

[Council address]

**Our ref:**

**Your ref:**

11 July 2019

Dear Sirs,

**Memorandum of understanding between Valleys to Coast Housing Limited (Valleys to Coast) and Bridgend County Borough Council (the Council).**

Valleys to Coast is amending its rules to adopt Community Housing Cymru's ("**CHC**") model rules 2017 ("**Model Rules**"). CHC is the national representative body of housing associations in Wales. The 2017 Model Rules have been approved by the Regulator ("**Welsh Government**") and the Financial Conduct Authority ("**FCA**") as suitable for RSLs.

These Model Rules are adopted by most housing associations in Wales and are updated regularly to reflect legislative and regulatory changes as well as best practice.

Valleys to Coast's current Rules are based on the National Housing Federation ("**NHF**") Model Rules (as at 2005), which was normal practice for stock transfer organisations prior to Model Rules being more recently developed specifically for the Welsh housing sector. These changes are therefore important to make sure that Valleys to Coast's governing document is up to date in line with changes to the law and best practice.

As far as possible Valleys to Coast has adopted the standard provisions in the Model Rules. The charitable provisions in the rules have been retained, as Valley to Coast has charitable objectives.

Adoption of the CHC 2017 Model Rules will streamline the governance arrangements of Valleys to Coast by reducing the size of the Board from 15 to a maximum of 12 and removing the requirement for constituent groups. Whilst the proposed new rules will set an upper limit of 12 Board Members it is intended that there will be a maximum of 9 Board Members at any one time. Instead of shareholders and Board Members being categorised into local authority, tenant and independent groups the appointment of Board Members will more specifically focus on the relevance of their skills, knowledge and experience and all shareholders will fall within two categories 'tenant or independent shareholder'.

All Board Members will be recruited in accordance with Board Member recruitment policies that contain certain skills matrices to assess a prospective Board Member's suitability for the role.

