

Signatures of 3 members:

Jim Mike

[Signature]

AND

J Proplet

Signature of the Secretary:

Rm Cuth

**ALL PREVIOUS RULES RESCINDED**



**These are the Rules of**

# **Argyll Community Housing Association Limited**

**Registered under  
the Co-operative and Community Benefit Societies Act 2014  
and the Housing (Scotland) Act 2010**

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## **Name**

1. We are Argyll Community Housing Association Limited (hereinafter referred to as “the Association”).

## **Objectives**

- 2.1 The objects of the Association are:
  - 2.1.1 to provide for the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage through the provision, construction improvement and management of land and accommodation and the provision of care; and
  - 2.1.2 any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purpose of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts;
  - 2.1.3 without prejudice to the generality of the provisions of Rules 2 and 3, and without restricting any powers, the Association has power to provide land, amenities and services, or provide, construct, repair or improve buildings, for the benefit of the Association’s tenants, residents and others, with the charitable purpose of promoting economic, social and environmental regeneration in any of the areas in which the Association operates or will operate.
  - 2.1.4 to promote community empowerment in respect to decisions relating to the management and maintenance of the Association’s housing stock.
- 2.2 We operate principally in the administrative area of the Argyll and Bute Council as at the Transfer Date.
3. Our permitted activities and powers will include anything which is necessary or expedient to help us achieve these objects. In pursuing these objects we have:
  - 3.1 established 4 Area Associations with their own Area Committees to manage and maintain the houses in their respective local areas;
  - 3.2 devolved as much decision-making power as possible to these Area Committees, who are responsible for the management and maintenance of the houses in their locality.
4. As a landlord and managing agent we:
  - 4.1 have regard for the requirements of public accountability;

- 4.2 use any money we receive carefully and properly; and
  - 4.3 consider the welfare of the people who live in the properties we are responsible for.
5. We do not trade for profit.
6. Our registered office is at:
- Menzies House, Glenshellach Business Park, Oban, PA34 4RY

## **MEMBERSHIP**

- 7.1 The members of the Association are those people who hold a share in the Association and whose names are entered in the Register of Members referred to in Rule 70.1.
- 7.2 Members can elect to be a member of 1 Area Association. Members who are tenants, or reside in the area of operation of the Association, will automatically be members of the Area Association within which they principally reside.
- 7.3 No one can be a member of more than 1 Area Association at any one time.
- 7.4 The Board shall set, review and publish its membership policy for admitting new members. Subject to the provisions of Rule 8.1, the following shall be eligible to become members:
  - 7.4.1 Tenants of the Association;
  - 7.4.2 Service users of the Association;
  - 7.4.3 Other persons who support the objects of the Association;
  - 7.4.4 Organisations sympathetic to the objects of the Association;
  - 7.4.5 The Council is entitled to become a member of the Association, but is not entitled to become a member of the Board of Management or of any Area Committee. Should the Council apply for membership, the Board of Management must approve the Council's application.

## **Applying for Membership**

- 8.1 To apply for membership, you must send an application form and one pound (£1.00) to the Secretary at our registered office. The Board of Management of the Association will consider your application at its next meeting or as soon as possible

after that. We will return your money if your application is not approved. Whilst it is the Association's intention to encourage membership, the Committee has absolute discretion in deciding on applications for membership and the following shall constitute grounds for refusal of an application for membership:-

- 8.1.1 Where membership would be contrary to the Association's Rules or policies;
  - 8.1.2 Where a conflict of interest may exist which, even allowing for the disclosure of such an interest, may adversely affect the work of the Association;
  - 8.1.3 Where the Board considers that accepting the application would not be in the best interests of the Association.
- 8.2 An application for membership will not be considered by the Board within the 14 day period occurring before the date of a general meeting.
  - 8.3 If we approve your application, you will immediately become a member of the Association and your name will be included within 7 working days in our Register of members referred to in Rule 70.1. You will then be issued 1 share in the Association.
  - 8.4 If you are a representative of an organisation which is a member of the Association, you, as an individual, cannot be a member of the Association. If, as an individual, you are already a member when you start to represent an organisation which is also a member, we will suspend your membership as an individual, until such time as you are no longer a representative of an organisation which is a member.
  - 8.5 If you are not a member of the Association already and you become a Council Board Member, then unless you have been co-opted under Rule 39.1, you will become a member and your name will be included within 7 working days in our Register of members referred to in Rule 70.1. You will then be issued 1 share in the Association. Your membership will be deemed to take effect immediately before you became a Board or Area Committee Member.
9. You can apply for membership of the Association from the age of 16.
  10. No member can hold more than 1 share in the Association.
  11. If you change your address, you must let us know by writing to our Secretary at our registered office within 3 months. This Rule does not apply if you are our tenant and have moved home by transferring your tenancy to another property owned and/or managed by the Association.

## Ending Your Membership

12.1 You can end your membership of the Association by giving our Secretary 7 days' notice in writing. This correspondence should be directed to our registered office.

12.2 If the Board is satisfied that:

12.2.1 you have failed to tell us of a change of address as set out in Rule 11; or

12.2.2 for five annual general meetings in a row you have not attended, submitted apologies, exercised a postal vote or appointed a representative to attend and vote on your behalf;

we will end your membership and cancel your share.

The value of the share will then belong to us with effect from the date of a Board resolution to that effect. The ending of your membership will be recorded in the Register of members referred to in Rule 70.

13.1 We may end your membership if we receive a complaint about your behaviour and two thirds ( $\frac{2}{3}$ ) of the members voting at a special general meeting agree to this. The following conditions apply to this procedure:

13.1.1 the members can vote in person or through a representative by proxy;

13.1.2 the complaint must be in writing and must relate to behaviour which could harm our interests;

13.1.3 the Secretary must notify the member of the complaint in writing not less than 1 calendar month before the meeting referred to at 13.1 takes place;

13.1.4 the notice for the special general meeting will give details of the business for which the meeting is being called;

13.1.5 you will be called to answer the complaint at the meeting. The members present will consider the evidence supporting the complaint and any evidence you decide to introduce; and

13.1.6 if you receive proper notice but do not attend the meeting referred to at Rule 13.1 above without providing a good reason, the meeting may go ahead without you and the members will be entitled to vote to end your membership.

13.2 If you are expelled from membership, you will immediately cease to be a member from the date that the resolution to expel you was agreed.

- 13.3 If we end your membership in this way, any further application for membership by you will need to be approved by two thirds ( $\frac{2}{3}$ ) of the members voting at a general meeting.

## **REPRESENTING AN ORGANISATION**

- 14.1 An organisation which is a member is free to appoint any person it considers suitable as its representative to the Association. That person will represent all of the organisation's rights and powers at our general meetings, but must act with regard to the best interests of the Association.
- 14.2 To confirm the identity of a representative, the organisation must send us a copy of the authorisation or appointment of an individual as a representative. This should be signed by the Director, Secretary or an Authorised Signatory of the organisation which signature must be witnessed or, in the case of a local authority, signed by the Chief Executive or by a properly authorised Officer of the Local Authority.
- 14.3 An organisation can identify a different person to represent that organisation at any time by confirming the identity of the new representative in terms of 14.2 and by withdrawing the authority of the former representative.

## **SHARE CAPITAL**

### **Shares**

15. Our share capital will be raised by issuing one pound (£1.00) shares to members. Shares cannot be held jointly. Joint tenants of the Association may each become individual members of the Association.
16. There is no interest, dividend or bonus payable on shares.

### **Transferring Shares**

- 17.1 You cannot sell your share but you can transfer it if the Board of Management agrees.
- 17.2 If you die or end your membership, or have your membership withdrawn, or you are a representative of an organisation which no longer exists, we will cancel your share, except in those circumstances outlined in Rule 18.1. The value of the share will then belong to us.
- 18.1 You, as a member, can nominate a person to whom the Association must transfer your share when you die, as long as the nominated person is eligible for membership under these Rules. On being notified of your death, the Board shall transfer or pay the full value of your share to the person you have nominated. Your

nomination must be in the terms required by the Co-operative and Community Benefit Societies Act 2014.

- 18.2 If you die or become bankrupt and your personal representative or trustee in bankruptcy claims your share in the Association, the Board will transfer or pay the value of your share (to the extent that your personal representative or Trustee in Bankruptcy has right) in terms of your representative's or trustee's instructions.

## **OUR BORROWING POWERS**

- 19.1 We can borrow money for the Association as long as our total borrowing at any time is not more than £200,000,000 (or, if the Euro has been adopted as United Kingdom currency, its equivalent in Euros) or such larger sum as the Association, with the prior written consent of The Scottish Housing Regulator, determines from time to time in general meeting.
- 19.2 For the purposes of Rule 19.1, the undischarged amount of any index-linked loan to the Association, or any deep discounted security, shall be deemed to be in the amount that would be needed to repay such undischarged amount were it to become repayable in full at the time of any further proposed borrowing by the Association.
- 19.3 For the purposes of Rule 19.1, in respect of any proposed borrowing intended to be index linked or on any deep discounted security, the amount of borrowings shall be deemed to be the proceeds of such proposed borrowings that would be receivable by the Association at the time of the proposed borrowing.
- 19.4 We will not pay more than the market rate of interest as determined by the Board having regard to the terms of the loan on any money we borrow.
- 19.5 The Association shall have the power to enter into and perform a Rate Cap Transaction, or series of Rate Cap Transactions, or to enter into a Collar Transaction or series of Collar Transactions or an Interest Rate Swap Transaction (each a "Transaction") where in relation to any such Transaction the following conditions are satisfied namely that:
- 19.5.1 the relevant instruments relate solely to amounts denominated in Sterling or, if the Euro has been adopted as currency, its United Kingdom equivalent in Euros;
  - 19.5.2 the relevant Transaction provides (in the case of an Interest Rate Swap Transaction) for the Association to undertake to pay a specified fixed rate on an applicable notional sum, but not otherwise;
  - 19.5.3 the relevant Transaction in the case of a Collar Transaction provides for the simultaneous buying of an instrument relating to a rate cap and the



selling of an instrument providing for a floor at a lower strike price to such Cap;

19.5.4 any counterparty to the Transaction is one of the principal clearing banks in the United Kingdom;

19.5.5 the Board or a duly authorised sub-committee established under the Rules considers the entry by the Association into such Transaction to be in the best interests of the Association.

PROVIDED that at the time of entry into any Transaction the sum of the Calculation Amount of any Transaction previously entered into and remaining in effect, and the Calculation Amount of the proposed Transaction shall not exceed either the drawdown plus the amount of any existing contractually committed loan facilities not yet drawn down in respect of amounts which the Association intends at the Effective Date when drawing down will become Variable Rate Borrowings, having regard at the Effective Date to the Association's obligations to repay Variable Rate Borrowings and the amount of Variable Rate Borrowings which will be outstanding at any time on or prior to the proposed Termination Date.

19.6 Before exercising its power under Rule 19.5 the Association shall obtain and consider proper advice on the question whether the Transaction is satisfactory having regard to:

19.6.1 the possible fluctuations in the rate of interest payable by the Association on its Variable Rate Borrowings during the terms of the relevant Transaction;

19.6.2 the Association's ability to meet its payment obligations under such Borrowings during the term of the relevant Transaction if such Transaction was or were not entered into;

19.6.3 the payment obligation under the relevant Transaction; and

19.6.4 the Association's actual and projected annual income and expenditure position.

19.7 For the purposes of Rule 19.6 proper advice shall mean the advice of a person who is reasonably believed by the Board to be qualified by his/her ability in the practical experience of financial matters and the appropriate Transaction; such advice may be given by a person notwithstanding that he/she gives it in the course of his employment as an Officer.

19.8 A person entering into a relevant Transaction with the Association who has received a written certificate signed by the Secretary confirming the Association's compliance with Rules 19.5 and 19.6 shall not be concerned to enquire further whether or not

the Association has complied with the provisions of Rules 19.5 and 19.6 and such Transaction shall be valid at the date it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not the provision of Rules 19.5 and 19.6 have been complied with.

For the purposes of this Rule 19:

“Calculation Amount”, “Effective Date” “Floating Rate Payer”, “Term” and “Termination Date” have the respective meanings given in the 1991 International Swaps and Derivatives Association (ISDA) Definitions as amended from time to time;

“Variable Rate Borrowings” mean any borrowing by the Association pursuant to Rule 19.1 in respect of which the rate of interest has not been fixed for a term in excess of twelve months and the terms “fixed” shall exclude any borrowing where the rate of interest is indexed in accordance with a retail price index or other published index;

“Rate Cap Transaction”, “Collar Transaction” and “Interest Rate Swap Transaction” mean respectively any transaction so designated within the meaning of the category “Swap Transaction” as defined in the 1991 ISDA Definitions as amended from time to time.

19.9 We will not accept money on deposit.

19.10 The Association can lend money to an organisation which is a subsidiary of the Association within the meaning of the Companies Act 2006 or the Co-operative and Community Benefit Societies Act 2014 at a market rate of interest as determined by the Board having regard to the terms of the loan. Where the Association is using a loan facility to on lend it must comply with the Regulatory Framework and Regulatory Guidance issued by the Scottish Housing Regulator from time to time.

19.11 Our Board can determine and change conditions under which we borrow or lend money, within the conditions laid out above.

20.1 The Association shall not lend money to its members.

20.2 We can accept donations from anyone towards our work.

## **GENERAL MEETINGS**

### **Annual General Meetings**

21.1 The Association will post or send by fax or email intimation of the intended date of the annual general meeting and information on the nomination procedure (as set out in Rule 42) to each member at the address, fax number or email address given in the Register of members of the Association not less than 28 days before the date of the meeting.

- 21.2 We will hold annual general meetings within six months of the end of each financial year of the Association. The purposes of the annual general meetings are to:
- 21.2.1 present the Chairperson's report on our activities for the previous year;
  - 21.2.2 present the accounts, balance sheet and the auditor's report;
  - 21.2.3 elect Board or Area Committee Members as set out in these Rules;
  - 21.2.4 appoint the auditor for the following year as set out in Rules 77 and 79; and
  - 21.2.5 consider any other general business included in the notice calling the annual general meeting.

### **Special General Meetings**

- 22.1 All general meetings other than annual general meetings are known as special general meetings. The Secretary will call a special general meeting if:
- 22.1.1 the Board requests one; or
  - 22.1.2 at least 20 members request one in writing if there are more than 200 members of the association. If membership falls below 200 members 1/10 of members must ask for a meeting; or
  - 22.1.3 one or more Area Committees request one (as long as the membership they represent is at least one tenth ( $\frac{1}{10}$ ) of all members).
- 22.2 Whoever requests a meeting must give the Secretary details of the business to be discussed at the meeting.
- 22.3 If a special general meeting is requested, the Secretary must within 10 days of having received the request give all members notice calling the meeting. The meeting must take place within 28 days of the secretary receiving the members' request. The Secretary will decide on a time, date and place for the meeting in consultation with the Board or the Chairperson. If such consultation is not practicable the Secretary can decide the time, date and place of the meeting.
- 22.4 If the Secretary fails to call the meeting within 10 days, the Board, Area Committee or the members who requested the meeting can arrange the meeting themselves.
- 22.5 A special general meeting cannot discuss any business other than the business mentioned in the notice calling the meeting.

## **Notice for Meetings**

- 23.1 The Secretary will call all general meetings by written notice posted or sent by fax or email to every member at the address, fax number or email address given in the register of members at least 14 days before the date of the meeting. This letter will give details of:
- 23.1.1 the time, date and place of the meeting;
  - 23.1.2 whether the meeting is an annual or special general meeting; and
  - 23.1.3 the business for which the meeting is being called.
- 23.2 The Board may ask the Secretary to include with the notice or send separately to members any relevant papers or accounts. If a member does not receive notice of a meeting or papers relating to the meeting, this will not stop the meeting going ahead as planned. Each communication sent to a member by post, to the address shown on the Register of members, shall be deemed to have arrived 48 hours after having been posted. Each communication sent to a Member by fax or email shall be deemed to have arrived on the day it is sent.
24. The proceedings of a meeting shall not be invalidated by the inadvertent failure of the Association to send to any member a notice calling the meeting.

## **PROCEDURE AT GENERAL MEETINGS**

- 25.1 For a meeting to take place, there must be at least 20 members present at the venue or represented at the venue by a representative approved in terms of Rule 28.3 where membership remains over 200. Where membership reduces below 200, 1/10 must be present at the venue or represented at the venue by a representative approved in terms of Rule 28.3.
- 25.2 If not enough members are present in person or by representative within half an hour of the time the meeting was scheduled to start, the meeting must be rescheduled for the same day the following week at the same time and at such place as may be fixed by the Chairperson of the meeting and announced at the meeting. There is no need to give notice to Members of the rescheduled meeting. If at that meeting there are not enough members present in person or by representative at the scheduled starting time, the meeting can still go ahead.
26. If a majority of members present agree, the Chairperson of a meeting can adjourn the meeting. No business can be discussed at the adjourned meeting other than the business not reached or left unfinished at the original meeting. There is no need to give notice to members of the adjourned meeting.

- 27.1 The Chairperson of the Board will be the Chairperson at all our meetings. If the Chairperson is not present or, if present, not willing to act, the Vice Chairperson will be the Chairperson. If the Vice Chairperson is not present or, if present, not willing to act, the members present must elect a member of the Board to be the Chairperson of the meeting. If no Board Members are present, the members present must elect a member to be the Chairperson of the meeting.
- 27.2 If the Chairperson arrives after the meeting has commenced, he/she will take over as the Chairperson of the meeting as soon as the current agenda item is concluded.

### **Proxies/Representatives/Postal Votes**

- 28.1 You will be entitled to vote at general meetings either by attending the meeting or by appointing a representative to vote on your behalf by proxy. In relation to the election of Board or Area Committee Members, you can choose to vote by post.
- 28.2 Not less than 14 days before a meeting is held at which one or more Board or Area Committee Members will be elected, you will receive a ballot paper for the election. You can vote in the election by returning the ballot paper to the Secretary at least five days before the day of the meeting, or by bringing your ballot paper to the meeting.
- 28.3 To appoint a representative to vote on your behalf by proxy, you must let us have a properly completed document in the form shown Appendix 1. Your representative does not need to be a member. The document must reach us at least five days before the meeting at which you want to be represented.
- 28.4 If there is any doubt about whether your representative has authority to vote, the Chairperson will decide and his/her decision will be final.
- 28.5 The maximum number of proxy votes that may be cast by one person is one.
- 28.6 To cancel the appointment of your representative, you must let us have a properly completed document in the form shown in Appendix 2. The document must be presented to us before the meeting at which you no longer want to be represented convenes. If you declare yourself present before the meeting convenes, the appointment of a representative to vote on your behalf will automatically fall.
- 28.7 Those forms as shown in the Appendices 1 and 2 must be properly completed to be valid. The Chairperson will report to the meeting the details of any documents or postal votes received which are invalid or void. If you represent an organisation, the document must be authorised by the organisation.

### **Voting**

29. If a decision of a meeting is put to the vote, the outcome will be based on what the majority of members vote for. Voting will be by a show of hands except where a poll is requested or required. Votes cannot be taken on resolutions which conflict with these rules or the law.
- 30.1 Where a vote is by a show of hands every member present in person has one vote. Where a vote is by a poll every member present in person or who has appointed a representative has one vote. Where an appointed proxy is present, he must advise the Chairperson and the Chairperson shall direct that the vote is by poll.
- 30.2 In relation to the election of Board or Area Committee Members, the vote is by a poll using the ballot paper issued prior to the meeting; postal votes will be counted in the total number of votes cast at the meeting.
31. If there is an equal number of votes for and against a resolution or in relation to the election of Board or Area Committee Members, the Chairperson will have a second and deciding vote. The Chairperson's announcement of the decision of a vote will be final and conclusive. The decision will be recorded in the minutes of the meeting. The number of votes for or against the decision need not be recorded.
- 32.1 A poll can be requested before or immediately after a vote by a show of hands if requested by at least one tenth ( $\frac{1}{10}$ ) of the members present at the meeting (in person or through a representative appointed in accordance with Rule 28.3).
- 32.2 A poll must take place as soon as the Chairperson has agreed to it, in line with the Chairperson's instructions. The result of the poll will stand as the decision of the meeting.

### **Speaking Rights**

33. All speakers must direct their words to the Chairperson. All members must remain quiet and orderly while this is happening. You will not be allowed to speak more than once on any individual matter until every other member has had the opportunity to speak. You will have the opportunity to speak a second time on a matter but only if the Chairperson agrees; if you were the person who raised the matter for discussion initially, you shall be permitted to make a final reply on the matter.
34. To amend the proposal being discussed, you must speak to the Chairperson in front of the members. Amendments must be dealt with one by one; one must be decided and either accepted or rejected before another is suggested.
35. The Chairperson will decide how long each speaker is allowed to speak, allowing equal time to each speaker.

36. If any point arises which is not covered in these Rules, the Chairperson will give his/her opinion. If the Chairperson's opinion is challenged by more than one member, the Chairperson will step down and those present will decide the point raised on a majority vote. If the vote is tied, the Chairperson's original opinion will be carried.
37. Meetings must not last longer than three hours unless at least two thirds ( $\frac{2}{3}$ ) of the members present agree after the end of that time to continue the meeting.

## **THE BOARD OF MANAGEMENT**

### Composition of the Board

38.1 The Association shall have a Board of Management consisting of a minimum of 7 (subject to the provisions of Rule 48) members. The Board shall have a maximum (including co-optees) of 18 members. Subject to Rule 92.1 the Association can decide at a general meeting to increase or decrease the maximum number of Board Members. The Board of Management shall comprise:

38.1.1 not more than 10 Board Members who shall be Tenant Board Members of the Association;

38.1.2 not more than five Board Members who shall be Independent Board Members of the Association;

38.1.3 not more than three Board Members who shall be Council Board Members;

Of the Tenant Board Members and Independent Board Members, 4 will be Area Committee nominees nominated by the Area Committees under Rule 38.2. The Association shall keep up to date a register of the names of the Board Members which shall be made available to any person at no cost. The names of Board Members will also be published by the Association on its website, and in its annual reports and other similar documentation.

38.2 Each Area Committee will nominate one member of their Area Committee, who will also be their Chair, to serve as a Board Member on the Board of Management. This position can be held by a Tenant Member or Independent Member if no Tenant is available or willing to act in this capacity. The number of Area Committee nominees shall not exceed two thirds ( $\frac{2}{3}$ ) of Board members.

38.3 In the event that at any time there shall be fewer than:

38.3.1 Ten Tenant Board Members; or

38.3.2 Three Council Board Members; or

### 38.3.3 Five Independent Board Members,

subject to the provisions of Rule 48, the remaining Board Members may continue to act and exercise all the powers of the Board until the next following Annual General meeting.

- 38.4 You must be a member of the Association to become a Board Member (including any individual appointed to fill a casual vacancy), unless you are a co-optee or a Scottish Housing Regulator Appointee. All Board Members must be aged 18 or over.
- 38.5 An employee of the Association, or a Close Relative of an employee, may not be a Board or Area Committee Member.
- 38.6 No Board or Area Committee Member may take office until they have agreed to and signed the Group Code of Conduct for Governing Body Members.
- 38.7 The Board shall assess annually the skills, knowledge, diversity and objectivity that the Board and the Area Committees need for decision making and what is contributed by the Board and Area Committee Members by way of annual performance reviews. The Board must satisfy itself that any Board or Area Committee Member seeking re-election after service as a Board or Area Committee Member for a continuous period in excess of 9 years can demonstrate his/her continued effectiveness as a Board or Area Committee Member.
- 38.8 Each of the Board or Area Committee Members shall, in exercising his/her role as a Board or Area Committee Member, act in the best interests of the Association, its tenants and service users and will not place any personal or other interests ahead of his/her primary duty to the Association; and, in particular, must:
  - 38.8.1 seek, in good faith, to ensure that the Association acts in a manner which is in accordance with its objects.
  - 38.8.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person.
  - 38.8.3 in circumstances giving rise to the possibility of a conflict of interest between the Association and any other party:
    - 38.8.3.1 put the interests of the Association before that of the other party, in taking decisions as a Board or Area Committee Member;
    - 38.8.3.2 where any other duty prevents him/her from doing so, disclose the conflicting interest to the Association and refrain from participating in any discussions or decisions involving the other



Board or Area Committee Members with regard to the matter in question.

- 38.8.4 ensure that the Association complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.
- 38.9 The Tenant Board Members shall be appointed in accordance with the provisions of Rules 38.2, 40.5 and 41.2.
- 38.10 The Independent Board Members, which are not Area Committee nominees shall be nominated by the Board to the members for election to the Board. The Independent Board Members shall be individuals who have skills and experience that are necessary or desirable to support the Board and the Association. The Board shall determine the skills and experience that are needed prior to nomination by the Board of such persons to the members.
- 38.11 The Council Board Members shall be appointed and may be removed by the Council. The effective date of such appointment or removal shall be the date of receipt by the Secretary at the registered office of the Association of written notification from the Council of the appointment or removal.

### **Co-optees**

- 39.1 The Board can co-opt to the Board anyone who is suitable to become a Board Member. Co-optees do not need to be members of the Association, but they can only serve as co-optees on the Board until the next annual general meeting or until removed by the Board.
- 39.2 A person appointed as a co-optee shall undertake the role of Board Member and accordingly will be subject to the duties and responsibilities of a Board Member. Co-optees can take part in any sub-committees' or in the Board's discussions and vote at Board and sub-committee meetings on all matters except on those matters which directly affect the membership of the Association or the election of the Association's Officer Bearers. Co-optees may not stand for election to be elected as Office Bearers of the Board.
- 39.3 Co-opted Board Members must not make up more than one third ( $\frac{1}{3}$ ) of the total number of the Board or sub-committee members at any one time. The presence of the co-optees at meetings of the Board will not be counted when establishing whether the minimum number of Board Members are present to allow the meeting to take place as required by Rule 47.

## **ELECTING / APPOINTING BOARD MEMBERS**

- 40.1 At the end of each annual general meeting at least one third ( $\frac{1}{3}$ ) (or the nearest whole number thereto) of each of:
- 40.1.1 the Independent Board Members;
  - 40.1.2 the Tenant Board Members; and
  - 40.1.3 the Council Board Members;
- must retire.
- 40.2 The retiring Board Members from each of the Constituencies shall be those who have served the longest on the Board since the date of their last election or nomination. If a retiring Board Member is a nominee of an Area Committee, the Area Committee can nominate them again, or nominate another member of the Area Committee. If two or more Board Members have served equally long and cannot agree who should retire, they must draw lots.
- 40.3 Board Members must also retire if they have been co-opted onto the Board under Rule 39.1 or have filled casual vacancies under Rule 41. Anybody appointed as a co-optee under Rule 39.1 or to fill a casual vacancy under Rule 41 and who retires for that reason, shall not count towards the one-third ( $\frac{1}{3}$ ) provision under Rule 40.1.
- 40.4 If you retire from the Board in terms of this Rule before or on the date of the next annual general meeting, you can stand for re-election without being nominated.
- 40.5 Prior to each annual general meeting, elections shall be held for the number of Tenant Board Members to be appointed thereat. The mode and manner of such elections shall be such as to allow all tenants who are members of the Association either directly or indirectly to be involved in the election of Tenant Board Members. The Board shall determine the mode and manner of such elections following any recommendations from the Tenant Board Members provided that the Board is satisfied that the recommendation is democratic, fair and in the best interests of the Association. The Secretary shall at the annual general meeting next following the election certify the results of the election and declare those elected duly appointed to the Board.
- 40.6 If at any annual general meeting the Independent Board members offering themselves for re-election together with any other members of the Association duly nominated for election to the Board as Independent Board Members do not exceed the number of Independent Board Members to be elected, the Independent Board members and the members nominated shall be declared by the Chairperson to have been duly elected or re-elected. If the Independent Board members offered for re-election and nominated exceed the number of Independent Board members to

be elected the meeting shall elect from amongst them the persons to serve on the Board as Independent Board Members.

- 40.7 All elections (other than pursuant to Rule 40.5) shall be by ballot at the general meeting in the manner directed by the Chairman. Each member present in person or by proxy shall be entitled to one vote for each vacancy to be filled but shall not give more than one vote to any one candidate.
- 40.8 Council Board Members who retire from the Board in terms of this Rule do not require to stand for re-election, but may be re-appointed by the Council in terms of Rule 38.11.
- 41.1 If a Council Board Member leaves the Board for whatever reason between the annual general meetings this creates a casual vacancy and his/her place shall be filled by another person to be appointed by the Council or its successor body. Such person shall be deemed to be a Council Board Member for the purpose of these Rules and shall hold office until the next annual general meeting.
- 41.2 If a Tenant Board Member or an Independent Board Member leaves the Board for whatever reason between the annual general meetings this creates a casual vacancy. His/her place shall be filled by another member to be appointed by the Board from the relevant Constituency, unless he/she is a Tenant Board Member or Independent Board Member who is an Area Committee nominee in which case Rule 41.3 applies. A member filling a casual vacancy shall be deemed to be a Tenant Board Member or an Independent Board Member as the case may be for the purpose of these Rules and shall hold office until the next annual general meeting.
- 41.3 If an Area Committee nominee leaves the Board for whatever reason between the annual general meetings this creates a casual vacancy and his/her place may be filled by a new Area Committee member nominated under Rule 38.2. Such person shall be deemed to be an Area Committee nominee for the purpose of these Rules and shall hold office until the next annual general meeting.
42. Nominations for election to the Board must be in writing and in the form specified by the Association and must give the full name, address and occupation of the member being nominated, together with the Constituency to which they are nominated. A Member cannot nominate himself/herself for election to the Board. Nominations must be signed by and include a signed statement from the member being nominated to show that they are eligible to join the Board in accordance with Rules 38.5 and 44 and that they are willing to be elected. Nomination forms can be obtained from the Association and must be completed fully and returned by hand or by post to the Association's registered office at least 21 days before the meeting.

## **Leaving the Board of Management**

- 43.1 A Board Member must leave the Board if the majority of the members voting at a general meeting decide this. The members must then elect someone to take his/her place. If a replacement is not elected at the meeting, the Board may appoint a Board Member. For the avoidance of doubt, if a Council Board Member leaves the Board under this Rule, filling the vacant place on the Board is a matter for the Council in terms of Rule 38.11.
- 43.2 A Board or Area Committee Member must leave the Board or Area Committee if a majority of the remaining Board Members vote in favour of removing him/her as a Board or Area Committee Member at a special meeting of the Board convened for that purpose.

The vote to ask a Board or Area Committee Member to leave the Board or Area Committee must relate to one of the following issues:

- 43.2.1 failure to perform to the published standards laid down by the Scottish Federation of Housing Associations and/or The Scottish Housing Regulator adopted and operated by the Association;
- 43.2.2 failure to sign or failure to comply with the Group Code of Conduct for Governing Body Members;
- 43.2.3 a serious breach of the Association's rules or standing orders;
- 43.2.4 a serious breach of the Group Payment and Benefit Policy;
- 43.2.5 failure to comply with the Group Payment and Benefit Policy as referred to in Rule 45.1;
- 43.2.6 failure to disclose a relevant interest in accordance with Rule 46.1.

Provided always, for the purposes of Rules 43.2.1 and 43.2.2, that what is "failure" and for Rules 43.2.3 and 43.2.4 what is a "serious breach" will be determined in each case by a vote carried by a majority of the remaining Board Members.

### **Eligibility for the Board and Area Committee**

- 44.1 You will not be eligible to be a Board Member or Member of an Area Committee and cannot remain or be appointed or elected as such if:
- 44.1.1 you have been adjudged bankrupt, have granted a trust deed for or entered into an arrangement with creditors or your estate has been sequestrated and has not been discharged; or
- 44.1.2 you have been convicted of (a) an offence involving dishonesty which is not spent by virtue of the Rehabilitation of Offender Act 1974; or (b) an

offence under the Charities and Trustee Investment (Scotland) Act 2005;  
or

- 44.1.3 you are a party to any legal proceedings in any Court of Law by or against the Association; or
- 44.1.4 you are or will be unable to attend the Board or Area Committee meetings for 12 months; or
- 44.1.5 you have been removed from the Board or Committee of another registered social landlord within the previous five years; or
- 44.1.6 you have resigned from the Board or Area Committee in the previous five years in circumstances where your resignation was submitted after the date of your receipt of notice of a special Board meeting convened to consider a resolution for your removal from the Board or Area Committee in terms of Rule 43.2: or
- 44.1.7 you have been removed from the Board or Area Committee in terms of Rules 43.1 or 43.2 within the previous five years; or
- 44.1.8 you have been removed or suspended from a position of management or control of a charity under the provisions of the Law Reform Miscellaneous Provisions (Scotland) Act 1990 or the Charities and Trustee Investment (Scotland) Act 2005; or
- 44.1.9 You have been removed from the office of charity trustee or trustee for a charity by an order made by the Charity Commissioners for England and Wales or by Her Majesty's High Court of Justice in England on the grounds of any misconduct in the administration of the charity for which you were responsible or to which you were privy, or which your conduct contributed to or facilitated; or
- 44.1.10 a disqualification order or disqualification undertaking has been made against you under the Company Director's Disqualification Act 1986 or the Company Directors Disqualification (Northern Ireland) Order 2002 (which relate to the power of a Court to prevent someone from being a director, liquidator or administrator of a company or a receiver or manager of company property or being involved in the promotion, formation or management of a company) or
- 44.1.11 at an annual general meeting, you have served as a Board or Area Committee Member for a continuous period in excess of nine years and the Board has not resolved to permit you to stand again or otherwise be nominated for re-election.

- 44.2 You cannot become or remain or be re-appointed as a Council Board Member if you are or become a Tenant Board Member or an Independent Board Member (provided that you can be or remain or be re-appointed as a Council Board Member if you are or become a tenant).
- 44.3 You cannot become or remain or be re-appointed as a Tenant Board Member if you cease to be tenant or if you become a Council Board Member or an Independent Board Member. You cannot become or remain or be re-appointed as a Tenant Board Member or an Independent Board Member who is also an Area Committee nominee if you cease to be an Area Committee Member.
- 44.4 You cannot become or remain or be re-elected as an Independent Board Member if you become a Tenant Board Member or a Council Board Member (provided that you can be or remain or be re-appointed as an Independent Board Member if you are or become a tenant).
- 44.5 You will no longer be a Member of the Board or Area Committee if you:
- 44.5.1 resign your position in writing; or
  - 44.5.2 cease to be a member unless you are a co-optee in terms of Rule 39.1 or a Scottish Housing Regulator Appointee; or
  - 44.5.3 miss four Board of Management or Area Committee meetings in a row without special leave of absence previously granted by the Board or Area Committee either at your request or at the discretion of the Board or Area Committee; or
  - 44.5.4 are removed by a decision of the members under Rule 43.1; or
  - 44.5.5 are removed by a decision of the Board under Rule 43.2; or
  - 44.5.6 become ineligible under Rule 44.1; or
  - 44.5.7 you are a co-optee whose period of office is ended in accordance with Rule 39.1 or 40.3.

## **Members Interests**

45.1 The Board shall set and periodically review the Group Payment and Benefit Policy. If a person is a member, employee of the Association or serves on the Board, an Area Committee, or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the policy. In making any payment or conferring any benefit the Association shall act at all times with transparency, honesty and propriety.

- 46.1 If a person serves on the Board, an Area Committee or any sub-committee he/she must declare any personal or other external interests on an annual basis in accordance with the Group Code of Conduct for Governing Body Members. If while serving on the Board of Management or an Area Committee that person has any conflict of interest in any contract or other matter about to be discussed at a meeting, he/she must tell the Board or Area Committee. He/she will be required to leave the meeting while the matter is discussed and will not be allowed to vote on the matter or to stay in the meeting while any vote on the matter is being held. If he/she is inadvertently allowed to stay in the meeting and vote on the matter, his/her vote will not be counted.
- 46.2 If a person serves on the Committee or any sub-committee he/she must not receive any payment or benefit unless it is permitted by the Charities and Trustee Investment (Scotland) Act 2005 and as set out in the Association's policy referred to in Rule 45.1. He/she shall also comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 in respect of any conflict of interest that might arise.

## **BOARD OF MANAGEMENT PROCEDURE**

47. It is up to the Board to decide when and where to hold its ordinary meetings, but it must meet at least 6 times a year and there must be at least 7 Board Members present for the meeting to take place, or such other greater number as may be agreed by the Board.
48. The Board will continue to act while it has vacancies for Board Members. However, if at any time the number of Board Members falls below 7, the Board can continue to act only for another 2 months. If at the end of that period the Board has not found new members to bring the numbers of Board Members up to 7, the only power it will have is to act to bring the number of Board Members up to 7.
49. Board Members must be sent written notice of Board meetings posted, or delivered, by hand or sent by fax or email to the last such address for such communications given to the Secretary at least 7 days before the date of the meeting.
- 50.1 All business for the meeting's agenda must be with our Office Bearers in good time for it to be mailed with the papers accompanying the notice of the meeting. Urgent matters not on the agenda may be discussed at meetings if most Board Members agree to this. Urgent matters known before the meeting should be brought to the attention of our Secretary as soon as possible.
- 50.2 In all cases, the Chairperson will decide whether or not a matter is urgent.
- 50.3 If a Board Member does not receive notice of the meeting, this will not prevent the meeting going ahead.

- 50.4 Meetings of the Board can take place in any manner which permits those attending to hear and comment on the proceedings.

### **Special Board Meetings**

- 51.1 The Chairperson or 2 Board Members can request a special meeting of the Board by writing to our Secretary with details of the business to be discussed. Our Secretary will ensure that copies of the request will be sent to all Board Members within three days of receiving it. The meeting will take place at a place mutually convenient for the majority of Board Members – normally the usual place where Board meetings are held – between 10 and 14 days after our Secretary receives the letter.
- 51.2 No other business may be discussed at the meeting other than the business for which the meeting has been called.
- 51.3 If the Secretary does not call the special meeting as set out above, the Chairperson or the Board Members who request the meeting can call the meeting. In this case, they must write to all Board Members at least 7 days before the date of the meeting.
52. If a Board Member does not receive notice of the meeting, this will not prevent the meeting going ahead.

### **Proceedings at Board of Management Meetings**

53. All speakers must direct their words to the Chairperson. All Board Members must remain quiet and maintain order while this is happening. The Chairperson will decide who can speak and for how long.
54. The Chairperson's decision will be final if any point arises which is not covered in these Rules.

### **Chairperson's Responsibilities**

- 55.1 A Chairperson will be appointed on an annual basis at the next scheduled Board meeting held after each annual general meeting.

#### **Role of the Chair**

The Chairperson is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of the Board's role and to ensure that the Board properly discharges its responsibilities as required by law, the Rules and the standing orders of the Association. The Chairperson will be delegated such powers as is required to allow the Chairperson to properly discharge the responsibilities of the office.



Among the collective responsibilities of the Board, on which the Chairperson will lead, are that:

- 55.1.1 the Board works effectively with the senior staff;
  - 55.1.2 an overview of business of the Association is maintained;
  - 55.1.3 the Agenda for each meeting is set;
  - 55.1.4 meetings are conducted effectively;
  - 55.1.5 minutes are approved and decisions and actions arising from meetings are implemented;
  - 55.1.6 the standing orders, Code of Conduct for Governing Body Members and other relevant policies and procedures affecting the governance of the Association are complied with;
  - 55.1.7 where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;
  - 55.1.8 the Board monitors the use of delegated powers;
  - 55.1.9 the Board receives professional advice when it is needed;
  - 55.1.10 the Association is represented at external events appropriately;
  - 55.1.11 appraisal of the performance of Board Members is undertaken, and that the senior staff officer's appraisal is carried out in accordance with the agreed policies and procedures of the Association; and
  - 55.1.12 the training requirements of Board Members, and the recruitment and induction of new Board Members is undertaken.
- 55.2 The Chairperson must be elected from the Members of the Board, cannot be a co-optee and must be prepared to act as the Chairperson until the end of the next annual general meeting (unless he/she resigns the post). The Chairperson can only be required to resign if a majority of the Board Members present at a special meeting agree.
- 55.3 If the Chairperson is not present at a Board meeting or, if present, is not willing to act, the Vice Chairperson will be the Chairperson. If the Vice Chairperson is not present or, if present, is not willing to act, the Members of the Board present will elect another Board Member to be the Chairperson for the Board meeting. If the Chairperson arrives at the meeting late, he/she will take over as Chairperson of the Board meeting as soon as the current agenda item is concluded.

- 55.4 If the votes of Board Members are divided equally for and against an issue, the Chairperson will have a second and deciding vote.
- 55.5 The Chairperson can resign his/her office by writing to our Secretary and must resign if he/she leaves the Board or is prevented from standing for or being elected to the Board under Rule 44.1. The Board will then elect another Board Member as the Chairperson.
- 55.6 The Chairperson can be re-elected but must not hold office continuously for more than 5 consecutive years. After 5 years, the retiring Chairperson will not be able to stand for election as Chairperson again for 12 months.
- 55.7 The Chairperson cannot be the Chair of an Area Association.

## **THE POWERS OF THE BOARD OF MANAGEMENT**

- 56.1 The Board is responsible for the leadership, strategic direction and control of the Association with the aim of achieving good outcomes for its tenants and other service users in accordance with Regulatory Standards and Guidance issued by The Scottish Housing Regulator from time to time. The Board of Management is responsible for directing the affairs of the Association and its business apart from those responsibilities delegated to Area Committees in terms of the Scheme of Delegated Authority between the Association and the Area Associations. The Area Associations will be accountable to the Board of Management of the Association. The Board, Area Associations and Area Committees are not permitted to exercise any powers which are reserved to the Association in general meetings either by these Rules or by statute. Each Board Member must operate in accordance with the Association's objects and these Rules.
- 56.2 The Board can delegate authority to the Area Committees to take decisions relating to the management and maintenance of the houses within the Area Associations' designated areas of operation.
- Business delegated to the Area Committees shall be set out in the Schemes of Delegated Authority agreed between the Association and the Area Associations, and approved by the Board.
- 56.3 The Board shall implement business authorised by the Area Committees unless it has power of veto as set out in 56.4 of these Rules.
- 56.4 If an Area Committee authorises business which is against the Association's policies, or are outwith the Area Associations' delegated authorities, or will cause the Area Committee to exceed its budgets, or cause rent increases which, in the opinion of the Board, would be unacceptable to the majority of members affected, then the Board may decide to veto the decision. It must provide immediate written

notice of the veto to the relevant Area Committee with details of the reasons for the use of the veto.

57. The Board acts in the name of the Association in everything it does. A third party acting in good faith and without prior notice does not need to check if the powers of the Board have been restricted, unless they are already aware that such a restriction may exist.
- 58.1 Amongst its most important powers, the Board can:
- 58.1.1 determine the number of Area Associations to be established;
  - 58.1.2 determine the remits and delegated powers for each Area Committee;
  - 58.1.3 buy, sell, build upon, lease or exchange any land and accept responsibility for any related contracts and expenses;
  - 58.1.4 agree the terms of engagement and remuneration of anyone employed in connection with our business and where it is in the best interest of the Association and permitted by the terms of the Group Payment and Benefit Policy or any statutory or regulatory provisions relating to such payments, agree the terms of any ex-gratia payment to any employee or former employee outwith that person's terms and conditions of employment.
  - 58.1.5 grant heritable securities over our land and floating charges over all or any part of our property and assets both present and in future. This includes accepting responsibility for any related expenses;
  - 58.1.6 decide, monitor and vary the terms and conditions under which our property is to be let, managed, used or disposed of;
  - 58.1.7 appoint and remove our solicitors, surveyors, consultants, managing agents and employees, as required in the Association's business;
  - 58.1.8 refund any necessary expenses as are wholly and necessarily incurred by Board, Area Committee and sub-committee Members in connection with their duties;
  - 58.1.9 compromise, settle, conduct, enforce or resist either in a Court of Law or by arbitration any suit, debt, liability or claim by or against the Association;
  - 58.1.10 accept donations in support of the activities of the Association.

## **Sub-Committees**

- 59.1 The Board can delegate its powers to sub-committees made up of Board Members, or to staff or Office Bearers of the Association. The Board will establish the terms of reference for such delegation, which will be set down in writing and communicated to the recipient of the delegated powers. Such delegation will be set out in writing in standing orders, schemes of delegated authority or other appropriate documentation. In the case of a sub-committee such delegation shall include the purposes of the sub-committee, its composition and quorum for meetings. A minimum number of members of a sub-committee shall be three. There must be at least three of the members of a sub-committee present for the meeting to take place. The Board shall be responsible for the on-going monitoring and evaluation of the use of delegated powers.
- 59.2 The meetings and procedures of sub-committees or otherwise must comply with the relevant terms of reference.
- 59.3 Any decision made by sub-committees must be reported to the next Board meeting.
- 59.4 Co-optees must not make up more than one third ( $\frac{1}{3}$ ) of a sub-committee. Co-optees do not count towards the number of Board Members needed for a meeting to take place.

## **AREA COMMITTEES**

- 60.1 The Board of Management of the Association can establish and delegate powers to Area Associations, which will elect their own Area Committees in accordance with Rule 61.4. Each Area Committee will have a maximum of 9 Area Committee Members, a majority of whom must be tenants. The Area Committees shall be responsible for determining the management and maintenance of the housing within a designated geographical area. The designated areas of the Area Associations shall be agreed by the Board and delineated in red on the Ordnance Survey Map and appended to the Scheme of Delegated Authority referred to at Rule 56.1.
- 60.2 A Scheme of Delegated Authority as referred to at Rule 56.1 will be agreed between the Association and each Area Association, and will set out the responsibilities and authority of the Area Committees, and the standards to which they are to operate.
- 60.3 The Area Committees will be accountable to the Board of Management of the Association and all decisions must be reported to the next meeting of the Board. Each Area Association will adopt its own set of procedures for electing Area Committee Members and Office Bearers, appointing co-optees or filling casual vacancies, and Standing Orders for the calling of meetings and for proceedings of

Area Committee meetings; these must be approved by the Board of the Association.

- 60.4 Area Committees must follow any additional regulations agreed by the Board of the Association.
- 60.5 An Area Committee will continue to act while it has vacancies for Area Committee Members. However, if at any time an Area Committee has fewer than five members, then that Area Committee can continue to act, with the support of the Board of the Association, only for another two months. If at the end of that period the Area Committee has not found new members to bring the numbers of Area Committee Members up to five, the members of the Area Committee and the matters for which it has delegated responsibility shall transfer to the Board of the Association.

### **Election of Area Committees / Appointment of Council Area Representatives**

- 61.1 Within one year of the Association and the Area Associations signing the Schemes of Delegated Authority, the Association shall call an annual meeting of all the members of the Area Associations to elect Area Committee Members and to discuss any business relevant to the areas.
- 61.2 The meeting will be called by the Association's Secretary. A written notice of the meeting will be sent to all members entitled to attend. The quorum at the annual meeting of the Area Associations is seven. If there are more than 70 members of the Area Associations, the quorum is one tenth ( $\frac{1}{10}$ ). The Chairperson will establish that at least five members of each Area Association want to serve on each Area Committee. If there are fewer than five members willing to serve for any particular Area Association, Rule 60.5 applies.
- 61.3 At the conclusion of every subsequent annual meeting of the Area Associations, one third ( $\frac{1}{3}$ ) (or the nearest whole number thereto) of the Area Committee Members shall retire.

The retiring Area Committee Members should be those who have served longest on the Area Committees since the date of their last election. If two or more members have served equally long, they should agree among themselves who will retire, or otherwise be selected by lot.

- 61.4 If at any annual meeting the Area Committee Members standing for re-election together with any other members of the Area Association nominated for election to the Area Committee do not exceed the maximum number of committee members to be elected, the Chairperson of the Area Committee will declare the Area Committee Members and nominated members duly elected. If the numbers standing for election or re-election exceed the number required, those present at the annual

meeting will elect members to the Area Committee in accordance with the procedures of the Area Association.

- 61.5 The Council will be entitled (but not required) to appoint from time to time one member to each of the Area Committees. Such persons (each a “Council Area Representative”) need not be a Council Board Member nor resident within the designated geographic area of any particular Area Association.
- 61.6 Council Area Representatives shall be appointed and may be removed by the Council. The effective date of such appointment or removal shall be the date of receipt by the Secretary at the registered office of the Association of written notification from the Council of the appointment or removal.
- 61.7 Council Area Representatives who retire from an Area Committee in terms of this Rule 61 do not require to stand for re-election, but may be re-appointed by the Council in terms of Rule 61.6.

### **Proceedings of Area Committees**

- 62.1 The proceedings of Area Committees will be set out in the Standing Orders of the Area Committee in accordance with Rule 60.3.
- 62.2 Subject to the right of veto vested in the Board as referred to in Rule 56.4, each Area Committee of the Association shall have the powers delegated to it as set out in the Scheme of Delegated Authority between the Association and the Area Association.

### **DECISIONS OF BOARD OF MANAGEMENT, AREA COMMITTEE OR SUB-COMMITTEE**

63. All acts done in good faith as a result of a Board of Management, Area Committee or sub-committee meeting will be valid even if it is discovered afterwards that a Board or Area Committee Member was not entitled to be on the Board or Area Committee.
64. A written resolution signed by not fewer than three quarters of the members of the Board, an Area Committee or of a Sub-Committee will be as valid as if it had been passed at a Board, Area Committee or Sub-Committee meeting duly authorised and constituted.

### **THE SECRETARY AND OTHER OFFICE BEARERS**

- 65.1 The Association must have a Secretary (who may or may not be an elected Board Member) a Chairperson (as set out at Rule 55) and any other Office Bearers the Board considers necessary who must all be elected Board Members. Office Bearers cannot be co-optees. An employee may hold the office of Secretary although not

be a Board Member. The Board will appoint these Office Bearers. If the Secretary cannot carry out his/her duties, the Board, or in an emergency the Chairperson, can ask another Office Bearer or employee to carry out the Secretary's duties until the Secretary returns.

65.2 The Secretary and the other Office Bearers will act under the control, direction and instructions of the Board of Management.

### **The Role of the Secretary**

65.3 The Secretary's duties include the following (these duties can be delegated to an appropriate employee with the Secretary assuming responsibility for ensuring that they are carried out in an effective manner):

65.3.1 calling and going to all general meetings of the Association and all meetings of the Board;

65.3.2 keeping the minutes for all meetings of the Association, the Board and the Area Committees and sub-committees;

65.3.3 sending out letters, notices calling meetings and relevant documents to members before a meeting;

65.3.4 preparing and sending all the necessary reports to the Financial Conduct Authority and The Scottish Housing Regulator.

65.3.5 ensuring compliance with these Rules;

65.3.6 keeping the register of members and other registers required under these rules

65.3.7 supervision of the Association's seal.

65.4 The Secretary must produce or give up all the Association's books, registers, document and property whenever requested by a resolution of the Board, or of a general meeting.

### **FINANCIAL GUARANTEES FOR OFFICERS**

66.1 The Board shall take out fidelity guarantee insurance to cover the Secretary and all Office Bearers and employees who receive or are responsible for the Association's money. Or, the Secretary and these Office Bearers and employees must be covered by a bond as set out in Schedule 1 of the Co-operative and Community Benefit Societies Act 2014, or a guarantee under which they promise to account for and repay the Association's money accurately.

- 66.2 The Board shall have the power to purchase and maintain indemnity insurance for, or for the benefit of, persons who are, or were at any time, Board Members, Officers or employees of the Association. A Board Member may form part of a quorum and vote at a meeting where such insurance is under consideration notwithstanding the terms of Rules 45 and 46.
67. The Secretary, Office Bearers and employees will not be responsible for the Association's loss while they are carrying out their duties unless there has been gross negligence or dishonesty. If the Secretary, an Office Bearer or employee is dishonest, we may tell the police or another suitable authority, and will try to recover any loss we have suffered.

## **THE BOARD'S MINUTES, SEAL, REGISTERS AND BOOKS**

### **Minutes**

68. Minutes of every general meeting, Board of Management meeting, Area Committee meeting and sub-committee meeting must be kept. Those minutes must be represented at the next appropriate meeting and their acceptance must be recorded. All minutes recorded shall be conclusive evidence that the minutes are a true record of the proceedings at the relevant meeting.

### **Execution of Documents and Seal**

69. The Association shall execute deeds and documents in accordance with the provisions of the Requirements of Writing (Scotland) Act 1995 and record the execution in the register. The use of a common seal is not required. The Association may have a seal kept by our Secretary in a secure place unless the Board decides that someone else should look after it. The seal must only be used if the Board decides this. When the seal is used, the deed or document must be signed by our Secretary or a Member of the Board or another person duly authorised to subscribe the deed or document on the Association's behalf and recorded in the register.

### **Registers**

- 70.1 The Association must keep at its registered office, a Register containing:
- 70.1.1 the names and addresses of the members and where provided for the purposes of electronic communication, fax numbers and email addresses;
  - 70.1.2 the Area Association for which membership is held;
  - 70.1.3 a statement of the share held by each member and the amount each member paid for it;



- 70.1.4 the date each person was entered in the Register as a member and the date at which any person ceased to be a member of the Association;
  - 70.1.5 a statement of other property in the Association, whether in loans or loan stock held by each member; and
  - 70.1.6 the names and addresses of the Office Bearers of the Association and the Area Committees, their position, and the dates they took and left office;
- 70.2 The Association must also keep at its registered office:
- 70.2.1 a second copy of the Register showing the same details as above but not the statements of shares and property. This copy register must be used to confirm the information recorded in the main Register;
  - 70.2.2 A register of loans and to whom they are made; and
  - 70.2.3 A register showing the details of all loans and charges on the Association's land.
- 70.3 The inclusion or omission of the name of any person from the original Register of Members shall, in the absence of evidence to the contrary, be conclusive that the person is or is not a member of the Association.

## **Registered Name**

71. The registered name of the Association must be clearly shown on the outside of every office or place where the Association's business is carried out. The name must also be engraved clearly on the Association's seal and printed on all its business letters, notices, adverts, official publications, website and legal and financial documents.

## **Documentation**

72. The Association's books of account, registers, securities and other documents must be kept at the registered office or any other place the Board decides is secure.
73. At the last Board meeting before the annual general meeting, the Secretary must confirm in writing to the Board that Rules 68 to 72 have been followed or, if they have not been followed, the reasons for this. The Secretary's confirmation or report must be recorded in the minutes of the Board meeting.

## ACCOUNTS

74. The Association must keep proper books of accounts to cover its income, expenditure, spending, assets and liabilities in line with Sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.
75. The Board must send the Association's accounts and balance sheet to the Association's auditor. The auditor must report to the Association on the accounts they have examined and must follow the conditions set out in Section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 69 of the Housing (Scotland) Act 2010.
76. The Association must provide The Scottish Housing Regulator and the Financial Conduct Authority with a copy of its accounts and the auditor's report within six months of the end of the period to which they relate.

## THE AUDITOR

- 77.1 Apart from the requirements of Rule 78, each year the Association must appoint, at a general meeting of the Association, a qualified auditor to audit the Association's accounts and balance sheet. In this rule "qualified auditor" means someone who is a qualified auditor under Section 91 of the Co-operative and Community Benefit Societies Act 2014.
- 77.2 None of the following can act as auditor to the Association:
  - 77.2.1 a Board Member, Area Committee Member or employee of the Association;
  - 77.2.2 a person who is a partner of, or an employee or employer of a Board Member, Area Committee Member or employee of the Association;
  - 77.2.3 an organisation which is a member of the Association.
78. The Association must appoint an auditor within three months of being registered by the Financial Conduct Authority. The Board will appoint the auditor unless there is a meeting of the Association within that time. The Board may appoint an auditor to fill in a casual vacancy occurring between general meetings of the Association. The Board shall take such steps as it considers necessary to ensure the continuing independence of the Association's auditor including the periodic review of the need for audit rotation.
- 79.1 An auditor appointed to act for the Association for one year will be re-appointed for the following year unless:

- 79.1.1 a decision has been made at a general meeting to appoint someone else or specifically not to appoint them again; or
  - 79.1.2 they have given to the Association notice in writing that they do not want to be reappointed; or
  - 79.1.3 they are not a qualified auditor or are excluded under Rule 77.2; or
  - 79.1.4 they are no longer capable of acting as auditor to the Association; or
  - 79.1.5 notice to appoint another auditor has been given.
- 79.2 To prevent an auditor being re-appointed or to appoint another person as auditor, not less than 28 days notice must be given to the Association that the matter requires to be discussed at the next meeting of the Association.
- 79.3 The Association shall give notice to the auditor who is to be asked to step down that the matter will be discussed at the next meeting of the Association. If possible the Association will also give proper notice of this matter to the Members but if this is not possible, the Association can give the Members notice by advertising in the local newspaper at least 14 days before the meeting.
- 79.4 The retiring auditor may make representations to the Association or give notice that she/he intends to make representations at the meeting and the Association must tell the Members of any representations made by the auditor under Section 95 of the Co-operative and Community Benefit Societies Act 2014.

## **ANNUAL RETURNS AND BALANCE SHEET**

- 80.1 Every year, within the time allowed by the law, the Secretary shall ensure that the annual return is sent to the Financial Conduct Authority in the form required by the Financial Conduct Authority.
- 80.2 The Secretary must also ensure that the following is sent:
- 80.2.1 a copy of the auditor's report on the Association's accounts for the period covered by the return; and
  - 80.2.2 a copy of each balance sheet made during that period and of the auditor's report on that balance sheet.
81. The Association must provide a free copy of the latest annual return and auditor's reports to members or people with a financial interest in the Association.

82. The Association must always keep a copy of the latest balance sheet and auditor's report publicly displayed at its registered office.
83. The Association must comply with the requests of The Scottish Housing Regulator for annual returns.

## **SURPLUSES**

- 84.1 The Association must not distribute its surpluses to members, either directly or indirectly.
- 84.2 The Board shall set and review periodically its policy for the donation of funds to charitable organisations. Such donations must further the objects of the Association and the Board shall report to the Members on such donations.

## **INVESTMENTS**

85. The Association's funds may be invested by the Board in such manner as is permitted by its Investment Policy subject always to the requirement that the Association will comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time.

## **INSPECTING THE REGISTER**

86. Any member or person having a financial interest in the Association can inspect their own account. They may also inspect the second copy of the register of members (Rule 70.2) which shall be made available to them for inspection within 7 days of the request of a member or eligible person. The books must be available for inspection at all reasonable hours at the place they are kept. The Board may set conditions for inspecting the books. The Association will also maintain a register of the names of those Members who have given consent for this purpose which shall be made available for inspection within 7 days of the request of any person.

## **DISPUTES**

87. Any dispute between the Association or the Board Members and:
  - 87.1 a member; or
  - 87.2 a person aggrieved who has ceased to be a member within the previous 6 months; or
  - 87.3 a person claiming under the Rules of the Association;

shall be dealt with in accordance with these Rules and any procedures determined by the Board from time to time but without prejudice to all rights which any person may have to raise an action on the matter in any court with competent jurisdiction, including without prejudice the Sheriff in the Sheriffdom in which the Association's registered office is located.

## **STATUTORY APPLICATIONS TO THE FINANCIAL CONDUCT AUTHORITY**

- 88.1 Any 10 members of the Association who have been members for at least the 12 previous months can apply to the Financial Conduct Authority to appoint an accountant or actuary to inspect and report on the Association's books on payment to the Financial Service Authority of the costs required.
- 88.2 One tenth ( $\frac{1}{10}$ ) of members can apply to the Financial Conduct Authority to:
- 88.2.1 appoint an inspector to examine and report on the affairs of the Association; or
  - 88.2.2 call a special general meeting of the Association.
- 88.3 If the Association has more than 1,000 members, only 100 members need to apply to the Financial Conduct Authority.

## **COPIES OF RULES**

89. The Secretary shall, on demand, provide a copy of the Rules of the Association free of charge to any member who has not previously been given a copy and, upon payment of such a fee as the Association may require, not exceeding the amount specified by law, to any other person.

## **CLOSING DOWN THE ASSOCIATION**

- 90.1 The Association can be closed down (dissolved) in the following ways:
- 90.1.1 by an order or resolution to wind up the Association as set out in the Insolvency Act 1986 and / or Section 105 of the Housing (Scotland) Act 2010; or
  - 90.1.2 if three quarters of our members sign an Instrument of Dissolution in accordance with Section 119 of the Co-operative and Community Benefit Societies Act 2014.
- 90.2 The prior approval of OSCR is required before the Association can be dissolved. The Association must submit its application for approval to OSCR not less than 42 days before the date on which the Association intends to dissolve.

91. If any property remains after the Association has paid its debts, this property will be transferred to such other charitable registered social landlord as determined by The Scottish Housing Regulator.

## **CHANGING THE RULES**

- 92.1 Any of these Rules can be changed or deleted and new Rules can be introduced, if:
- 92.1.1 three quarters of the votes at a special general meeting are in favour of the change(s); and
  - 92.1.2 The Scottish Housing Regulator has approved the change(s).
- 92.2 Where an amendment of these Rules affects the purposes of the Association the prior approval of OSCR is required. The Association must submit its application for approval to OSCR not less than 42 days before the date on which the Association intends to amend its purposes. Any other amendment of these Rules requires to be notified to them within three months of the change having been made.
- 92.3 The Association must apply to the Financial Conduct Authority to register every Rule change as set out in treasury regulations. Each member must receive a copy of the change. No change is valid until it has been registered by the Financial Conduct Authority.
- 92.4 We can change the name of the Association if:
- 92.4.1 three quarters of the votes at a special general meeting are in favour of the change(s);
  - 92.4.2 the Financial Conduct Authority approves the change in writing.
  - 92.4.3 OSCR has given its prior approval. The Association must submit its application for approval to OSCR not less than 42 days before the date on which the Association intends to change its name.
- 92.5 If the Association changes its name in terms of Rule 92.4 it must inform The Scottish Housing Regulator in writing within 14 days.
- 92.6 The Association can change its registered office but must:
- 92.6.1 notify The Scottish Housing Regulator and the Financial Conduct Authority of the change in registered office within 7 working days of the decision having been made; and
  - 92.6.2 notify OSCR within 3 months of the change having been made.

## INTERPRETING THESE RULES

93.1 In these Rules, the following words and phrases have the meanings given below:

“A person claiming through a member” includes their executor assignee or nominee. This heading would be used in connection with disputes about the transfer of a member’s share after his death. It would also cover executors of a former member.

“Area Association” means the members who live in a specified geographical area as referred to in Rule 60.1.

“Area Committee” means the Committee of the Area Association.

“Area Committee nominee” means a Tenant Board Member or Independent Board Member of the Board of Management, nominated to the Board by an Area Committee under Rule 38.2.

“Association” means the registered social landlord referred to in Rule 1 whose Rules these are.

“Board” means the Board of Management appointed in line with Rule 38.

“Board meeting” means a meeting of the Board of Management.

“Board Member” means a member of the Board.

“Chairperson” means the Chairperson of the Association.

“charitable” means charitable both for the purposes of Section 7 of the Charities and Trustees Investment (Scotland) Act 2005 and also Section 505 of the income and Corporation Taxes Act 1988.

“Close Relative” means someone who is a person’s spouse, civil partner, co-habitee, child, parent, grandchild, grandparent, sibling or spouses of these persons.

“Constituencies” means the 3 constituencies represented by the composition of the Board of Management being Tenants, the Council and the Independent Sector.

“Council” means Argyll and Bute Council or any statutory successor to that Council as strategic housing authority for the Argyll and Bute administrative area.

“Council Board Member” means a member of the Board of Management appointed to the Board by the Council under Rule 38.11.

“Euro” means the single currency of the European Union as constituted by the Treaty on European Union as referred to in the legislation of the European Council

for the introduction of, change over to or operation of the Euro in one or more member states, being in part legislative measures to implement Economic and Monetary Union as contemplated in the Treaty of Rome of 25 March 1957 as amended by the Single European Act 1986 and the Maastricht Treaty (signed at Maastricht on 7 February 1992 and which came into force on 1 November 1993).

“Financial Conduct Authority” means the registering authority for societies registered under the Co-operative and Community Benefit Societies Act 2014 set up in terms of the Financial Services Act 2012 or its successor body.

“Group” means the Association and any organisation which is its parent, its subsidiary or is a subsidiary of its parent.

“Independent Board Member” means a member of the Board of Management who is neither a Council Board Member nor a Tenant Board Member.

“Independent Sector” means such persons and organisations as representing neither the Tenants nor the Council.

“meeting” means a general meeting of the Association, whether special or annual referred to in Rules 21 – 22.

“member” means one of the people referred to in Rule 7.

“Office Bearer” means the Chairperson, Secretary, Treasurer and Vice Chairperson of the Association or Area Association.

“OSCR” means the Office of the Scottish Charity Regulator, the body set up under the Charities and Trustee Investment (Scotland) Act 2005 to regulate charities in Scotland.

“organisation” means a legal body which exists separately and distinctly from its members and includes companies, building societies, industrial and provident societies, local authorities and for the purposes of these Rules also includes unincorporated organisation such as social clubs, branches of political parties or trade unions and other voluntary bodies.

“property” includes everything which can be passed on by inheritance (including loans, certificates, books and papers).

“Rules” means [the](#) registered Rules [of the Association](#).

“Scheme of Delegated Authority” means the written agreement between the Association and each Area Association, which sets out the delegated authority expressly given by the Association to the Area Committee.



“The Scottish Housing Regulator” means The Scottish Housing Regulator as established pursuant to Section 1 of the Housing (Scotland) Act 2010.

“The Scottish Housing Regulator Appointee” means a Board of Management member appointed by The Scottish Housing Regulator.

“Secretary” means the Office Bearer appointed by the Board of Management to be the Secretary of the Association or anyone authorised by the Board to stand in for the Secretary.

“Taxes Acts” means Part 11 of the Corporation Tax Act 2010 as read with Schedule 6 of the Finance Act 2010 and any statute or statutory provision which amends, extends, consolidates or replaces the same.

“tenant” means a residential tenant of the Association from time to time occupying under a weekly or monthly tenancy.

“Tenant Board Member” means a member of the Board of Management who is appointed or nominated to the Board of Management under Rule 38.2, Rule 40.5 or Rule 41.2.

“Transfer” means the transfer of the housing stock and other assets of the Council to the Association.

“Transfer Date” means the date the Transfer takes place.

“We” or “the Association” or “our” or “us” means the Housing Association referred to in Rule 1 whose Rules these are, as the context permits.

“You” means a member, prospective member or applicant for membership of the Association.

93.2 Words in the singular include the plural and vice versa.

93.3 References to statute or a section of statute, or any other provision of legislation, shall include any amendment or re-enactment of that provision in force from time to time.

93.4 In the event of Sterling joining the Euro any sums of money referred to in Sterling in these Rules shall be redenominated into Euros at the rate of exchange applying for such redenomination as at the date of joining the Euro.



**APPENDIX 1**

**PROXY FORM**

You must use the wording shown below to appoint a representative to vote at a meeting for you. Please see Rule 28.3 for more details.

I ..... am a member of Argyll Community Housing Association Limited.

My address is:

.....  
.....

I hereby appoint ..... who lives at

.....

to be my representative and vote for me at the Association's meeting on

.....

and any other subsequent dates of that meeting.

Your name .....

Your signature .....

Date .....



**APPENDIX 2**

**CANCELLATION OF PROXY**

You must use the wording shown below to reverse your application to send a representative to vote at a meeting for you. Please see Rule 28.6 for more details.

I ..... am a member of Argyll Community Housing Association Limited.

My address is:

.....  
.....

I hereby revoke the appointment of ..... as my representative to vote for me at the Association's meeting on

..... made by me on the .....

Your name .....

Your signature .....

Date .....

**Co-operative and Community Benefit Societies Act 2014  
Registration Number 2661R(S)**

**Argyll Community Housing Association Limited has today  
been registered under the Co-operative and Communities Benefit  
Societies Act 2014**

**Date:**