

## Summary of proposed changes to RBH's mutual rules

The Rules were originally adopted in 2013, though these have been subject to review on an ongoing basis.

On the whole these changes have been minor in nature, but the most significant changes to date took place in 2020 when a number of amendments were approved in response to the Covid Pandemic.

A comprehensive review has been undertaken via a working group consisting of the members of the Mutual Governance Commission, the Secretary and the Chief Executive. This group has been advised by David Alcock, a partner from Anthony Collins Solicitors who head up their work on co-operatives and mutual societies. The group have reflected on how well the current rules are working and learning from the past 8 years, learning from RBH's experience and wider developments in co-operative and mutual governance.

The main changes are as follows:

1. At 1.5.2c a paragraph has been added to reflect the increasing focus on the environment and sustainability and a clear commitment from RBH as a community benefit society.
2. At 2.5.3 the rule in relation to the appointment of the Deputy Secretary has been amended so that this follows the same process as the appointment of the Secretary. Previously the Board appointed the Deputy Secretary but this change will mean that this appointment too is then approved by the Representative Body.
3. At 5.3 changes have been made to remove the need for Representatives to stand down for a year after a maximum of 6 years (2 terms of office). Unlike Board members, Representatives are elected and so it was unanimously agreed by the working group that the condition which applies to NEDs should not apply to representatives. Crucially though this will only come into effect if approved at the AMM and so the election which is currently on going will do so under the existing rules.
4. 5.5c relates to the removal from office where an individual is unable to formally resign. Under the current rules the only option available was to start formal proceedings (most likely for non-attendance) which it was unanimously agreed would be at odds with our values in the case of medical incapacity. This change gives the Representative Body some leeway to take a more caring course of action though it must be stressed that this is purely at the discretion of Representatives – the Secretary/Board/Executive Leadership Team for example could not use this mechanism.
5. The changes at 5.8 relate to the establishment of a delegated panel. The rules review working group meetings took place against the backdrop of the ongoing Representative Body review. This firmed up the feedback we have received many times that the Representative Body was in effect being treated as a separate board which simply 'rubber stamped' decisions. The

consensus seemed to be that the Representative Body should instead focus much more on people. That said though there were some matters which needed to be put before the Representative Body for a decision and some Representatives for whom this was a key part of the role. Accordingly the proposal to have some form of body within the Representative Body, made up of elected members, who could break off and do this work separately emerged and was firmed up over a couple of meetings. Details of this are included in section 5.8. In effect each year the Representative Body will choose a group to undertake this work and feedback on progress. The smaller delegated group will then provide feedback following each meeting so that they can be held to account by the wider group and of course they will then be subject to re-appointment each year. To add a level of consistency it was also agreed that the Chair of the Representative body should chair both groups and of course they too are then subject to re-election each year by the whole Representative Body.

6. 6.4 relates to the terms of office of Board members. The first reintroduces the staggering of terms that has been lost as a result of early retirements meaning we currently have 3 Board member due to finish on the same date. The second part gives the Representative Body greater flexibility when appointing Board members so that we can avoid such a situation happening again – namely we will no longer be obliged to appoint for a 3 year terms.
7. One of the most significant changes relates to the Council involvement in The Representative Body. Following the completion of the rules review process a discussion has taken place with the Council around the best mechanism for positive representation of, and input by the Council at the Representative Body. An agreement was reached with the Cabinet member for Housing that the Council would have two places and one of these would be the Cabinet member with the other place subject to annual discussions between the Council and RBH depending on the workplan of the Representative Body. The aim is to facilitate positive and productive input from the Council. The Council will therefore nominate on an annual basis with appointments being made by the Representative Body and apart from these having one year terms Council Representatives will be subject to the same rules as other elected Representatives.