



Belgrave Neighbourhood Co-operative Housing Association's (BNCHA) committee is proposing changing our rules. There will be an opportunity for BNCHA's members to vote on this change of rules at a General Meeting that all members can attend on:

Tuesday 29th December at 5pm

The meeting will be held on Zoom. The link for the meeting is:

<https://us02web.zoom.us/j/86540417417>

This information and link is also available on BNCHA's website at

www.belgravecoop.org.uk

If you are a member and you would like to attend the meeting but are not able to attend digitally, please contact Prashant on 07410898843 or Jaimini on 07817643492

Updating BNCHA's rules

Changing the rules is in many ways a formality that is about bringing the co-op into the 21st Century. The Confederation of Co-operative Housing (the CCH - the trade body for housing co-operatives of which BNCHA is a member) is urging existing housing co-ops to update their existing rules to rules developed in 2017. Many housing co-ops (including BNCHA) registered many years ago using rules registered in 1981. These rules are substantially out of date. They don't properly reflect how co-ops operate now.

The CCH is saying that it is sensible for existing housing co-ops to update to the 2017 new model rules.

What are the rules?

When setting up, most businesses "incorporate". This means they take on a legal form and in so doing, they become a "corporate body" rather than a collection of individuals. There are two types of corporate body – a *company* and a *society*. BNCHA is registered as a society.

Societies are registered with an organisation called the Financial Conduct Authority (FCA). There are distinct rules regarding societies, such as that a co-op is a bona fide co-operative. When registering a society, the FCA checks that these rules have been followed and the organisation being registered is what it says it is.

The rules set out how the co-op's membership arrangements work and how it is governed.

Changing the rules will require 20/20 to hold a General Meeting to agree the new set of rules. We will be arranging this meeting. Our current rules require that three

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quarters of those attending a general meeting need to vote in favour of changes to fundamental clauses in the rules, and of course the general meeting needs to be quorate.

Key changes to the rules

This section summarises the key changes between the 1981 housing co-op rules and the 2017 housing co-op rules.

Inclusion of detail - a key change to the new rules is to include a lot of detail in them for ease of reference for co-op members. The 1981 rules covered the same issues and had largely the same substance – but had a lot less detail. The problem with this was that co-ops, with different generations of members, found there was often little clarity about how to manage rules issues. The new rules seek to provide greater clarity, with the detail provided based on many years' experience of the practical ways that co-ops work.

Reference to 2014 Act – a new law was passed in 2014 (the Co-operative and Community Benefit Societies Act) which governs the legal status of co-ops. The new rules ensure that this new Act is referred to throughout and the rules comply with it.

Communication and meeting attendance by different means – the new rules permit that meeting notices and other communications can be sent to members and committee members by electronic means. The new rules also permit that members and committee members can attend general and committee meetings by telephone, video conferencing or by other communications equipment such that the person can hear, comment and vote on proceedings.

Commitment to diversity, equality and respect – a specific clause has been added committing the co-op to principles of diversity and equality.

Annual General Meeting – the new rules give the co-op six months after the year end to hold an AGM rather than the three months in the 1981 rules; there is a requirement that the committee presents a report on progress to the members at each Annual General Meeting. The 1981 rules did not require this.

Terminology – the 1981 rules referred to “committeemen” and the “Chairman”. This terminology has been updated in the new rules.

Committee size – the new rules specify a committee of between five and twelve members (including up to three co-opted members). The 1981 rules allowed for between seven to fifteen members and five co-opted members. The new committee size reflects current considered best practice.

Election of the committee – the new rules specify that the full committee is elected at each Annual General Meeting (unopposed if there are fewer than twelve standing with a facility for members to request a vote for one or more individual committee



members). The 1981 rules specify that a third of the committee stand down each year. This is not the custom and practice in most co-ops.

Committee nominations – the new rules specify a formal committee nominations process in order to encourage committee members to take the process seriously. This is also included in the 1981 rules but in less detail.

Removal of a committee member – under the 1981 rules, a committee member could only be removed by a vote at a General Meeting which all members could attend and vote at. In certain circumstances, the new rules also allow a committee member to be removed by a vote at a committee meeting.

Committee quorum – the new rules specify that the committee quorum is one third of its total number subject to a minimum of three (therefore if the committee has 9 or fewer members, the quorum is three or if the committee has 10, 11 or 12 members – the quorum is four). The 1981 rules have a committee quorum of three or a higher number agreed by the committee.

Defined officer roles – the new rules remove the previously defined role of the treasurer. A co-op is legally required to have a secretary and that role is defined but is no longer legally required to have a treasurer. If a co-op has one – in the new rules the co-op is free to define the role as it sees fit.

Special manager provisions – the new rules allow for a special manager to manage the co-op in the event of a co-op having difficulties in getting enough volunteers to serve on the management committee. Where this happens, the special manager provisions allow for a special manager to be appointed for a six-month period with a view to trying to reinvigorate the co-op. This provision is intended to give a co-op a chance to renew itself rather than close if not enough people have come forward to participate in the co-op's governance.

Disputes – the 1981 rules directed anyone who had a dispute with the rules to the National Federation of Housing Associations (now the National Housing

Federation which represents housing associations). The new rules direct disputes to the County Court.

Other than the new rules including more detail, the remaining rules are largely the same in substance.

The full proposed rules will be available in English and Gujarati at www.belgrave.org.uk.