

INCA Governance and Structure

Current Status

INCA is a cooperative association set up by a founding group of organisations. A cooperative association in this context means a type of trade association that as well as promoting members' interests also allows them to pool resources and work together as a cooperative. It is inspired by the example of the NTCA in the USA.

INCA Ltd has been registered as an Industrial and Provident Society (IPS) under Co-operatives UK cooperative consortium no. 2 model rules. These allow for mutual trading body status and profit distribution to members.

The IPS rules for INCA Ltd specify that an elected board runs the organisation and that each full member would have one vote to elect that board and make other big decisions.

Founding members and interim bodies

The following organisations supported the creation of INCA following the workshop in Manchester on 15 July 2009:

- Accelerate Nottingham
- Alcatel-Lucent
- Allied Telesys
- Alston Fibremoor
- BBC R&D
- Birmingham City Council
- Cable and Wireless
- CBN
- Cisco
- Connecting Bristol
- DC10 plus
- Digital Region
- GEO
- G-Ti
- H2O I3 Fibrecity
- IFNL
- MDDA (Manchester City Council)
- NYNET
- Titanic Quarter
- Walsall Regeneration

Interim board

Following consultation with the founding organisations, eight people drawn from those organisations agreed to sit on an “Interim Board”. They are:

- David Brunnen, Titanic Quarter
- Dave Carter, MDDA
- Shaun Fensom, CBN
- Peter Goodwin, Accelerate Nottingham
- Daniel Heery, Cybermoor
- Robert Leenderts, C&W
- Liz Reid, G-Ti
- Andrew Robinson, IFNL

Subsequently Robert Leenderts and Andrew Robinson have withdrawn from the Interim Board and it is open for the two organizations to nominate a replacement representative.

A separate “INCA Scrutiny and Liaison Committee – S&LC” has also been set up following consultation with a number of mostly community-based organisations that were not at the founding meeting. The S&LC has been created partly to ensure that there is a mechanism for a structured dialogue with representatives of community-led NGA projects so that their concerns and interests are taken into account during the set-up phase of INCA.

The current members of that group are:

- Dave Carter, MDDA (Chair)
- Shaun Fensom, CBN
- Loic Flageul, Alcatel-Lucent
- Richard Hull, Newcastle University and Calder Valley Our Net
- Guy Jarvis, Fibrestream

Initial Governance tasks

An INCA steering group meeting took place in Leeds (coinciding with the ‘Next Gen 09’ event held there) and it was agreed that the Interim Board would need to:

- 1) Complete the legal formation of INCA and secure funding from BIS;
- 2) Draw up formal and detailed membership eligibility criteria and membership fees;
- 3) Oversee the initial call for members and determine the process leading to elections.

Initial structure and governance

Mission

The following mission statement is proposed:

The members of the Independent Networks Co-operative Association (INCA) are supporting, planning, building and operating sustainable, independent and interconnected networks that advance the economic and social development of the communities they serve and permit the provision of applications and services through open competition, innovation and diversity. They will work together to create cohesive interconnected next generation networks.

The first part of this aims to qualify the membership: while some networks originating through public sector or community-led initiatives focus on the advancement of the “economic and social development of the communities they serve”, others are more commercially focused but are “independent” and “permit the provision of applications and services through open competition”. The second part, creating “next generation telecommunications networks”, implies a level of cooperation to make many networks act as one and so this is about the mutual trading role.

Aims and objectives

The following statement of aims and objectives has been discussed and amended by the Interim Board following feedback from the Scrutiny and Liaison Committee:

AIMS

1. INCA will support the development of sustainable independent networks through collaboration on the provision and procurement of products and services and adoption of common standards.
2. INCA will represent the interests of independent networks.
3. INCA will promote the advantages and successes of independent networks.

OBJECTIVES

1. INCA will establish and sustain collective procurement and supply arrangements for members.
2. INCA will develop common technical and business process standards for adoption by members, working with other interested bodies.
3. INCA will develop and maintain a sustainable support organization to carry on the work of INCA in promoting the development of independent networks

Membership

The mission statement focuses on the core membership of INCA being drawn from public sector, private sector and community-led next generation network initiatives. These sectors have different goals and important cultural differences. INCA is based on the supposition that because they share the aim of creating viable independent networks, these three sectors can pool their efforts and work together in their mutual interest.

A cooperative association implies the application of three simple principles:

- One member one vote

- Equitable member contribution to funds
- Long term independence of government and supplier interest

However, these principles need to be qualified with a two tier structure to allow participation by supportive organisations that are not operating or building networks, including supplier organisations, and to allow participation by small unfunded groups and aspirational projects.

On that basis the Interim Board is proposing that the following eligibility rules and fee structure is adopted:

Full members

Full members would fall into one of the following categories:

Networks: organisations that are building or operating eligible networks and have a responsibility for the future of those networks.

Aspirant networks: organisations planning to build networks that will become eligible networks.

An eligible network would be independent of the incumbent network operators and either:

- Open, offering wholesale access to service providers that wish to offer end users a complete bundle of services;
- Less open but owned by the community it serves.

Eligible networks would include open (or mutually-owned) backhaul as well as “first mile” networks.

Example eligible networks would be:

- A local FTTP network built with private or public sector investment offering wholesale access to service providers
- A local FTTH network owned by the local community and offering its own ISP, TV and telephone services
- A backhaul network co-owned by networks that use it

Full members would have a vote. They would pay a two-part subscription fee:

- An annual subscription
- A participation fee in proportion to network size

Supporting members

Supporting members would be organisations that support and contribute to the aims of INCA but which are not networks themselves. Example supporting members would include:

- Equipment suppliers
- Network constructors
- Managed network operators
- Public sector bodies encouraging the development of networks
- Other organizations that support the aims of INCA

Supporting members would not have a vote but otherwise would play a full part in the deliberations of the association.

Supporting members would pay a membership fee.

Membership fees

In order to maintain the principles outlined above the minimum subscription will need to be set at a level to ensure INCA's independence and sustainability during the time when most of its members are aspirant members or small networks. Later the fee in proportion to network size will grow and this will reflect INCA's growing role as a mutual trading body.

During INCA's initial phase it is proposed that there be a simple flat fee for both full members and supporting members, with an option for the board (or Interim Board) to agree a special lower fee to take account of special circumstances. A network-size fee would be introduced later.

Community and voluntary projects

Even with the option available to the board to set a lower subscription fee, membership fees may present a significant barrier to some small voluntary and unfunded community projects aiming to build eligible networks, but not yet with any source of income.

It is proposed that a Community and Voluntary Projects special interest group be established formally to represent such projects and address their particular concerns and needs.

INCA however needs to establish itself as an independent and sustainable body that provides valuable services to independent and sustainable networks. The proposed network size fee will take account of the fact that some networks are better able to contribute than others: an established network that is unable to afford the minimum fee arguably is not sustainable and cannot work independently. All network projects therefore are encouraged and expected to become full members in their own right, or form their own groupings to enable them to do so collectively.

Mutual trading

One of the primary purposes of INCA is to act as an aggregator and mutual trading body as required by its members, INCA will also represent and promote the interests of its members.

Examples of the aggregation function are:

1. Solve the backhaul problem: member networks work together cooperatively to aggregate backhaul demand;
2. Attract service providers: INCA coordinates technical and commercial interfaces to provide service providers with a "one network" aggregated offering.
3. Buy commonly needed services: aggregate demand – particularly from smaller community-owned networks – for wholesale services such as IP transit, TV, back-end, etc.

Governance

The model rules adopted by INCA offer a degree of flexibility on the exact arrangements for governance of the society. It is proposed that:

1. The interim board remain in place until the first general meeting is organised where there will be an election.
2. The 'scrutiny and liaison group' remain in place formally to represent community and voluntary projects.
3. The first general meeting be convened within the next 6 months.
4. The following "standing order" provisions be formalised for the election and beyond:
 - a. INCA is governed by a board of management with 7 elected members and up to 12 members in total including co-opted and ex-officio.
 - b. The board of management is elected by and accountable to the members of INCA in a general meeting at which each Full Member of INCA has one vote. Supporting Members do not have a vote.
 - c. Elected board members must be employees or officials of a Full Member. Board members are elected individuals, not representatives or delegates of members.
 - d. The board will appoint a chair from among its members.
 - e. The Board may co-opt additional members, typically from the Supporting Members, up to a maximum of 5.
 - f. The quorum of the board will be one half the elected members rounded up to the nearest whole number.
 - g. The board will appoint officers including but not limited to a chief executive, finance officer and secretary.
 - h. Board members will be reimbursed for reasonable travel expenses for attendance at board meetings. Membership of the board will not be remunerated.

Draft Code of Practice.

The following code of practice is proposed.

- Members will support the aims of INCA. In particular members will advocate and encourage cooperation between independent, open or community-owned networks.
- Members will always support the efforts of other members
- Members will always seek the agreement of INCA and other affected members before disclosing information made available to them through INCA.
- Members of INCA governance bodies, such as the board, will always act in the interests of INCA as a whole and will take care to declare any interests they have that might influence their contribution to the governance of INCA.
- Members will conduct the business and operation of their networks in a manner consistent with the aims of INCA and according to a high standard of ethical business practice.
- Members will abide by the code of practice without exception. In the event that a member does not adhere to the code of practice the board of management may at its sole discretion:
 - Require an assurance from the Member, or any associated individual, relating to future behaviour, in terms dictated by the Board; and/or

- Suspend the Member from INCA without any reimbursement of membership fees in whole or in part until such time as the Board is satisfied that the Member has taken adequate steps to ensure that the breach is not repeated; and/or
- Convene an Extraordinary General Meeting of INCA for the purpose of considering a resolution for the expulsion of the Member, in accordance with clause 15 of the rules of INCA, which governs the procedure for expelling a member.

APPENDIX 1:

Joint Operating Network

The JON concept is to create a marketplace where next generation networks, service providers, content providers and carriers can trade services. “Marketplace” implies both commercial arrangements – such as membership of a mutual trading body – and physical assets such as mutually-run JON “hubs” and backhaul links.

JON has been presented as an INCA initiative but the Interim Board have agreed that it would need to be structurally separate from INCA. It would have its own membership including carriers, service and content providers as well as the network members of INCA. One possible outcome would be for INCA to join JON on behalf of its members and this will be considered formally, in more detail, by the Interim Board.

APPENDIX 2:

The INCA Interim Board asked for clarification on the rules governing conduct by members for I&PS registered cooperative organisations. This is covered by Clause 15, which states the following:

A member may be expelled for conduct prejudicial to the Co-operative by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of the Co-operative of which due notice has been given, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the member whose expulsion is to be considered shall be given the opportunity to state her/his/its case to the meeting. If on due notice having been served the member fails to attend the meeting the meeting may proceed in the member's absence.

a) An expelled member shall be paid the nominal value of shares held by her/him/it of the expulsion or, if at the time there is in force a suspension of the right to withdraw share capital, then the value of the shares shall be converted into loan stock on such exceeding three years.

b) No member expelled from membership shall be re-admitted except by a resolution carried by a majority of at least two-thirds of members voting at a General Meeting of which due notice has been given.