

RULES of:

Abbey Road Community Housing Ltd

Registered under the Co-operative and Community Benefit Societies Act 2014

Commented [LM1]: Name change will be made before new rules submitted

Register No. 27361R

Rules 2022

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PART A NAME AND OBJECTS

Name

- A1 The name of the Society shall be Abbey Road Community Housing Ltd ("the Society"). The management committee shall be called "the Board".

Objects

- A2 The Society is formed for the benefit of the community ("The Community") in Abbey Road Estate, London, NW6 ("The Area"). Its objects shall be to carry on for the benefit of the community:
- A2.1 The business of providing, maintaining, managing, investing in or financially supporting housing and associated amenities within The Area ("The Core Business") and, in addition, providing, maintaining, managing, investing in or financially supporting any other services or amenities that benefit the Community and/or contribute to wider regeneration. This may include the creation of employment, the advancement of education and training, relief of poverty, the provision of public amenities and recreational facilities, and the promotion of public safety and the prevention of crime within the Area notwithstanding that such additional services or amenities are provided outside of the Area.
- A2.2 In carrying out these objects the Society shall have regard to the environmental impact of its activities and services with the aim of reducing the Society's carbon footprint and contributing to the environmental and social well-being of the Area.
- A2.3 In carrying out these objects the Society shall promote equality of opportunity and work towards the elimination of discrimination. The Society will not discriminate against any person and shall comply with all relevant legislation and guidance.

Non-profit

- A3 The society shall not trade for profit.
- A4 Nothing shall be paid or transferred by way of profit to shareholders of the Society.

Society Address

- A5 The registered Office of the Society shall be: **Abbey Road Community Housing Ltd, 220 Belsize Road, London, NW6 4DJ**

Commented [LM2]: The objects are the most important part of the rules. This is what Abbey is in business to do. And how you can invest your surpluses. Hence it is very wide ranging. It doesn't mean you have to do all the things in A2.1 but you have the power to if the TMO so chooses.

Commented [LM3]: Once the rules are adopted, these objects in A.2 require three quarters of those voting at an SGM to be in favour of any proposed changes. The same applies to A3 and A4.

Commented [LM4]: The address must be the current address at the time the rules are submitted to the FCA. If the move happens beforehand, the address will be changed. Otherwise a change of address form will have to be submitted after.

PART B POWERS OF SOCIETY, BOARD, AND SHAREHOLDERS

Powers

- B1 The society shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, provided that the Society shall not trade for profit.
- B2 The society shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and Markets Act 2000 or any other authority required by statute unless it has such authorisation.

Powers of the Board

- B3 The business of the Society shall be directed by the Board.
- B4 Apart from those powers which must be exercised in general meeting:
B4.1 by statute; or
B4.2 under these rules
all the powers of the Society may be exercised by the Board for and in the name of the Society.
- B5 The Board shall have power to delegate, in writing, the exercise of any of its powers to committees and to employees of the Society (subject to rule D1) on such terms as it determines. Such delegation may include any of the powers and discretions of the Board. The Board shall, in all things, act for and in the name of the Society.

Limited powers of shareholders in general meeting

- B6 The society in general meeting can only exercise the powers of the Society expressly reserved to it by these rules or by statute.

General

- B7 The certificate of an officer of the Society that a power has been properly exercised shall be conclusive as between the Society and any third party acting in good faith.
- B8 A person acting in good faith who has not been informed of any regulations shall not be obliged to see or enquire whether the Board's powers are restricted by such regulations.

PART C SHAREHOLDERS AND GENERAL MEETINGS

Obligations of shareholders (members)

- C1 Shares of the nominal value of one pound each shall be issued to persons upon admission to membership of the Society. The shares shall be neither withdrawable nor transferable, shall carry no right to interest, dividend nor bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause, and the amount paid-up thereon shall become the property of the Society. A member shall hold one share only in the Society.
- C2 All members agree to be bound by the obligations on them as set out in these rules. When acting as shareholders they shall act at all times in the interests of the Society and, for the benefit of the community, as guardians of the objects of the Society.

Nature of shares

- C3 The Society's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus.
- C4 When a shareholder ceases to be a shareholder or is expelled from the Society, his or her share shall be cancelled. The amount paid up shall become the property of the Society.

Nature of shareholders

- C5 A shareholder of the Society is a person whose name and address is entered in the register of shareholders.
- C6 The following cannot be shareholders:
- C6.1 a person under the age of 18 years;
 - C6.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting, in accordance with Rule C18.4;
 - C6.3 an employee of the Society.
- C7 No shareholder shall hold more than one share and each share shall carry only one vote.

Commented [LM5]: The working group, after much discussion, decided members need to be 18 years or over. Same as current rules

Admission of shareholders

- C8 The first members of the Society shall be the signatories to the application for registration. Thereafter the Society:
- C9 Shall admit to membership any lawful resident of Abbey Road Estate and non resident leaseholders who own a dwelling in the Area aged 18 years or over who agrees to be bound by the provision of these rules;
- C10 Pay the sum of one pound (which shall be returned to them if the application is not approved);
- C11 Will publish policies and admit members in accordance with those policies as long as the majority of members are tenant members.

Commented [LM6]: Any lawful resident will include sub tenants of leaseholders if they choose to join. This is to be as inclusive as possible. The working group decided to add leaseholders not living on the estate. Currently tenants including resident leaseholders.

Ending of shareholding

- C12 A shareholder shall cease to be a shareholder if:
- C12.1 they die; or
- C12.2 in the opinion of the Board they cease to qualify for membership under rule C13
- C12.3 they are expelled under rule C18; or
- C12.4 they withdraw from the Society in writing to the secretary; or

Expulsion of Shareholders

- C13 A shareholder may only be expelled by a special resolution at a special general meeting called by the Board.
- C13.1 The Board must give the shareholder at least one month's notice in writing of the general meeting. The notice to the shareholders must set out the particulars of the complaint of conduct detrimental to the Society, and must request the shareholder to attend the meeting to answer the complaint.
- C13.2 At the general meeting called for this purpose the shareholders shall consider the evidence presented by the Board and by the shareholder (if any). The meeting may take place even if the shareholder does not attend.
- C13.3 If the resolution to expel the shareholder is passed by not less than two-thirds of the members voting in accordance with this rule, the shareholder shall immediately cease to be a shareholder.
- C13.4 No member expelled from membership shall be re-admitted within three years. A member may only be readmitted by a resolution carried by a majority of not less than two-thirds of the members voting at any General Meeting of which due notice has been given.

Commented [LM7]: Similar to current rules except that there is a time limit of three years for when the GM can consider re-admitting the member.

Annual general meeting

- C14 The society shall hold a general meeting called the annual general meeting within seven calendar months after the close of each of its financial years.
- C15 The functions of the annual general meeting shall be:
- C15.1 to receive the annual report which shall contain:

- the revenue accounts and balance sheets for the last accounting period
- the auditor's report on those accounts and balance sheets
- the Board's report on the affairs of the Society
- a statement of the skills, qualities and experience required by the Board amongst its members;

Commented [LM8]: This is new and emphasises the importance of being a board member. It can be a short statement referring to a role description.

C15.2 subject to rules F3 and F4, to appoint the auditor (if one is required by law);

C15.3 to elect Board members;

C15.4 to transact any other general business of the Society set out in the notice convening the meeting including any business that requires a special resolution.

Special general meetings

C16 All general meetings, where a decision is required, other than annual general meetings shall be special general meetings and shall be convened either:

C16.1 upon an order of the Board; or

C16.2 upon a written requisition signed by one-fifth of the shareholders or twenty five shareholders which ever is the lesser stating the business for which the meeting is to be convened;

Commented [LM9]: Currently one tenth needed to call an SGM and meeting must be called within 14 days

C16.3 if within twenty-one days after delivery of a requisition to the secretary a meeting is not convened, the members who have signed the requisition may convene a meeting. A quorum shall be present as set out in rule C.25.

C17 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

Calling a general meeting

C18 All general meetings shall be convened by at least fourteen clear days' written notice posted or delivered to every member at the address given in the share register or by notice given by electronic communications (email, text messaging, telephone). The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.

Commented [LM10]: Currently 7 days

C19 A notice sent by post to a shareholder's registered address shall be deemed to have been duly served forty-eight hours after its posting. A notice sent by electronic means to the shareholder's address or mobile telephone provided for that purpose shall be deemed to have been duly served on the day it is sent. The accidental omission to send any notice to or the non-receipt of a notice by any member shall not invalidate the proceedings at the meeting.

Commented [LM11]: Provision for email or text notification if member agrees to this.

C20 If the board (or the shareholders with regard to special general meetings) of the Society call a general meeting, an annual general meeting or a board meeting, the meeting need not be held at any particular place. The meeting may be held and any votes may be permitted to be cast by electronic means or by any other practical means provided that all shareholders or board members as the case may be are properly notified and given the opportunity to vote on proposed resolutions.

Commented [LM12]: This allows for online, hybrid or even paper meetings. Important after pandemic experience

Proceedings at general meetings

- C21 Before any general meeting can start its business there must be a quorum present in person or by proxy. A quorum is one-tenth of all shareholders or twenty shareholders, whichever is the lesser, subject to an absolute minimum of six.
- C22 A meeting held as a result of a shareholders' requisition will be dissolved if too few shareholders are present half an hour after the meeting should begin.
- C23 All other general meetings, where a decision is required, with too few shareholders will be adjourned until a day not more than twenty-eight days after the date set for the original meeting, and notice shall be given to all members of the adjourned meeting as of the original meeting. If at such an adjourned meeting a quorum is not present within half an hour after the time set for the meeting, then the members present shall constitute a quorum.
- C24 The Chair of the Society shall preside at every general meeting. In the event of her/his absence or unwillingness to act, the Vice-Chair shall preside and, in the event of her/his absence or unwillingness to act, the members present shall agree who will be the Chair of the meeting. The Chair can:
- C24.1 take the business of the meeting in any order that the Chair may decide; and
- C24.2 with the consent of the majority of members present at any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting, otherwise it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.

Commented [LM13]: Currently one third of members or 25 members whichever is the lesser. So quorum reduced.

Commented [LM14]: Currently same day following week unless meeting decides otherwise. This one allows mre flexibility

Commented [LM15]: This allows for the independent chairing of a meeting (only if members agree) if chair/vice chair don't want to chair or fell they shouldn't. Very useful in contentious situations and you want say a council officer to chair.

Commented [LM16]: Not in current rules

Proxies

- C25 A proxy can be appointed by delivering a written appointment to the registered office (by hand, post or email) at least five days before the date of the meeting at which the proxy is authorised to vote. It must be signed by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the Chair of the meeting whose decision shall be final. A proxy need not be a shareholder of the Society. A person, other than the Chair, acting as proxy shall only act as proxy for one shareholder.

Commented [LM17]: Not in current rules but very important nowadays. This allows members who are ill , housebound or even on holiday to vote through a proxy on very important issues. But there is process of application and the manager can carry out checks beforehand if any concerns.

Voting

- C26 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.
- C27 On a show of hands every shareholder present in person or by proxy and on a ballot every shareholder present in person or by proxy shall have one vote. In the case of an equality of votes the Chair shall have a second or casting vote.

Commented [LM18]: Currently chair does not have casting vote and motion fails

- C28 A declaration by the Chair that a resolution on a show of hands has been carried or lost **or abstained**, unanimously or by a particular majority **together with votes against the resolutions and abstentions**, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the Society shall be conclusive evidence of that fact without proof of the number or proportions of the votes recorded in favour, against **or abstentions** of such resolution.
- C29 Any question as to the acceptability of any vote whether tendered personally or by proxy shall be determined by the Chair of the meeting whose decision shall be final.
- C30 A secret ballot on a resolution may be demanded by any **five** shareholders at a meeting (in person or by proxy) before the vote takes place or it may be directed by the Chair and such demand or direction may be withdrawn. Where a secret ballot takes place, ballot tellers shall be appointed before the ballot takes place.
- C31 A secret ballot shall be taken at the meeting at such time and in such manner as the Chair shall direct. The result of such a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.

Commented [LM19]: This was added by the working group. Not entirely sure it makes sense. I suggest we delete "together with votes against the resolutions and abstentions," and instead include 'abstained'

Commented [LM20]: Currently one half of members present -

PART D THE BOARD

Functions

- D1 The Society shall have a Board (in these rules referred to as “the Board”) which shall direct the affairs of the Society in accordance with its objects and rules and ensure that its functions are properly performed. Amongst its functions shall be to:
- D1.1 define and ensure compliance with the values and objectives of the Society and ensure these are set out in each annual report;
 - D1.2 establish policies and plans to achieve those objectives;
 - D1.3 approve each year’s accounts prior to publication and approve each year’s budget;
 - D1.4 establish and oversee a framework of delegation and systems of control;
 - D1.5 agree policies and make decisions on all matters that create significant financial or other risk to the Society or which affect material issues of principle;
 - D1.6 monitor the Society’s performance in relation to these plans, budget, controls and decisions;
 - D1.7 appoint (and if necessary remove) the Estate Manager (if any and if falling within the Society’s authority);
 - D1.8 satisfy itself that the Society’s affairs are conducted in accordance with generally accepted standards of performance and propriety;
 - D1.9 take appropriate advice;
 - D1.10 oversee the negotiation of the management agreement and allowances with the Council and oversee its operation.
- And none of these functions D1.1 – D1.10 inclusive shall be delegated

Commented [LM21]: All new

Composition of the Board

- D2 Unless otherwise determined by the Society in general meeting, the Society shall have a Board comprising not more than twelve and not less than six elected members plus persons co-opted in accordance with the provisions of rule D.6. Board members must be aged 18 years or over.
- D3 A majority of Board members shall always be tenants residing in ‘the Area’ and of households under the management of the Society. The Board will aim to reflect the tenure composition in ‘the Area’ ensuring board membership (including any members co-opted to fill vacancies on the Board in accordance with Rule D6.2 and board positions reserved under Rule D.19) broadly reflects the community the Society serves.
- D4 The Board, in accordance with the election procedures set under rule D11 – 19, shall endeavour to ensure that the Board possesses the quality, skills, competencies and experience which the Board has from time to time determined that it requires.
- D5 The Board shall in its annual report set out the obligations of every Board member to the Board and to the Society. The Board shall review and may amend the obligations of Board members from time to time.

Commented [LM22]: Currently min 7 max 15 including any co-optees

Commented [LM23]: Tenants includes leaseholders

Commented [LM24]: new

Commented [LM25]: Not in current rules. Makes it clear that board members have obligations (such of which are legal duties and board should make this clear. Board members have to sign compliance.

- D5.1 No Board member may act as such until they have signed and delivered to the Board a statement, confirming that they will meet their obligations to the Board and to the Society. The Board may vary the form of statement from time to time but it will include a commitment to comply with director's obligations and adhere to the Code of Conduct and any member disciplinary or grievance procedure in place.
- D5.2 Any Board member who has not signed such statement without good cause within one month of election or appointment to the Board shall immediately cease to be a Board member.

D6 The Board may at any time co-opt any person, whether or not a member of the Society, to serve on the Board in addition to the elected members. The Board may also remove any person co-opted. There are two categories of co-opted Board members

- D6.1 Co-opted Board members sought to ensure the Board has appropriate skills

D6.1a The Board may at any time co-opt board members for their skills, knowledge and qualities who may not reside in the Area provided that persons so co-opted shall never exceed one quarter of the total Board.

D6.1b Such co-optees shall not be counted for purposes of calculating a quorum. Subject to rule D5.2, such co-opted Board members shall serve until the annual general meeting following their co-option but shall thereafter be eligible for further co-option.

D6.1c Such co-opted Board members have full speaking and voting rights at meetings of the Board except they cannot vote on the election of officers nor on any matter affecting the governance of the Society (including membership of the Board and/or the Society).

D6.1d Any person co-opted by the Board may be removed by a majority vote of the Board.

- D6.2 Co-opted Board members sought to fill casual vacancies who live in the Area

D6.2a If the Board falls below the minimum number as expressed in these rules, the Board shall act to fill such vacancies or to call a general meeting of the Society, and for no other purpose.

D6.2b The Board may at any time co-opt any member to fill any casual vacancy on the Board provided that members so co-opted shall never exceed one third of the total Board. Priority for co-option shall be given to members who were nominated but not elected at the previous annual general meeting, in order of number of votes cast.

D6.2c Subject to rule D5.2, co-opted members of the Board shall serve until the annual general meeting following their co-option but shall thereafter be eligible for further co-option. Co-opted members are eligible to stand for election to the Board on standing down.

D6.2d Any person co-opted by the Board may be removed by a majority vote of the Board.

D6.2e Such co-opted Board members have full speaking and voting rights at meetings of the Board and can vote on the election of officers and any matter affecting shareholders. These co-opted members shall be counted for purposes of calculating a quorum.

D7 For the purposes of these rules and of the Act a co-optee is a "Board member" or "member of the Board".

Commented [LM26]: Note - it would be over and above the 12 elected members

Commented [LM27]: Much more detail on co-option including ability to co-opt non members (independents) for their skill, knowledge. Often used by TMOs to co-op previously active board members who have left the estate but want to stay involved.

Commented [LM28]: Independent co-optees cannot vote on anything to do membership of board/society etc

Commented [LM29]: These co-optees would fill 1 vacancies on the board of 12.

Commented [LM30]: Some discussion about this but it makes sense that a member who stood for election should be considered first. But ultimately it is up to the board who they co-opt.

Commented [LM31]: Rules often say that members filling casual vacancies cannot be co-opted again but must stand for election. Currently this rule allows them to be co-opted again.

D8 The Board may invite other persons, whether or not members of the Society, to attend any of its meetings. Such invited persons shall not have voting rights and shall only have speaking rights at the discretion of the Chair.

D9 No one can become or remain a Board member at any time if:

D9.1 they resign their office in writing to the Society; or

D9.2 they are disqualified from acting as a director of a company or a society for any reason; or

D9.3 they have been convicted of an indictable offence which is not, or cannot be, spent; or

D9.4 being a local authority secure or introductory tenant in the area of benefit, is more than 8 weeks rent in arrears, unless in the opinion of the Estate Manager, having scrutinised supporting evidence, such arrears are caused by circumstances beyond the tenants control (including any ongoing dispute process); or

D9.5 being a leaseholder in the area of benefit, is more than two months in service charge arrears or two agreed instalments unless in the opinion of the Estate Manager, having scrutinised supporting evidence, such arrears are caused by circumstances beyond the leaseholders control (including any ongoing dispute process);

D9.6 they are a tenant or leaseholder and in the opinion of the board are in material or serious breach of their tenancy agreement or lease or are subject to a possession order or are in breach of a suspended possession order, or are subject to any of the following types of court order: anti-social behaviour order, anti social behaviour injunction, demoted tenancy, or closure order; or

D9.7 they have absented themselves from three consecutive meetings of the Board without special leave of absence; or

D9.8 being an elected member of the Board, ceases to be a member of the Society; or

D9.9 becomes bankrupt or goes into administration.

D9.10 being a Board member they have been removed by the Board in accordance with rule D10. They shall not stand for election to the Board and shall not be co-opted onto the Board for a period of three years from the date of his/her removal.

D10 A Board member may be removed from the Board:

D10.1 by a two third majority vote of the members at a General Meeting of the Society, the notices of which specified that the question of such removal was to be raised; or

D10.2 by a resolution passed by three quarters of the Board provided the following conditions are satisfied:

- at least fourteen days' notice of the proposed resolution has been given to all Board members; and
- the notice sets out in writing the alleged breach(es) of the member's obligations in accordance with rule C2; and
- the Board is satisfied on the balance of probability that the allegation(s) is or are true.

D10.3 a Board member may be suspended for a time limited period while investigations are undertaken.

Commented [LM32]: All new apart from D9.9 bankrupt and D9.2

Commented [LM33]: New but very important to include in rules

Election to the Board

- D11 The initial Board of the Society from incorporation until the first annual general meeting shall be appointed by the founder members.
- D12 D12.1 At every annual general meeting not less than one third of the elected Board members shall retire from office.
- D12.2 Board members forming the retiring third shall be those who have been longest in office since they were last elected or re-elected to the Board. If the choice is between people who became Board members on the same day those to retire shall be chosen by lot if not agreed. A retiring Board member shall be eligible to stand for re election to the Board.
- D12.3 Anybody appointed to fill a casual vacancy under rule D6.2 during the year and who retires for that reason shall not count towards the one third to retire.
- D13 Only members of the Society may stand for election to the Board or may nominate persons to stand for election to the Board.
- D14 Nominations for election to the Board shall be invited from all members of the Society by writing to them at the address recorded in the Register of Members not less than twenty-one days before the date set for the annual general meeting. If members so decide and provide an email address, nominations may be invited by email although signed copies (including digital signatures) of the completed nomination form must be returned as stated in rule D15.
- D15 Completed nomination forms must be received at the Registered Office of the Society not less than seven days before the date set for the annual general meeting. Nomination forms must include: the name and address of the person being nominated; a signed statement by the person nominated of her/his willingness to stand for election; and the name, address and signature of the member making the nomination. Nominations forms shall also include a statement by the person nominated of her/his experience, knowledge and skills that are relevant to the work of the Board.
- D16 In addition, Board members forming the retiring third as set out in Rule D12.2, who wish to stand for election must be nominated in writing by another shareholder.
- D17 If the number of candidates for election to the board exceeds the number of vacancies, an election will take place at the annual general meeting. The election shall be conducted by secret ballot in such manner, as the Board shall direct, provided that all members of the Society are given clear instructions regarding how they may participate in the election.
- D19 If the number of candidates for election to the board does not exceed the number of vacancies, the Chair shall, at the annual general meeting, declare those candidates to have been duly elected. If following such declaration vacant places remain on the board, candidates may be nominated at the annual general meeting. These candidates may then stand for election at the annual general meeting.
- D19 A general meeting of the Society may designate some of the available places on the Board as reserved for members of underrepresented groups within the area of benefit of the society, with a view to ensuring the Board fairly represents all groups within the community it serves, to fulfil its objects. Members so elected must be aware that they must act in the best interest of the Society and not their interest group. In such an event, while nominations for available places shall be sought on a special interest basis, all members of the

Commented [LM34]: New and common practice today. To ensure stability of the society so not whole board standing down at once. Unclear in current rules but practice has been whole board stands down.

Commented [LM35]: Current rules election still takes place

Commented [LM36R35]: Even if less candidates than places

Commented [LM37]: I've rejigged this a bit because I wanted to add the section in green for you to consider. This will allow people to be nominated at the AGM if there are still vacancies which I thought would be useful.

Society present at the annual general meeting shall be entitled to vote in respect of all available places on the Board.

Meetings of the Board

- D20 The activities of the Society shall be managed by the Board who may pay all expenses of the formation of the Society as they think fit.
- D21 No regulation made by the Society in general meeting shall invalidate any prior act of the Board which would have been valid had the regulation not been made.
- D22 The Board may delegate any of its functions to sub-committees made up of members of the Board and such other persons as it sees fit provided that at least two elected Board members are members of any sub-committee. Any sub-committee so formed shall in the exercise of its powers conform with any regulations imposed upon it by the Board.
- D23 All cheques, promissory notes, online banking payments, drafts, bills of exchange and other negotiable instruments, and all receipts or monies paid to the Society shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Board shall from time to time by resolution determine.
- D24 Members of the Board must meet together (by any method provided for in these rules) for the dispatch of business at least six times a year, and may adjourn and otherwise regulate their meetings as they think fit. A Board member may and the secretary shall at the request of a Board member summon a meeting of the Board at any reasonable time provided that every member of the Board shall receive at least seven clear days' notice of any such meeting. In exceptional circumstances and as determined by the Chair, an emergency meeting of the Board may be summoned on shorter notice provided every member of the Board has been duly notified.
- D25 The quorum necessary for the transaction of business at a Board meeting shall be five or half of the elected members of the Board whichever is the lesser.
- D26 Questions arising at Board meetings shall be decided by a majority of votes of those present. In the case of an equality of votes the chair shall have a second or casting vote.
- D27 A resolution in writing signed by at least two thirds of the Board members for the time being entitled to vote at meetings of the Board shall be valid and effective as if the same had been passed at a meeting duly convened and held and may consist of several identical documents each signed by one or more members.

Commented [LM38]: Currently 10 times

Commented [LM39]: Currently one third of the board

Commented [LM40]: Not in current rules

Commented [LM41]: Not in current rules but important to include

Board members' interests

- D28 No Board member, co-optee or member of a sub committee shall have any financial or material interest in any contract or other transaction with the Society, unless such interest:
- is expressly permitted by these rules; or
 - would not be in breach of, and would not be inconsistent with, any code of conduct and/or governance policy adopted by the Board.
- D29 The society shall not pay or grant any benefit to anyone who is a Board member or a co-optee or a member of a sub committee, unless it is expressly permitted by these rules.
- D30 Any Board member, co-optee or member of a sub committee, having an interest in any arrangement between the Society and someone else shall

Commented [LM42]: Much more info on conflict of interest as included in legislation

- disclose their interest, before the matter is discussed by the Board or any sub committee. Such disclosure must comply with any conflict of interest policy, code of conduct and/or governance adopted by the board from time to time. Unless it is expressly permitted by these rules they shall not remain present unless requested to do so by the Board or sub committee, and they shall not have any vote on the matter in question. Any decision of the Board or of a sub committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- D31 Every Board member, co-optee and member of a sub committee shall ensure that the secretary at all times has a list of all other bodies in which they have an interest as:
- D31.1 a director or officer; or
- D31.2 as a **member** of a firm; or
- D31.3 as an official or elected member of any statutory body; or
- D31.4 as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or
- D31.5 any other significant personal or material interest.
- D32 If requested by a majority of the Board or members of a sub committee at a meeting convened specially for the purpose, a Board member, co-optee or member of a sub committee who fails to disclose an interest as required by these rules and/or who fails to remove themselves from the decision making process shall vacate their office either permanently or for a period of time to be determined by the Board.
- D33 Notwithstanding rule D29, the Society may:
- pay properly authorised expenses to Board members, co-optees and members of sub committees when actually incurred on the Society's business;
 - pay insurance **premiums** in respect of insurance taken out to insure board members and employees;
 - pay recompense for loss of earnings to Board members, co-optees and members of sub committees where evidenced to the satisfaction of the Estate Manager in accordance with the **Members Expenses** policy; and
 - grant** benefits to Board members, co-optees and members of sub committees; provided that any such benefit is in accordance with any code of conduct and/or governance adopted by the Board from time to time.
- D34 A Board member, co-optee or member of a sub committee shall not have an interest for the purpose of rule D28 as a Board member, director, or officer of any other body whose **accounts** are or ought to be consolidated with the Society's accounts.
- D35 Board members, co-optees or members of sub committees who are tenants in the Area shall not have an interest for the purpose of rules D28 to D31 in any decision affecting all or a substantial group of tenants.
- D36 The grant of a tenancy by the Society at the direction of another body to a Board member, co-optee or member of a sub committee is not the grant of a benefit for the purpose of rule D29.

Management and delegation

- D37 The Board may delegate any of its powers under written terms of reference to sub committees or to employees (subject to rule D1). Those powers shall be exercised in accordance with any written instructions given by the Board.

Commented [LM43]: His means a shareholder of a company or society or other incorporated body

Commented [LM44]: Abbey currently does this but technically has no power as can be seen as benefit. SO now included in the rules.

Commented [LM45]: The detail of how this works needs to be set out in members expenses policy i.e. letter from employer, and limit on claim

Commented [LM46]: This might include the issuing of laptops or tablets (common practice), support for technology, broadband etc

Commented [LM47]: This just means that if Abbey had a subsidiary company (e.g. community society) and the board member was also on this board it would not be deemed to be a conflict

- D38 All acts and proceedings of any committee shall be reported to the Board.
- D39 No committee can incur expenditure on behalf of the Society unless at least one Board member or co-optee of the Board on the committee has voted in favour of the resolution and the Board has previously approved a budget for the relevant expenditure.

Miscellaneous provisions

- D40 All decisions taken at a Board or any sub committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.
- D41 Meetings of the Board can take place in any manner that permits those attending to hear and comment on the proceedings.
- D42 A Board member acting in good faith shall not be liable to the Society for any loss.

Commented [LM48]: Online, and hybrid meetings

PART E CHAIR, ESTATE MANAGER, SECRETARY, TREASURER & OTHER OFFICERS

The Chair

- E1 The society shall have a Chair, who shall also chair Board meetings, and shall be elected by the Board.
- E2 The Chair on election shall hold office until the commencement of the first Board meeting after the next annual general meeting of the Society (or until the Chair resigns as Chair). The first item of business for any Board meeting when there is no Chair or the Chair is not present shall be to elect the Chair. The Chair shall at all times be a shareholder and a Board member and cannot be an employee.
- E3 The Chair of the Society may be removed at a Board meeting called for this purpose provided the resolution is passed by at least two thirds of the members of the Board at the meeting.

The Chair's responsibilities

- E4 The Chair shall seek to ensure that:
- E4.1 the Board's business and the Society's general meetings are conducted efficiently;
 - E4.2 all Board members are given the opportunity to express their views;
 - E4.3 a constructive working relationship is established with the Estate Manager including management and support.
 - E4.4 the Board delegates sufficient authority to its sub committees, the Chair, the Estate Manager, and others to enable the business of the Society to be carried on effectively between Board meetings;
 - E4.5 the Board receives professional advice when it is needed;
 - E4.6 the Society is represented as required; and
 - E4.7 the Society's affairs are conducted in accordance with generally accepted codes of performance and propriety.
- E5 The Board shall ensure that there is a written statement of the Chair's responsibilities which shall be agreed with the Board, and reviewed from time to time.

Commented [LM49]: Board officer responsibilities are short summaries. Full details should be set out in role descriptions as part of good governance

The Estate Manager

- E6 The society may have an Estate Manager appointed by the Board. The Estate Manager shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the Estate Manager.

Commented [LM50]: Can be changed if another term preferred. Though best not to be too specific as titles change.

The secretary

- E7 The society shall have a secretary who shall be appointed by the Board. The secretary shall in particular:
- E7.1 summon and attend all meetings of the Society and the Board and keep the minutes of those meetings (in the event of absence, the secretary will give notice to the chair and arrange for a minute taker); and

- E7.2 maintain oversight of the registers and other books determined by the Board; and
- E7.3 make sure any returns on behalf of the Society are submitted to the Financial Conduct Authority; and
- E7.4 have charge of the seal of the Society; and
- E7.5 be responsible for ensuring the compliance of the Society with these rules.

The Treasurer

- E8 The society shall have a treasurer who shall be appointed by the Board. The Treasurer shall:
- E8.1 ensure that all the financial aspects of the Society's activities are carried out in accordance with the Society's financial regulations;
 - E8.2 oversee the finances of the Society including reports setting out expenditure against budget and ensure that monthly bank reconciliations are carried out;
 - E8.3 act as a key point of contact for both internal and external auditors and be available for consultation with them;
 - E8.4 oversee the audit for the Society.

Other officers

- E9 The Board may designate as officers such other executives as it from time to time decides.

Miscellaneous

- E10 Every officer or employee shall be indemnified by the Society for any amount reasonably incurred in the discharge of his or her duty.
- E11 Except for the consequences of their own dishonesty or gross negligence no officer or employee shall be liable for any losses suffered by the Society.

PART F FINANCIAL CONTROL AND AUDIT

Commented [LM51]: This section is taken directly from the Act which has rules about how auditors should be changed.

Auditor

F1 The society if required by law to do so shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 91 of the Co-operative and Community Benefit Societies Act 2014.

Commented [LM52]: The TMO is not required by the Act to carry out a professional audit because of its low income level. But the management agreement with the council requires the TMO to carry out a professional audit.

F2 The following cannot act as auditor:

Commented [LM53]: The importance of the independence of auditor

F2.1 an officer or employee of the Society;

F2.2 a person employed by or employer of, or the partner of, an officer or employee of the Society.

F2.3 a person prohibited by section 1214 of the Companies Act 2006 (independence requirement) from acting as statutory auditor of a company that is a subsidiary of the society.

F3 The Society's auditor may be appointed by the board or by a resolution of shareholders.

F4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current years as well unless:

a. a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or

b. the auditor does not want to act and has told the Society so in writing; or

c. the person is not qualified or falls within rule F2 (above); or

d. the auditor has become incapable of acting; or

e. notice to appoint another auditor has been given.

F5 No less than twenty-eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed;

F5.1 the Society shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible;

F5.2 if not, the Society shall give notice by advertising in a local newspaper at least 14 days before the proposed meeting. The retiring auditor can make representations to the Society which must be notified to its shareholders under Section 95 of the Co-operative and Community Benefit Societies Act 2014.

Auditor's duties

F6 The findings of the auditor shall be reported to the Society, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014.

F7 The Board shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required, at each annual general meeting. The Board shall also produce its report on the affairs of the Society which shall be signed by the person chairing the meeting which adopts the report.

Accounting requirements

F8 The end of the accounting year must be a date allowed by the Act.

F9 The Society shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Section 76 of the Co-operative and Community Benefit Societies Act 2014.

F10 The Society shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

F11 Every year, within the time specified by legislation, the secretary shall send the Society's annual return to the Financial Conduct Authority. The return shall be up-to-date to the time specified in the Act, or such other date allowed by the Financial Conduct Authority. The annual return shall be accompanied by the auditor's reports, if required, for the period of the return and the accounts and balance sheets to which it refers.

Borrowing

F12 The society may receive from any person donations towards its work.

F13 The total borrowings of the Society at any time shall not exceed £1 million (one million pounds) or such a larger sum as the Society determines from time to time in general meeting.

Commented [LM54]: Current rules £10 million - Can be changed here if preferred.

F14 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed, shall not exceed the rate of interest which, in the opinion of the Board, is reasonable having regard to the terms of the loan. The Board may delegate the determination of the said interest rate within specified limits to an officer, Board member or a committee.

Investment

F15 The Society may, as directed by the Board, invest any part of its funds in the manner set out in Section 27 of the Act.

Commented [LM55]: While the Act allows investment in shares etc, the management agreement with the council does not. TMO can only invest in deposit account with max 90days notice of withdrawal

Application of surpluses

F16 Any surplus shall be applied in pursuance of the Society's objects.

Commented [LM56]: This is why the objects are so important

Social audit

F17 A social audit of the Society's activities may, by resolution of the Society in general meeting, be undertaken periodically.

PART G MISCELLANEOUS AND STATUTORY REGISTERED OFFICE AND NAME

Registered office and name

- G1 The Society's registered office is:
**Abbey Road Community Housing Ltd, 220 Belsize Road, London
NW6 4DJ**
- G2 The Society's registered name must:
- G2.1 be placed prominently outside every office or place of business; and
 - G2.2 be engraved on its seal; and
 - G2.3 be stated on its business letters, notices, adverts, official publications, cheques, invoices, website and any other formal communication whether electronic or otherwise.

Disputes

- G3 Any dispute on a matter covered by the rules shall be referred by either party to a suitably qualified independent mediator for settlement. The mediator shall be appointed by agreement between the parties or, in default of agreement, by the Chartered Institute of Arbitrators or the Centre for Effective Dispute Resolution whether the disagreement be as to the qualifications, the identity of the mediator or otherwise. The mediation will be conducted in accordance with the requirements of the mediator. Both parties will be obliged to comply and co-operate with this procedure at each stage and to share equally the costs of appointment of the relevant mediator as referred to above. Costs thereafter will be borne as the mediator will determine. Where the dispute is not resolved by mediation, any claim shall be dealt with in the county court which shall have sole jurisdiction over any dispute arising under the rules.

Commented [LM57]: Just added this in because CI Arb are now doing appointing mediators (originally all devolved to CEDR).

Minutes, seal, registers and books

- G4 The minutes of all general meetings, and all Board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by whoever Chairs the meeting and stored securely.
- G5 The Board shall ensure that proper minutes are kept of all general, Board and sub-committee meetings of the Society. Such minutes shall include a record of those present and of any decisions taken and shall be available for inspection by any member and any Board member of the Society at all reasonable times.
- G6 The Society must keep at its registered office:
- G6.1 the register of members and officers showing:
 - a. the member's name and address and, if one has been provided, the electronic address and the purposes for which it has been notified; and
 - b. a statement that one pound only is held by each member and that one pound has been paid, or agreed to be considered as paid, on each share; and

- c. a statement of other property in the Society held by the member; and
- d. the date that each person was entered in the register of members, and the date at which any person ceased to be a member.

G6.2 a duplicate register of members and officers containing the information in the register except information about members' and officers' shares and other property in the society, (or construct the register in such a way that the information can be seen without exposing information recorded in it about members' shares and other property held in the society,

G6.3 the register must contain the name and address of officers and, if one has been provided, the electronic address and the purposes for which it has been notified, their offices and the dates on which they assumed those offices and dates on which they retired from office. Officer includes any chair, treasurer, secretary, member of the Board, manager or employee of the society (except an employee appointed by the society's board),

G6.4 a copy of the registered rules of the Society.

G7 The Society shall have a seal kept in the custody of the secretary at the registered office and used only by the authority of the board. Sealing should be attested by the signatures of two Board members or of one Board member and the secretary.

G8 The Society shall give to any shareholder on request a copy of its last annual return with the auditor's report (if one is required by law) on the accounts contained in the return free of charge.

G9 The secretary shall give a copy of the rules of the Society to any person on demand who pays such reasonable sum as permitted by law.

G10 The secretary shall keep a register of organisations in which Board members have an interest.

Statutory applications to the FCA

G11 Ten shareholders can apply to the Financial Conduct Authority to appoint an accountant to inspect the books of the Society, provided all ten have been shareholders of the Society for a twelve month period immediately before their application. The members who make the application must deposit with the FCA as security for the costs of the proposed inspection such sum as the FCA may require.

G12 The shareholders may apply to the Financial Conduct Authority in order to get the affairs of the Society inspected or to call a special general meeting. One hundred shareholders, or one-tenth of the shareholders, whichever is the lesser, must make the application.

Amendment of rules

G13 G13.1 The rules of the Society may be rescinded or amended,

G13.2 The rules may only be amended by a resolution put before the general meeting by the Board and approved by at least two thirds of the Board.

G13.3 Rules A2; A3; A4; B1; B2; C3; C4; D3; D24; G13 and G15 can only be amended or rescinded by three fourths of the votes cast at a general

meeting. Any other rule can be rescinded or amended by two thirds of the votes cast at a general meeting.

- G13.4 Amended rules shall be registered with the Financial Conduct Authority as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

Dissolution

- G14 The society may be dissolved by a three fourths majority of members who sign an instrument of dissolution; or by winding-up under the Act.
- G15 Any property that remains, after the Society is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another body with objects similar to that of the Society within or as near to the Area as possible.

Proceedings on Death or Bankruptcy of a Member

- G16 a) A member may, in accordance with the Act, nominate a person or persons to whom any of their property held by the Society, other than share capital, shall be transferred at their death.
- b) Upon a claim being made to any property held by the Society, other than share capital, by the personal representatives of a deceased member or the trustees in bankruptcy of a bankrupt member, the Society shall, on receiving satisfactory proof of the death of the member who has made a nomination or satisfactory proof of bankruptcy, pay or transfer any property to which the representative or trustee has become entitled.

Interpretation of terms

- G17 In these rules, including this rule, unless the subject matter or context are inconsistent: -
- G17.1 words importing the singular or plural shall include the plural and singular respectively;
- G17.2 words importing gender shall include persons who identify as male, female, non binary or transgender;
- G17.3 any reference to an Act shall include any amendment or re-enactment from time to time;
- G17.4 "shareholder" shall mean one of the persons referred to in rule C6 and means "member" as defined by the Act;
- G17.5 "the Society" shall mean the Society of which these are the registered rules;
- G17.6 "The Area" is set out in the management agreement with the local authority;
- G17.7 "Tenant" is a person living within "The Area" who is a lawful resident in one of the landlord(s) properties, and holds a tenancy agreement, licence or lease with the landlord(s) with whom the TMO has or intends to have a management agreement with;
- G17.8 "Resident" is any person, 18 years and over, who is lawfully living within "The Area" including people who are also a "tenant";
- G17.9 "Board" shall mean the Board appointed in accordance with Part D and "Board member" or "member of the Board" shall mean a member

Commented [LM58]: As promised did some research for terminology

of the Board for the time being including a person co-opted to the Board under rule D.6.1 and D6.2;

G17.10 “officer” shall include the Chair, Secretary and Treasurer of the Society and any Board member for the time being and such other persons as the Board may appoint under rule E9;

G17.11 “persons claiming on behalf of a shareholder” under rule G16 shall include their personal representatives and also their nominees where a nomination has been made;

Commented [LM59]: Just changed slightly and added rule to clarify

G17.12 “amendment of rules” shall include the making of a new rule and the rescission of a rule, and “amended” in relation to rules shall be construed accordingly;

G17.13 “register of shareholders” means the register kept in accordance with rule G6.1;

G17.14 “secretary” means the officer appointed by the Board to be the secretary of the Society or other person authorised by the Board to act as the secretary’s deputy;

G17.15 “the Act” shall mean the Co-operative and Community Benefit Societies Act 2014;

G17.16 “these rules” shall mean the registered rules of the Society for the time being;

G17.17 references to any provision in any Act shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;

G17.18 “special resolution” means a resolution at a general meeting passed by a two thirds majority of all shareholders who vote in person or by proxy;

G17.19 “property” shall include all real and personal estate (including loan stock certificates, books and papers);

G17.20 references to the “Financial Conduct Authority” shall include any statutory successor carrying on the relevant function of the “Financial Conduct Authority”.

**CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES
ACT 2014**

Acknowledgement of Registration of Society

Register No. R

..... Limited

is this day registered under the Co-operative and Community Benefit Societies Act 2014

Dated

(Seal of Central Office)

Copy kept

Financial Conduct Authority

1. Shareholder

2. Shareholder

3. Shareholder

4
.....
..... Secretary