



Cobalt
■■■ Housing

SHAREHOLDERS POLICY

Lead Director	Director of Governance, Assurance & Risk
Reference	POL 66
Board Approval	28/03/2022
Version date	28/03/2022

1 Introduction & Aim

- 1.1 Cobalt Housing Limited is incorporated under charitable Rules as a Community Benefit Society. The Rules provide for a shareholding membership whose powers include the election of the Board, the appointment of auditors and the amendment of the Rules.
- 1.2 The Rules and Cobalt's chosen code of governance require the Board to review and publish its policies and objectives for admitting new shareholders. This policy is designed to meet this requirement.

2 Policy Statement

- 2.1 The prime object of this policy is to secure a membership of shareholders which will advance the charitable status of Cobalt and provide good practice in governance and offer constitutional stability.

3 Policy Principles

Membership Composition

- 3.1 Balance of Members – The composition of the membership should reflect those groups who have an interest in the work of Cobalt. In particular, new members should be drawn from one of these three groups; neighbourhood committees, partner agencies or concerned individuals.
- 3.2 Neighbourhood Committees – will be invited to take membership via a nominee shareholder (usually the Chair of that Committee).
- 3.3 Partner Agencies – these are organisations with whom Cobalt works jointly with to provide services e.g. Merseyside Police.
- 3.4 Concerned Individuals – may be invited by the Board because of their existing interest in the work of Cobalt, the fact that they are a tenant of Cobalt or because of their skills, knowledge or particular perspective.
- 3.5 Board Members – all Board Members of Cobalt will be a shareholding member [and will typically be asked to remain as a shareholding member following their cessation as a Board Member].

Purpose of shareholding membership

- 3.6 Cobalt's objectives in admitting new shareholders are:
 - to advance the charitable status of Cobalt;
 - to provide good practice in governance;
 - to offer constitutional stability;
 - to provide an active pool of people who have expressed an interest in Cobalt; and

- to allow local people to express support for and a commitment to Cobalt without playing an active role;

Criteria for admission to membership

- 3.7 Admission of shareholders shall be restricted to those individuals and groups who have an interest in the work of Cobalt and who will be likely to fall into one of the categories set out in paragraph 3.
- 3.8 Applications shall be required to meet at least one of the following criteria:
- The applicant has a long term interest in and support for Cobalt;
 - The applicant has the appropriate skills, experience and availability to make a significant contribution to Cobalt by becoming a member of the Board, either at the time of application or in the future;
 - The applicant's membership would help improve the representation of local communities within Cobalt's shareholding and/or Board membership;
 - The applicant's membership would contribute to achieving a balanced mix within Cobalt's shareholding and/or Committee membership.
- 3.9 All applications for membership of Cobalt will be considered by the Board
- 3.10 An applicant may be the nominee of an unincorporated body. In such cases the procedure for shareholding membership shall be applied to the unincorporated body as a whole. If the application is approved the register 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.
- 3.11 A corporate body may be an applicant. It may appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing and given to the secretary.

Exclusions

- 3.12 The following may not be admitted as shareholders:
- A minor;
 - A person who has been expelled as a shareholder, except as authorised by special resolution at a general meeting;
 - An employee of Cobalt or an employee of any member of the Cobalt Group;
 - A person, who has been an employee of Cobalt or an employee of any member of the Cobalt Group within the 12 months prior to their application, or a close relative of such a person.
 - A person whose membership of Cobalt and/or its Board would result in an unacceptable conflict of interest, either due to a personal relationship or employment with another organisation.
 - Any other person who may not be a shareholder in accordance with the Rules.

Procedure for shareholding membership application

- 3.13 An applicant for shareholding membership shall apply to Cobalt in the format set out at Appendix A. All applications need to be formerly submitted by the 30th June each year.
- 3.14 The Board in accordance with the Rules and this policy shall consider applications. The Board shall have discretion to accept or reject each application. If rejected the one pound fee shall be refunded. If an application is approved the name of the applicant and other necessary particulars of the applicant shall be entered in the register of shareholders. One share in Cobalt and a copy of its Rules shall be issued to the applicant.
- 3.15 If successful the applicant will be issued with a £1.00 share in the company which cannot be sold nor redeemed or transferred except in the case of the nominees of unincorporated bodies.

Ending of shareholding membership

- 3.16 A shareholder shall cease to be a shareholder if:
- The shareholder dies; or
 - The shareholder is expelled as provided for by Cobalt's Rules.
 - The shareholder withdraws from Cobalt by giving one month's notice to the secretary;
 - The shareholder does not participate in, nor deliver written apologies in advance to, two consecutive annual general meetings of Cobalt; or
 - In the case of a body corporate it ceases to be a body corporate; or
 - In the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body; or
 - Any other reason set out in the Rules.

The Constitutional Role and Duties of Members

- 3.17 All members are entitled, and will be encouraged, to attend the Annual General Meeting which will receive the annual accounts, appoint the auditor, elect Board members and receive a report on the year's activities. Members will be encouraged to ask questions, seek information and express their views on the work of the Association and the performance of the Board. The Annual General Meeting will be organised to facilitate member participation and feedback by restricting participation to members and officers.
- 3.18 From time to time the members may be asked to vote on other matters which require members' approval, such as amendments to Cobalt's Rules.

Achieving Equality and Diversity

- 3.19 Cobalt is dedicated to the elimination of discrimination and aims to demonstrate a fair and equitable approach to the rights and responsibilities of all individuals, groups, and communities. We promote equality of opportunity and respect for diversity, so that all people have equal access to our services, employment and tendering opportunities.

Financial Implications

- 3.20 There are no direct financial implications to this report, however, having a member/shareholder policy represents good practice in governance which will help create stability for the future.

4 Risk Management

The key risk associated with non-delivery of this Policy is:

Risk Register Ref:	Risk:
ST 05 Governance Arrangements.	Ineffective governance leads to noncompliance with regulatory requirements, inappropriate decision making and a failure to achieve corporate objectives.
Risk Consequences:	Management and Mitigation:
<ul style="list-style-type: none">• May not secure a membership of shareholders which will advance the charitable status of Cobalt and provide good practice in governance and constitutional stability.• Will be in breach of Cobalt’s code of Governance Policy.• Will result in a regulatory breach of our code of governance	<ul style="list-style-type: none">• Membership Composition is controlled• Strict criteria for admission to membership and exclusions• Procedure for shareholding membership application and ending of shareholding membership

5 Regulatory & Legislative Compliance

- 5.1 Cobalt are regulated by the Regulator for Social Housing (Regulator). The Regulator requires Cobalt to adopt a code of governance and Cobalt’s chosen code requires it to have a policy for the admission of shareholders.

6 Links to Other Key Documents

- 6.1 The Rules of Cobalt Housing Limited
Cobalt Housing Governance Framework
National Housing Federation Code of Governance 2020 and associated guidance

7 Governance of this Policy

Equality and Diversity	An Equality Impact Assessment was carried out on this Policy in March 2022. No adverse discrimination was identified.
Financial and Links to VfM	Non-delivery of this Policy carries the risk of incurring costs from litigation and compensation.
Privacy and Data Protection	Other than the requirement to maintain a Register of Shareholders, the Policy does not involve the collection/use of personal data from staff/customers nor involves data processing.
Health and Safety	Not applicable for this Policy
Development and Consultation	Not applicable for this Policy
Customer Profiles and Accessing Services Data	Not applicable for this Policy
Monitoring and Review	Cobalt's independent internal auditor will examine, evaluate and make recommendations about the adequacy of Policy controls and procedures and monitor Cobalt's compliance with them.
Roles & Responsibility	The Company Secretary is responsible to the Chief Executive and the Board for ensuring the effective implementation of this Policy.