

# Procedures for governance

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## 1. These procedures

- 1.1. These procedures can be amended by a simple majority at a general meeting, provided that the proposed changes are included on the agenda of the meeting, which agenda shall have been circulated to members in advance of the meeting in accordance with the constitution of the Manchester Digital Association.
- 1.2. These procedures shall be made available for examination by any member of Manchester Digital.
- 1.3. Definitions
  - (a) Manchester Digital Association (MDA) is an unincorporated association of the members of Manchester Digital.
  - (b) Manchester Digital Limited (MDL) is a company limited by guarantee without share capital. MDL has a single member which is MDA.

## 2. General meetings

- 2.1. The general meeting of members is the governing body of MDA and hence has the ultimate say in the affairs of MDL.
- 2.2. General meetings must take place at least twice each year as specified in the constitution of MDA.
- 2.3. Key governance responsibilities are exercised directly by members in general meeting. Specifically:
  - (a) Ownership of the purpose and mission of the organisation - the top level goals which are given to the board of MDL and which the board must devise a strategy to achieve. For example, the board may propose from time to time a review of the purpose of the organisation and would need the support of the general meeting to make such a change. Changes to the constitution of the association require 75% majority support in a general meeting (Rule 21).
  - (b) Limits and boundaries for the board in devising and executing the strategy. For example ensuring that smaller organisations are not priced out of membership: the board should obtain membership support for any important changes to member fees or criteria.
  - (c) Calling the board to account. The board reports to the general meeting, which has the power to refer the report back if not satisfied, or in extreme cases, to dismiss the board.
- 2.4. General meetings shall include:

- (a) Any proposals for consideration at the general meeting, submitted by members in accordance with rule 8 of the constitution of MDA.
- (b) A report from the board on the conduct of the affairs of the association and the performance of Manchester Digital Ltd.
- (c) At one meeting each year, a report on the financial performance and presentation of the accounts of Manchester Digital Ltd for the preceding financial year.
- (d) At one meeting each year a resolution appointing members of the board of Manchester Digital Ltd for the coming year, in accordance with rule 14 of the constitution of MDA.

### **3. Board**

- 3.1. A nine-member board is responsible for overseeing the management of MDL, and for arranging the administration of MDA.
- 3.2. The board sets strategy, appoints the managing director and has legal and fiduciary responsibilities for MDL in accordance with the law.
- 3.3. The board is answerable to the members of MDA, reporting at least twice a year to the general meeting.
- 3.4. The composition of the board shall be as follows:
  - (a) Eight non-executive directors, selected by the Nominations Committee of the board ("NomCo") in accordance with the criteria set out in these procedures and approved by the members in General Meeting.
  - (b) The managing director of Manchester Digital Ltd appointed by the board.
- 3.5. The rotation of board members takes place annually. Each year:
  - (a) Four non-executive directors shall stand down by rotation.
  - (b) NomCo shall choose candidates to fill the vacant positions.
  - (c) NomCo may choose candidates from among the board members standing down, at its discretion.
  - (d) NomCo may, at its discretion and as necessary to fill vacant positions, advertise among the membership for new candidates.
  - (e) NomCo shall propose a resolution to appoint the board for the coming year at a General Meeting of the members of MDA. The names of all the proposed board members shall be included on the agenda circulated in advance of the General Meeting.
- 3.6. The managing director is answerable to the board and shall remain a member of board while in post.
- 3.7. The board also has responsibility for the administration of the affairs of the association and shall appoint officers of the Association from its own number:
  - (a) The Chair of the Association, who shall normally be the Chair of the board.

- (b) The Secretary of the Association, who shall normally be the company secretary of Manchester Digital Limited.
- 3.8. Working with the Board, the officers of the Association shall arrange for a suitably independent person or panel to lead on any arbitration or ruling relating to the code of practice as set out in this document.

## **4. NomCo**

- 4.1. The nominations committee, NomCo, shall have four members.
- 4.2. NomCo is responsible for the selection of candidate non-executive directors for approval by the membership. In performing this duty, NomCo shall work to ensure that:
- (a) All candidates meet the board membership criteria in section 5 of this document.
  - (b) There is a good range of competencies and experience among board members.
  - (c) Adequate steps are taken to inform all members of MDA when NomCo is seeking new candidates to fill vacant positions.
  - (d) When assessing board composition or identifying suitable candidates for appointment or re-appointment, NomCo will consider candidates using objective criteria having due regard to the benefits of diversity, inclusivity and the needs of the board. Diversity includes, but is not limited to, gender and gender identity, sexual orientation, race and ethnicity, age and generation, religious and spiritual belief, socioeconomic status and background, disability and ability, thinking style and personality.
- 4.3. NomCo shall meet and conduct its work:
- (a) In accordance with the requirement for rotation of the board membership and the timetable for General Meetings, allowing adequate time to prepare a list of candidates in accordance with the guidance in this document.
  - (b) In the event of a board vacancy due to resignation, illness or other unforeseen event.
- 4.4. The composition of NomCo shall be those four non-executive directors most recently appointed. Additionally the managing director may attend NomCo as a non-voting observer.

## **5. Board membership criteria**

- 5.1. All board members shall meet the minimum criteria. It is the role of NomCo to ensure that they meet these criteria.
- 5.2. A board member:
- (a) Must be the solely-nominated deputy of a paid-up member of the Association. Thus no member may nominate more than one board member.

A nominated deputy must be an employee, controlling owner or director of a member organisation, or an individual, sole-trader or freelance member of the association.

- (b) Must not have been disqualified from holding the position of director, or have been declared bankrupt.
- (c) Must support the values and principles of Manchester Digital, as set out in the Code of Practice for members.
- (d) Must be committed to the advancement of Manchester Digital as the principal and leading member-led advocate for the digital and tech sector in and around Manchester.
- (e) Should not currently occupy a position outside Manchester Digital that would lead to frequent and recurring conflicts of interest. For example membership of the board of a rival organisation that competes with Manchester Digital for influence or members.
- (f) Should have some experience in the management of digital or tech businesses and be literate in concepts required to fulfil the function of board director. Thus a board member should be able to read a balance sheet and understand the fundamentals of business administration.

## 6. Forums

6.1. The active engagement and participation of members in forming policy for the organisation is encouraged through 'forums'. The forums recognise that motions and votes in general meetings, while being an appropriate mechanism for deciding whether to adopt a policy, are not a good way to engage members in formulating policy. Forums are intended to:

- (a) Help ensure that the policies that Manchester Digital advocates properly reflect the interests and concerns of the membership.
- (b) Engage those members who are keen to contribute on policy matters and who have valuable things to input.

6.2. In this context 'policy' is taken to mean:

- (a) Policies and positions that the organisation argues for with government and local government. For example on skills, privacy or intellectual property.
- (b) Policies and principles that apply to members, for example guidance to members on employment practice. This may extend to mandatory policy in the code of practice.
- (c) Long term goals, aspirations and priorities for the sector. This may extend to setting the long term goals of Manchester Digital itself.

6.3. Policy does not include areas that are the responsibility of the board and executive, where member input would be taken account of in other ways:

- (a) Organisational strategies, for example for attracting or engaging new types of member.

- (b) Operational matters, such as events planning.
- 6.4. Forums may or may not be permanently established. Their role is to engage members in formulating ideas as advice to the board, or for presentation to members in general meeting.
- 6.5. Forums shall be open to any member (or member delegate) to attend and contribute.
- 6.6. In general the board will be responsible for establishing and administering forums, while encouraging members to participate and play leading roles. A forum may also be established by resolution at a general meeting.

## **7. Code of practice for board members**

- 7.1. All board members are expected to abide by the Manchester Digital code of practice for members:
  - (a) Board members will act in the interests of Manchester Digital as a whole and not of any particular member.
  - (b) Board members will take care to declare any interests they have that might cause a conflict in exercising their duties as board members.
  - (c) Board members will take care to respect the confidentiality of any information disclosed to them in their role, including privileged information they may become aware of concerning Manchester Digital, other board members or Manchester Digital members.
  - (d) Board members will attend all pre-scheduled board meetings and will inform the secretary at least 24 hours beforehand if they are unable to attend, giving the reason why they cannot attend.
  - (e) In the event of any board member failing to attend three pre-scheduled meetings in any period of twelve months, the board will, at the third meeting, consider the position of the board member.
  - (f) Board members will abide by this code of practice. In the event that a member does not adhere to the code of practice the board may at its sole discretion:
    - (i) Require an assurance from the member relating to future conduct; and/or
    - (ii) Suspend the member from the board for such time as the board decides;
    - (iii) Require the board member to stand down from his or her place on the board.
  - (g) Board shall review its own performance not less than once each year and report to members at the subsequent general meeting.

## 8. Guidance for board and officers

### ***Governance timetable***

- 8.1. Where possible, one GM should be held in each half of the calendar year. One GM should be held within 9 months of the financial year end so that accounts can be presented to members.
- 8.2. Rotation of board members should take place every two years. The time between rotations should not exceed three years.

### ***Forums***

- 8.3. The board should consider establishing a forum where:
  - (a) There is a coherent area of policy development, for example:
    - (i) a group of members shares a particular economic, business or political interest, or
    - (ii) there is an area of policy where members have differing views or interests, or
    - (iii) there is an area of policy where members have particular expertise that they could contribute.
  - (b) There are sufficient members prepared to commit time to attending meetings and contributing to the work of the constituency.
  - (c) There is a member willing and able to provide leadership for the constituency.

### ***Code of Practice***

- 8.4. In the event that a complaint is raised under the Code of Practice, the board should:
- 8.5. Appoint an independent person to oversee the process, including liaison. This may be a member of the MD staff team, or of the board, or if these are inappropriate, another independent person such as an Association member of long standing or with legal expertise.
- 8.6. Appoint a sub committee to consider evidence gathered and if required make a ruling on behalf of the board in accordance with the complaints procedure and the principles of natural justice.