

Leora Cruddas  
Chief Executive  
Confederation of School Trusts

27 October 2021  
Via email

Dear Leora,

### **Consultation: The core responsibilities of the School Trust Chief Executive Officer (CEO)**

I am pleased to provide feedback on the above consultation looking at the key role responsibilities of the CEO in an academy trust.

As you know, The Chartered Governance Institute is the professional body for governance and the qualifying and membership body for governance professionals across all sectors. Its purpose under Royal Charter is to lead 'effective governance and efficient administration of commerce, industry and public affairs' working with regulators and policy makers to champion high standards of governance and providing qualifications, training and guidance. As a lifelong learning partner, the Institute helps governance professionals to achieve their professional goals, providing recognition, community and the voice of its membership.

One of nine divisions of the global institute, which was established 130 years ago, the Chartered Governance Institute UK & Ireland (the Institute) represents members working and studying in the UK and Ireland and in many other countries and regions including the Caribbean, parts of Africa and the Middle East.

As the professional body that qualifies Chartered Secretaries and Chartered Governance Professionals, which includes company secretaries, our members have a uniquely privileged role in the governance arrangements of different types of organisations in different sectors, including schools and charities. With a detailed understanding of the legal and regulatory framework relating to educational institutions and practical insights into how such organisations are governed and led, the Institute is well placed to understand the issues involved in promoting the importance of good governance practice to those at the highest levels in an organisation.

#### **General comments**

The Institute is delighted to comment on the consultation and to provide feedback to develop a framework which supports CEO in all their responsibilities, but specifically the relationship and interaction between the CEO and the governance architecture and people.

As the professional body dedicated to championing the cause of good governance across the sectors, the Institute has restricted its response to those areas that directly relate to the effectiveness of governance arrangements. Consequently, our overall view is that the document would benefit from additional context which sets out the nature of academy trust governance and the role of the board of trustees. Currently, the document does not clearly recognise that the CEO operates under the oversight and direction of the board of trustees, perhaps implying the role has more autonomy than should be available in a well-governed organisation.



### ***Strategic leadership – Trust ethos, culture and strategy***

We understand that the document is aiming to be as proactive as possible. However, the language and tone should be reviewed to ensure that responsibilities that sit with the trustee board are not inadvertently assumed by the CEO. For example, it is the board's legal responsibility to agree the strategy, vision, mission and culture of the organisation. This work is likely to be led by the CEO and other senior leaders, but the final decision is that of the board. The current wording should include an acknowledgement that it is the board that is ultimately responsible for approving and monitoring these facets of an academy trust's governance and oversight.

Each bullet point in this section should be reviewed to ensure that the CEO is acting to embed and build a vision and culture that achieves and supports that agreed by the board in furtherance of the charitable objects. The CEO should not be independently curating the strategy and ethos of the academy trust, but should put in place the mechanisms to implement the trustees' decisions. This is likely to include having a scheme of delegation of powers from the board to the CEO, which should separate the duties of the CEO from that of the trustees (recognising that the CEO may also be a trustee). Written, agreed and regularly reviewed delegations will help the board and the CEO understand and respect their respective roles and responsibilities.

### ***Finance, sustainability and compliance***

The first bullet point would benefit from clear acknowledgement that the responsibility for setting the risk appetite, risk management and oversight of risk sits with the board, possibly with the help of a risk committee. Under the framework agreed by the board, the CEO is responsible for ensuring that robust systems are in place.

Notwithstanding the DfEs requirement for an Accountable Officer who can be held to account for compliance, in charity law it is the trustees who are ultimately responsible for compliance with relevant legislation and regulation. The draft framework would benefit from recording that dual accountability for compliance and the role the CEO should have in providing assurance to the board that the academy trust is compliant.

### ***People strategy***

The CEO should work under a HR or talent management framework established and agreed at board level. The board will be responsible for overseeing and monitoring the effectiveness of that framework, though should leave the operational aspects of that framework to the appropriate senior leaders in the organisation. Feedback and recommendations for improvements should be presented to the board to be approved as part of that overall framework.

### ***Governance and accountability***

It is difficult for any organisation to have effective governance if the senior leaders do not understand and respect the roles of the board (whether trustees or directors). The Institute would therefore welcome an explicit bullet point whereby the CEO embraces good governance and commits to supporting its continuous improvement to support the academy trust achieving its charitable purposes. That bullet point should also emphasize the need for the board to be responsible for governance and accountability with the CEO and other senior leaders providing assurance.



The Institute recommends that this section is reviewed to consider whether some of the bullet points are more suited to the role and responsibilities of the governance professional. For example, the governance professional is better placed in helping the board to identify and decide what information and in what format should be presented to the board, rather than the CEO. Boards of all types of entity can be presented information in a format and frequency that suits the senior leadership team, rather than supporting the board in fulfilling their legal duties. That is why the responsibility for board packs and other trustee information should reside with the governance professional, as a key conduit to supporting the board and implementing good governance.

### ***System leader and civic responsibility***

As with the previous comments above, this section would benefit from thinking again about the tone of the bullet points. The decision as to who is the key 'figurehead' of an academy trust may be subject to discussion between the board (most likely the chair) and the CEO. Whatever that decision is, it should be formally recorded and agreed by the board. For instance, in terms of education performance it may be more appropriate for the CEO to lead external communications and relationships, while for other issues, such as stakeholder engagement and accountability, the chair might be the most appropriate to lead. Another example to consider would be where the CEO is removed (temporarily or permanently), it would be the chair that was seen as the organisation's figurehead.

Again, the role of the CEO in supporting a broader system leadership role and stakeholder engagement activities is one which is directed and monitored by the board, in line with strategic plans and priorities. The CEO should assure the board that any such activities support the board's legal duty to be accountable and establish the charity's strategy.

It is hoped these comments are constructive in helping CST to develop a framework that accurately reflects the governance, compliance and regulatory environment of academy trusts as charitable entities. Minor tweaking to the language and tone used in the document should achieve a document which more accurately reflects the powers, responsibilities and duties of different parties within an academy trust. A review of the Charity Commission for England and Wales' *CC3: The essential trustee: what you need to know and what you need to do* explains the legal duties of the board in charities and should be helpful in informing your approach to the final version of your CEO framework.

I trust the above comments help with the development of this important document for academy trusts. Should you require any clarification or have questions relating to this submission, please do not hesitate to contact me directly.

Yours sincerely,

### **Louise Thomson FCG**

Head of Policy, Not for Profit  
The Chartered Governance Institute UK & Ireland  
Tel: 020 7612 7040  
Email: lthomson@cgi.org.uk

