

## For Information/Approval

Agenda Item: 14.4  
Date of Meeting: 25/09/24

To: The Management Committee  
From: The Director  
Subject: Constitutional Change – Next Stages

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### 1. Introduction & Purpose

- 1.1 As Committee is aware we achieved a successful result at the SGM on 17<sup>th</sup> September with more than the required 75% of members (88%) voting in favour of the resolutions to adopt the new rules and change our name to Rosehill Housing Association Limited.
- 1.2 Immediately following the SGM two sets of the new rules and the two forms for the Financial Conduct Authority (FCA)– amendment to rules and name change were signed by Committee Members and, where required, by me in my capacity as Secretary. This paperwork has now been passed to our solicitors TC Young.
- 1.3 The purpose of this report is to provide Committee with information on the next stages of the process and to present a proposal in relation to the change to our logo and letterhead for Committee’s consideration and approval.

### 2. Next Stages

- 2.1 Our Solicitors, TC Young are undertaking the next formal stages on our behalf which are as follows:
  - Submission of forms and rules to FCA (via email). FCA aim to determine all complete applications within 15 working days of receipt;
  - Once the new name and rules have been registered with FCA, we can notify SHR within 28 days of registration;
  - 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.

- 2.2 As Committee is aware we have already approached OSCR and applied for charitable status to which they have given in principle consent.
- 2.3 TC Young has advised that once OSCR has received the documents, they will complete the decision-making process to enable Rosehill Housing Association to be entered on the Scottish charity register and for a charity number to be issued. **Please note that until this is done, Rosehill Housing Association Limited must not describe itself as a charity.** As we have already been given in principle consent, this part of the process should be fairly quick, but it will be dependent on OSCR's workload.

### 3. Logo/Letterhead

- 3.1 In previous discussions about the constitutional change and the change in our name, we acknowledged that there would be an opportunity to review our logo and corporate colours. However, we couldn't begin this process until we knew the outcome of the vote at the SGM. Having now received indicative timescales from TC Young about the registration of our rules and name change with the FCA which is 15 working days (3 weeks) the timescale is too tight for Committee to review our logo and corporate colours at this time. Therefore, I am proposing the following:
- As an interim measure, to simply have our logo amended to replace the word "Co-operative" with "Association" and the rest of the logo including colours remain the same;
  - Then over the coming months Committee, if it so wishes, can review our logo and corporate colours.
- 3.2 The interim measure would enable us to have a small supply of updated letterheads ready in time for receiving notification from the FCA that our name change has now been registered. We would also need to update our tenancy agreements in time for the name change coming into effect.
- 3.3 We would only organise a small number of updated letterheads and tenancy agreements, as we then need to wait until OSCR formally approve Rosehill as a Scottish charity register and for a charity number to be issued. We must publish our charity number on our letterheads and other documents, publications, website, etc. Therefore, we will need to have our letterhead updated again.

### 4. Risk

- 4.1 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
<p><b>Governance:</b></p> <ul style="list-style-type: none"> <li data-bbox="288 277 761 421">• Additional Regulation - We would also be registered with OSCR who would be another Regulator.</li> <li data-bbox="288 757 761 1155">• 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).</li> </ul>	<p data-bbox="761 232 1394 712">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 unduly onerous. Obviously, the majority of registered housing associations in Scotland are charitable.</p> <p data-bbox="761 757 1394 931">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><b>Legislation &amp; Regulation:</b></p> <ul style="list-style-type: none"> <li data-bbox="288 1312 761 1456">• If we fail to follow the required processes, we could breach the associated legal and regulatory requirements.</li> </ul>	<p data-bbox="761 1312 1394 2038">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>

## 5. 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

## 6. Application of our Core Values

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

## 7. Compliance and Assurance

- 7.1 The approach we have undertaken to the proposed 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><b>Standard 4</b> - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p> <p><b>Guidance 4.1</b> – 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><b>Guidance 4.2</b> – 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</p>

	<p>considers this and provides a quick and effective response.</p> <p><b>Standard 7 - The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.</b></p> <p><b>Guidance</b> Where an RSL is considering organisational or constitutional change, or acquisition or disposal of land or assets:</p> <p><b>7.1</b> 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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## 7.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> <li>Report for 25/09/24 meeting</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Standard 4 – Guidance 4.1 and 4.2</li> <li>Regulatory Standard 7 – Guidance 7.1</li> </ul>

7.2.1 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.

## 8. Summary and Approval Sought

8.1 Following the successful outcome of the vote at the SGM, our solicitor is now dealing with the final stages of the process on our behalf, which are set out in Section 2.

8.2 Due to the limited time between sending all required information to the FCA and OSCR and receiving formal notification that our new rules and name change are registered, I am presenting a proposal for Committee approval as set out in Section 3.

8.3 Risk is considered at Section 4.

8.4 Section 5 shows how the matter of completion of the constitutional change links to the delivery of our strategic objectives.

- 8.5 Section 6 shows how the matter of completion of the constitutional change links to the application of our core values.
- 8.6 Section 7 sets out how we comply with Regulatory Requirements.
- 8.7 Committee is asked to consider this report and approve the following proposal:
- As an interim measure, to simply have our logo amended to replace the word “Co-operative” with “Association” and the rest of the logo including colours remain the same;
  - Then over the coming months Committee, if it so wishes, can review our logo and corporate colours.