



## Proposal to change our Constitution (our “Rules”)

In our Tenant Satisfaction Survey in April and May 2019, we asked tenants whether they thought there was a difference between a housing co-operative and a housing association. The Management Committee has considered this feedback along with other factors and has decided to develop proposals for Fairfield Housing Co-operative to change its Rules to become a Charitable Housing Association.

- Your tenancy would not be affected by this proposed change. Fairfield would still be your landlord; it would simply change its name from Fairfield Housing Co-operative to Fairfield Housing Association.
- Proposals for change would need to be approved by members at a Special General Meeting.
- We will seek your views and give you the opportunity to ask questions over the coming months.

### What difference would it make to me as a tenant?

There would be no direct impact at all on your tenancy and Fairfield would still be your landlord.

Indirectly, this will help with better governance of the organisation and so that will help drive improved services for tenants.

Under Co-operative rules, *only* tenants can be elected as Management Committee members. Under Housing Association Rules, tenants *and* members who are not tenants can be elected as Management Committee members.

We think this would benefit tenants by adding knowledge, ideas and connections from a wider group of volunteer Committee members.

This in turn would help us demonstrate to the Scottish Housing Regulator more quickly that we can sustain the governance improvements we have and are making.

### Will I still have a say in the running of the organisation?

Yes. As a social housing landlord, Fairfield is obliged to consult our tenants on anything that affects their services. This is the same for a housing association as it is for a co-operative. Our methods for involving tenants to have their say about policies, services and communities will continue to be developed and a change in rules will not affect this.

### Would I still be a member?

Yes. All current tenant members at the point of a Rule change would automatically become members of the housing association.

## **Will Fairfield still be tenant or community controlled?**

Yes. In practice, at the point of Rule change all the members would still be tenants. Only at the first meeting after the Rule change could applications for membership be accepted from anyone else. For example, some local community activists involved in the Fairfield Action Group are examples of people who might be interested in becoming members. Some housing and finance professionals with senior experience in running organisations may also apply to be members and be willing to stand for election.

Under housing association rules most of Fairfield's membership would still be made up of tenants. This is true of many Housing Associations in Scotland especially those based in local communities. All tenants would be still be eligible to be members, so new tenants would be encouraged to become members.

## **Can I still stand for election to the Management Committee?**

Yes. This would work in the same way as it does now with all eligible members being invited to make nominations from the current membership before the AGM.

## **What are the advantages of registering as a charity?**

There are sources of funding and other resources for many community activities and projects that tenants have told us they would like to see in the area. Most of these will only accept applications from charities. As a charitable Housing Association, we would have more potential sources of help for Fairfield's wider objectives than we do as a Co-operative.

## **Have any other Co-ops changed their Rules to become HAs? Why did they do it?**

Yes. The Management Committee spoke to two Glasgow community based housing associations. They were previously Housing Co-operatives, and at different times, for different reasons, they decided to change their rules and become housing associations. They have experienced the advantages described above and that the Management Committee would gain for Fairfield and its tenants. They told us they had benefited from the change.

## **Are there any disadvantages?**

Changing anything always takes a bit of effort, but apart from this the Management Committee does not think there are any disadvantages to this proposal.

## **What's next?**

The Management Committee is developing more detailed proposals for consultation with members and will be organising ways of holding individual and small group discussions over the next few months.

## **What's different and what's the same between the Co-operative and a charitable Housing Association?**

|                               | <b>Co-operative</b>   | <b>Association</b>  |
|-------------------------------|---|---|
| <b>Membership</b>             | All tenants <i>must</i> be eligible to be and become members, and only tenants can be members.  | All tenants – and other members of their family – <i>can</i> be members.<br>Other suitable people can become members if they are eligible and their application is approved by the Management Committee.        |
| <b>Membership Fee</b>         | £1  | £1  |
| <b>Membership Policy</b>      | The Co-op is legally required to offer homes to people in housing need as set out in the Housing (Scotland) Act 2014. Anyone who is offered a house must become a member. | The Management Committee would recommend a membership policy. Usually this is open to all tenants and residents, and to other individuals with skills or interest in the wellbeing of the tenants and the area. |
| <b>Management Committee</b>   | Only tenants can stand for election to the Management Committee   | Only members can stand for election to the Management Committee   |
| <b>Regulation</b>             | Registered with Scottish Housing Regulator and Financial Conduct Authority  | Registered with Scottish Housing Regulator and Financial Conduct Authority.<br><b>Also</b> Registered with Office of the Scottish Charity Regulator   |
| <b>Financial implications</b> | Need to be registered for Corporation Tax; liability to pay if any profit. Annual cost to Co-op c£800   | No need to register for Corporation Tax<br><br>Able to make funding applications to range of charitable funds for projects, services and community initiatives which can't be funded under Co-op rules.         |