

Terms of Reference Company Membership Scheme

Healthwatch Worcestershire Membership Scheme

1. Background Information

Healthwatch Worcestershire is a company limited by guarantee and

therefore, its membership scheme must be interpreted in the context of its Articles of Association which provide for 'members'. The Articles define that a 'Member' has the meaning in section 112 of the Companies Act and Part 3 of the Articles specifically relate to Members.

2. Who can be a 'Member' of Healthwatch Worcestershire?

2.1 The Articles provide that Healthwatch Worcestershire is entitled to create different classes of membership of the company.

2.2 Healthwatch Worcestershire extends membership to the following classes:

- The Directors of Healthwatch Worcestershire
- Volunteers
- Members of the Reference & Engagement Group [one vote per organisation or interest group].

3. Applications for Membership

No person shall become a member of the company unless:

- that person has completed an application for membership in the form approved by the Directors, and
- the Directors have approved the application.
- Membership is not transferable.

4. Liability of Members

The liability of each member is limited to £1, being the amount, each member undertakes to contribute to the assets of the company in the event of it being wound up while a member or within one year after the member.

ceases to be a member, for –

(a) payment of the company's debts and liabilities contracted before he ceases to be a member,

(b) payment of the costs, charges, and expenses of winding up, and

(c) adjustment of the rights of the contributories among themselves

5. The Rights of Members

5.1 Whilst the directors make day-to-day decisions concerning the company, major decisions usually have to be dealt with by its members by passing resolutions in general meetings, that is meetings of the members. The Companies Act 2006 states that certain acts, examples of which are listed below, can only be carried out by the members:

- Changing the company's name
- Changing the company's articles of association
- Authorising a service contract for a director which gives them job security for more than five years.
- Approve the Director's remuneration.
- Removing a Director from office

5.2 To affect a special resolution, e.g., to change the company's articles requires the vote of 75% of the membership whereas an ordinary resolution requires 50%., of members in attendance at a meeting. It follows that members holding more than 25% of company's membership can block the passing of a special resolution.

5.3 In the event of the dissolution of Healthwatch Worcestershire the members may at any time before and in expectation of its dissolution resolve that the net assets of the Company after all its debts and liabilities have been paid or provision has been made for them, shall on or before the dissolution of the Company be applied on any of the following ways:

(a) directly for the Objects of Healthwatch Worcestershire as defined in the Articles.

(b) by transfer to any charity or social enterprise for purposes similar to the Objects.

(c) to any charity or social enterprise for particular purposes that fall within the Objects

5.4 The Companies Act 2006 also created rights for minority members. Some of those rights include:

- Right to have an item placed on the agenda for an annual general meeting:

This right is available to holders of at least 5% of the members for that meeting.

- Right to circulate a written statement:

This right can be exercised by holders of at least 5% of the voting rights for that meeting or at least 100 members holding on average £100 of paid-up capital.

- Right to refuse to consent to short notice.

An annual general meeting can only be held with less than 21 'clear days' notice if all the members consent. Thus, any member can prevent this happening.

A general meeting can be held on short notice if enough members hold at least 90% of the membership consent.

- Right to call a general meeting:

Holders of at least 10% of the membership of the company can exercise the right to call a general meeting.

6. Termination of Membership

6.1 A member may withdraw from membership of the company by giving 7 days' notice to the company in writing.

6.2 The Directors may terminate the membership of a member with 28 days' notice if the member ceases to belong to a class of membership as defined in Section 2 above.

7. Conditions of Membership

Members must have regard to the legislation which seeks to prevent a Local

Healthwatch from:

- Aligning itself to a particular party or political body
- Being set up or run with a main purpose of achieving particular policy changes or changes to the law, and
- Making political activities its main activity

Members organisations will be required to declare a conflict of interest, defined as a contract to deliver publicly funded health and/or social care services in Worcestershire.

8. Members Co-opted to Healthwatch Worcestershire's Board Meetings in Public.

8.1 The Directors, having sought the views of volunteers, lay people and the public agreed to 'co-opt' up to six members of the Company Membership Scheme to the Public Board Meetings of Healthwatch Worcestershire, thereby providing an opportunity for 'volunteers and lay people' to formally engage in making the 'relevant decisions' of Healthwatch Worcestershire.

9. Becoming a Co-opted Member

9.1 In co-opting members the Directors will invite expressions of interest from the membership of the Company's Membership Scheme.

9.2 Company members expressing interest will be required to complete an application form outlining their suitability for the role, experience etc. and required to attend an interview. The interview panel will be made up of a Director, a Co-opted Member, and a member of the Company Membership Scheme.

9.3 The decision to co-opt a member will be that of the Directors.

10. Role of Co-opted Members

10.1 The role of Co-opted Members is to:

- Attend Healthwatch Worcestershire's Public Board Meetings as non-voting attendees [see 10.2 below]
- Act as the voice for the client group and services they have experience of,
- Provide, advice, guidance, support, and challenge to the Directors.
- Attend other meetings within Healthwatch Worcestershire's governance structure by invitation of the Directors attend as non-voting attendees.

10.2 The role can involve acting as a representative in matters of Healthwatch Worcestershire business as agreed with the Directors.

10.3 Co-opted Members are NOT Directors of Healthwatch Worcestershire. Healthwatch Worcestershire must ensure that a Co-opted Member is not required to act in such a way as to become 'de-facto' a Director of the company.

11. Tenure

11.1 Members will be co-opted for a first period of 3 years and may serve a second period of 3 years by mutual agreement with the Directors. After a maximum of 6 years a Co-opted Member will need to reapply if they wish to continue.

11.2 A Co-opted Member should give 28 days' notice of standing down.

11.3 The Directors may exercise discretion in the tenure periods of Co-opted Members to manage succession planning etc.

12. Remuneration/Expenses

12.1 The role of a Co-opted Member is not remunerated.

12.2 Co-Opted Members may claim reimbursement reasonable expenses including car-parking charges, travel costs at the company rate, subsistence, and respite care costs, supported by receipts when on the business of Healthwatch Worcestershire with prior authority of the company.

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