

The Companies Act 2006

Company No: 6781539

Incorporation date: 31/12/2008

Articles of Association of National Federation of ALMOs Limited

Revised April 2017

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**Company Limited by Guarantee
and not having a Share Capital**

**Articles of Association
of
National Federation of ALMOs Limited**

1. Name

The name of the Company is National Federation of ALMOs Limited (the **Company**).

2. Registered office

The registered office of the Company is to be in England and Wales.

3. Objects

The Objects of the Company are:

3.1 Where appropriate, to promote the ALMO/Housing company model

3.2 To enable ALMOs and other council housing companies to maximise their potential to **support** local councils and communities

3.3 To **enable** members to diversify, adapt and provide solutions to meet council and community needs

3.4 To **support** members to be custodians of social purpose in the areas where they operate

3.5 To promote excellence in the provision of housing services

3.6 To promote resident and community empowerment

3.7 To share best practice across the sector

3.8 To lobby Government on issues which impact on vulnerable households in local neighbourhoods.

4. **Powers**

The Company shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited by these Articles.

5. **Dissolution**

If, upon winding up or dissolution of the Company, there remains, after the satisfaction of all debts and liabilities any property whatsoever, the same shall be paid to the members of the Company in such division as the members shall agree.

6. **Members' liability**

6.1 The liability of members is limited.

6.2 Every member promises, if the Company is dissolved while it remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the Company while the contributor was a member.

7. **Trading**

The Company shall not trade for profit and save in the circumstances set out in Article 5, nothing shall be transferred by way of profit to members.

8. **Membership**

8.1 The first members of the Company shall be such organisations or bodies sympathetic to the objects of the Company as are admitted to membership in accordance with these Articles and who, if required by the Board, signs up to a set of values referred to in Article 8.5.

8.2 The membership of the Company shall be open to any:

- i ALMO, aspirant ALMO and any organisation previously established as an ALMO
- ii Local authority establishing an ALMO
- iii Local authority interested in exploring the ALMO option, but only with the consent of the chair and vice chairs of the Company (which consent shall be exercised at their sole discretion) and subject to the procedure set out in these Articles
- iv Not for profit organisations established with an ethos of delivering customer-led housing services, and
- v Any other bodies or organisations which share the same values and objectives as the Company (as determined by the Board at its sole discretion) and subject to signing up to such of the Company's policies as may be required by the Board from time to time.

8.3 Any organisation or body wishing to become a member after the date of adoption of these Articles shall lodge with the Company a written and signed application for membership in the form which may be approved by the Board from time to time.

- 8.4 Each application for membership shall be considered by the Board, or, if the Board so determines, by a sub-committee or officer of the Board, as soon as reasonably practicable after receipt by the Company of the written application required under the immediately preceding Article. In consideration the application the Board, or as the case may be the sub-committee or officer, shall take account of the membership policy as determined by the Board from time to time.
- 8.5 The Board shall be entitled in its absolute discretion to refuse to admit any organisation or body to membership. If the applicant is admitted to membership, the Board may require such applicant to sign up to a set of values as determined by the Board from time to time as a condition of the membership. Where, in the view of the Board, the member's acts or omissions to act are contrary to the values of the Company, the Board may decide to suspend that organisation's or body's membership until the next general meeting of the Company at which the Board may propose a special resolution to expel that member.
- 8.6 If the Board approves the applicant, that applicant must sign the register of members (or otherwise consent in writing to become a member of the Company as may be required by the Board) and pay the annual subscription fee as may be determined by the Board from time to time.
- 8.7 Any organisation or body admitted to membership of the Company shall for so long as it remains a member nominate in writing a person to act as its authorised representative in exercising the rights of membership on its behalf with full power to such organisation or body to recall its nomination and nominate a new authorised representative.
- 8.8 A member may at any time withdraw from the Company by giving at least seven clear days' notice to the Company.
- 8.9 Subject to Articles 8.10 to 8.14 the Company may, by special resolution, expel any organisation or body from membership.
- 8.10 10% of all members who are entitled to vote at a general meeting may propose a resolution for the expulsion of any organisation or body from membership and lodge with the Board a written notice of their intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion). Subject to the Board's prior approval of any such resolution the Board shall call a meeting of the company within eight weeks from the date it has taken a decision in favour of the proposed resolution.
- 8.11 The Board shall, following its decision to approve the proposed resolution under the immediately preceding Article, send a copy of the notice to the member concerned and the member concerned shall be entitled to make written representations to the Board with regard to the notice.
- 8.12 If representations are made to the Board in pursuance of the immediately preceding Article, the Board shall (unless such representations are received by the Board too late for it to do so):
- a State the fact of the representations having been made in the notice convening the meeting at which the resolution is to be proposed; and
 - b Send a copy of the representations to every person to whom notice of the meeting is or was given.

- 8.13 Whether or not a copy of written representations has been given to each of the persons entitled to receive notice of the meeting, the member concerned shall be entitled to be heard on the resolution at the meeting.
- 8.14 Failure to comply with any of the provisions of Articles 8.10 to 8.13 shall render any resolution for the expulsion of organisation or body from membership invalid.
- 8.15 An organisation or body expelled from membership under Articles 8.9 to 8.14 shall cease to be a member with effect from the time at which the relevant resolution is passed.
- 8.16 A member shall automatically cease to be a member if it:
- i Fails to pay the annual membership fee provided an appropriate reminder has been sent
 - ii Ceases to meet the membership criteria approved by the Board, or
 - iii Ceases to exist (save where and subject to Article 8.18(b) the member is an ALMO and as a result of a stock transfer, merger, conversion or similar restructure continues to exist albeit as a different legal entity).
- 8.17 Subject to Article 8.18 membership of the Company is not transferable.
- 8.18 Where the member of the Company is:
- (a) A local authority who is considering to set up an ALMO its membership of the Company shall transfer to that ALMO when it is set up provided conditions in Article 8.19 are met; or
 - (b) An ALMO who is considering to accept a stock transfer or undertake a merger, conversion or similar restructure its membership of the Company shall transfer to that entity which is the result of such process
- provided that** such ALMO or entity shall sign up to the Company's set of values as determined by the Board from time to time as referred to in Article 8.5.
- 8.19 The conditions referred to in Article 8.18(a) are that:
- 8.19.1 Section 27 consent was issued by the Communities and Local Government (or its successor body) or such other necessary consent was obtained;
 - 8.19.2 The proposed management agreement between that local authority and its ALMO was approved by the Communities and Local Government (or its successor body); and
 - 8.19.3 The Company secretary was notified accordingly and instructed to update the register of members.
9. **General meetings**

- 9.1.1 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The annual general meeting shall be held at such time and place as the Board shall determine.
- 9.1.2 At the annual general meeting the members of the Company shall:
- i Receive the accounts of the Company for the previous financial year
 - ii Accept the retirement of those Board members (if any) who wish to retire or who are retiring by rotation pursuant to Article 10.8
 - iii If appropriate, accept nominations to the Board to fill the vacancies arising
 - iv Appoint auditors for the Company, and
 - v Deal with any other business put before them by the Board members.
- 9.2 All general meetings other than the annual general meeting shall be called extraordinary general meetings.
- 9.3 All members of the Company are entitled to attend general meetings of the Company but only general members shall have the right to vote at general meetings.
- 9.4 The Board may call general meetings and, on the requisition of at least 10% of the members, shall forthwith proceed to convene a general meeting for a date not later than 28 days after receipt of the requisition. If the Board fails to do so then the members may call an extraordinary general meeting.
- 9.5 An annual general meeting and an extraordinary general meeting shall be called by at least fourteen clear days' notice but any general meeting may be called by a shorter notice if it is so agreed by 90% of the members entitled to attend and vote at that meeting.
- 9.6 The notice of a general meeting shall specify the time and place of the meeting and the nature of the business to be transacted. In the case of an annual general meeting, the notice shall make clear that it is an annual general meeting.
- 9.7 The notice of a general meeting shall be given to all members of the Company and the Board members.
- 9.8 If a notice is not received or is accidentally not sent to any person, organisation or body who is entitled to receive it then such failure shall not invalidate the proceedings of that meeting.
- 9.9 No business shall be transacted at any meeting unless a quorum is present.
- 9.10 The quorum for general meetings shall be 10% of the members entitled to vote who shall be present through an authorised representative.
- 9.11 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. It

shall not be necessary to give any further notice in this connection. If the quorum of members is not present within half an hour after the time appointed for holding the adjourned meeting, these members present shall constitute a quorum.

- 9.12 Except where otherwise provided by the Act, every resolution shall be decided by a majority of the votes cast.
- 9.13 Except for the chair, who shall have a second or casting vote, every general member present through an authorised representative shall have one vote on each resolution.
- 9.14 The members of the Company who are entitled to vote at a general meeting of the Company may pass a resolution in writing in accordance with the terms of the Act. A proposed written resolution of the members of the Company shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the Companies Act 2006).
- 9.15 The chair, or if the chair is unable or unwilling to do so, any of the vice chairs, failing which some other Board member elected by those present, shall preside at a general meeting. If no other Board member is willing to act as the chair or if no other Board member is present, the general members present shall elect one of their number to be the chair for that meeting.
- 9.16 The chair may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might preparedly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned in accordance with this Article for twenty one days or more at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the provisions of these Articles with respect to the notice to be given of the business to be conducted at a meeting shall apply to such notice an adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

10. **The Board**

- 10.1 The Board shall comprise a maximum of nine (9) Board members who shall be elected/nominated in accordance with a process agreed by the members of the Company from time to time provided that the members shall endeavour to ensure that the Board reasonably reflects the membership of the Company.
- 10.2 The first members of the Board shall be those persons who have signed Form 10 which was submitted to Companies House at incorporation of the Company.
- 10.3 Only members of the Company (through their authorised nominees) shall be eligible to become Board members.
- 10.4 The Board shall meet three times a year or shall agree such other regular cycle of meetings (and in all other respects may regulate their meetings) as they see fit.
- 10.5 The quorum for the transaction of business at the Board meetings shall be five (5) Board members who are entitled to attend and vote at the meeting. *In the event that a quorate Board meeting is not*

possible within one month of the original meeting date, Directors can vote using electronic means. There must be a minimum of two face to face Board meetings per annum.

- 10.6 Unless otherwise provided for in standing orders of the Company, questions arising at a meeting of the Board shall be decided by a majority of votes and in the case of an equality of votes the chair shall have a second or casting vote.
- 10.7 A resolution in writing signed by three quarters of the Board members shall be as valid and effectual as if it had been passed at a meeting of the duly convened and held. For this purpose the resolution may consist of several documents in the like form and will be treated as passed on the date of the last signature.
- 10.8 At each second annual general meeting of the Company, half of the Board members shall retire. Those to retire shall be those who have been longest in the office since they were last elected to the Board. If the choice is between people who became Board members on the same day, those to retire shall, if not agreed, be chosen by lot. Retiring Board members shall be capable of re-election.
- 10.9 Whenever the Board comprises fewer than nine (9) Board members the Board (unless the next annual general meeting is due in the next six months) shall have the power to appoint further members of the Board. A member so appointed shall remain a Board member until the next annual general meeting following his/her appointment. Prior to appointing a person under this Article the Board shall first invite nominations for candidates for appointment from those constituency groups which remain unrepresented by the Board and shall, where appropriate, give preference to such candidates when making an appointment.
- 10.10 A person appointed to fill a casual vacancy under Article 10.9 shall not count towards those Board members who are due to retire under Article 10.8.
- 10.11 Every person nominated to the Board shall sign a statement and/or code of conduct confirming his/her obligations as a Board member, the form of which shall be determined by the Board from time to time. A person who fails to sign such statement or code of conduct within one month of the date of their appointment to the Board may be removed from office by the resolution of a majority of all other Board members.
- 10.12 No one can become or remain a Board member at any time if:
- 10.12.1 He/she is disqualified from acting as a director of a company for any reason, or
 - 10.12.2 He/she has been convicted of an indictable offence within the last five years or he/she have been convicted of any other offence which in the opinion of the Board brings the Company into disrepute or which is not considered by the Board to be compatible with the role of a Board member, and the Board resolves (by a majority) that he/she should be removed, or
 - 10.12.3 The organisation or body who has nominated him/her is not a member of the Company, or if the organisation who has nominated him/her is an Affiliate Member, or
 - 10.12.4 He/she has absented themselves from three consecutive meetings of the Board without special leave of absence from the Board, or

10.12.5 He/she is, or may be, suffering from Mental Disorder (as defined by Section 1 of the Mental Health Act 1983 (as amended)) and:

- i Is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or equivalent legislation, or
- ii An order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for their detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his/her property or affairs, or
- iii In the opinion of a registered medical practitioner he/she is suffering from a mental disorder by reason of which he/she is incapable of carrying out the duties of a Board member,

and any person who ceases to qualify under this Article shall immediately cease to be a Board member.

10.13 A Board member may be removed from the Board by the member who has nominated her/him or where he/she has breached the Company's code of conduct or his/her general obligations as a Board member:

10.13.1 By a special resolution at a general meeting, or

10.13.2 By a resolution passed by three quarters of all other Board members present at a Board meeting provided the following conditions are satisfied:

- i At least fourteen days' notice of the proposed resolution has been given to all Board members, and
- ii The notice sets out in writing the alleged breach(es) of the Board members' code of conduct and/or general obligations, and
- iii The Board is satisfied that the allegation(s) is or are true.

11. **Powers of the Board**

11.1 The business of the Company shall be directed by the Board.

11.2 Apart from those powers which must be exercised in general meeting:

11.2.1 By statute; or

11.2.2 Under these rules

all the powers of the Company may be exercised by the Board for and in the name of the Company.

11.3 The Board shall have power to delegate, in writing, the exercise of any of its powers to any committee(s), officer(s) or employee(s) of the Company or to any other person(s) identified by the

Board on such terms as it determines. Such delegation may include any of the powers and discretions of the Board.

11.4 Without prejudice to the power under Article 11.3, the Board may delegate such powers and discretions of the Board as it sees fit to an Executive Steering Group which shall consist of chief officers nominated by the Board members.

11.5 The Board may revoke or vary the delegation made under Articles 11.3 and 11.4.

12. **Records and accounts**

Every year, within the time specified by Act, the secretary shall send the Company's annual return to Companies House. 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.

13. **Secretary**

The Company shall have a secretary who shall be appointed by the Board (and who may be an employee of the Company). The Board may also appoint a deputy secretary to act as a secretary in the secretary's absence for any reason.

14. **Chair**

The Board shall elect one of their number to act as chair who shall be appointed for a period of *two years*, but who may be removed at any time during the period of appointment by the Board in accordance with standing orders adopted by the Board for that purpose. Unless he/she is unwilling to do so, the chair shall preside over every meeting at which he/she is present. The Board may also appoint one of their number as vice chair *for two years*. If at any time the person(s) appointed as a chair (or vice chair) ceases being a Board member(s) his/her (or their) appointment(s) as a chair (or vice chair) shall also terminate.

15. **Notices**

15.1 Notices under these Articles may be sent by hand, or by post or by suitable electronic means.

15.2 The only address at which a member is entitled to receive notices is the address shown in the register of members.

15.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

15.3.1 24 hours after being sent by electronic means or delivered by hand to the relevant address

15.3.2 Two clear days after being sent by first class post to that address

15.3.3 Three clear days after being sent by second class or overseas post to that address

15.3.4 On the date of publication of a newspaper containing the notice

15.3.5 On being handed to the member's authorised representative or, if earlier

15.3.6 As soon as the member acknowledges actual receipt.

15.4 A technical defect in the giving of notice of which the Board members are unaware at the time does not invalidate decisions taken at a meeting.

16. **Amendments to Articles of Association**

Without prejudice to any provision of the Act, the Articles may be rescinded or amended only by a resolution approved by at least a majority of the Board and by no less than three quarters of the votes cast at a general meeting of the Company or by a written resolution passed by the members of the Company in accordance with Article 9.14.

17. **Indemnity**

17.1 Every Board member or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto including any liability incurred by him/her in defending any proceedings whether civil or criminal in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him/her by the Court and no Board member or other officer shall be liable for any loss, damage or misfortune which may have happened to or be incurred by the Company in the execution of the duties of his/her office or in relation thereto; but this Article shall only have effect in so far as its provisions are not avoided by section 232 of the Companies Act 2006.

17.2 The Board shall have power to purchase and maintain insurance for the benefit of any person who are or were at any time Board members, officers, employees, or auditors of the Company. At a meeting of the Board where such insurance is under consideration a Board member may form a part of the quorum and vote notwithstanding any interest he may have in such insurance.

18. **Interpretation**

18.1 In these Articles the following expressions shall have the following meanings:

the Act means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force,

Articles means these Articles of Association,

authorised representative means an individual who is authorised by a member of the Company to act on its behalf at general meetings of the Company and whose name is given to the Company under Article 8.7,

chair and vice chairs means the persons elected by the Board to act as such and appointed under Article 14,

clear day means 24 hours from midnight following the relevant event,

Executive Steering Group means the group established under Article 11.4,

Board means the Board established under Article 10,

Board members means members who were elected or appointed to the Board under these Articles,

member and **membership** refer to membership of the Company,

organisation means an incorporated or unincorporated organisation or a local authority which has been admitted to membership of the Company,

month means calendar month,

the objects means the objects of the Company as defined in Article 3,

secretary means the secretary of the Company appointed under Article 13,

written or **in writing** refers to a legible document on paper including a fax message,

year means calendar year.

18.2 Expressions defined in the Act have the same meaning.

18.3 References to an Act of Parliament or to the Act are to the act as may be amended or re-enacted from time to time and to any subordinate legislation made under it.