



Model Rules for Housing Associations in Wales

Guidance for Housing Associations on rule amendments

Summary

The Model Rules are not mandatory. They have been designed to be a model set to help support consideration locally if and when Housing Associations in Wales review their own rules and arrangements. If your Association decides to either amend existing rules to reflect aspects of the new rules or adopt a new set of rules, your Association should follow the steps below.

Approval Routes

1. Internal

The Association's members' should be invited to a Special General Meeting (SGM) to adopt the rule changes with a three-quarter majority. Associations can hold an SGM on the same date as an Annual General Meeting (AGM); however, separate notices should be sent out and separate minutes should also be recorded.

At this stage the new rules need to be signed off by **3 Board Members and the Secretary**. There should be **3 clean copies** of the rules signed off and **2 tracked copies** incorporating any changes.

2. Housing Regulator

Associations will need to seek their own legal support when amending an Association's rules or adopting a new set. A track changed copy and a clean copy as indicated in (1) above should be sent to the Welsh Government Housing Regulator for consideration and approval, along with a copy of the Board decision to adopt the new rules, which should be signed in accordance with their existing rules. The Regulator will provide their consent and/or inform you if there are any changes required.

3. Financial Conduct Authority (FCA)

The revised rules will need now to be submitted and registered by the FCA. The submission will need to include:

- Cover letter from the Association
- Two clean signed copies of the new rules as indicated in (1) above
- One track changed copy to show only any new wording not taken from the base model rules or any of the options sections
- Any approval correspondence for the Housing Regulator
- The relevant FCA registration forms which are available on their website. These should be signed off by the Secretary of the Association
- A completed copy of Appendix 1 to this note – FCA checklist



Once reviewed and registered, the FCA will send the Rules directly back to the Association.

APPENDICES

Appendix 1 – FCA checklist

This Appendix needs to be completed in all cases where any planned changes to existing rules are being made, and **must** form part of the submission to the FCA. It would seem practical that this checklist should also form part of any consent documentation provided to the Housing Regulator.

Appendix 2 - Options checklist aide memoire

The Model Rules include sets of Options to meet a range of different needs, split deliberately into five distinct sections to reflect:

- generic options to the base model for all Housing Associations;
- group, parent and subsidiary options;
- options specifically relating to LSVTs & Community Mutuals (where they are similar);
- any additional options not covered in Section III above specifically relating only to Community Mutuals; and
- co-optee options.

There may therefore potentially be a number of options from across the *Options* sections in the model rules used within any Associations' amended rules. It is entirely voluntary but to aid clarity and development internally and provide a helpful aide memoire checklist of the use of the Options within planned local rules, Associations may wish to complete Appendix 2 to this note, and for it also to form part of any submission to the Housing Regulator. **It is not for submission to the FCA.**



Appendix 1

FCA rule amendment checklist

HOUSING ASSOCIATION.....

++ This checklist must be used for any amendment(s) to an Association's existing rules and must form part of the acceptance and registration submission to the FCA

Questions

yes (✓) / no (X)

Q1 For any amendment, has the Association used the text from the Model Rules base set only?

Q2 If not, indicate which of the *options* it has included

++ Please include additional text if box is insufficient

Q3 - Where the association has included optional text, has it included all of the options?

Q4 If part option, indicate which elements have been excluded



++ please include additional text if box insufficient

Q5 Has the Association added into its rules, any wording different from the model rules set?

Q6 If so has the association included in its submission, a marked up copy of the rules with that wording highlighted in red?

Signed.....

Position.....

Date.....



Appendix 2

MODEL RULES – OPTIONS
AIDE MEMOIRE CHECKLIST

HOUSING ASSOCIATION

Part O of the Model Rules includes a range of options to meet a range of different needs. This checklist identifies all the Options from the *CHC Model Rules for Housing Associations in Wales* that have been incorporated within the Association’s revised rules. Each option used in the Associations’ rules must form part of the rules to be registered, and should be inserted into the appropriate section in the body of the rules.

Options section (1)++	Inclusion in Association’s rules (2)++	Explanatory note
Section I – generic options to the base model		
Section II – Group, parent and subsidiaries		
Section III – LSVT/Community Mutual (where they are similar)		
Section IV – specific Community Mutual arrangements only		
Section V – Co-optees		

Notes

(1)++ This column should include reference to the relevant section of the association’s rules where the option has been included (Board arrangements / shareholders and meetings arrangements etc)

(2) ++ This column should both include all *option section* references from the model rules set and the paragraph reference in the Associations amended rules where the option has been used /inserted.