

Members of the School Trust – What are they?

Members are not exclusive to academy trusts – most charitable companies have members as a result of the requirements of the Companies Act 2006. All academy trusts are set up as charitable companies so they too must have members.

The first members sign to say they wish to form a company and are signatories to the memorandum of association drawn up when the trust is formed. These members will also have agreed the trust's first articles of association, which include the trust's charitable objects – ie the purpose of the organisation. The members will also be the final stage in the process of changing the articles (see NGA's guidance on the process for changing articles). The articles describe how the trust will be governed including how many members can be appointed, by whom, and voting rights.

Members hold the trust board to account for the effective governance of the trust but have a minimal role in the actual running of the trust. It is the trustee board, not the members, who are the organisation's key decision makers. However, there are some critical decisions that sit with the members, especially if the trust is failing. Members are essential to the integrity of an academy trust governance structure. They are the last line of defence from failures of governance and failure to uphold the charitable purpose of the organisation.

Members must therefore remain informed of trust performance and be clear on how to appropriately interact with the trustee board. Academy trusts are set up as charitable companies limited by guarantee. As limited companies, it is the charity which is liable for its debts, not the people behind it, who are protected by limited liability. As charitable companies do not have shareholders whose liability is limited to the number of shares they have bought, they have members, with the members' liability limited to the amount of the guarantee set out in the charitable company's articles. In the case of academy trusts, members' liability is limited to £10.

The DfE compares members to shareholders of a company limited by shares, but this comparison can be unhelpful due to shareholders being due a dividend, while academy trusts are not-for-profit organisations, where members volunteer with no monetary reward. While members are focused on the success of the organisation, success should be measured against the achievement of the charitable object of the organisation. While members have no day-to-day or week-to-week role in running the company, a key responsibility is the appointment/ removal of trustees.

If the trust is not achieving its purpose, the members must consider if this is because the trustees are failing to carry out their three core governance functions. If they conclude that they are not, members need to seriously consider if they need to remove trustees, or if other action is required, such as commissioning an external review of governance.

[Taken from Academy trusts: the role of members by the National Governance Association](#)