



PORTSMOUTH & WINCHESTER DIOCESAN BOARD OF EDUCATION



DBE/DBFs Working Group : The DBE Measure

| Structure Option | Pros | Cons | Summary | Recommendation |
|--------------------------------|---|--|--|--|
| Single Incorporated DBE | No advantages to this option. | Would require the current DBE to split and to reconstitute as 2 separate DBEs. Would go against current trend of closer cooperation and working across all dioceses | Both Dioceses felt strongly that a solid, unanimous commitment to joint working was essential and they wished this to continue. | Not recommended |
| Joint Incorporated DBE | <ul style="list-style-type: none"> Continued joint working. Separate legal personality, which can employ staff, hold property, enter into contracts etc. The risk for trustees is not entirely removed but greatly reduced with appropriate mitigations (as current for other aspects of diocesan boards). Allows the DBFs to control its devolved funding Allows the DBFs to ultimately control the Charity (as opposed to the Trustees) Has 2 structure models (see below in blue). | No disadvantages raised to this option. | <ul style="list-style-type: none"> Many advantages to this option, with no disadvantages Independent legal advice recommends this option as does the Church of England Education Office and the Charity Commission | All parties unanimously agreed that this option was the best going forward. Given there are other models to explore within being an Incorporated DBE, these were also explored (see below in blue). |

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| <p>Single Unincorporated DBE</p> | <p>No advantages to this option.</p> | <ul style="list-style-type: none"> • Would require DBE to split to 2 separate DBEs. • Also brings risks and liabilities for Trustees as the DBE would not have a separate legal identity. Trustees would be entering into contracts and would be liable. Insurances can mitigate the risks, but personal risk for trustees cannot be eliminated. | <p>Both Dioceses felt strongly that a solid, unanimous commitment to joint working was essential and they wished this to continue.</p> | <p>Not recommended.</p> |
| <p>Joint Unincorporated DBE</p> | <p>Continued joint working.</p> | <ul style="list-style-type: none"> • Risks and liabilities for Trustees as the DBE would not have a separate legal identity. Trustees would be entering into contracts and would be liable should funds not be met by assets of the charity. Insurances can mitigate the risks, but personal risk for trustees cannot be eliminated. • Legal advice given via solicitor suggested there were no advantages to progressing with this model. | <ul style="list-style-type: none"> • There was a degree of uneasiness by members of both dioceses around the personal and financial risk to trustees with this option. • Members also felt that going against legal advice would not be recommended. | <p>Not recommended</p> |
| <p>DBE as a statutory committee of the DBF</p> | <p>No advantages raised</p> | <p>Not currently available to us as a joint DBE. Would require the current DBE to split and to reconstitute as 2 separate DBE's.</p> | <p>Both Dioceses felt strongly that a solid, unanimous commitment to joint working was essential and they wished this to continue.</p> | <p>Not recommended.</p> |

Joint incorporated DBE

| Structure Option | Pros | Cons | Summary | Recommendation |
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| Charitable company Limited by Guarantee | No advantages raised. | More costly and more administration required. The charity would need to be registered at Companies House and also registered with the Charity Commission. Therefore increased reporting requirements to two regulators. | As no advantages to this model, it was decided to not recommend. | Not recommended |
| Charitable Incorporated Organisation | <ul style="list-style-type: none"> • Reduced administration as not registered with Companies House, only with the Charity Commission. • It does not operate under company law but enjoys the benefits of incorporation without the complexities of being a company. • CIO is designed to be a simple process. Plus the current structure of the DBE, can simply be transferred across with little changes under the foundation model. | No disadvantages noted (though workload and costs to establish and maintain is a reality – including : new insurance for DBE Members; a separate bank account, VAT number and other details; provision for budget setting, monitoring and management accounts) | <p>CIO was agreed to be the best option and could be one of two structures:</p> <ul style="list-style-type: none"> a) <i>Foundation model</i> – small membership of trustees who have complete control of all decisions and funds. b) <i>Association model</i> – wider membership of members and trustees who vote, so wider team for decision making. | Recommendation for the DBE to become a Charitable Incorporated Organisation with a Foundation model, was unanimously agreed by the sub-committee of the DBE. |

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| | <ul style="list-style-type: none">• CIO only introduced in 2011 and new Charities are taking this route and CLGs are adopting where they are reviewing Boards etc• Templates are available from the Charity Commission• No requirement for new website, signage, logos, but notepaper will require changes re registration details | | | |
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