



Please read this letter. We are proposing a partnership with another housing association. Your tenancy rights will not be affected. Tenants will be able to vote on this in a ballot. Our aim is to keep rents affordable as well as investing in your home and improving services to you. If you have any questions contact cxha@cxha.org.uk

Date as Postmark

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

IMPORTANT LETTER FROM THE CHAIR

As you will be aware from previous updates, the Scottish Housing Regulator (SHR) has been engaging with Charing Cross about our governance and financial management.

SHR's assessment is that Charing Cross is working towards compliance with their 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 are currently reviewing their level of engagement with the Association. They remain concerned at the extent of significant compliance failures at Charing Cross and the ability of the Association to address these.

You may recall that we carried out an independent review of our compliance with the SHR's Regulatory Standards of Governance and Financial Management which reported in September 2019. This found widespread failings in compliance. The Association has been working since to start to address key issues.

We have seen changes at Management Committee and senior officer level and have needed to increase the support to Committee and staff to ensure services are protected. With these changes, this has given us the opportunity to really challenge ourselves and think about the future of the Association and what that needs to look like. We want to deliver the best for the tenants and service users that Charing Cross is here to serve. To help us do this, we hired external consultants to carry out a strategic options appraisal. The following options were explored to test which could allow us to do more for you:

1. Staying independent and addressing the range of compliance failings and shortcomings in our services.
2. Staying independent but sharing/ buying services from another housing association to help us.
3. Formally joining another housing association as its subsidiary.
4. Transferring our business into a larger housing association (known as a transfer of engagements).

These 4 options were fully tested, and views were sought from tenants, service users, staff, and key stakeholders. After detailed consideration and assessment, the recommendation that was agreed by the Management Committee at its meeting in June 2021 was to seek a strategic partnership with another larger housing association.

The Management Committee agreed not to be prescriptive as to the form the partnership would take (i.e., constitutional partnership or transfer of engagements). Rather, we are keen to hear the views of bidders and to test their proposals overall in terms of what will deliver most, in the best interest of tenants and service users.

In reaching this decision, I would highlight that all Committee Members had the best interest of our current and future tenants at the forefront of our minds. We want to ensure that our long-term financial plans support investing and adding value to our homes. We also want to be able to provide good quality, modern services to you. We were confident that the decision to move forward with a partnership would allow us to do these things and will also lead to improved outcomes for tenants, while safeguarding the local, community focused, and personalised services that our customers and our staff team value.

We now have a lot of hard work ahead over the coming months to advertise for, and hopefully appoint a preferred partner. Interest will be restricted to other registered housing associations as they are regulated by the SHR. Interested parties must also be a charity, regulated by the Office of the Scottish Charity Regulator (OSCR).

We will seek a strong, well performing partner, with an operating presence in the Glasgow area, and with the capability to deliver what Charing Cross needs. We will make clear all the priorities that we want to address through a partnership, based on what tenants have told us matter to them most. From feedback and the recent consultation with you, early priorities that we have identified are:

- ✓ Ensure rents remain affordable.
- ✓ Ensure service charges are clear and transparent and contractors are managed to deliver good services.
- ✓ Accelerate and improve the investment programme to deliver much needed catch up work in our homes.
- ✓ Improve the management and physical condition of the external environment.
- ✓ Ensure a strong and positive culture focused on customer excellence.
- ✓ Greater access to staff and services at a time, place, and manner to suit the needs of tenants and factored owners.
- ✓ Provide a quality factoring service that demonstrates value for money.
- ✓ Offer a range of wider action activity to help support tenants to improve life opportunities and to meet their changing needs.

We will keep tenants and service users fully informed on the outcome of this process and who we hopefully identify as our preferred partner.

Once we have done this initial stage, we will then need to develop a joint Business Case for the partnership with the successful partner. 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 any plans have been shaped by your views.

What we are planning is a big change and 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 will also appoint an independent tenant adviser to provide advice to all tenants and help answer any questions you have through the process.

The final partnership offer will be the subject of an independent tenant ballot where every tenant would get to vote on whether the partnership goes ahead. Please be assured that a partnership would only happen if the majority of tenants voting, support it.

A couple of important points to note is that your tenancy rights are unaffected by this type of coming together. Our staff would also keep their current terms and conditions.

We hope that this provides helpful information on why we have decided to progress a partnership with another housing association and what happens next. We will be issuing regular updates, but if you have any questions or concerns, please do not hesitate to email us at cxha@cxha.org.uk or contact our Interim Director, John Mulholland on john.mulholland@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
Interim Chairperson