



exeter community energy

Secondary Rules of Exeter Community Energy Ltd

Exeter Community Energy Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014, registration number 32290 R.

These secondary rules have been established, in accordance with clause 93 of the Rules of the Society in order to direct the management, conduct and proceedings of Exeter Community Energy Ltd (ECO).

This document should be read in conjunction with the primary rules of Exeter Community Energy.

making energy work for everyone

Table of Contents

Principles of Governance	3
Membership of the Society and Shares	4
Criteria for membership.....	4
How to become a member of the society.....	4
Withdrawal of shares	4
Interest on shares	5
Structure of Exeter Community Energy	6
Structure of Board.....	6
Sub-groups	6
Meetings	6
Communication.....	7
Roles and Responsibilities	8
Role and Responsibilities of Directors.....	8
Role and Responsibilities of the Chair of the Board of Directors	9
Role and Responsibilities of the Chief Executive	10
Role and Responsibilities of Executive Director	11
Role and Responsibilities of Company Secretary	12
Policies and Procedures	13
Volunteer policy.....	14
ECO's preferred installer policy	15
Education and Training	16

Principles of Governance

Governance – how an organisation is run – concerns the living systems and processes that informs its policies and procedures, shapes it's direction and provides accountability.

The following principles describe our values that inform our governance:

- ECOE seeks to be a learning organisation where people can expand their capacities and work together to create and realise collective aspiration
- Participation by members and the wider community means ECOE is truly a democratic community-led organisation
- We seek equality, diversity and openness so all who want to be part of ECOE have a part to play
- Integrity and transparency deepens our commitment to accountability
- Consensus decision-making is our preference but when not possible majority decisions will be made
- Financial viability and economic soundness are vital so we can be effective and efficient in realising our aims and facilitating community energy's benefits to be experienced by as many as possible

Membership of the Society and Shares

Members are shareholders, paying £1 for each share they hold.

The first members are the founding directors, each making an investment of £250 shares.

From time to time the directors will issue a share offer when others will have the opportunity to buy shares in the co-operative and become a member. The share offer document will detail the minimum shareholding and expected interest rates.

Criteria for membership

In order to become a member of the society the applicant must meet the below criteria:

- Be over 16 years of age
- Agree with the objectives of Society
- Fill in an application form
- Apply for the minimum shareholding

Responsibilities of members include attending general meetings and take an active interest in the operation and development of the society.

How to become a member of the society

Members must complete an application for membership. The Directors must approve each application for membership. Directors can choose to delegate this responsibility.

When shares are issued, the society will provide a share certificate in respect of those shares. At that time a member's details will be entered into the society's register of members.

The society will take reasonable steps to verify the identification of members. The society will retain a copy of all documents seen to verify the identity of a member.

Withdrawal of shares

Shares may be withdrawn on 3 months notice. All withdrawals shall be in the order in which the notices are received by the society. However the board may suspend the right to withdraw shares either for a fixed period or indefinitely.

In case of members signing up for the Enterprise Investment Scheme (EIS) shares need to be held for a minimum of 3 years for the shares to be eligible.

When members apply to withdraw shares, they will need to complete a withdrawal form (as set by the society's directors); comply with any procedures the society's directors may set; and produce evidence of identity (if not previously provided).

Interest on shares

The society will not pay members any dividend, bonus or other share in profits. However, the Society can pay interest on shares. The directors of the society will set the rate of interest and it will be a variable interest rate. Subject to the agreement of members at an AGM, the directors may decide to pay interest to members on their shares by issuing further shares.

Structure of Exeter Community Energy

Structure of The Board, procedures for Board Meetings, sub-group Meetings and the conduct of the Society's business:

Structure of Board

The initial board size is eight Directors. The board can be up to 10 directors so it can appoint 2 more directors to access additional expertise or by co-opting or through consultancy services to ensure effective running of the Society.

The Board is accountable to the Membership. At the first AGM all directors will stand down and the members will elect directors.

The Society will actively encourage Board membership from the membership through providing training and reimbursement of expenses where financial burden would be a barrier to participation.

Sub-groups

Sub-groups are the working groups of ECOE, each focusing on a particular topic. The number of sub-groups and topics will be set as needed.

The sub-groups will be open to directors, members and non-members, but must include at least one director. They will operate following the principles of governance set out at the start of this document.

All members of a sub-group meeting will be notified of where and when it will be held and the principal matters it will discuss. It will be chaired by a director. Minutes will be kept, including a record of those present.

The role of subgroups is to make recommendations to be ratified at a general meeting or board of directors meeting.

Unlike Board Meetings, where only Directors of the Company may have a vote, all sub-group members shall have the same voting powers/voice to support resolutions/recommendations for consideration by the Board. Voting will only be used if consensus cannot be reached/ is not appropriate.

Meetings

General meetings, meetings of the Board and meetings of the sub-groups are the way Exeter Community Energy conducts its strategic business. The rules for General and Board meetings are contained in the Society's Rules.

Board meetings are open to any member who wishes to attend.

As a first port of call consensus based decision-making will be used. If no decision is reached using this method or it is not appropriate to the situation, voting will be used. This will normally be conducted by show of hands, and a simple majority is normally sufficient. Specific instructions for other voting matters and the vote of the Chair are contained in the Rules.

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Those attending General, Board or sub-group meetings will be expected to adhere to normal good standards of behaviour, taking turns to speak, listening to others and not interrupting. Our organisation is open to all people and points of view, we hope by exploring our differences new thinking and meanings can be created. We recognise that no one person or idea has the answers to the complexity of today's challenges. Different views allow more of the whole picture to be seen.

Communication

The values and principles of ECOE will shape the way we engage with each other, our members and the wider community and the way we communicate. We recognise the culture created will greatly influence the effectiveness of the organisation. Communication is central to any organisation as it is the way our values, principles and all information is transmitted.

Code of conduct

We will listen to each other with respect wanting to understand each others' differences.

We will look for creative, new ways of thinking that acknowledges the complexity of any situation. Often there is no simple solution to today's 'complex problems'.

The Chair will introduce each agenda item and will be responsible for balancing the need to ensure all members can put forward their views with the level of detail they wish, and the need to move the business of the meeting forward. Different views will allow a more whole understanding to develop so that better decisions can be made.

Members will treat people and organisations with respect and behave appropriately; never being derogatory in their speech or manner. Being tough on a problem is welcomed but not on each other.

Members will behave for the organisation's best interest, in a way that is fair and unbiased. This will also be for the public best interest. No member or director will seek to gain any advantage for themselves, family or friends.

Roles and Responsibilities

Role and Responsibilities of Directors

The responsibilities of the Directors are as follows:

- Duty to act within powers
- Duty to promote the success of the company
- Duty to exercise independent judgement
- Duty to exercise reasonable care, skill and diligence
- Duty to avoid conflicts of interest
- Duty to declare interest in an existing or proposed transaction or arrangement

The overriding duty is that a director is required to act in the way he or she considers, in good faith, will be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, he or she must have regard (amongst other matters) to various additional factors:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the company

Practicalities

A minimum investment of £250 in ECOE is a requirement of all directors. This can be paid in instalments.

Directors have a commitment to attend meetings, read minutes, emails and take an active role in deciding ECOE's strategy and in the running of the organisation.

Directors recognise their level of engagement determines the success of ECOE's projects.

Liability

Directors are protected by Limited Liability, however there are some circumstances where they could be personally liable. Further details can be found in the co-operatives UK factsheet on Duties and Responsibilities of Directors.

Role and Responsibilities of the Chair of the Board of Directors

This role involves supporting the board in its strategic function of realising the company's aims and objectives.

Responsibilities

Supporting the board

Ensuring there is an effective board that determines the strategy for the organisation, evaluates performance, promotes the success of the organisation and meets the obligation to its members. The board needs to have a robustness to be able to challenge the executive and the management and the day to day running of the organisation. The chair will work to achieve this by:

- **Monitoring the composition of the range of expertise of the directors and reporting recommendations to the board**
- **Facilitating directors' development so that the board maximises its effectiveness as a team. This will include the induction of new directors when necessary and finding a form of annual evaluation of the board, as a whole, and with individual directors (eg. 360 degree feedback)**
- **Promoting communication that is respectful and authentic, which seeks openness to difference that brings about shared understandings and good decision-making**
- **Working with the Secretary to set board meeting agendas that address key tasks. Making sure all directors have the relevant information to make informed decisions on strategy and operations and giving sufficient time to complex issues**
- **Facilitating effective board meetings that help all directors' voices to be heard and ensuring any conflict is explored and that views are expressed are clarified. Summing up to find creative ways forward using consensus whenever possible. Sometimes it will be useful for another to facilitate a meeting**
- **To chair general meetings and facilitate proceedings so that all views are heard and that the decision-making process is sound and effective**

Representative of the organisation

This involves being the lead in presenting the organisation's aims and policies to the external world. It includes attending and speaking at events and forming working relationships with stakeholders and other key organisations and individuals.

Role and Responsibilities of the Chief Executive

This involves the development and execution of the organisation's strategy and making sure operations are managed competently to ensure the success of the organisation and its accountability to all stakeholders. It includes:

- **Mission, policy and planning** – provides all information to the board so it can clarify its aims, monitor and evaluate its performance, and determine the best strategy given any given situation
- **Management and administration** – provides oversight of all of the organisation's activities, manages the day-to-day operations that assure an effective organisation. This includes assessing risks and ensuring these are being monitored and managed
- **Legal compliance** – to ensure the organisation has appropriate systems so all of its activities are legal and ethical
- **Finances** – works with the board to ensure adequate financing for projects, considering funding opportunities, donations, community share finance, loans and others. Oversees all financial activities including budgeting, financial models for individual projects and annual accounts
- **Communications and community engagement** – overseeing the marketing and promotion of the organisation and its volunteer programme. Facilitating the involvement of all sectors of the community in Exeter Community Energy

At present the role of Chair of Board of Directors and Chief Executive are carried out by the same person under the role Executive Chair.

Role and Responsibilities of Executive Director

Executive Directors have responsibility for specific departments and/or operational areas of the company depending on their skills and experience and in agreement with the Board of Directors.

They work with the Executive Chair to develop and execute the company's strategy and to carry out specific actions laid out by the Directors at Director's meetings.

In addition to their responsibilities as a Director, Executive Directors have the following responsibilities:

Management of specific departments and/or operations

- Develop a quarterly and/or annual departmental strategy in liaison with the Executive Chair
- Develop monthly actions and targets in liaison with the Directors
- Report to Directors' meetings on actions and targets
- Monitor departmental performance against targets with the Executive Chair
- Manage the overall departmental workload and day to day activities
- Recruit staff and volunteers and delegate work to them and individual Directors where appropriate
- Identify departmental opportunities and risks to realise the aims and objectives of the company
- Manage departmental budgets

Company management

- Work with the Executive Chair to ensure co-ordination between work of their department and the overall strategy of the company
- Provide advice and support to the Executive Chair and Board of Directors on company strategy
- Work with other Executive Directors to ensure co-ordination between departments
- Ensure all departmental activity is in line with company's financial management plan
- Ensure all departmental activity is in line with company's policies on equal opportunities and health & safety

Representing the company

- Attend events on behalf of the company
- Form working relationships and partnerships with individuals and other organisations that further the aims and objectives of the company

Role and Responsibilities of Company Secretary

The company secretary acts as the link between the organisation and outside regulators. Their main role is to ensure that the society complies with the requirements of company law. The Secretary should be familiar with the Rules of the Society and ensure that all relevant legislation is complied with.

Their ongoing responsibilities include:

- Keep a register of members and directors. This is the main legal document showing who the members of the society are
- Keep a record of minutes of General and Board meetings
- Ensure the number of members does not fall below 3
- Provide new members with a copy of the rules
- Issue contracts of employments to employees of the company
- Give notice of general meetings to all members and to the auditor
- Ensure the AGM is held in each calendar year in accordance with the regulations contained in the Society's Rules
- Submit an Annual Return to the Financial Conduct Authority and monitor correspondence from the Financial Conduct Authority

Policies and Procedures

The Board of Directors will approve policies and procedures, which must be followed. Each policy and procedure will have version number, date of approval and date of review.

The Board may delegate reviews and revisions of policies and procedures to sub-committees or staff members. All policies and procedures are reviewed at least annually to ensure that they are fit for purpose. Any major changes or revisions to established policies and procedures will be subject to approval from the main Board.

Directors are accountable to the Members and the Board normally conducts its business affairs in a manner transparent to the Society Membership. However some information is commercial in confidence, or should otherwise remain private (such as if it concerns an employment issue or one which might lead to a court hearing), and therefore may not be shared with the wider membership without potentially placing Exeter Community Energy at risk, or the Directors in breach of their duty to act in the best interests of the Society, or both.

Volunteer policy

In Exeter Community Energy volunteers are recognised as a major resource and make a vital contribution to our aims. We intend to encourage, develop and support volunteer involvement in our work in which volunteers are already important stakeholders.

Our ability to realise our potential depends on the expertise and enthusiasm of our volunteers. Research has shown that volunteering also brings benefits to volunteers themselves and to those with whom they are involved.

This organisation recognises that a volunteer is understood to be a person who does voluntary work on our behalf. It is undertaken by choice and it is unpaid. Exeter Community Energy undertakes to organise volunteering effectively.

In this organisation volunteers serve on our board of directors and are active in our subgroups that focus on specific aspects of our work. Volunteers are also involved in helping with community engagement and the delivery of events we run. Some professional services are provided to us on a voluntary basis to assist with the setting up and running of our organisation.

Exeter Community Energy believes that our relationship with our volunteers is one of mutual responsibility and commitment, within which this organisation and our volunteers both have rights and responsibilities. We hope that volunteers will enjoy their involvement and gain from it in terms of their own personal learning and development.

Exeter Community Energy will reimburse expenses according to need, particularly where these costs may be a barrier to participation. Volunteers will have the opportunity to shape their role within the organisation. We aim to support volunteers in their chosen roles with training and ongoing mentoring from someone with appropriate skills and knowledge. We understand that people have many priorities in life and that these may sometimes conflict with a volunteer commitment, please talk to us if this is an issue.

Volunteers may become aware of confidential information about our organisation, our staff, the people with work with and our suppliers. Volunteers should not disclose this information or use it for their own or another's benefit without the consent of the party concerned.

We welcome help from anyone interested in Exeter Community Energy's aims. For details of volunteer opportunities with Exeter Community Energy see our website <http://www.ecoe.org.uk/newsevents/volunteers-needed/>

ECOE's preferred installer policy

The selection of our preferred installers will be based on fair and transparent decision-making, which will be fully reported to interested stakeholders and ECOE members.

Local installers will be eligible to apply if they are a member of the Micro-generation Certification Scheme (MCS).

Eligible installers will be assessment on the following criteria:

- Reputation and experience
- Locality
- Quality and reliability of panels/inverter selected
- Quality and reliability of workmanship
- Competitive pricing
- Adequate public liability insurance (min of £5 million)
- Warranty and after care support

Case studies with references are requested to demonstrate these criteria and information about installations completed in the last 12 months over 30kW.

A subgroup, composing of 1-3 directors, 1 volunteer and 1 independent expert, will go through the applications and choose 3 or 4 installers based on the criteria. These will be appointed an 'ECOE preferred installer'.

Each of our preferred installers will be invited to survey and quote for sites as they become available. The subgroup will review the installers' surveys and make a recommendation to the board of which installer to use for each roof.

If a preferred installer 'brings' a suitable roof to ECOE they will have first refusal for installation on that roof.

To apply, installers are asked to supply ECOE with the following information

- Name of organisation
- Contact details
- MCS registration number
- A minimum of two case studies to illustrate how your organisation satisfies the above criteria
- A minimum of two references
- Details of the insurance you hold
- A list of your installations over 30kW completed in the last 12 months

Education and Training

In accordance with ECOE's principles and the co-operative values learning plays a central role. It is only through embracing life-time learning that we can realise our potential. The Society will therefore provide education and training for their members looking to serve the Society in a voluntary capacity, elected representatives, managers, and employees, so they can contribute effectively to the development of the Society.

Approved by Board of Directors 24th Nov 2014

To be reviewed 24th Nov 2015