

CLYDEBANK HOUSING ASSOCIATION LTD

TO: Management Committee

DATE: 24.08.2020

FROM: Chief Executive

SUBJECT: Updated Model Rules – SFHA Charitable Model Rules (Scotland) 2020 – Item 7g (Decision Required)

Purpose of Report

The purpose of the report is for the Management Committee to consider the inclusion of the additional optional amendment to the SFHA Charitable Model Rules (Scotland) 2020 to allow virtual attendance at General Meeting and to also consider for recommendation to the Association's Shareholders at an SGM to be held on the same night as its AGM on Wednesday 23 September 2020.

Potential impact on tenants and service users/Tenant Consultation requirements

There is no adverse impact on tenants and other service users as a result of information and decisions required in this report.

Value for Money

CHA considers Value for Money in all aspect of its business including: -

- Managing our resources to provide quality services and homes to meet the needs of customers and the local community.
- Delivering the right service at the right time at the right cost.
- Planning for and delivering year on year improvements on our services based on customer priorities.
- Getting the most out of our assets and staff by operating efficiently and effectively.

There are no value for money considerations in relation to a change in the Association's Rules.

Risk

It would be prudent to adopt the updated Rules as they reflect changes in legislation as well as the 2019 SHR regulatory framework conditions which require mandatory compliance. It is strongly recommended that any organisations using Rules based on a Model developed prior to 2020 update to this Model as soon as possible.

Legal/constitutional Implications (Reference to Model Rules)

There are no legal implications as a result of the information contained within this report if the Association adopts the Model.

Relevant CHA Objectives:

- To ensure local decision making and community control, we will encourage our tenants and other customers to influence our policy and participate in decisions, which may affect them.

- To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
- To promote social inclusion by applying principles of equality and diversity to everything we do.

Relevant SHR Regulatory Standards of Governance and Financial Management

Standard 1

The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.

Standard 2

The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

Standard 3

The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

Standard 4

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

Standard 5

The RSL conducts its affairs with honesty and integrity.

Standard 6

The governing body and senior officers have the skills and knowledge they need to be effective.

Standard 7

The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

The Management Committee will require confirming that the contents of this report and decisions required (if applicable) do not constitute a breach, material or otherwise, of the above Standards and there is no requirement to report a Notifiable Event to the Regulator.

Equalities

No protected group is adversely affected by the proposals, recommendations or updates within this report. Our commitment to equal opportunities and fairness applies irrespective of factors such as race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.

1.0 Introduction

The Management Committee has already agreed to recommend to its Shareholders at a Special General Meeting, to adopt the new SFHA Charitable Model Rules 2020 without the additional optional clauses. Since this was approved by the Management Committee, we have since received details of an optional clause which would allow virtual meetings to be held within the new 2020 Rules.

The notice of the SGM will be sent out to the Shareholders by the Secretary on behalf of the Management Committee at least 14 days before the proposed date of the meeting.

2.0 Details of the optional clause

The new SFHA Guide highlighted an optional amendment approved by the Scottish Housing Regulator that would allow for virtual attendance at General Meetings. The quite exceptional circumstances as a result of the Coronavirus in 2020, led to the UK Government passing temporary legislation (the Corporate Insolvency and Governance Act 2020) to make provision for virtual General Meetings up until 30 September 2020.

In order to make this provision permanent for the future, the Management Committee is asked to consider the inclusion of this optional clause in the 2020 Model Rules to be put forward for adoption by its shareholders. There is no identified risk to the adoption of this optional amendment, in fact, it would be prudent to include in our Rules not least due the current ongoing pandemic.

The optional amendments are as follows: -

Insert new Rule 20-

- “20 Notwithstanding any other provisions of the Rules (which shall be subject to the terms of this Rule 20) a Member cannot insist on attending a general meeting of the Members, or voting at the meeting, by any particular means. Further, the following provisions shall apply to the conduct of general meetings when so determined by the Committee:-
- 20.1 A general meeting need not be held in any particular place and the meeting may be held without any number of those participating in the meeting being together at the same place;
- 20.2 A general meeting may be held by any means which permits the Members attending to hear and comment on the proceedings during the meeting. Members attending the meeting by such means shall be present at the meeting for the purposes of Rule 24.1; and
- 20.3 A Member is able to exercise the right to vote at a meeting (including if a poll is required) by such means as is determined by the Chairperson and which permits the Member’s vote to be taken into account in determining whether or not a resolution is passed.”
- Renumber existing rule 20 to 21.
 - Renumber existing rule 21 to 22.
 - Renumber existing rule 22 to 23
 - Renumber existing rule 23 to 23.3

- Delete existing rule 24.1 and replace with:-

“For a meeting to take place there must be at least seven Members either present at the meeting or represented by a representative approved in terms of Rule 27.1. If there are more than 70 Members, at least one-tenth must either be present or represented by a representative in terms of Rule 27.1

Guidance on each of the amendments below: -

GUIDANCE ON VIRTUAL GENERAL MEETING AMENDMENTS		
Rule	Rule Wording	Guidance
20	Notwithstanding any other provisions of the Rules (which shall be subject to the terms of this Rule 20) a Member cannot insist on attending a general meeting of the Members, or voting at the meeting, by any particular means. Further, the following provisions shall apply to the conduct of general meetings when so determined by the Committee	<p>This provision allows the Committee to determine the means by which a general meeting should be held and to apply the provisions for a “virtual” meeting set out below when this is considered desirable or necessary.</p> <p>Where “virtual” attendance at a meeting is to be permitted the Committee must give early consideration to the platform to be used, to the format of notice to Members and the mechanics of joining and running a meeting of this kind.</p>
20.1	A general meeting need not be held in any particular place and the meeting may be held without any number of those participating in the meeting being together at the same place.	In accordance with this provision, it is not necessary for any particular number of Members to be physically present at a venue for the meeting to proceed, i.e. virtual attendance would count towards the quorum requirements outlined at rule 24.1.
20.2	A general meeting may be held by any means which permits the Members attending to hear and comment on the proceedings during the meeting. Members attending the meeting by such means shall be present at the meeting for the purposes of Rule 24.1.	<p>This provision allows for meetings to be held “virtually”. If there was a lockdown in place - and it was not permitted to have a physical meeting a “virtual” meeting could be held.</p> <p>In normal times the Committee could decide to hold a purely physical meeting in the traditional way, or allow both physical and “virtual” attendance. It is not anticipated that a Committee would hold a purely “virtual” meeting in circumstances when physical attendance was possible.</p>

GUIDANCE ON VIRTUAL GENERAL MEETING AMENDMENTS

Rule	Rule Wording	Guidance
20.3	A Member is able to exercise the right to vote at a meeting (including if a poll is required) by such means as is determined by the Chairperson and which permits the Member's vote to be taken into account in determining whether or not a resolution is passed.	This allows appropriate voting arrangements to be put in place here there is "virtual" attendance at the meeting.
24.1	For a meeting to take place there must be at least seven Members either present at the meeting or represented by a representative approved in terms of Rule 27.1. If there are more than 70 Members, at least one-tenth must either be present or represented by a representative in terms of Rule 27.1	This removes any reference to "a venue", therefore making it possible for anyone attending virtually to count towards the quorum.