental principle for us is that effective governance is best delivered as close as possible to the point of impact of decisions. For this reason, we have developed a governance structure that delegates key accountability to our **Local Governing Bodies (LGBs)**.

Together, the Trust Board and LGBs, provide the overview and scrutiny of the management and governance of Mercia academies. Annually the performance of the Trust is scrutinised by the **Members** at the Annual General Meeting (AGM).

The purpose of this document is to provide clarity on the structure by which the different elements of governance work together for the benefit of the whole Trust. We have based this model on current guidance, and our experience as a growing Trust. We intend to review the details of these governance arrangements annually to ensure arrangements are fit for purpose and based on the most recent DfE advice.

Thank you for your contribution to our Trust/Schools and this important work.

**Phil Smith**  
**Chair of the Trust Board**

## **Governance Principles/Approach**

Mercia Learning Trust is a charitable voluntary organisation which relies on the input of a number of non-executive volunteers, supported by an experienced team of staff. As it grows and matures, and potentially the number of schools for which it is responsible increases, it is vital the governance at every level is of the highest quality.

1. The MLT Governance Handbook sets out the fundamental principles of the organisation and lays down the rules for its governance. The Handbook is supported by a range of key documents that are held centrally in the trust.
2. The governance principles of MLT recognise the importance of developing and sustaining an appropriate, robust, supportive and challenging relationship between governance and the Executive Team (Heads, Finance Director and CEO) to best meet Trust objectives.
3. Financial governance must, as a foundation, be compliant with the principles and regulations set out in the Academies Financial Handbook.
4. Governance is underpinned by a common understanding about who is responsible for providing an input to decision making and who has the decision-making responsibility. This is shown in the Scheme of Delegation and relevant Terms of Reference.
5. Effective governance in our Trust is supported by the following:
  - a. Members – the guardians of the constitution
  - b. The Trust Board – the Directors / Trustees
  - c. Local Governing Bodies – the Local Governors
  - d. The Executive Team
6. The Trust Board has overall responsibility and ultimate decision-making authority for all the work of the Trust, including the establishment and maintenance of each school.
7. The governance of each school is delegated, via the Scheme of Delegation, to the relevant LGB.
8. The right recruitment and selection of governors, at all tiers, is vital to secure strong Trust governance. As a result, due regard has been made to the Governance Competency Framework (based on DfE guidance January 2017) and the balance of skills, qualities and competencies at the level of Member, Trustee / Director and Local Academy Boards. This can best be seen in the Governance Application Form.
9. We will continue to develop our governance arrangements to shape and take account of best practice in the sector.

## Trust Leadership

The Executive Team is the executive management arm of the Academy Trust. They are responsible for running the trust and each school day to day.

They are supported and challenged by governance at all levels, with the aim of achieving the objectives agreed by the Board and each Local Governing Body (LGB); and more broadly enshrined in the Articles of Association.

## Governance tiers of the Mercia Learning Trust

Mercia Learning Trust has three tiers of governance. Members, Trustees / Directors (Trust Board) and Local Governing Bodies (LGBs). The table below shows key characteristics of each tier. The functions and responsibilities of each governance tier are stated in their relevant Terms of Reference.

| Governance Tier                        | Number                   | Meeting schedule                                 | Notes  |
|--|--------------------------|--|--|
| Members                                | 5                        | AGM  | Chair of Trust Board is a Member but cannot be Chair of Members  |
| Trustees / Directors (Trust Board)     | 7-9                      | ½ termly + Risk & Audit (x3) & Remuneration (x1) | Chair<br>Vice Chair  |
| Local Governing Body (LGB) - Governors | 7-14 (dependent on need) | ½ termly   | Each LGB will have a Chair & Vice Chair<br>There are currently six LGBs:<br><b>Primary</b><br>1. Nether Edge Primary School (NEPS)<br>2. Totley Primary School (TPS)<br>3. Valley Park Primary School (VP)<br><b>Secondary</b><br>4. King Ecgbert School (KES)<br>5. Newfield School (NS)<br>6. Mercia School (MS) |

## Key Governance documentation

The following documentation is used to support governance across the Trust. This is available from the Trust and may also appear on the trust/LGB website(s).

| Document                                  | Members | Trustees | Governors | Held centrally | On website |
|---|---------|----------|-----------|----------------|------------|
| Vision                                    | ✓       | ✓        | ✓         | ✓              | ✓          |
| Trust governance calendar                 | ✓       | ✓        | ✓         | ✓              | ✓          |
| Trust governance organogram               | ✓       | ✓        | ✓         | ✓              | ✓          |
| Application Form                          | ✓       | ✓        | ✓         | ✓              | x          |
| Charities Act 2011 extract                | ✓       | ✓        | ✓         | ✓              | x          |
| Register of Business & Personal Interests | ✓       | ✓        | ✓         | ✓              | ✓          |
| DBS checks                                | ✓       | ✓        | ✓         | ✓              | x          |
| Code of Conduct                           | ✓       | ✓        | ✓         | ✓              | x          |
| Pen Portraits                             | ✓       | ✓        | ✓         | ✓              | ✓          |
| Letters of invite / acceptance            | ✓       | ✓        | ✓         | ✓              | x          |
| Articles of Association                   | ✓       | ✓        | ✓         | ✓              | x          |
| Funding Agreements                        | ✓       | ✓        | ✓         | ✓              | x          |
| Governance Handbook                       | ✓       | ✓        | ✓         | ✓              | ✓          |
| Scheme of Delegation                      | ✓       | ✓        | ✓         | ✓              | ✓          |
| Members Terms of Reference                | ✓       | ✓        | ✓         | ✓              | ✓          |
| Board Terms of Reference                  | ✓       | ✓        | ✓         | ✓              | ✓          |
| LGB Terms of Reference                    | ✓       | ✓        | ✓         | ✓              | ✓          |
| Agendas, minutes & papers                 | ✓       | ✓        | ✓         | ✓              | x*         |
| DFE governance handbook (2017)            | ✓       | ✓        | ✓         | ✓              | x          |
| Jargon Buster                             | ✓       | ✓        | ✓         | ✓              | x          |

\*May be a point to consider moving forwards

## **What do the three tiers of governance do?**

### **Members**

MLT has Members who are best viewed as guardians of the constitution, changing the Articles if necessary and ensuring the charitable objectives are fulfilled. The Members appoint Trustees and can exercise reserve powers to appoint and remove Trustees. It is, however, anticipated that this power will rarely, if ever, be exercised. The Academy Trust will ordinarily have five Members and they will meet annually.

### **Trust Board**

The corporate management and trustee responsibility for the actions of the company is vested in the Trustees of the Academy Trust (together, referred to as the Trust Board).

The Trustees are personally responsible for the actions of the Academy Trust and the Academies and are accountable to the Members, to the Secretary of State for Education and to the wider community for the quality of the education received by all pupils of the Academies and for the expenditure of public money. The Trustees are required, as trustees and pursuant to the Funding Agreements, to have systems in place through which they can assure themselves of the quality, safety and good practice of the affairs of the Academy Trust.

The role of the Trust Board is reflected in Scheme of Delegation and Terms of Reference. Overall its role is to:

1. Set the strategic vision, ethos and strategy for the Academy Trust and its academies.
2. Establish the governance structures for the Academy Trust, in keeping with the Articles of Association.
3. Provide clarity, through the published Terms of Reference and the Scheme of Delegation, of the level at which LGBs will have authority.
4. Ensure that there is a strong and effective executive leadership structure and personnel in place across the Trust.
5. Scrutinise the performance of all academies and the Trust and ensure senior leaders are challenged to improve.
6. Scrutinise the Trust's financial capability and management systems to ensure compliance with the Academies Financial Handbook, and deliver best value for money.
7. Ensure risk management policy and practice is robust.
8. Set Trust-wide policy and monitor adherence.
9. Develop the Trust Board to ensure that it has appropriate capacity, skills and succession planning to secure effective governance.

## **Local Governing Bodies (LGBs)**

The role of a LGB is an important one. In developing our governance arrangements, the Trust Board has sought to delegate responsibility to LGBs who are closest to the impact of decision making.

The LGBs are accountable to Trust Board and their broad duties are as follows:

- To contribute to and fulfil the vision and ethos of MLT in so far as it relates to the school. Ensuring that the School achieves the aims and ambitions it has for its pupils/young people, and works in partnership across the Trust.
- To develop, implement and review the annual strategic plan for the School, focussing on the Academy's performance, and have regard to any agreed priorities identified by the Trust Board.
- To act as a critical friend to the School's senior leadership team, and provide challenge and hold them to account for all aspects of the School's performance.
- To develop the academy annual financial and resource plan, alongside the Headteacher, Finance Director and CEO, and submit this for approval to the Trust Board. Monitor spending against the financial plan, keep within the agreed out turn parameters and follow appropriate risk and financial management policies and practices.
- Ensure the School staffing structure is fit for purpose; ensure robust monitoring of staff performance, and all Trust HR policy and procedures are followed.
- Engage fully and openly with any inspection, whether by Ofsted, the Trust or any other appropriate public body to whom the academy is accountable.
- Follow all agreed Trust policy.
- Regularly access feedback and the perspective of pupils / young people, staff and parents / carers.



## **Accountability for Decisions**

The Trust Board delegates authority to two key groups in order to ensure the effective leadership and governance of the Academy Trust. The two key groups are:

1. The Executive Team;
2. LGBs.

The relationship between the Trust Board, the Executive Team and the LGB is characterised as a partnership to realise a common vision and a common purpose.

In the case of the Trust Board and LGBS, the relationship between the two tiers of governance is also based on the principles of:

1. No duplication of governance.
2. A clear Scheme of Delegation. This will determine where responsibilities and decisions reside. However, governance should be as close as possible to the point of impact of decision-making.

The Scheme of Delegation provides clarity as to who the decision makers are for different levels of decisions.

## **Intervention**

The Trust Board remains ultimately responsible for the Academy Trust and the conduct of the Schools. However, there will be circumstances (the exception rather than the norm) where the Trust Board might need to intervene and, for example, withdraw delegated authority in a particular element of governance.

In such circumstances, the Trust Board, along with the Executive Team, would work closely with any School concerned and those involved in their governance. They would be expected to promptly implement any advice or recommendations made by the Trust Board and the Executive Team.

The Trust Board reserves the right to review or remove any power or responsibility which it has delegated, in particular, in circumstances where serious concerns in the running of a School are identified, including where:

1. There are concerns about financial matters
2. Insufficient progress is being made against educational targets (including where intervention by the Secretary of State is being considered or carried out)
3. There has been a breakdown in the way the School is managed or governed; or
4. The safety of pupils or staff is threatened, including a breakdown of discipline.

## **Summary**

Leadership of MLT is a partnership between the Executive Team and governance at all levels, in the pursuit of a common goal.