



Westfield Housing Association

Shareholding Membership Policy and Procedure

1.0 Policy Statement & Framework

- 1.1 This policy sets out the Board's approach to shareholding membership to Westfield Housing Association (WHA), and the application and approval process (which is in accordance with our Rules).

The Association is a registered society under the Co-operative and Community Benefit Societies Act 2014 operating under Charitable Rules and has adopted the National Housing Federation (NHF) set of Model Roles (2015). Under Rule A2 the fundamental Object of the Association is that it should operate 'for the benefit of the community. Its charitable objects shall be to carry on for the benefit of the community'. Shareholders hold a constitutional role in sustaining the objects of the Association and in overseeing the application of the Rules through the Annual General Meeting AGM.

Through this policy we aim to ensure that people and organisations who share our ethos have the opportunity to participate in our activities. We are controlled by Shareholding Members (Shareholders) who agree to be bound by the obligations on them as set out in the Association's Rules and when acting as shareholders will always act in the interests of the Association and for the benefit of the community as guardians of the Objects of the Association.

This policy explains the role of our Shareholders, sets out the basis of their admittance and their involvement in the Association thereafter and the circumstances in which Shareholding membership will end.

2.0 Policy Objectives

- 2.1 The key objectives of this policy are:

- To ensure the process for admitting and expelling Shareholders is transparent.
- To set clear eligibility criteria for Shareholding membership.
- To set out the responsibilities and expectations of Shareholders.
- To ensure that the approach to Shareholding membership is in accordance with the Association's Rules. The Board has discretion as to who to admit as Shareholders and to agree its policy for recruiting shareholders.
- To provide a level of accountability and responsibility towards the needs and views of the communities to which the Association provides services.

- 2.2 It is the Association's policy to encourage a limited number of key stakeholders, including residents in our local communities, to become Shareholders because this:

- Adds value to the organisation by drawing on a wider pool of expertise and knowledge, including those with direct experience of the Association's services.

- Develops a group of people who are interested in the Association and its activities and from whom new Board Members might be drawn; and
- Can help increase accountability to the community and other key stakeholders.

3.0 Scope

- 3.1 This policy applies to the Association's current and future Shareholders only and governs admissions, exclusions, rights and obligations.
- 3.2 A Shareholder of the Association is a person or body whose name and address are entered in the Register of Shareholders.

4.0 Eligibility and Composition of Membership

- 4.1 Applicants for Shareholding Membership must have as their principal motivation a desire to further the Association's aims and objectives. Shareholders must agree to be bound by the obligations set out in the Rules (our constitution) and must sign a declaration (Appendix 1) on taking up their share stating that they will act in the best interests of the Association and for the benefit of the community, and as guardians of our purpose (to provide social housing and related services). Members must ensure that their personal interests do not adversely affect the best interests of the Association in any way.
- 4.2 In addition, Shareholding Membership will also be open to persons with an interest in the local area or tenants of the Association, subject to the eligibility criteria set out in this policy, and subject to a maximum number as determined by the Board. All applicants for shareholding membership should be able to demonstrate that they have, and would continue to have, a long-term interest in, and willingness to support the Association and its aims and objectives.
- 4.3 In applying the above determinations, the maximum number of Shareholding Members for each category, as determined by the Board, is as follows:
- Board members: up to 12 shares
 - Committee members: up to 4 shares
 - Retired Board/Committee members: up to 4 shares*
 - Individuals with an interest in the local area including tenants of the Association and local residents: up to 10 shares. Where the Member no longer demonstrates the requisite interest or is no longer a tenant or local resident, they may be required to relinquish their Shareholding.

Currently the number of Individual Shareholding Members exceeds ten. Consequently, no new individual members will be admitted until such time as the number falls to less than 10 members. Existing Shareholders appointed prior to the date of this policy may retain their shareholding membership of the Association until such time as it is ended in line with the Rules and this policy.

*Retired Board/Committee members will be accepted for a tenure up to a maximum of 3 years, after which time the membership will end. Thereafter, eligibility for future membership will cease.

- 4.4 No member can hold more than one share, and each share carries one vote only at General meetings.
- 4.5 Those ineligible to become Members include:
- A minor
 - A person previously expelled from being a Shareholder

- A member of staff
- Former members of staff (within one year of leaving the Association's employment)
- Close relatives of current or former members of staff (parents, grandparents, child, grandchild).
- Those who owe money to the Association.
- Tenants who are in breach of their tenancy agreements and who fail to rectify the breach within a reasonable timeframe.
- A person who in the written opinion of a medical practitioner is physically or mentally incapable of exercising their rights as a Shareholder and may remain so for more than 3 months.
- A person who has been convicted of an indictable offence which is not spent.
- A person who has been convicted of any other offence which in the opinion of the Board either brings the Association into disrepute or is incompatible with the role of Shareholder.
- A person who has been removed as a Board or Committee member in accordance with Rule D8.

5.0 Applications for membership

- 5.1 The Board will consider from time to time whether it is necessary to review the Shareholding Membership and to recruit new Members, subject to the composition of Membership set out above.
- 5.2 Applications to become a member should be made in writing, using the Association's Shareholder Membership Application Form (Appendix 2). The application should set out the reasons for applying, how the criteria for admission to membership are met and electronic payment of the sum of £1 (which shall be returned if the application is not approved). The form should be returned to the Company Secretary at the Association's registered office.
- 5.3 Applicants must demonstrate that becoming a shareholder will not result in an unacceptable conflict of interest, either due to a personal relationship, employment or connection with another organisation, or involvement in activities in conflict with the Association's aims and objectives.
- 5.4 All applications will be considered by the Association's Board which has absolute discretion in determining whether to accept or reject any application.
- 5.5 Each application will be considered at an early Board meeting. It may be necessary for an applicant to be interviewed by the Board Chair and the Chief Executive (or as delegated); this will be decided at the Board meeting considering the application.
- 5.6 If the application is approved the name and address of the member will be entered in the Register of Shareholders (Appendix 3), and a share certificate issued (subject to the payment of £1 having been received). The share carries no right to interest, dividends or bonus payments.
- 5.7 If the application is refused, the reason for refusal will be given in writing to the applicant.
- 5.8 Any appeal against the decision of the Board should be made in writing to the Chair at the Association's registered office.

6.0 Shareholder's Role

- 6.1 A Shareholder can:
- attend and vote at the Annual General Meeting (AGM) and other General Meetings of Shareholders.
 - receive the statutory accounts and annual report.

- approve the auditors.
- elect Board members.

6.2 The Association will liaise with Members to ensure that Shareholding membership delivers added value. This could include:

- consulting with individual members in relation to their known areas of expertise and interest
- inviting individual members to contribute to policy development reviews or service development workshops in relation to their known areas of expertise and interest.
- consulting members on Association's Business Plan and policies; and
- ensuring that members are kept up to date on activities, e.g. through forwarding copies of reports/publications and newsletters.

6.3 The role of Shareholders is to always act in the best interests, and to further the objectives, of the Association. It is expected that Shareholders promote the Association's objectives in the wider communities that Westfield serves.

7.0 Shareholder Meetings

7.1 All Shareholders must use their best endeavours to participate in General Meetings and other events organised by the Association to which Shareholders are invited.

7.2 Shareholder meetings are generally called by the Board. All General Meetings other than Annual General Meetings are Special General Meetings. At least one month's notice will be given for the AGM and a minimum of two weeks' notice for other General Meeting.

7.3 There must be a quorum at any General Meeting. A quorum is a minimum of five members, of which at least two must be present in person.

7.4 Shareholders will vote at the AGM and other General Meeting on proposals made by the Board.

7.5 A Shareholder unable to attend a General Meeting may appoint a proxy to attend and vote on their behalf. Notice of a proxy must be received by the Company Secretary no later than 48 hours before the date of the General Meeting. The notice must detail the name of the proxy.

8.0 Shareholders and the Board

8.1 The Board is made up of a minimum of 5 and maximum of 12 Members appointed by members at the Annual General Meeting after being considered and put forward by the Board in line with the WHA's Board Recruitment Policy.

8.2 Except for co-optees and employees, only Shareholding Members can be Board Members. All Board Members must be Shareholding Members. All persons appointed as Non-Executive Directors to the Board will at the same time take up Shareholding Membership if they do not already hold such Membership.

9.0 Shareholder Restrictions

9.1 Shareholders should be aware that under Section 122 of the Housing and regeneration act they and their close relatives are prevented from obtaining gifts, dividends and bonuses from Westfield. This applies to:

- A current or former Westfield Shareholder

- A member of the family of a current or former Westfield Shareholder.

9.2 If a payment is made in breach of this policy, Westfield has the right to recover the wrongful gift or payment as a debt from the recipient. The Regulator may also require Westfield to take action to recover such a wrongful gift or payment.

10.0 Ending of Shareholding Membership

10.1 A Shareholder's Membership ends under the following circumstances:

- If they die (note: their share cannot be transferred to another person).
- If they are expelled as a result of conduct detrimental to Westfield and in accordance with Rule C15.
- If they give notice to end their membership to the Company Secretary which shall be effective immediately (unless they are one of the last five remaining Shareholders, in which case they must provide at least one month's written notice).
- They do not attend in person or appoint a proxy in respect of, nor deliver written apologies in advance for two consecutive Annual General Meetings.
- If they cease to be eligible under any exclusions to membership in Rule D8 (see 4.5 above)
- If they are a resident and in the opinion of the Board are in material or serious breach of their tenancy agreement 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.
- If they are a resident and cease to be a resident (unless it is a temporary situation due to works to their home or another matter requiring temporary vacation of the home).
- They fail to sign the annual undertaking as set out in Appendix 4.

10.2 Where a Shareholder is also a Board Member, their share will automatically be cancelled upon their retirement or resignation unless continuing membership is requested, and the Board agrees that they should remain as a shareholding member. A decision that a former Board member can continue as a Shareholder will be informed by the eligibility criteria for membership (see section 4) and will be an exception rather than a norm.

10.3 A Shareholder review is undertaken annually. As part of the notice of the AGM Shareholders are asked whether they wish to remain a Shareholder and to complete the Shareholder Member's Declaration Form (Appendix 4). They will be given one month four weeks to respond with a reminder issued after two weeks. Where a Shareholder fails to respond, or to return a completed Declaration Form within the required time, their membership will be ended.

10.4 Where a member ceases to be a Shareholder, the share will be cancelled.

11.0 Expelling Shareholders

11.1 There may be occasions when a Shareholder's conduct is not in line with the Association's values and/or where they have failed to act in line with the Shareholder's Members Declaration and in the best interests of WHA. In these circumstances the Board may seek to expel the member concerned. A Shareholder may only be expelled by a Special resolution at a special General Meeting called by the Company Secretary provided that the following rules apply to the process:

- The Board must give the Shareholder at least one month's notice in writing of the General Meeting. The notice to the Shareholder must set out the particulars of the complaint of conduct

that is deemed detrimental to the Association and must request the Shareholder attend the meeting to answer the complaint.

- At the General Meeting called for this purpose the Shareholder's shall consider the evidence presented by the Board and by the Shareholder (if any). The meeting will take place even if the Shareholder does not attend.

11.2 If the resolution to expel the Shareholder is passed in accordance with this rule, the Shareholder shall immediately cease to be a Shareholder.

12.0 Equality, Diversity and Inclusion

12.1 Westfield will not directly or indirectly discriminate against any person or group of people because of their race, religion, gender, marital status, sexual orientation, disability or other grounds set out in our Equality, Diversity and Inclusion Policy.

12.2 When applying this policy Westfield will:

- Aim to attract a cross section of our communities.
- Consider requests for specific assistance related to protected characteristics and providing them where reasonable and practicable.
- Ensure the application and review processes are fair and transparent.

13.0 Monitoring and Review

13.1 Reports will be provided annually to the Board giving details of the Register of Shareholders (Appendix 3).

13.2 This policy will be reviewed every three years or more frequently if good practice, legislation or regulation changes, or if the Rules are changed.

14.0 Linked Documents

[New Shareholding Member's Declaration Form \(Appendix 1\)](#)

[Shareholding Membership Application Form \(Appendix 2\)](#)

[Register of Shareholders \(Appendix 3\)](#)

[Shareholding Member's Annual Declaration Form \(Appendix 4\)](#)

To be completed by Corporate Services Officer

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