

12. Methodist Independent Schools Trust (MIST)

Contact name and details	John Weaving, Director of Finance and Company Secretary, Methodist Independent Schools Trust jweaving@methodisteducation.co.uk
Resolutions	The resolutions in the report enable the Conference to: <ul style="list-style-type: none">• appoint Trustees of Methodist Independent Schools Trust and governors of Ashville College, Kingswood School and Rydal Penrhos School;• approve the change in Legal Structure for the Methodist Independent Schools Trust.

Summary of Content

Subject and aims	Appointment of Trustees and governors to three Methodist Independent Associated Schools. Approval of the proposed change in Legal Structure for Methodist Independent Schools Trust. Update on the Schools Safeguarding Review and Audit.
Main points	As above
Background context	The Conference is responsible for the appointment of MIST Trustees and governors to the schools named in the resolutions.

1. Appointment of Trustees to MIST and Governors to Associated Schools

Trustees of the Methodist Independent Schools Trust are appointed by the Conference, normally for a three-year term. Nominations are made by the Trust, Chairs of Governors, and the Methodist Council.

Under the Schemes relating to the administration of Ashville College, Kingswood School and Rydal Penrhos School, the Conference is responsible for the appointment of governors to their governing bodies. Governors are nominated by the governing bodies and/or the Methodist Independent Schools Trust and are initially appointed for a period of three years. They may be re-appointed for a further period.

2. Schools Safeguarding Review and Audit

MIST is setting up an independent safeguarding audit of current safeguarding arrangements in the schools and a review of known non-recent cases of abuse (Schools Safeguarding Review and Audit - SSRA). The SSRA Board will be chaired by Jane Stacey, the audit team leader will be Carolyn Eyre and a specialist adviser has been recruited, Marcus Erooga. These are all experts in the field and independent of MIST. It is intended that the SSRA's findings will be shared with the Goddard Inquiry and the Conference.

3. Review of Legal Structure

3.1 Introduction

Methodist Independent Schools Trust has for a number of years been considering whether its legal structure is fit for purpose. Legal advice has been obtained which has identified a number of areas of concern:

- The 1903 Trust Deed (referred to in SO 343(1) as the Methodist Independent Education Trust) establishes an unincorporated body of trustees (as opposed to an incorporated legal entity) who are responsible for the 9 Independent Trust schools. The 2011 Conference appointed MIST to control and manage the schools. MIST thus became the managing trustee of the school property held on the 1903 Trust Deed. Individuals are named as the holding trustees of the school properties and as such these individuals bear potential personal liability.
- The 9 schools governed by the 1903 Trust do not have their own constitutions and are not separate legal institutions. It therefore appears that each school's separate registration as a charity with the Charity Commission may have been made in error;
- The Trust schools' Trustee Companies are not themselves charities and the school undertakings are not vested in them. The introduction of the companies was intended to provide protection from personal liability to School Governors. However, there are concerns that this may not have been wholly effective and the role of these companies (in particular) has contributed to a general misunderstanding of the overall group structure.

The review of the governance arrangements for MIST and the schools has identified that:

- (As noted above) the 1903 Trust is unincorporated, meaning that its trustees (MIST and the 1903 Trustees) could be liable to meet its debts, if all the trust assets were exhausted. As trustees, the 1903 Trustees do not have limited liability protection (the Trustees of MIST are protected by MIST's own limited liability status);
- Assets of the 1903 Trust (in particular the school properties) are not ring-fenced from commercial liabilities;
- VAT arrangements (based on a 27 year old letter from HMRC) are potentially inconsistent with some aspects of current practice (even if consistent with legal form);
- School Governors may be at risk of personal liability and (as noted above) the Trustee Companies are not, in this structure, guaranteed to provide the protection to School Governors that was originally envisaged.

An incidental issue is that having individual holding trustees means the process for transacting land sales and purchases can incur avoidable delay. Individuals who are 1903 Trustees have to sign legal documentation in respect of legal titles for the schools.

The MIST trustees are of the view that the legal structure of the 1903 Trust, MIST and school property needs to be updated, hence the proposals in this report.

3.2 Work undertaken to date

A Working Party was established by the MIST trustees to review the current structure, including school governors as well as representatives from Farrer&Co (solicitors) and Haysmacintyre (auditors). This Working Party proposed that a new legal structure based on a Unified Corporate Model (UCM), an incorporated version of the current unified trust, would be preferable and best suited to reflect as closely as possible the current legal structures for the schools and the Conference (though in incorporated form). This proposal has been accepted by the MIST Trustees.

There is no intention to change the operational responsibilities for MIST, school governors or school management teams in the running of the schools. Nor is there any intention to alter substantively the role of the Conference in respect of Methodist Independent Schools or the nature of the

relationship between the 1903 Trust and the Associated Schools¹ (although MIST or a subsidiary property trust company would replace the 1903 Trustees).

3.3 Key Implications of a Unified Corporate Model

A separate corporate entity would hold the legal title to the school property (either MIST itself or, more likely, MIST's subsidiary property trust company).

It is proposed that either the school property would continue to be held on trusts that reflect the current trust provisions or the Memorandum and Articles for MIST (and, as necessary, the property trust company) would clarify the purposes, define the corporate powers, and set out the role and entitlements of the Methodist Conference.

The Conference's role in respect of the schools as set out in the 1903 Trust will thus be preserved in new corporate or trust documents. There is no intention substantively to amend the role or limit the rights of the Conference in respect of schools eg to appoint the individuals that have control and management of the Independent Schools, nor to dilute the Methodist influence or purposes of the Independent Schools.

One benefit of moving the legal ownership of the school property to a property trust company would be that the property would be ring-fenced from certain civil claims that might otherwise result in assets needing to be sold.

The School Governors would not be charity trustees and would have clearly delegated and delineated roles and responsibilities, so would be protected from personal liability.

The process for transacting sales and purchases of school properties would be simplified and made more efficient by having a corporate entity (the property trust company as the holding/custodian trustee).

3.4 Recommendation

It is recommended that the Conference delegates responsibility to the Methodist Council for bringing detailed proposals for this legal restructuring to the 2017 Conference having undertaken discussions with MIST in advance. At that point, and provided the Council is content with them, the Conference would be requested to approve those detailed proposals and to authorise the actions necessary to bring them into effect from 1 September 2017.

*****RESOLUTIONS**

12/1. The Conference received the Report.

12/2. The Conference directed the Council, in consultation with the Methodist Independent Schools Trust, to bring recommendations on the legal restructuring of the 1903 Trust and the holding of the legal title for independent school property, and to report to the Conference in 2017.

¹ The Associated Schools operate under their own individual Charity Commission Schemes, pursuant to which each school company acts as managing trustee and the 1903 Trustees act as holding trustees. The UCM proposal would alter this arrangement only insofar as it replaced the 1903 Trustees with MIST (or its property trust company) as the holding / custodian trustee.

Methodist Independent Schools Trust

- 12/3.** The Conference adopted the nomination by the Trustees of the Revd Dr John C A Barrett and Mrs Veronica Knight as Trustees of the Methodist Independent Schools Trust, for a period of three years concluding 31 August 2019.
- 12/4.** The Conference adopted the nomination by the Trustees of Air Vice-Marshal Steven Abbott as a Chair of Governors Trustee of the Methodist Independent Schools Trust for a period of three years concluding 31 August 2019.

Ashville College

- 12/5.** The Conference adopted the re-nominations by the Governors for the appointment of Mr Peter Ingham and Mr Moray Bissett as Governors of Ashville College for a period of three years concluding 31 August 2019.
- 12/6.** The Conference adopted the nomination by the Governors of Kirsten Barnes, Paula Jackman and Kirsty Bashforth as Governors of Ashville College for a period of three years concluding 31 August 2019.
- 12/7.** The Conference adopted the nomination by the Methodist Independent Schools Trust of Mrs Anne Vautrey as Governor of Ashville College for a period of three years concluding 31 August 2019.

Kingswood School

- 12/8.** The Conference adopted the nomination by the Governors of the Revd Dr Jonathan H Pye as a Governor of Kingswood School for a period of three years concluding 31 August 2019.

Rydal Penrhos School

- 12/9.** The Conference adopted the re-nominations by the Governors for the appointment of Mr Ian Morris, Mrs Anne Watson and the Revd Philip Barnett as Governors of Rydal Penrhos School for a period of three years concluding 31st August 2019.
- 12/10.** The Conference adopted the re-nomination by the Methodist Independent Schools Trust of Dr Della Fazey as Governor of Rydal Penrhos School for a period of three years concluding 31 August 2019.

Methodist Independent Schools Trust

- 12/11.** The Conference adopted the nomination by the Trustees of Mr Hugh Monro as a Chair of Governors Trustee of the Methodist Independent Schools Trust for a period of three years concluding 31 August 2019.
- 12/12.** The Conference adopted the nomination by the Trustees of Mrs Elaine Cleland as a Trustee of the Methodist Independent Schools Trust for a period of three years concluding 31 August 2019.

Reasoned Statements

Methodist Independent Schools Trust

Air Vice-Marshal Steven Abbott

The Articles of the Trust provide for three Chairs of Governors Trustees. A retired Air Vice-Marshal, Steven Abbott is Chair of Governors at Culford School and is nominated to fill the position vacated by Mr Edmund Waterhouse.

The Revd Dr John C A Barrett

John Barrett has been chaplain and Head of three MIST schools and chaplain to Cambridge University. He chaired the Education Commission, reporting to the 2012 Conference, and is currently a Governor of Kingswood School.

Mrs Elaine Cleland

Elaine Cleland is a Methodist, and has considerable experience as a head and inspector of independent schools. She is currently a consultant specialising in the development of people and business organisations. She has recently been Vice Chair of Woodhouse Grove School.

Mrs Veronica Knight

Veronica Knight was called to the bar in 1977 and is currently Circuit Judge in the Kent County Court. She has been a Governor of Kent College, Pembury, and is a corporate member of the Ladies' College, Cheltenham.

Mr Hugh Monro

Hugh Monro is currently Chairman of Governors at St Petroc's School, Bude. He has previously been head of three independent schools and one academy. He is a Chair of Trustees for the Vernon Educational Trust.

Ashville College**Kirsten Barnes (ex-officio)**

Kirsten has been nominated as an ex-officio Governor as she is the President of the Old Ashvillian Society. Kirsten is an old Ashvillian and was the first girl to become the college's Head Prefect. Kirsten is a chartered forensic psychologist and works at HM Young Offenders Institute Wetherby.

Ms Kirsty Bashforth

Kirsty Bashforth is the CEO of QuayFive Ltd, consulting on organisational culture and change. She is a non-executive director of Kier Group plc and a Governor of Leeds Beckett University. She spent 25 years at BP plc in a global career working in US, Denmark, Belgium and the UK, leading commercial operations and the organisational culture agenda for the global company.

Paula Jackman RIBA

Paula Jackman is a partner in Leeds based firm of architects. Paula has expertise in a wide range of sectors, including educational buildings and refurbishments of historic buildings. Paula's two children have also attended the College.

Anne Vautrey

Anne Vautrey is a Methodist local preacher, and from 1991 to 1992 was a Mission Partner in Nigeria. Since 2001 she has been a member of the World Methodist Council and for much of that time was the Secretary of Methodist Church Britain World Methodist Committee. Anne has also undertaken work with homeless people in various locations, been a volunteer at Leeds Citizens' Advice Bureau, and currently works for Citizens Advice Leeds.

Kingswood School**The Revd Dr Jonathan H Pye**

Jonathan Pye is Chair of the Bristol District of the Methodist Church and an Associate Lecturer at the University of Cardiff. He is also a Trustee of John Wesley's New Room. He has considerable experience in schools, universities and young people's charities.