



POLICY FOR ADMITTING NEW SHAREHOLDERS

Responsible Director - Chair

Last review – October 2020

Next review – September 2023

1. PURPOSE

Rule C11 of the Association requires the Board to "set review and publish its policies, and objectives for admitting new Shareholders". This policy details the procedure and criteria Board will follow in admitting new Shareholders.

2. BACKGROUND

The Association is formed for the benefit of the community. Its objects are to carry on for the benefit of the community:-

"The business of providing and managing housing and social housing and providing assistance to help house people and associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people" and,

"Any other charitable objective that can be carried out from time to time by an Industrial and Provident Society registered as a provider of social housing with the regulator".

2.1 Any Shareholder admitted to the Association is bound by the rules, and when acting as a Shareholder shall at all times act in the interests of the Association, and for the benefit of the community, as a guardian of the objects of the association.

2.2 In addition to being bound by the rules, and objects of the association, shareholders are also required to be committed to the mission and vision of the Association and at all times uphold its core values of:-

- Caring – About what we do and the way that we do it
- Lean - We learn, improve and change to deliver great services for customers
- Enthusiastic – We are engaged and Motivated to make a difference
- Accountable – We are answerable or what we do and don't do
- Resilient – We are ready to respond to Opportunities and Challenges

2.3 Shareholders are entitled to attend the Annual General Meeting (and any special general meeting convened in accordance with the Rules), and are entitled to stand for election and to vote in any election to appoint Board Members.

3 GLOSSARY

3.1 The Association is both Nottingham Community Housing Association Ltd and Nottingham Community Second Housing Association.

3.2 The Regulator is the Regulator of Social Housing (or its successor), which has responsibility for regulating the affairs of housing associations registered with it.

3.3 The Rules are the Model Rules of Association as adopted in 2015 which follow the model guidance provided by the National Housing Federation.

4. RISKS

4.1 Failure to review and publish a policy on admission of shareholders would be a breach of the rules of the Association.

4.2 Failure to adopt a clear procedure and selection criteria for new shareholders would place the good governance of the Association at risk.

4.3 Failure to have a strong shareholding membership would weaken the effectiveness and accountability of the Board.

5. REFERENCES

5.1 The Corporate Strategy and Plan identify the mission, vision, core values and priorities of the Association.

5.2 The Model Rules identify the objects and powers of the Association, and also define the role of Shareholders, Board Members, Chief Executive, Secretary and Audit.

6 PROCESS

6.1 Applicants for shareholding membership should apply in writing to the Association's registered office, setting out their reason for applying and their qualifications.

6.2 On submission, the applicant shall pay the sum of one pound for each share (which will be returned to them if the application is rejected).

6.3 Every application shall be considered by the Board against the published policy and has the power in its absolute discretion to accept or reject the application.

6.4 If the application is successful, the name of the applicant shall be entered in the register of shareholders, and one share in each Association shall be issued to the applicant.

- 6.5 The guidance criteria the Board will consider in making their decision will be:
- 6.5.1 A minor cannot become a shareholder [Rule C6.1];
 - 6.5.2 A person expelled as shareholder cannot be admitted, unless authorised by a special resolution a general meeting [Rule C6.2];
 - 6.5.3 An employee of any Group member cannot become a shareholder [Rule C6.3]
 - 6.5.4 A person removed by the Board in accordance with [Rule D8] cannot become a shareholder
 - 6.5.5 A person convicted of an indictable offence which is not, or cannot be spent cannot become a shareholder [Rule C6.5]
 - 6.5.6 A person who is the subject of any composition made with that person's creditors generally in satisfaction of that person's debts cannot become a shareholder [Rule C6.6]
 - 6.5.7 A person in respect of whom a registered medical practitioner who is treating that person gives written opinion to the association stating that that person has become physically or mentally incapable of acting as a shareholder and may remain so for more than 3 months can become a shareholder [Rule C6.7]
 - 6.5.8 A resident who is in material or serious breach of their tenancy agreement or lease and who fails to rectify the breach within a reasonable timeframe as agreed with the association, or is subject to any of the following types of court order: anti-social behaviour order, anti-social behaviour injunction, demoted tenancy, or closure order or any court order covering the same or similar matters cannot become a shareholder [rule C6.9]
 - 6.5.9 A shareholder can be a nominee of an unincorporated body [Rule C7]
 - 6.5.10 A corporate body can be a shareholder [Rule C8]
 - 6.5.11 No applicant will be admitted as a shareholder where in the opinion of the Board, a conflict of interest (personal, social or commercial) may arise. As a guide the attached appendix is a non-exhaustive list where a conflict of interest may arise. Each application is treated on its merits, and Board reserves the right to make a judgment on the possible implication of any conflict of interest
 - 6.5.12 Applicants must evidence in their application, their commitment to both the objects of the Association and the mission, vision and values held by the Association
 - 6.5.13 Board reserves the right to delegate authority to a sub-committee to interview applicants for shareholding membership if it is felt this would help Board in reaching a decision to accept or reject an application.

7 ENDING OF A SHAREHOLDING

7.1 A shareholder shall cease to be a shareholder only under Rule C14

7.2 Retiring NCHA Board Members will retain their shares in NCHA and NC(2)HA unless NCHA Board makes a decision, with good reason, to remove the shares at the time of retirement.

APPENDIX 1

Classes of applicants where a conflict may arise:-

- Relatives or close friends of staff or existing Board Members.
- Staff (or relatives of staff) employed by contractors or consultants employed by the Association.
- Local Authority elected members in authorities where the Association has an active involvement.
- Staff and officers of local authorities where the Association has an active involvement.
- Staff or Committee/Board Members of agencies providing a management, care or support service to tenants or service users of the Association.
- Staff employed by any Government agency with whom the Association has a significant involvement with e.g. Regulator of Social Housing, Homes England.