

# How to register a Multistakeholder Co-operative

1. Have you got the right rules? Take advice from an experienced co-operative development worker. If there is no CDB near to you, you may wish to consult with Co-operatives UK's excellent legal team. We do believe these are good rules, but they aren't right for every co-op. There may be a cheaper, simpler or more appropriate option.
2. Choose the template from our list that best corresponds to your requirements. You may feel that there are further changes that you would like to make – please discuss these with ourselves or someone else with experience of social enterprise legal structures.
3. Choose a name for your co-operative in 1.1. Note that it is conventional with I&P societies to use the full 'Limited' in the name rather than the short 'Ltd' used by companies. You can check to see if anyone else has thought of the same name by looking at <http://mutuals.fsa.gov.uk>. You may also wish to check if the corresponding internet domain is available first – we recommend <http://uk.domains.coop>.
4. Add the registered office (a UK postal address – not a PO Box – with postcode) that should be used for all important correspondence at 1.2.
5. Add a mission statement at 1.3. This should be a brief statement of the social, environmental and economic purpose of your organisation for now and in the future. It should relate not just to the existing membership but also to potential future members and other stakeholders. It could be as simple as 'meet the needs of members' or as detailed as you wish. Your mission should provide direction towards well defined and unambiguous outcome, but allowing a great deal of flexibility in the route. The outcome may never be fully achievable; if it is, it may go out of date too quickly. It may be something that can be achieved both directly and indirectly by the co-operative. If it describes fairly concrete outcomes, it will be easier to tell in future whether the co-op is remaining true to its mission, and to measure how effective it is. Bear in mind that it will be the benchmark against which future achievements must be assessed.
6. In 1.5 (f), you need to identify who the users of the co-operative are. Select one or more of the stakeholder groups suggested here, or define your own.
  - Employees
  - Volunteers (all, or those with regular hours)
  - Service users (or prospective service users)
  - Contractors
  - Suppliers (from certain sectors?)
  - Tenants (or prospective tenants)
  - Customers (all, or regulars?)
  - Residents of the area defined as .....
  - Other co-operative enterprises (in sector / region)

People and organisations belonging to these groups will (subject to approval by the committee, and any probationary period you may have in force) be able to join the co-operative. But don't be tempted to be too detailed – there is plenty of

- scope for adding clarity in a separate membership policy. You need to number each class as you create it, in order to easily refer to them elsewhere. Bear in mind that the numbering is used to allocate people to classes by default – if someone would be eligible for membership in more than one class, they should be allocated to the lowest numbered class.
7. In 1.5 (g), you can also identify non-user stakeholders. They may play a significant role in the organisation, but they will always be limited to 25% of voting strength. User members must have principal responsibility for directing the co-operative.

Some types of non-user member might include:

- Investors
- Expert advisors
- Partner organisations
- Local authority representatives
- Volunteers (all, or those with regular hours)
- Service users (or prospective service users)
- Customers (minimum transaction .....
- Residents of the area known as .....

You may wish to create more than one class for the same stakeholders, if they can choose between different types of share. For example, if you would like to offer both transferable and withdrawable shares to investors, you need to create two classes for investors.

8. In 1.8 you must describe the type of share issued to each class – either non-withdrawable, withdrawable, transferable or withdrawable and transferable. Be aware that the issue of transferable securities is governed by the Financial Services Marketing Act and other regulations.
9. Finally, 2.7 d is the clever bit. This is where you can specify the relative voting strengths of the different user members. Non-user members are limited to 25% (or may have no voting rights at all, if you chose the common ownership variants). So, for example, if you want a co-operative in which service users control 50% of votes, and local residents and employees 25% between them (with only local residents having withdrawable shares) and outside investors and local agencies being non-user members with 25% of votes, then you might have the following arrangement:  
Service users have class number 1, local residents class 2 and employees class 3. Classes 1 and 2 are withdrawable. Investors have class 4 and 5 (4 is withdrawable and 5 is transferable). Local agencies have class 6.  
Voting among user members is as follows: class one has 67%, classes 2 and 3 combined have 33%. That accounts for 100% of the user members votes: but in a general meeting with non-user members, non-users have 25% control, so each of the user members' proportions are effectively three quarters of their full amount – 50% and 25%.  
Did you follow that? It is a little complex, and you will more than likely want to keep things a bit more straightforward than that. Just ask for advice if you are uncertain.