



11 October 2021

To: All Tenants, Factored Owners & Members of the Association

IMPORTANT LETTER FROM THE CHAIR

As you will recall from my last letter to you in July this year, the Scottish Housing Regulator (SHR) has been engaging with Charing Cross about our governance and financial management.

Our own view and that of the SHR, is that Charing Cross is currently not compliant with the SHR Regulatory Standards of Governance and Financial Management. The current SHR engagement plan can be accessed from the SHR website:

<https://www.housingregulator.gov.scot/landlord-performance/landlords/charing-cross-housing-association-ltd/engagement-plan-from-31-march-2021-to-31-march-2022>

SHR remain concerned at the extent of significant compliance failures at Charing Cross and the ability of the Association to address these without major changes being made.

You may recall that in June 2021, following a strategic options appraisal, we decided to explore joining another Housing Association as its subsidiary OR transferring our business into a larger Housing Association (known as a transfer of engagements). This decision was made in the best interest of our current and future tenants.

Since my last update, we advertised for interest from other Housing Associations in becoming our preferred partner. Interest was restricted to other registered Housing Associations who are also charities and registered property factors just like us. Our advert sought a strong, well performing partner, with an operating presence in the Glasgow area, and with the capability to deliver what Charing Cross needs. We made clear all the priorities that we want to address through a partnership, based on what tenants have told us matter to them most. We asked for detailed initial proposals against our five priorities as follows:

- 1 - Strong governance and financial strength.**
- 2 - Improving rent and service charge affordability.**
- 3 - Provide quality homes in an attractive environment.**
- 4 - Deliver excellent and culturally sensitive services and greater opportunities.**
- 5 - Develop our people.**

By the closing date for submissions, we received proposals from **four** Housing Associations. All four proposed a **transfer of engagements** as their preferred route to partnership with us. We are not able to share the identity of the bidders as we are committed to commercial confidentiality.

A Subgroup of our Management Committee supported by expert advisers conducted a thorough and detailed analysis and scoring of each proposal. At the end of the process, there was one bid from an association that the Subgroup felt could deliver the bright and positive future that we think our tenants, factored owners and staff all deserve. This

association's proposals scored best of the four and included an attractive initial package of benefits to our tenants, service users and staff, if the transfer proceeds.

The Subgroup were able to make a clear recommendation to the full Management Committee at a special meeting held on 7 October 2021 to appoint the top scoring association. I am now delighted to tell you that **West of Scotland Housing Association** have now been appointed as our preferred transfer partner. You can find out a bit more about them via their website: <https://westscot.co.uk/> and we will provide lots more directly as the process gets underway.

West of Scotland Housing Association will now quickly begin work with us on the next stage of developing a detailed joint Business Case for the partnership. This needs to set out in detail what partnership would mean for you and the set of tenant promises that the partner would deliver, **if** Charing Cross tenants support the change. During this process, we will be out talking to you to find out what you think and make sure the plans have been shaped by your views. We also included as a requirement that the preferred partner provide operational support and expertise to us in advance of the transfer to help us deliver services and get ready for change. With this, you may start to see West of Scotland staff around the office and the area over the coming months.

What we are planning is a big change and as promised, we will make sure that we take the time to do this right and that we have the support of tenants before we move ahead. We have now appointed an independent tenant adviser (ITA) to provide advice to our tenants and help answer any questions you may have. The appointed ITA is the **Tenants Information Service (TIS)**, and we will introduce them in full and provide contact details in the first issue of our new communication '**Transfer News**' that will be issued next month. TIS will start work with us soon to support you through the process.

Rest assured that we will consult with you throughout the process and the final transfer offer will be the subject of an independent tenant ballot where every Charing Cross tenant will get to vote on whether the transfer goes ahead. The transfer would only happen if the majority of tenants voting, support it.

We wanted to share this news with you as soon as we made our decision. If you have any initial questions or concerns, please do not hesitate to email us at cxha@cxha.org.uk

A translated copy of this letter in Urdu (اردو), Punjabi (ਪੰਜਾਬੀ), Simplified Chinese (简体中文) and Arabic (العربية) can be obtained from the Association's website at www.cxha.org.uk or from the office.

With best wishes



Julia Mulloy
Chairperson