

For Information/Approval

Agenda Item: 11.2
Date of Meeting: 30/10/24

To: The Management Committee
From: The Director
Subject: Constitutional Change – Update and New Policies for Approval

1. Introduction & Purpose

1.1 Following on from last month's report, the purpose of this report is to:

- Provide an update on the next stages being undertaken by our solicitor on our behalf;
- Provide an update on the updating of our logo and letterhead;
- Approve the following new policies and Membership Application Form:
 - Membership Policy
 - Succession Planning Policy

2. Next Stages

2.1 Our Solicitors, TC Young, submitted the necessary forms and rules to FCA in late September. On 18th October 2024, Jacqui Baynham, TC Young shared an email from FCA advising of the following:

“We have reviewed the complete amendment to rules submitted for Rosehill Housing Co-operative Limited and note that based on the documents presented before us, the complete amendment to rules application is capable of registration and we will look to proceed with this on 31 October 2024 as requested.

If any new documentation/information is presented to us between now and 31 October 2024, this will be reviewed afresh, with a decision reached at that point in time.”

2.2 Jacqui will contact me again on the 31st October to confirm the registration and once she has received the relevant certificates.

2.3 The next step is to then submit a Notifiable Event to The Regulator which will be done on our behalf by our solicitors. Then only once the new name and rules have been registered and accepted by both FCA and SHR, can we send the relevant evidence to OSCR.

3. Revised Logo and Letterhead

- 3.1 Following Committee's approval of the revised logo and letterhead last month, we have now received a small supply of the revised letterhead. Committee is reminded that the letterhead will need to be further updated once our application to OSCR is approved and we are registered as a charity and issued our charity number.
- 3.2 We now have the new external signage (which only displays our logo) ready for fixing to the front of our office.
- 3.3 We have updated our Scottish Secure Tenancy Agreement (SSTA) to replace all references to "Co-operative" with "Association" and deleted any references to the requirement to apply for membership. We intend to print the updated SSTA in-house for the foreseeable future, as it will need to be further updated once we are registered with OSCR.

4. Draft New Policies and Application Form

- 4.1 Committee will recall that as part of the work Linda Ewart was doing in respect of the constitutional change, she was to produce new policies for us for Membership, Succession Planning and Recruitment to the Management Committee.
- 4.2 Linda has now produced the new Membership Policy and the Succession Planning Policy. Linda has advised that as recruitment to the Committee is so clearly linked with Succession Planning she has incorporated relevant information about recruitment within the draft New Succession Planning Policy, instead of having another stand alone Policy. She has also produced a draft new Membership Application Form and is working on a new application form for the Management Committee.
- 4.3 The two new policies and membership application form are attached for Committee's consideration and approval.

5. Risk

- 5.1 The risks relating to the proposed constitutional change have been set out in previous reports. However, the relevant risks to this stage of the process are set out again as follows:

Risk Category	Mitigating Measure
Governance: <ul style="list-style-type: none">• Additional Regulation - We would also be registered with	However, there is an agreement between OSCR and the Scottish Housing Regulator (SHR) that SHR will be the primary regulator. We will be required to submit an

<p>OSCR who would be another Regulator.</p> <ul style="list-style-type: none"> Restricted to Charitable Activities - Our activities would require to be permitted under the Housing (Scotland) Act 2010 and a charitable activity under the Charities Act (e.g. relief of poverty, relief of those in need by reason of age, financial hardship or other disadvantage). 	<p>annual return to OSCR, which is along the lines of the annual return we do to the Financial Conduct Authority and involves providing a copy of our Financial Statements. Therefore, it is not envisaged that being registered with OSCR will be unduly onerous. Obviously, the majority of registered housing associations in Scotland are charitable.</p> <p>This does not present a real risk to Rosehill as fundamentally we are about providing good quality, affordable homes and the provision of good quality services including services such as welfare benefits advice.</p>
<p>Legislation & Regulation:</p> <ul style="list-style-type: none"> If we fail to follow the required processes, we could breach the associated legal and regulatory requirements. 	<p>In conjunction with our Governance Consultant and Solicitor, I produced a timetable of the key processes and timelines for achieving the constitutional change (which also includes a name change) to ensure that we were in a position to hold an SGM in September 2024 to put the proposal to our members. Having a clear timetable in place ensures we will meet our legal and regulatory requirements for changing our constitution e.g. seeking our lender's consent, applying to the Office of the Scottish Charity Regulator, submission of new rules and name change to FCA for registration, then submitting a notifiable event to SHR and finally OSCR completing the decision making process to enable Rosehill to be entered on the Scottish Charity Register and to be issued a charity number.</p> <p>Our solicitors are undertaking these stages on our behalf.</p>

	Our Governance Consultant has produced new Policies for Rosehill on Membership and Succession Planning (which also covers recruitment to the Management Committee). She has also drafted a new Membership Application Form.
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6. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Completion of Constitutional Change	2) Engage effectively with our tenants and service users 7) Achieve the highest standards in all that we do

7. Application of our Core Values

Area	Related Core Value(s)
Completion of Constitutional Change	<ul style="list-style-type: none"> • Engaged and Responsive • Accountable and Compliant • Fair and Approachable • Excellent and Committed

8. Compliance and Assurance

- 8.1 The approach we have undertaken to the constitutional change including taking independent expert advice and legal advice and having a clear timetable of the key stages of the processes required and, our communication and engagement plans for our members, will ensure we are meeting our legal and regulatory requirements as follows.

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs	<p>Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.</p> <p>Guidance 1.1 – The governing body sets the RSL’s strategic direction. It agrees and oversees the organisation’s business plan to achieve its purpose and intended outcomes for its tenants and other service users.</p> <p>Guidance 1.3 - The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to</p>

	<p>these Standards and the constitutional requirements set out below.</p> <p>Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p> <p>Guidance 4.1 – The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.</p> <p>Guidance 4.2 – The governing body ensures that the RSL provides tenants, residents and service users with easy and effective ways to provide feedback and raise concerns, and ensures that the RSL considers this and provides a quick and effective response.</p> <p>Standard 7 - The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.</p> <p>Guidance Where an RSL is considering organisational or constitutional change, or acquisition or disposal of land or assets:</p> <p>7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.</p>
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8.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> Report for 30/10/24 meeting 	<ul style="list-style-type: none"> Regulatory Standard 1 – Guidance 1.1 and 1.3 Regulatory Standard 4 – Guidance 4.1 and 4.2 Regulatory Standard 7 – Guidance 7.1

8.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

9. Summary and Approval Sought

- 9.1 Our solicitor is dealing with the 3 final stages of the constitutional change on our behalf. The first stage which was to submit the applications and new rules to the FCA has been done and our solicitor was informed on 18th October that the FCA will proceed with registration on 31st October 2024. Thereafter our solicitor will submit a Notifiable Event to The Regulator and following that will submit the application to OSCR.
- 9.2 The current position on our updated logo and letterhead is provided at Section 3.
- 9.3 Our Governance Consultant has drafted two new Policies – Membership and Succession Planning and a new Membership Application Form, which are attached for Committee’s consideration and approval.
- 9.4 Risk is considered at Section 5.
- 9.5 Section 6 shows how the matter of completion of the constitutional change links to the delivery of our strategic objectives.
- 9.6 Section 7 shows how the matter of completion of the constitutional change links to the application of our core values.
- 9.7 Section 8 sets out how we comply with Regulatory Requirements.
- 9.8 Committee is asked to consider this report and approve the two new Policies and new Membership Application Form.