



*Register No. IP30389R*

# **RULES**

**OF**

**Homes for Wells Limited**

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A registered society under The Cooperative and Community Benefits Societies Act 2014 (registered number IP30389R)

**BASED ON MODEL RULES 2011**

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## **PART A: NAME AND OBJECTS**

### **Name**

A1 The Name of the Society shall be Homes for Wells Limited (hereinafter termed 'the Association').

### **Objects**

A2 The Association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community;

A2.1 the business of providing and/or managing social housing, housing, accommodation, and providing assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people,

A2.2 any other charitable object that can be carried out from time to time by a Co-operative and Community Benefit Society registered as a non-profit private registered provider of social housing with the Regulator.

A3 The Association shall not trade for profit.

A4 Nothing shall be paid by way of profit to shareholders of the Association.

## **PART B: POWERS OF THE ASSOCIATION, BOARD AND SHAREHOLDERS**

### **Powers**

B1 The Association shall have power to do anything that a natural or corporate person can lawfully do, which is necessary or expedient to achieve its objects, except as expressly prohibited in these rules.

B2 Without limiting its general powers, the Association shall have power to:

B2.1 take or grant any interest in land or carry out works to buildings;

B2.2 help any charity or other body not trading for profit in relation to housing;

B2.3 subject to Rules F13, F14 and F15, borrow money or issue loan stock for the purposes of the Association on such terms and on such security including floating charges as the Association thinks fit; and

B2.4 subject to Rule F 16, invest the funds of the Association.

B3 The Association shall not have power to receive money on deposit in any way which would require authorisation under the Banking Act 1987 or any other authority required by statute unless it has such authorisation.

B4 The Association shall provide social housing, accommodation and assistance to help house people and associated facilities and amenities for local people, key workers and others making significant contribution to the local community and economy.

### **Powers of the Board**

B5 The business of the Association shall be directed by the Board.

B5.1 by statute; or

B5.2 under these rules

All the powers of the Association may be exercised by the Board for and in the name of the Association.

B6 The Board shall have power to delegate, in writing, the exercise of any of its powers to committees and to employees of the Association on such terms as it determines. Such delegation may include any of the powers and discretions of the Board.

#### **Limited Powers of Shareholders in a General Meeting**

B7 The Association in a General Meeting can only exercise the powers of the Association expressly reserved to it by these rules or by statute.

#### **General**

B8 The certificate of an officer of the Association that a power has been properly exercised shall be conclusive as between the Association and any third party acting in good faith.

B9 A person acting in good faith who does not have actual notice of any regulations shall not be obliged to see or enquire if the Board's powers are restricted by such regulations.

### **PART C: SHAREHOLDERS AND GENERAL MEETINGS**

#### **Obligations of Shareholders**

C1 All shareholders 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 Association and, for the benefit of the community, as guardians of the objects of the Association.

#### **Nature of Shares**

C2 The Association'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.

C3 Only shares held by the nominee of an unincorporated body (alone or jointly with other nominees) can be transferred and only to a new nominee (alone or jointly with other nominees).

C4 When a shareholder ceases to be a shareholder or is expelled from the Association, his or her share shall be cancelled. The amount paid up shall become the property of the Association.

#### **Nature of Shareholders**

C5 A shareholder of the Association is a person or body whose name and address is entered in the register of shareholders.

C6 The following cannot be shareholders:

C6.1 a minor;

C6.2 a person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;

C6.3 an employee of the Association or an employee of any other body whose accounts must be consolidated with those of the Association.

C7 A shareholder can be the nominee of an unincorporated body. In such cases the registers shall contain the name and address of the shareholder and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.

- C8 A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing and given to the Secretary.
- C9 No shareholder shall hold more than one share and each share shall carry only one vote.
- C10 A share cannot be held jointly unless by nominees of an unincorporated body.

#### **Admission of Shareholders**

- C11 The board shall set review and publish its policies and objectives for admitting new Shareholders in accordance with such policies (no tenant can be admitted as a shareholder if, on admission more than one-third of the Shareholders would be tenants)
- C12 An applicant for a share shall apply in writing to the Association's registered office:
- C12.1 setting out their reasons for applying and their qualifications in accordance with the Association's policies; and
- C12.2 pay the sum of one pound (which shall be returned to them if the application is not approved).
- C13 Every application shall be considered by the Board in accordance with rule C11. The Board has the power in its absolute discretion to accept or reject the application. If the application is approved, the name of the applicant and the other necessary particulars shall be entered in the register of shareholders. One share in the Association shall be issued to the applicant.

#### **Ending of Shareholding**

- C14 A shareholder shall cease to be a shareholder if:
- C14.1 they die; or
- C14.2 they are expelled under rule C15; or
- C14.3 they withdraw from the Association by giving one month's notice to the Secretary; or
- C14.4 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.
- C14.5 in the case of a body corporate it ceases to be a body corporate or
- C14.6 in the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body.
- C15 A shareholder may only be expelled by a special resolution at a special general meeting called by the Board.
- C15.1 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 Association and must request the shareholder to attend the meeting to answer the complaint.
- C15.2 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.
- C15.3 If the resolution to expel the shareholder is passed in accordance with this rule, the shareholder shall immediately cease to be a shareholder.

#### **Annual General Meeting**

- C16 The Association shall hold a general meeting called the Annual General Meeting within six calendar months after the close of each of its financial years.

C17 The functions of the annual general meeting shall be:

C17.1 to receive the annual report, which shall contain:

- The revenue accounts and balance sheets for the last accounting period
- The auditor's report (if one is required by law) on those accounts and balance sheets
- The Board's report on the affairs of the Association
- The Board's statement of the values and objectives of the Association.
- A statement of the current obligations of Board members to the Board and the Association.
- A statement of the skills, qualities and experience required by the Board amongst its members.
- The policy for admitting new Shareholders

C17.2 to appoint the auditor (if one is required by law);

C17.3 to elect Board members if applicable;

C17.4 to transact any other general business of the Association set out in the notice convening the meeting, including any business that requires a special resolution.

### **Special General Meetings**

C18 All general meetings, other than the annual general meeting, shall be special general meetings and shall be convened either:

C18.1 upon an order of the Board; or

C18.2 upon a written requisition signed by one-tenth of the shareholders (to a maximum of twenty-five but not less than three) stating the business for which the meeting is to be convened;

C18.3 if, within twenty-eight 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.

C19 A special general meeting shall not transact any business that is not set out in the notice convening the meeting.

### **Calling a General Meeting**

C20 All general meetings shall be convened by a least fourteen clear days' written notice posted or delivered or sent by facsimile or email to every member at the address, facsimile number or email address given in the share register. 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.

C21 Any accidental failure to get any notice to any shareholder shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a shareholder at their address shown in the register of shareholders shall be deemed to have arrived two days after being posted.

### **Proceedings at General Meetings**

C22 Before any general meeting can start its business there must be a quorum present. A quorum is one-tenth of all shareholders with a minimum number of six and a maximum number of twenty-five. As part of the quorum at least two shareholders must be present in person.

C23 A meeting held as a result of a shareholder's requisition will be dissolved if too few shareholders are present half an hour after the meeting should begin.

- C24 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and place in the following week. If too few shareholders are present within half an hour of the time the adjourned meeting should have started, those shareholders present shall carry out the business of the meeting.
- C25 The Chair of any general meeting can:
- C25.1 take the business of the meeting in any order that the Chair may decide; and
  - C25.2 adjourn the meeting if the majority of the shareholders present in person or by proxy agree. An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.
- C26 At all general meetings of the Association the Chair of the Board shall preside. If there is no such Chair or if the Chair is not present or is unwilling to act, the Vice Chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the Board if one is present and willing to act.

## **Proxies**

- C27 A proxy can be appointed by delivering a written appointment to the registered office at least two 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 Association.

## **Voting**

- C28 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.
- C29 On a show of hands every shareholder present in person 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 of the meeting shall have a second or casting vote.
- C30 Unless a ballot is demanded (either before or immediately after the vote) a declaration by the Chair that the resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the Association shall be conclusive evidence of that fact.
- C31 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.
- C32 A ballot on a resolution may be demanded by any three shareholders at a meeting (in person or by proxy) or directed by the Chair (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands and, in that case, the resolution shall be decided by the ballot.
- C33 A 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 Association in a general meeting.

## **PART D: THE BOARD**

### **Functions**

- D1 The Association shall have a Board (in these Rules referred to as 'the Board'), which shall direct the affairs of the Association in accordance with its objects and rules. The Board shall ensure that its functions are properly performed.



The functions of the Board are:

- D1.1 Define and ensure compliance with the values and objectives of the association and ensure they are met and set out in each annual report.
- D1.2 Establish plans and policies to achieve these aims both on a short term and long term basis.
- 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. plans and policies to achieve these aims both on a short term and long term basis.
- D1.5 Agree policies and make decisions on all matters that create significant financial risk to the Association or affect material issues of principles.
- D1.6 Monitor the Association's performance against plans, budgets and any other controls and decisions.
- D1.7 Appoint (and if necessary remove) the Chief Executive.
- D1.8 Satisfy itself that the Association's affairs are conducted in accordance with generally accepted standards of performance and propriety.
- D1.9 Take independent advice where appropriate.
- D1.10 At all times that the Association is registered with the Regulator as a registered social landlord, the Board shall ensure that the Association takes account of any obligation imposed upon the Association by the Regulator in exercise of its powers.

### **Composition of the Board**

- D2 The Board shall consist of five board members or such greater number not exceeding twelve (including co-optees as may be determined by the first board members before the first annual general meeting and thereafter by the association in general meeting. A majority of board members shall always be capable of appointment or election by the shareholders.
- D3 Only shareholders can be Board members.
- D4
  - D4.1 The Board shall in its annual report set out the obligations required of each member. These obligations should be reviewed from time to time and be set out in the annual report to the Association.
  - D4.2 No Board members 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 Association. The Board may vary the form of statement from time to time.
  - D4.3 Any Board member who has not signed such a statement without good cause within one month of election or appointment to the Board shall immediately cease to be a Board member.
- D5 The Board may appoint co-optees to serve on the Board on such terms as the Board resolves and may remove such co-optees. A Co-optee may act in all respects as a Board member but they cannot take part in the deliberations nor vote on the election of officers of the Association nor any matter directly affecting shareholders.
- D6 For the purposes of these rules and the Act a co-optee is not included in the expression 'Board member' or 'member of the Board'. For the purposes of the Housing and Regeneration Act 2008 a co-optee is an officer.
- D7 Not more than five co-optees can be appointed to the Board or to any committee at any one time.

- D8 No one can become or remain a Board member at any time if:
- D8.1 they are disqualified from acting as a director of a company for any reason; or
  - D8.2 they have been convicted of an indictable offence within the last five years; or
  - D8.3 they are not a shareholder (unless they are a co-optee or employee of the Association or any other body whose accounts must be consolidated with those of the Association); or
  - D8.4 they have absented themselves from four consecutive meetings of the Board without special leave of absence from the Board.

Any Board member who at any time ceases to qualify under this rule shall immediately cease to be a Board member.

- D9 A Board member may be removed from the Board by:
- D9.1 a special resolution at a general meeting; or
  - D9.2 a resolution passed by three quarters of the Board present, excluding co-optees, 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 D4.1; and
    - The Board is satisfied that the allegation(s) is or are true.

- D10 Whenever the number of Board members and co-optees is less than permitted by these rules, the Board may appoint a further committee member in addition to the Board's power to co-opt. Any Board member so appointed shall retire at the next annual general meeting.

### **Election of the Board**

- D11 In every notice for an annual general meeting the Board shall set out its requirements for the skills, qualities and experience which it needs from its members. The notice shall state the extent to which those requirements are met by those board members continuing in office, and those retiring and intending to re-offer themselves for election.
- D12
- D12.1 At every annual general meeting not less than one third of the 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.
  - D12.3 Anybody appointed to fill a casual vacancy under rule D10 during the year and who retires for that reason shall not count towards the one third to retire.
- D13 If at any annual general meeting the candidates for election as Board members do not exceed the number of vacancies on the Board, the Chair shall declare those candidates to have been duly elected. If the number of candidates exceeds the number of vacancies, the meeting shall elect the Board members by ballot in such a manner as the Chair directs.
- D14 In an election at a general meeting, every shareholder present in person or by proxy shall have one vote for every vacancy but shall not give more than one vote to any one candidate.
- D15 In casting their votes in an election, shareholders shall endeavour to ensure that the Board possesses the quality, skills and experience, which the Association has from time to time determined that it requires.

### **Candidates for the Board**

- D16 D16.1 Any candidate for election to the Board shall submit a written statement to the association in such form as the Board from time to time determines. It shall set out the candidates full name; address and occupation, and the reasons for their suitability to be a Board member.
- D16.2 In addition a candidate who is not retiring as a Board member must be nominated in writing by another shareholder.
- D16.3 The statement and nomination shall be delivered to the registered office at least 3 days before the meeting at which the vacancies on the Board are to be filled.

#### **Quorum for the board**

- D17 D17.1 Three Board members shall form a quorum. The Board may determine a higher number or impose additional requirements.
- D17.2 The Board is not a quorate unless:
1. Less than half of the quorum are employees of the association or anybody whose accounts must be consolidated with the association
  2. At least one –third of the quorum is independent.
- D17.3 If the number and makeup of the Board members falls below the number and makeup necessary for a quorum, the remaining Board members may continue to act as the Board for a maximum period of six months. At the end of that time the only power that the Board may exercise shall be to call a general meeting of the Association to bring the number and makeup of the Board members up to that required by these rules.

#### **Board Members' Interests**

- D18 No Board member, co-optee or member of a committee shall have any financial interest:
- D18.1 personally; or
- D18.2 as a member of a firm; or
- D18.3 as a director or other officer of a business trading for profit; or
- D18.4 in any other way whatsoever
- in any contract or other transaction with the Association unless expressly permitted by these rules.
- D19 The Association shall not pay or grant any benefit to anyone who is a Board member or a co-optee or a member of a committee unless it is expressly permitted by these rules.
- D20 Any Board member, co-optee or member of a committee, having an interest in any arrangement between the Association and someone else shall disclose their interest before the matter is discussed by the Board or any committee. Unless it is expressly permitted by these rules, they shall not remain present unless requested to do so by the Board or committee and they shall not have any vote on the matter in question. Any decision of the Board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- D21 Every Board member, co-optee or member of a committee, shall ensure that the Secretary at all times has a list of all other bodies in which they have an interest as either;
- D21.1 a director or officer; or
- D21.2 a member of a firm; or
- D21.3 an official or elected member of any statutory body; or
- D21.4 the owner or controller of more than 2% of a company, the shares of which are publicly quoted, or more than 10% of any other company; or

- D21.5 the occupier of any property owned or managed by the Association; or
- D21.6 any other significant or material interest.
- D22 If requested by a majority of the Board or members of a committee at a meeting convened specially for the purpose, a Board member, co-optee or member of a committee failing to disclose an interest as set out by these rules shall vacate their office either permanently or for a period of time.
- D23 A Board member, co-optee or member of a committee shall not have an interest for the purpose of rules D16 to D18 as a Board member, director or officer of any other body whose accounts are or ought to be consolidated with the Association's accounts.
- D24 Board members, co-optees or members of committees who are tenants of the Association shall not have an interest for the purpose of rule D18 in any decision affecting all or a substantial group of tenants.
- D25 The grant of a tenancy by the Association at the direction of another body to a Board member, co-optee or member of a committee or as permitted by the Housing Act 1996 is not the grant of a benefit for the purpose of rule D17.
- D26 Payments to members etc.
- D26.1 This section restricts the making of gifts, and the payment of dividends and bonuses, by a non-profit registered provider to—
- a member or former member of the registered provider,
  - a member of the family of a member or former member,
  - a company which has as a director a person within paragraph (a) or (b).
- D26.2 A gift may be made, and a dividend or bonus may be paid, only if it falls within one of the following permitted classes:
- D26.3 Class 1 is payments which—
- are in accordance with the constitution of the registered provider, and
  - are due as interest on capital lent to the provider or subscribed in its shares.
- D26.4 Class 2 is payments which—
- are paid by a fully mutual housing association (within the meaning of section 1(2) of the Housing Associations Act 1985 (c. 69)),
  - are paid to former members of the association, and
  - are due under—
    - (i) tenancy agreements with the association, or
    - (ii) agreements under which the former members became members of the association.
- D26.5 Class 3 is payments which—
- are in accordance with the constitution of the registered provider making the payment (“the payer”), and
  - are made to a registered provider which is a subsidiary or associate of the payer.
- D26.6 If a registered company or industrial and provident society contravenes this section—

- it may recover the wrongful gift or payment as a debt from the recipient, and
- the regulator may require it to take action to recover the gift or payment.

### **Meetings of the Board**

- D27 The Board shall meet at least three times every calendar year. At least seven days written notice of the date and place of every Board meeting shall be given by the Secretary to all Board members and co-optees.
- D28 Meetings of the Board may be called by the Secretary or by the Chair or by two Board members who give written notice to the Secretary specifying the business to be carried out. The Secretary shall send a written notice to all Board members and co-optees as soon as possible after receipt of such a request. The Secretary shall call a meeting on at least seven but not more than fourteen days notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chair or two Board members, whichever is the case, shall call such a meeting.

### **Management and Delegation**

- D29 The Board may delegate any of its powers under written terms of reference to its committees or to officers or employees. Those powers shall be exercised in accordance with any written instructions given by the Board.
- D30 The membership of any committee shall be determined by the Board. Every committee shall include one Board member or co-optee to the Board. The Board appoint the Chair of any committee and shall specify the quorum.
- D31 All acts and proceedings of any committee shall be reported to the Board.
- D32 No committee can incur expenditure on behalf of the Association unless at least one Board member or co-optee of the Board has voted in favour of the resolution and the Board has previously approved a budget for the relevant expenditure.
- D33 For the purposes of the Housing Act 1996 any member of a committee shall be an officer.

### **Miscellaneous Provisions**

- D34 All decisions taken at a Board or any 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.
- D35 A resolution in writing sent to all Board members or all members of a committee and signed by three quarters of the Board members or three quarters of the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the Board or committee.
- D36 Meetings of the Board can take place in any manner, which permits those attending to hear and comment on the proceedings.
- D37 A Board member acting in good faith shall not be liable to the Association for any loss.
- D38 Notice may be given to Board members by post, facsimile or email at the last address for such communication given to the Secretary. The accidental failure to give notice to a Board member or the failure of the Board member to receive such notice shall not invalidate the proceedings of the Board.

## **PART E: CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS**

## **The Chair**

- E1 The Association 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 Association (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. In the event of any equality of votes, the Chair shall have a casting vote.
- E3 The Chair of the Association may be removed at a Board meeting called for the 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 Association'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 and support provided for the Chief Executive (if any);
  - E4.4 the Board delegates sufficient authority to its committees, the Chair, the Chief Executive (if any) and other to enable the business of the Association to be carried on effectively between Board meetings;
  - E4.5 the Board receives professional advice when it is needed;
  - E4.6 the Association is represented as required; and
  - E4.7 the Association's affairs are conducted in accordance with generally accepted codes of performance and propriety.
- E5 The Chair shall ensure that a statement of the Chair's responsibilities is agreed with the Board and reviewed from time to time.

## **The Chief Executive**

- E6 The Association may have a Chief Executive appointed by the Board. The Chief Executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the Chief Executive.

## **The Secretary**

- E7 The Association shall have a Secretary who shall be appointed by the Board and who may be an employee. The Secretary shall in particular:
- E7.1 summon and attend all meetings of the Association and the Board and keep the minutes of those meetings; and
  - E7.2 keep the registers and other books determined by the Board; and
  - E7.3 make any returns on behalf of the Association to the Financial Conduct Authority and the Regulator; and
  - E7.4 have charge of the seal of the Association; and
  - E7.5 be responsible for ensuring the compliances of the Association with these rules.

## **Other Officers**

E8 The board may designate as officers such as other executives, internal auditor and staff of the association on such terms (includes pay) as it from time to time deems necessary.

### **Miscellaneous**

E9 Every officer or employee shall be indemnified by the Association for any amount reasonably incurred in the discharge of their duty.

E10 Except for the consequences of their own dishonesty or gross negligence, no officer or employee shall be liable for any losses suffered by the Association.

## **PART F: FINANCIAL CONTROL AND AUDIT**

### **Auditor**

F1 The Association shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 7 of the Co-operative and Community Benefit Societies Act 2014.

F2 The following cannot act as auditor:

F2.1 an officer or employee of the Association;

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

F3 An auditor must be appointed by resolution at a general meeting.

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

F4.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or

F4.2 the auditor does not want to act and has told the Association so in writing; or

F4.3 the person is not qualified or falls within rule F2; or

F4.4 the auditor has become incapable of acting; or

F4.5 notice to appoint another auditor has been given.

F5 F5.1 Not 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.

F5.2 The Association 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.

F5.3 If not, the Association shall give notice by advertising in a local newspaper at least fourteen days before the proposed meeting. The retiring auditor can make representations to the Association, which must be notified to its shareholders under Section 7 of the Co-operative and Community Benefit Societies Act 2014.

F6 Submission to regulator

F6.1 Each registered provider shall send a copy of its accounts to the regulator within the period of 6 months beginning with the end of the period to which the accounts relate as per section 128(1) Housing and Regeneration Act 2008.

F6.2 The accounts must be accompanied by—

- an auditor's report, or
- in the case of accounts that by virtue of an enactment are not subject to audit, any report that is required to be prepared in respect of the accounts by virtue of an enactment.

F6.3 The report must specify whether the accounts comply with any relevant directions under section 127 (Housing and Regeneration Act 2008).

### Auditor's Duties

- F7 The findings of the auditor shall be reported to the Association in accordance with Section 7 of the Co-operative and Community Benefit Societies Act 2014.
- F8 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 Association, which shall be signed by the person chairing the meeting that adopts the report.

### Accounting Requirements

- F9 The end of the accounting year must be a date allowed by the Financial Conduct Authority.
- F10 The Association shall keep proper books of accounts detailing its transactions, its assets and its liabilities in accordance with Sections 1 and 2 of the Co-operative and Community Benefits Societies Act 2014.
- F11 The Association 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

- F12 Every year, within the time specified by legislation, the Secretary shall send the Association'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

- F13 The total borrowing of the Association at any time shall not exceed £100 million (one hundred million pounds) or such a larger sum as the Association determines from time to time in a general meeting.
- 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.
- F15
- F15.1 in respect of any proposed borrowing, for the purposes of rule F12, the amount remaining un-discharged of any deferred interest or index-linked monies previously borrowed by the Association or on any deep discounted security shall be deemed to be the amount required to repay such borrowing in full if such pre-existing borrowing became payable in full at the time of the proposed borrowing; and
- F15.2 for the purposes of rule F12 in respect of any proposed borrowing intended to be on index-linked or any deep discounted security, the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the Association at the time of the proposed borrowing.

### Investment

- F16 The funds of the Association may be invested by the Board in such manner as it determines.

## **PART G: MISCELLANEOUS AND STATUTORY, REGISTERED OFFICE AND NAME**



G1 The Association's registered office is:  
The Sackhouse, Jicklings Yard, Wells Next the Sea Norfolk NR23 1AU

G2 The Association's registered name must be:

G2.1 placed prominently outside every office or place of business; and

G2.2 engraved on its seal; and

G2.3 stated on its business letters, notices, adverts, official publications, cheques and invoices.

### **Disputes**

G3 G3.1 Any dispute on a matter covered by the rules shall be dealt with in the County Court if the dispute is between:

- The Association and an officer; or
- The Association and a shareholder; or
- The Association and a person claiming to be a shareholder; or
- The Association and a person who was a shareholder in the last six months.

G3.2 Alternatively, if the Association has been a member of the National Housing Federation for at least two years, such dispute can be resolved by an arbitrator appointed by the National Housing Federation if both parties to the dispute agree. If they do not agree, the dispute shall be dealt with in the County Court.

G3.3 The arbitrator's decision is binding. No appeal is allowable. No court of law can alter it but it can be enforced by a County Court.

G3.4 The arbitrator's decision on the costs of the arbitration is binding.

### **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 kept safe.

G5 The Secretary shall keep the seal. It shall not be used except under the Board's authority. It must be affixed by one Board member signing and the Secretary counter signing or in such other way as the Board resolves. The Board may in the alternative authorise the execution of deeds in any other way permitted.

G6 The Association must keep at its registered office:

G6.1 the register of shareholders showing:

- The names and addresses of all the shareholders; and
- A statement of all the shares held by each Board member and the amount paid for them; and
- A statement of other property in the Association held by the shareholder; and
- The date that each shareholder was entered in the register of shareholders.

G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders.

G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices, as well as a duplicate.

- G6.4 a register of holders of any loan.
- G6.5 a register of mortgages and charges on land.
- G6.6 a copy of the rules of the Association.
- G7 The Association must display a copy of its latest balance sheet and auditors report (if one is required by law) at its registered office.
- G8 The Association shall give to all shareholders, upon request, copies of its last annual return with the auditor's report on the accounts contained in the return, free of charge.
- G9 The Secretary shall give a copy of the rules of the Association to any person on demand.

### **Statutory Applications to the FCA**

- G10 Ten shareholders can apply to the Financial Conduct Authority to appoint an accountant to inspect the books of the Association provided all ten have been shareholders of the Association for a twelve month period immediately before their application.
- G11 The shareholders may apply to the Financial Conduct Authority in order to get the affairs of the Association 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**

- G12
  - G12.1 The rules of the Association may be rescinded or amended but not so as to stop the Association being a charity.
  - G12.2 The rules may only be amended by a resolution put before a general meeting by the Board and approved by a least two-thirds of the Board prior to the general meeting.
  - G12.3 Rules A2; A3; A4; B1; B2; B3; C2; C3; D15; D25; G12 and G14 can only be amended or rescinded by three-fourths of the votes cast at a general meeting. Any other rules can be rescinded or amended by two-thirds of the votes cast at a general meeting.
  - G12.4 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**

- G13 The Association may be dissolved by a three-fourths majority of shareholders who sign an instrument of dissolution as required by the act; or by winding up under the Act.
- G14
  - G14.1 Transfer of property
 

Any property that remains, after the association is wound up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another charitable body, with objects similar to that of the association:
  - G14.2 If no such institution exists, the property shall be transferred or given to the Housing Associations Charitable Trust;
  - G14.3 If the association is registered as a provider of social housing with the Regulator any transfer or gift must be in compliance with the Housing and Regeneration Act 2008 or any other relevant legal and regulatory provisions which exist from time to time.

### **Interpretation of Terms**

- G15 In these rules, including this rule, unless the subject matter or context are inconsistent:
  - G15.1 words importing the singular or plural shall include the plural and singular respectively;
  - G15.2 words importing gender shall include the male and female genders;

- G15.3 any reference to an Act shall include any amendment or re-enactment from time to time;
- G15.4 '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;
- G15.5 'the Association' shall mean the Association of which these are the registered rules;
- G15.6 'Board' shall be the Board appointed in accordance with Part D and 'Board member' or 'member of the Board' shall mean a member of the Board for the time being but shall not include a person co-opted to the Board under rule D5;
- G15.7 'Regulator' means the body defined as the Regulator of Social Housing acting through its Regulation Committee or any statutory successor to or any assignee to or any assignee of any or all of its relevant functions from time to time.
- G15.8 'officer' shall include the Chair and Secretary of the Association and any Board member for the time being and such other persons as the Board may appoint under rule E8;
- G15.9 'persons claiming through a shareholder' shall include their personal representatives and also their nominees where a nomination has been made;
- G15.10 'property' shall include all real and personal estate (including loan stock certificates, books and papers);
- G15.11 'register of shareholders' means the register kept in accordance with rule G6.1;
- G15.12 'Secretary' means the officer appointed by the Board to be the secretary of the Association or other person authorised by the Board to act as the Secretary's deputy;
- G15.13 'shareholder' shall mean one of the persons referred to in rule C5 and means 'member' as defined by the Act;
- G15.14 'tenant' means a person who alone or jointly with others hold a tenancy, lease or licence to occupy the Association's premises for residential use or the premises of any body whose accounts must be consolidated with the Association;
- G15.15 'the Act' shall mean the Co-operative and Community Benefit Societies Act 2014;
- G15.16 'these rules' shall mean the registered rules of the Association for the time being;
- G15.17 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;
- G15.18 '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.
- G15.19 'social housing' means low cost rental accommodation and low cost home ownership accommodation as defined in section 68 and social housing as defined in section 77 of the Housing and Regeneration Act 2008.