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10 May 2022

Dear Tenant/Shareholder

[All Tenants and Shareholders of Reidvale Housing Association](#)

**IMPORTANT LETTER FROM THE CHAIR**

As you will be aware from previous updates, the Scottish Housing Regulator (SHR) has been engaging with Reidvale Housing Association (RHA) about our governance and related matters.

The SHR's most recent assessment is that RHA is working towards compliance with Regulatory Standards of Governance and Financial Management, however they remain concerned at the volume and complexity of compliance failures, the work needing done, and the ability of RHA Management Committee to address this.

We carried out an independent review of our compliance with the SHR's Regulatory Standards of Governance and Financial Management in September 2019. This found widespread failings in compliance. A second review in November 2020 found that whilst some progress had been made there were still significant issues. RHA has been working hard to address these since then, however, additional issues have come to light including the overall costs of the organisational structure; the costs of carrying out repairs to the stonework of our tenemental properties; and the ability to finance this along with our investment programme and the requirements to meet energy efficiency standards.

With this in mind, we have taken the opportunity to think about the future of RHA and what that needs to look like to ensure we can deliver the best for our tenants. To help us do this, we hired external consultants to carry out a strategic options appraisal, and the following options were explored to test which could offer the best outcome for tenants:

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 another housing association (known as a transfer of engagements).

The Strategic Options Appraisal concluded in March 2022. After detailed consideration, advice and assessment, the recommendation that was agreed by the Management Committee at its meeting in April 2022 was to seek another housing association as a transfer partner, i.e. a transfer of engagements.

In reaching this decision, I would highlight that all Committee Members have the best interests of our tenants at heart. We want to ensure that our long-term financial plans support investing and adding value to our homes. We also want to ensure that you receive good quality modern services and that we are able to keep rents affordable whilst delivering this. We are confident that the decision to move forward with a transfer will allow this to happen, and will lead to improved outcomes for tenants, whilst 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 the capability to deliver what RHA needs. We will make clear all the priorities that we want to address through transfer, and we will consult with tenants on what matters to you most. Priorities will include ensuring rents remain affordable; ensuring that the investment programme and stonework programme is delivered along with the opportunity to enhance investment in your homes; and ensuring a community focus and local presence

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

Once we have done this initial stage, we will develop a joint Business Case with the successful transfer partner. This will set out in detail what the transfer will mean for you and the set of tenant promises that the partner would deliver. 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. We will 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 will get to vote on whether the transfer goes ahead.

We hope that this provides helpful information on why we have decided to progress a transfer of engagements to another housing association and what happens next. We will be issuing regular updates, but if you have any questions or concerns in the meantime, please do not hesitate to email [transfer@reidvale.org.uk](mailto:transfer@reidvale.org.uk)

Yours Sincerely

*Eddie Marley*

**Eddie Marley**

**Chair**