



Quick Guide to the Board and Becoming a Director

What is a Social Enterprise?

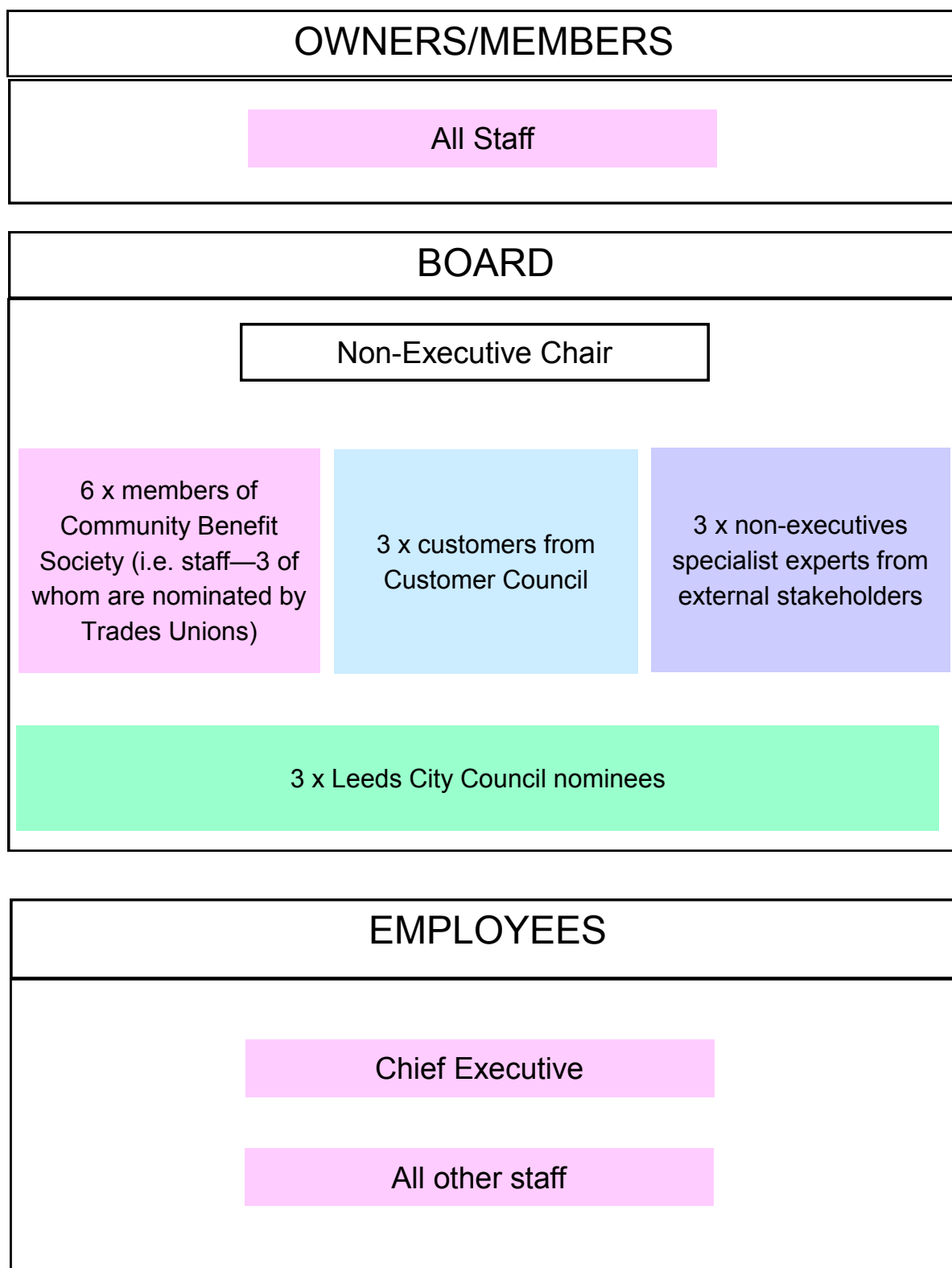
Aspire is a social enterprise. This is a broad term for an organisation which primarily exists to serve a social purpose. In our case this is to work for the benefit of people with learning disabilities.

A social enterprise is a business and, like any other business, *Aspire* needs to be set up as a legal company and be officially registered.

The main difference between a social enterprise and a private company is that a private company trades to make profit for its shareholders. A social enterprise may also make a profit, but any surplus must be re-invested back into the local community or business to further its social purpose.

Employees will be shareholders of *Aspire*, but no-one will be able to take profit out of the organisation for personal gain.

Structure of Aspire



Members

Employee membership is open to any member of staff employed by Aspire on a permanent contract of employment who has completed their probationary period. Upon completion of an application form and payment of £1 (one pound) one share certificate will be issued. Employee members have voting rights at General Meetings.

Friend membership is open to any individual who is or has been a supporter of Aspire and will be in receipt of information to keep them up to date on activities and related events. Friend members can include people who use the service, family carers and other interested individuals. It is also open to members of staff who are on probation, do not have a permanent contract or choose not to be a shareholder. Friend members do not have voting rights.

Associate membership is open to any business or organisation sharing similar objectives to Aspire and will, from time to time, be in receipt of information, shared training, consultancy and other partner opportunities. Associate members do not have voting rights.

Membership ceases where an individual/organisation:

- resigns their membership;
- Is expelled from membership;
- Dies or, in the case of employee membership, ceases to be a permanent employee of Aspire; or
- Is struck off any professional register.

Role of the Board

It is a legal requirement to have a Board when a social enterprise is set up. The social enterprise must be accountable for its actions and the Board is the governing body.

In practical terms, this means there has to be a group of people who accept responsibility for ensuring that everything that happens within *Aspire* is legal, fair and ethical. This Board is accountable to the shareholders.

The Board exists to provide strategic direction, set the organisation's goals and ensure compliance with the law through accountability frameworks.

The Board oversees finances, appoints the chief executive, approves high-level goals and policies, makes major decisions and oversees performance. Directors on the Board act as external advocates for the social enterprise.

Directors

People on the Board are often called directors and they, individually and collectively, are responsible for the governance of the social enterprise. A director has a legal duty to ensure the social enterprise is financially solvent and is meeting its goals and targets at the same time as achieving its social aim. The directors ensure that everything is done in compliance with the legal constitution and rules of *Aspire*.

Under the rules for *Aspire* the Board is made up of up to fifteen directors. These are six employees of *Aspire* (three of whom are trade union stewards) elected by staff, three customers elected by the customer council, three non-executive specialist experts invited from external stakeholders and three people nominated by Leeds City Council plus a chairperson.

Directors need to have an interest in what *Aspire* is aiming to achieve and be committed to the values of the social enterprise. They must not have been disqualified from being a director of a company. Directors must be willing to share their experience, skills and knowledge, work as part of a team and attend training. Directors must be able to devote time and energy to attending board meetings. They must understand they are accountable and be prepared to accept responsibility for decisions made by the board.

Directors are required by law to apply skill and care in exercising their duty to the social enterprise. The social enterprise is a separate legal entity from the individual directors so directors are not liable for any losses suffered or caused by the organisation provided they do not act negligently, fraudulently or in a reckless manner. Directors who act in good faith are protected by the law from the consequences. Acting in good faith means, for example, declaring a conflict of interest. It certainly means not accepting bribes or otherwise making personal gain at the expense of *Aspire*.

Director Responsibilities

Directors have a:

- Duty to act in the best interests of *Aspire* – there is an expectation that directors will act with a duty of care, loyalty and obedience to the purpose and objectives of the social enterprise;
- Duty to act honestly – applying reasonable skills, in good faith and checking if unsure;
- Duty of care and diligence – abiding by the rules of *Aspire*, knowing and complying with all legal requirements including taking all reasonable steps to minimise risk for the social enterprise, working on a positive public perception of the organisation and making sure they have enough information to make decisions;
- Duty of confidentiality – keeping confidential all organisational and board information, this includes not expressing dissent about a board decision with which you disagree as, once a decision is made, it is a decision of the board as an entity;
- Duty to declare any conflict of interest – informing the board of any personal interest in any matter being discussed and absenting yourself from issues where there is the possibility of a perceived or real personal or financial interest.

Chairperson

The chairperson is responsible for leading the board. The chairperson's role is to ensure the board functions properly and that it focusses on its key tasks of setting and implementing the aims of *Aspire*.

The chairperson is the figurehead for *Aspire* and represents the social enterprise at public events. The chairperson plans and conducts board meetings effectively and takes responsibility for the board's development.

The chairperson provides the chief executive with support and supervision and is held accountable for the board's performance by the chief executive.

Chief Executive

The Board nominates the chief executive to lead staff and to be responsible for the day-to-day running of *Aspire* in line with the Board's direction.

The chief executive is responsible for implementing policies, making recommendations to the Board for improvements/change and keeping the board informed. The chief executive is held accountable for the organisation's performance by the chairperson and the Board.