

For Information

Agenda Item: 14.1
Date of Meeting: 27/11/24

To: The Management Committee
From: The Director
Subject: Constitutional Change – Update

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 that were being undertaken by our solicitor on our behalf.

2. Next Stages

FCA Approval and Registration

- 2.1 As reported last month our solicitor had shared an email from FCA advising it would proceed with registering our new rules and name change on 31st October. I would confirm that Jacqui Baynham, TC Young did email me on 31st October to advise that our new rules and name change had been successfully registered with FCA as of that date. I did notify Committee of the FCA registration at the time. Jacqui intimated that she would move onto the next step which was to notify SHR and would do that later that day. I had previously sent Jacqui all the supporting information she needed for the notifiable event to SHR.

Notifiable Event (NE) to SHR

- 2.2 Jacqui submitted the NE on 1st November. On 7th November I asked Jacqui if she had an update about the NE. She advised she had emailed SHR separately to query the turnaround. She had advised that as part of the change of rules and name process, Rosehill Housing Association Limited are also going through the process of becoming a charitable housing association. However, until such time as SHR update their website to show the new name, OSCR had advised that they will not be completing the charitable application and/or issuing the housing association with a charity number.
- 2.3 SHR responded to advise that they were currently reviewing the Notifiable Event and, that it would most likely be the next week at the earliest before they were able to update their website with the updated

rules and name. They would advise Jacqui of when they were satisfied that the Notifiable Event could be closed and when the website updates had been actioned.

- 2.4 Jacqui also advised that it was her understanding that OSCR were simply waiting and checking SHR's website and as soon as the name had been updated, they would issue the charity number.
- 2.5 On 11th November, our solicitor advised us that SHR had confirmed to them that it was satisfied that it had the correct information required to close the NE and were in the process of updating its website. I can confirm that on checking SHR's website on 12th November our name change is now displayed. Again I notified the Committee at the time.

OSCR Approval and Registration

- 2.6 On 13th November, I received email confirmation from OSCR that it was satisfied that Rosehill Housing Association met the charity test and has been entered in the Scottish Charity Register. I notified Committee at the time.
- 2.7 I have attached the email from OSCR as there is important information for Committee as the charity trustees. I have also attached one of the documents which are linked in the email.

Constitutional Change Completed

- 2.8 Now that the above approvals and registrations are in place, that is the constitutional change fully completed.

3. Risk

- 3.1 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 OSCR who would be another Regulator.	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 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

<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>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> <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.</p>

4. 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

5. 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

6. Compliance and Assurance

- 6.1 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 have met 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 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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6.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> Report for 27/11/24 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

6.2.1 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.

7. Summary

7.1 Our solicitor has dealt with the 3 final stages of the constitutional change on our behalf. This saw:

- FCA approving and registering our new rules and name change from 31st October;
- SHR confirming it had the correct information required to close the NE which was done on 11th November and our details on its website were updated on 12th November;
- OSCR approving and registering Rosehill Housing Association as a Scottish Charity on 13th November.

7.2 As a result of the above, the processes relating to the constitutional change are now fully completed.

7.3 Risk is considered at Section 3.

7.4 Section 4 shows how the matter of completion of the constitutional change links to the delivery of our strategic objectives.

7.5 Section 5 shows how the matter of completion of the constitutional change links to the application of our core values.

7.6 Section 6 sets out how we comply with Regulatory Requirements.

7.7 Committee is asked to consider this report and note that the final stages of the constitutional change are now complete.