

SFHA MODEL RULES REVIEW 2019

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Your Rules.....

- Your constitution – founding document
- Powers and obligations and duties
- Guide
- Understanding, knowing and following them
- Use of Standard Form

2019 Review

- Last reviewed in 2015
- Why another review?
 - Legislative changes
 - SHR Regulatory Framework Review
 - Experience, Learning and Issues
- Requires change to Rules
- Timescales?
- Future and further review?

Need for Review - 1

- Housing (Amendment) (Scotland) Act 2018
- ONS reclassification
- Amendment means, from 8 March:
 - (a) marginal roll-back of SHR power to intervene
 - (b) no SHR consent for disposal of land or housing assets
 - (c) no SHR consent for organisation changes
 - (d) no SHR consent for constitutional changes
- * replaced with notification (guidance due)
- (c) – Model Rules change re winding up
- (d) – Model Rules change for changes to constitution
- General changes to reflect time-limits for notification etc

Need for Review - 2

- SHR Regulatory Framework Review – expected February 2019
- Constitutional requirements amended as part of review:
 - (a) Executive members of governing body no additional payments
 - (b) payments to non-exec board must demonstrate “*value for money*” and comply with charity law and OSCR guidance
 - (c) ditto for subsidiaries
 - (d) “*allow the regulator to regulate effectively and exercise [their] full powers*” ?

Need for Review - 3

- Address practical matters from experience, learning and problem cases
- e.g. Recruitment, leave of absence, co-optees, data etc
- Your input.....

Amendment to Charity Law 2019

- Consultation concludes 1 April 2019 - not in time for this review
- Current proposals include:
 - (a) Publish accounts of all charities
 - (b) Database/Register of Charity Trustees
 - (c) Exclusion criteria extended to include convictions for perjury, perverting course of justice, bribery, misconduct in public office, terrorism, money laundering, and contempt of court – also certain inclusions on the sex offenders register.
 - (d) To include ‘senior employees’ as well as board members!
 - (e) Power to issue ‘positive’ directions to charities
- Continual review and evolution?

Timescales?

- Charity law review too late
- Await published Regulatory Framework
- Draft and approval/intimation SHR, FCA and OSCR
- Final form approximately June 2019
- Change to RSL Rules - time to prepare and present new Rules to members in SGM at or around the time of the next AGM

Questions, thoughts and discussion
to follow....

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SFHA Model Rules Review

SFHA Chairs' Conference, Feb 2019

Alan Stokes, Policy Lead SFHA

Process – Who is Involved?

1. TC Young
2. Scottish Housing Regulator
3. Office of the Scottish Charity Regulator
4. Financial Conduct Authority
5. Consultation with:
 - SFHA members in general (we will form a working group)
 - Fully Mutual Co-operatives
 - Community Based organisations

Scope of Review

The review will revisit and revise:

1. Model Rules 2013 (as amended 2015)
2. Accompanying Guidance to the Rules (last updated 2014)
3. Guidance documents detailing recommended changes to the rules for:
 - Fully Mutual Co-operatives
 - Non Charitable
 - Group Structure (subsidiaries)
 - Model Co-operatives
 - Optional Amendments Approved by SHR

Proposed Changes

Definite Changes Necessary:

- Changes to reflect the Housing (Amendment) (Scotland) Act 2018
- Changes to reflect the new Regulatory Framework

What happens if someone wants to make a rule amendment after 8th March but before SFHA review concludes in June?

Proposed Changes (Continued)

Changes to tidy Rules up a bit:

- Clarifying that the appointment of all office bearers will be business for the first governing body meeting after the AGM.
- Amending the eligibility criteria clause around bankruptcy and trust deeds
- Re-visiting the right of members of the public to access a register of the names of the members of the governing body.

Proposed Changes (Continued)

Changes that we would like more input from members about:

- Power to Impose a Leave of Absence when there is a severe breach of the Code of Conduct being investigated

Proposed Changes (Continued)

- Allowing co-optees on the governing body to count towards the quorum and to vote on all committee business.

Requires change to constitutional standards

Proposed Changes (continued)

- Change so that the same restrictions on governing body membership apply as for becoming a member of the association
- Enhanced provisions around recruitment/succession to the governing body?

Questions for group

- Changing references from “Committee” to “governing body”?
- Should the five year rule for Chairs state that you can not stand down for a year then become chair again?
- Is there anything else in the rules that you would like to see changed?