

SHAREHOLDING MEMBERSHIP POLICY

1 Constitutional Framework

- 1.1 Brighter Places is constituted as a Registered Society under the Co-operative and Community Benefit Societies Act 2014 (as amended) and has adopted the NHF set of Model Rules (2015).
- 1.2 Under Rule A1, the fundamental object of Brighter Places is that it should operate *‘for the benefit of the community. Its charitable objects shall be to carry on for the benefit of the community’*. Shareholders hold a constitutional role in sustaining the objects of the Association and in overseeing the application of the Rules, through the AGM.
- 1.3 Under Rule C11, *‘the Board shall set, review and publish its policies and objectives for admitting new Shareholders, The Board shall only admit new Shareholders in accordance with such policies’*.
- 1.4 This policy sets out the objectives and outline approach to admitting and reviewing shareholding membership of Brighter Places. This policy should be read in conjunction with the Rules and where there is any conflict, the Rules will maintain precedence.

2 Key Objectives

- 2.1 As a Co-operative and Community Benefit Society, and within the NHF Model Rules, there is provision for, and some expectation of, a level of accountability and responsibility towards the needs and views of the community to which Brighter Place seeks to provide services. This should be reflected within the Shareholding Membership policy.
- 2.2 This is further endorsed within the adopted Code of Governance (the NHF Code¹) which requires that *‘shareholders should be appointed in a transparent and open manner’* and should *‘realistically reflect their role in governance and contribute to the organisation’s long-term constitutional and financial stability’*.
- 2.3 It is Brighter Places policy to encourage a limited number of key stakeholders, including residents, to become shareholding Members because this:
 - adds value to the organisation by drawing on a wider pool of expertise and knowledge;
 - means the Board has to justify its actions to an informed group of shareholders;
 - develops a group of people who are interested in both organisations and from whom new Board Members might be drawn; and
 - can help increase accountability to the community and other key stakeholders.

¹ The NHF Code of Governance (2020) & Guidance

- 2.4 The admission of shareholding members and all other aspects of membership are in accordance with Brighter Places Rules, in particular Rule C11 -13 gives the Board discretion as to who to admit as members and to agree its policy for recruiting shareholders.
- 2.5 Brighter Places believes that true accountability can not be achieved through the Membership policy alone, and there are therefore separate policies in respect of 'Openness and Accountability' and 'Resident Engagement' which address these areas in more detail.

3 Eligibility and Composition of Membership

- 3.1 Applicants for Shareholding Membership must have as their principal motivation a desire to further the organisations' aims and objectives. All new Members must sign a declaration on taking up their share stating that they will act in the best interests of Brighter Places.
- 3.2 All persons appointed as Non-Executive Directors to the Board will at the same time take up Shareholding Membership if they do not already hold such Membership. Executive Directors appointed to the Board will not be eligible for Shareholding Membership.
- 3.3 Under Rule D2 the Board shall consist of a maximum of twelve Board Members (including co-optees) and a majority of Board Members shall always be capable of appointment or election by the Shareholders.
- 3.4 Under Rule C14.8 shareholding ends where *'having been a Board Member or a member of a committee, they cease to be a Board Member or member of a committee (unless the Board in its absolute discretion resolves that they shall remain as a Shareholder)'*. Within this policy, the determination is that shareholding by former Board or Committee members may continue, but for a maximum of [3] years² and subject to section 3.6.
- 3.5 In addition, Shareholding Membership will also be open to persons with an interest in the local area or tenants/leaseholders of the Associations: particularly those involved in local community activity, subject to a maximum number as determined by the Board.
- 3.6 In applying the above determinations, the maximum number of Shareholding Members for each category is as follows:
- Board members: up to 12 shares
 - Committee members: up to 4 shares
 - Retired Board/Committee members: up to a maximum of 4 shares and for a maximum period of 3 years. Where the numbers may exceed 4, the Member with the longest post Board/Committee service will be required to relinquish their Shareholding. This applies from end January 2022, there will be some exceptions for those retired Board members before that date.
 - persons with an interest in the local area or tenants/leaseholders of the Associations: particularly those involved in local community activity: up to 10 shares. Where the Member no longer demonstrates the requisite interest or is no longer a tenant/leaseholder they may be required to relinquish their Shareholding.

- Overall, there is expected to be a maximum number of 30 shareholders at any one time

3.7 Those ineligible to become Members include:

- those under 18 years of age
- Members of staff
- former Members of staff (within one year of leaving Brighter Places employment)
- close relatives of current or former Members of staff
- those who owe money to Brighter Places (including tenants in arrears)
- tenants who are in breach of their tenancy agreements
- a person who has been expelled as a shareholder (unless authorised by special resolution at a General Meeting)
- A person whose mental health has been subject to a court order which prevents the exercising of their normal rights or powers

3.8 No Member can hold more than one share, and each share carries one vote only at General meetings.

4 Recruitment of Shareholding Members

- 4.1 The Board will consider from time to time whether it is necessary to review the Shareholding Membership and to recruit new Members, subject to the composition of Membership set out above.
- 4.2 Applications to become a Member should be made in writing to the Company Secretary at Brighter Places' registered office.
- 4.3 All applications will be considered by the Board which has the power to accept or reject the application.
- 4.4 If the application is approved the name and address of the Member will be entered in the register of shareholders, a share certificate and copy of BP's Rules will be issued once payment of £1 has been received. The share carries no right to interest, dividends or bonus payments.
- 4.5 If the application is refused, the reason for refusal will be given in writing to the applicant.
- 4.6 Any appeal against the decision of the Board should be made in writing to the Chair at Brighter Places registered office.
- 4.7 Brighter Places is committed to equality of opportunities and diversity and will ensure that no one is treated less favourably on the grounds of race, colour, gender, language, age, religion or belief, disability, sexual orientation or trans-gender status.

5 Engagement with Shareholders

- 5.1 The Chief Executive and Chair will liaise with Members to ensure that Brighter Places Membership Policy delivers added value. This could include:
- consulting with individual members in relation to their known areas of expertise and interest

- inviting individual members to contribute to policy development reviews or service development workshops in relation to their known areas of expertise and interest
- consulting Members on Brighter Places' Business Plan and policies
- inviting Members to attend Brighter Places events including strategic away days; and
- ensuring that Members are kept up to date on activities, e.g. through forwarding copies of press releases, publications and newsletters.

6 Rights and responsibilities

- 6.1 All individual Members can vote in the elections held at Annual General Meetings. Members also need to agree the appointment of external auditors, and any changes to Brighter Places Rules.
- 6.2 All Members are expected to agree with the aims and objectives of Brighter Places and to comply with its Rules and expected to ensure that their personal interests do not adversely affect the best interests of the organisations in any way. Annually, as part of the AGM process, members will be expected to confirm their commitment to Brighter Places for the next 12 months by signing the declaration set out in Appendix 1.
- 6.3 If Members have any concerns about Brighter Places activities, they are encouraged to express their concerns to the Chair or to the Chief Executive.

7 Termination of Membership

- 7.1 A Member ceases to be a shareholder if:
- they die;
 - they are expelled (see below);
 - they withdraw from the Membership by giving one month's notice to the Secretary;
 - they do not participate in, nor deliver written apologies in advance to, a general meeting of the association in the period starting with one annual general meeting up to and including the next annual general meeting;
 - the shareholder was a corporate body and it ceases to be a corporate body;
 - the nominee of an unincorporated body transfers their share to another nominee of the same body; or
 - they fail to sign the annual undertaking as set out in Appendix 1.
 - the Board determines that Shareholding should be relinquished in respect of section 3.6.
- 7.2 Other than for the above, a Member can only be expelled by a special resolution passed at a Special General Meeting.
- 7.3 Where a Member ceases to be a shareholder, the share will be cancelled.
- 7.4 Each year with the notice of the Annual General Meeting Members will be asked to confirm in writing their intention to remain as Members or to resign.

8 Shareholder Meetings

- 8.1 Shareholder Meetings are generally called by the Board. All General Meetings other than Annual General Meetings are Special General Meetings. A Special General Meeting can be convened by a request in writing signed by at least one tenth of the Members.
- 8.2 There must be a quorum at any General Meeting. A quorum is a minimum of three Members, of which at least two of must be present in person.
- 8.3 A person acting as a Member's proxy can be appointed to vote for the Member at General meetings. A proxy can be appointed by the Member making the request in writing to the registered office at least 2 days before the date of the meeting.

9 Shareholders and the Board

- 9.1 The Board is made up of a minimum of 5 and maximum of 12 Members appointed by Members at the Annual General Meeting after being considered and put forward by the Board in line with Brighter Places' Board Membership, Recruitment and Training Policy.
- 9.2 Only shareholding Members can be Board Members.

10 Monitoring and Review

- 10.1 Reports will be provided annually to the Board giving details of the register of shareholding Members.
- 10.2 The Membership policy will itself be reviewed by the Board every three years.
- 10.3 Links to other policies and key documents:
 - Brighter Places Rules
 - Standing Orders

Shareholding Member's Declaration

Policy Background

Brighter Places Membership Policy states that it is our policy to encourage a limited number of key stakeholders, including tenants, to become shareholding Members because this:

- adds value to the organisations by drawing on a wider pool of expertise and knowledge;
- means the Board has to justify its actions to an informed group of shareholders;
- develops a group of people who are interested in BP and from whom new Board Members can be drawn; and
- can help increase accountability to the community and other stakeholders.

Annual declaration

All Members are expected to sign an annual declaration confirming their commitment to Brighter Places and to confirm that they:

- agree with the aims and objectives of the organisations and will comply with its Rules;
- will act at all times in the interests of organisation;
- will ensure that their personal interests do not adversely affect the best interests of Brighter Places in any way; and
- will participate in or deliver written apologies in advance of Brighter Place shareholder meetings.

Please sign below one of the two declarations below:

Name:

- 1) I can confirm my commitment to the above principles and would like to remain a shareholding Member of Brighter Places for the next 12 months. In doing so I agree to continue to offer and contribute my particular skills, expertise and experience to the further development and success of Brighter Places.

Signed..... Date.....

OR

- 2) I would like to cease to be a shareholding Member of Brighter Places. I understand that this will lead to my share being cancelled.

Signed..... Date.....
