

**Update on Headteacher Associations (DASH & DAPH) forming  
Devon Schools Leadership Services (SLS) Charitable Incorporated Organisation (CIO)**

Recommendation

It is recommended that Devon Education Forum:

- (a) Note the present position regarding implementation of DASH & DAPH forming a CIO to represent school leaders and to work in partnership with Devon County Council.

**All to note.**

**1. Background**

- 1.1** The Report (DEF/18/04) submitted to Devon Education Forum (DEF) on 21 March 2018 provided the background and detail of DASH & DAPH proposals to form a Community Interest Company (CIC) to represent school leaders and to work in partnership with Devon County Council.
- 1.2** The purpose of this report is to provide the DEF membership with an update as to progress to date and planned implementation timescales.

**2. Formation of New Entity**

- 2.1** Since the last report the DAPH and DASH have further strengthened partnership working across the primary and secondary phases. The two Executive Committees have invested time together to agree the strategic vision for the new business and operational structure which ensures the voice of schools remains paramount.
- 2.2** The two Executive Committees now hold regular joint meetings to focus on issues arising from representation at various local authority groups and strategic groups. This has proved to be especially effective in terms of aligning and strengthening the schools' standpoint notably around funding and SEND.
- 2.3** Collaborative working has also extended to the wider membership with joint DAPH & DASH Briefings being organised with programme content addressing key topics relevant to school leadership across both phases.
- 2.4** Following financial advice, it was established that the proposed Community Interest Company (CIC) was not the most tax efficient with a recommendation that a Charitable Incorporated Organisation (CIO) would be a more appropriate legal structure for the 'not for profit' enterprise.
- 2.5** CIOs are designed specifically for charities, allowing them to register just once with the Charity Commission as an incorporated form of charity which is not a company. This negates the additional requirement to register with and report to Companies House.
- 2.6** Apart from the reduced administrative burden, the CIO would have its own legal identity and can enter into contracts rather than in the name of individual trustees. Trustees also have limited liability.
- 2.7** CIO members still have key rights in law and under the Constitution and trustees are still responsible for managing the organisation. Note that trustees for CIOs will only be trustees, they will not have the dual role of Company Director.
- 2.8** There are two possible model structures for CIOs: Foundation or Association.

- 2.9** A Foundation model is where the only voting members are the charity trustees whereas the Association model is with voting members other than its charity trustees.
- 2.10** Further information on Charity Structures and CIOs can be found on the Gov.uk website [here](#).
- 2.11** Devon Schools Leadership Services (SLS) CIO has been constituted based on the Foundation model initially, with a view to adopting the wider Association model once fully established. This will enable the interim Board of Trustees to progress implementation as the sole members to the point of launch with a view to adopting the Association model with schools as members once the CIO is fully trading.
- 2.12** The interim Board comprises of 8 trustees including 6 headteachers (3 Primary and 3 secondary) plus legal and financial representation from Michelmores and Bishop Fleming respectively.
- 2.13** An application to register the CIO at the Charity Commission was made in February and confirmation of acceptance is awaited.
- 2.14** Meanwhile the redundant Schools Leadership Services (SLS) CIC was formally dissolved on 5 February 2019 and removed from the register at Companies House.
- 2.15** Owing to current funding arrangements, it is intended that DAPH & DASH will continue to exist in respect of the existing Core functions of the Associations alongside the new CIO for the time being. However, traded activities and other commissions will be routed via the new CIO from 2019/20 financial year.

### **3. Devon Schools Leadership Services CIO – Ethos and Values**

**3.1** Evolving from the well-established DAPH & DASH phase associations, Devon SLS CIO aims to become a significant organisation in terms of its ambition and scope for school leadership. However, in structural terms, it will be a lean and streamlined small business, employing a maximum of 3 staff working to a skilled and specialist Board of Trustees – elected and steered by the total membership of schools/academies.

**3.2** It has been shaped to be relevant for schools' needs in the immediate and longer-term future. It will play a critical role as part of the continuum in the maturing and schools-led system of the future educational landscape in the following ways:

- It is independent from the Local Authority and reflects the schools led direction of travel in the new complex system of multiple providers.
- It forms strategic partnerships alongside the other key players in the system.
- It coherently supports schools through being the universal vehicle providing connected leadership experiences underpinned by effective communication.
- It can be a catalyst for partnership working.
- It manages and mobilises knowledge relating to education matters.
- It operates as a one-stop shop for issues affecting schools.
- It spreads excellence through joint practice development.

**3.3** Devon SLS values, ethos and modus operandi are to:

- Architect/orchestrate and facilitate collaboration.
- Advocate for a community of learning and leadership – an entitlement model.
- Promote inter and intra-dependence between schools and reduce isolation.
- Act as the conduit for the component parts of outstanding local improvement partnerships.
- Focus on similarities rather than differences - balancing information and support with challenge.
- Operate as 'One Local Voice' to influence and shape education policy not only within Devon but also the national agenda e.g. the campaign for fairer funding.

## **4. Services to Schools**

- 4.1** The CIOs intention is to provide a comprehensive and innovative portfolio of core and value-added traded services for its schools' membership – whatever their legal status or structure. The offer will be targeted at a broad definition of middle and senior leaders working across the governance, financial, administrative, technical, learning support, subject and strategic educational leadership arenas and will seek to address existing leadership development needs in the current educational context, and stay 'ahead of the game' in anticipating and preparing leaders for future initiatives.
- 4.2** Devon SLS will not be establishing an unwieldy infrastructure to provide its offer. In line with its stated intent to be an organisation 'for schools, by schools with schools', it will seek to establish a range of Associate Partnerships and Commissioning Agreements with the existing and emerging quality provision and expertise within many schools and school groupings such as:
- Teaching School Alliances
  - Multi-Academy Trusts
  - Federations and Learning Partnerships
  - Nationally Accredited Specialist Award schools
  - Consortia
- 4.3** Also, where appropriate regional and national players such as Ofsted, ESFA, DfE, RSC, centres of excellence e.g. EEF, Sutton Trust or reputable independent consultants.
- 4.4** It will work through brokering, commissioning, procuring and contracting with a range of local, regional, national, and where necessary, international best practice, to meet the expressed (and anticipated) needs of leaders working in schools.
- 4.5** From April 2019, DAPH will be commissioned by DCC to deliver the headteacher support function currently known as School Leadership Support Service (SLSS). Funding for this service is presently routed through Babcock LDP with DAPH sub-contracted to operate the front line first point of contact. The service will be relaunched and re-branded and will in due course form part of the Devon SLS Core offer to members.

## **5. Resources and Funding Streams**

- 5.1** Devon Phase Association funding presently forms part of the Historical Commitments within the Schools Central Services Block of the Dedicated Schools Grant and is subject to annual consultation and agreement by schools.
- 5.2** In autumn 2018, Devon schools voted to continue the existing funding arrangements for 2019/20. This will enable DAPH and DASH to continue supporting schools as at present as well as allow for a degree of financial stability during the forthcoming transitional period whilst establishing and developing the new CIO.
- 5.3** It is not yet known whether this top-slice can continue under the new National Funding Formula arrangements due to be implemented in April 2021 but as a worst-case scenario, it has been assumed that current phase association funding arrangements could cease on 31 March 2019.
- 5.4** If this is the case, phase association top-slice funding would be delegated to schools and the current membership of DAPH and DASH will transfer to the new CIO on a subscription basis. In other words, schools will subscribe to the new organisation to benefit from the core offer and services e.g. schools voice via consultation and representation across all working and statutory LA groups, communications, access to resources, leadership networks and CPD.
- 5.5** This will be on the basis that funding has been returned to schools' budgets and subscription rates will be modelled on the sum delegated back and to reflect the size of school and structure to achieve a cost neutral position for the maximum number of schools.

- 5.6** In addition to school subscriptions, Devon SLS will generate income from other education stakeholders via an Associate membership scheme, sponsorship or partnership arrangements as well as the traded activities forming part of the Prospectus Offer with member discounts for subscribing schools.
- 5.7** Any surplus generated will be retained and reinvested by the CIO for the benefit of member schools to include subsidising future events or possibly by offering a rebate on annual subscriptions.
- 5.8** Initial set up costs and working capital will be partly funded from existing DAPH Reserves. Financial advice has been formally sought as to tax implications on incoming capital, trading revenue and VAT. However, having been constituted as a CIO following advice, charities are generally exempt from paying corporation tax.

## **6. Staff – TUPE & Pensions**

- 6.1** DAPH presently employs two permanent members of staff and HR advice has confirmed that protection under Transfer of Undertakings (Protection of Employment) regulations (TUPE) will apply.
- 6.2** The Trustees are in the process of considering the options for ongoing employee pension arrangements. An Actuary report has been obtained and is liaising with DCC regarding the options available to include the local authority acting as possible guarantor to any likely bond liability required to enable Devon SLS CIO to acquire Admitted Body Status to the LGPS, being the preferred option.
- 6.3** The effective date of any TUPE transfer is yet to be agreed as this will be subject to finalising revised pension arrangements, appropriate consultation with staff members and unions as well as Trustee's satisfaction that the CIO is fully established and viable going forward.

## **7. Way Forward & Timescales**

- 7.1** The outcome of the application to register the CIO at the Charity Commission is presently awaited with estimated timescales 12 weeks.
- 7.2** In the meantime, communication and consultation with DAPH & DASH memberships will take place during the spring and summer terms with a view to formalising proposals at the respective AGMs when permanent Board membership will be established comprising elected Education Trustees together with the remainder appointed based on professional expertise.
- 7.3** It is anticipated that Devon SLS CIC will formally commence trading from 1 September 2019 shadowing DAPH & DASH until 31 March 2020 when the current top-slice funding arrangements are expected to cease. Once fully established, the legacy DAPH & DASH unincorporated Associations will be wound up.

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**Alun Dobson**  
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