

# Eligibility criteria and further assurances required prior to membership confirmation

## Summary

This document lists some assurances we require from you in support of your application to join, or re-join, the NHF. The information you provide in response will guide our determination on your NHF membership eligibility.

## Articles

The NHF articles of association set the following admission criteria for members.

A member must be an organisation which:

- Operates for the benefit of the community.
- Does not trade for profit.
- Has among its objects, powers or activities the provision or management of accommodation, or of associated services.
- Complies with any other criteria for membership set by the board from time to time.

## Further assurances

Please provide a written response to each element and state if any are not applicable.

### 1. Are you in good standing?

Your organisation should be up to date with its regulatory filings, e.g. accounts, and confirmation statement to Companies House or annual return to the Financial Conduct Authority (FCA).

Is your organisation registered with the Regulator of Social Housing (RSH) and on the Statistical Data Return (SDR) missing or late submitters list? This will not automatically lead to the rejection of your application but can be considered when making the final determination.

Have there been late filings or striking off procedures being invoked in the past five years?

## **2. Are you appropriately established?**

Organisations that have been recently established (within approximately the past 18 months) will need to provide further assurances, as although all organisations do have to start at some point, an organisation without any reputation is an unknown quantity. In particular, the following assurances are required for newer organisations.

- For all directors' past directorships, have any recently been directors of now defunct organisations, operating in the same sector, or from the same registered office?
- Do directors have other interests particularly where a new not-for-profit entity is established by a commercial property developer, landlord or estate agent etc? If so, is it sufficiently independent from its parent?

## **3. Do you have a non-executive majority on the board?**

Your board must have basic independence that is, to say, have a majority of non-executive directors? Your incorporation document should also ensure that a board quorum is not possible when non-executives are in the minority.

## **4. Do you have person(s) of significant control?**

If your organisation has a person of significant control (PSC) recorded, it may not be eligible for membership.

If your organisation has a current director who has been a PSC of the organisation in the past, can you explain how the individual has had their power limited.

## **5. Are there outside directorships?**

Do you have a director, or directors, with outside directorships having potential for conflicts of interest or perceived conflicts of interest?

Failure to declare outside directorships during the application process will result in the application being rejected. An applicant can choose to resubmit their application. However, failure to initially make the declarations could be considered when assessing membership suitability.

Outside directorships that are of particular interest include, but are not limited to, organisations that would have the following Standard Industrial Classification (SIC) codes on Companies House:

- 41100 Development of building projects.
- 64306 Activities of real estate investment trusts.

- 68100 Buying and selling of own real estate.
- 68202 Letting and operating of conference and exhibition centres.
- 68209 Other letting and operating of own or leased real estate.
- 68310 Real estate agencies.
- 68320 Management of real estate on a fee or contract basis.

**6. Have you recently been through, or are you planning a period of rapid growth?**

For RSH-registered organisations, rapid growth could be an indication of an organisation that presents a higher risk in not being able to meet its obligations. The same applies to non-registered members but data would not be available from RSH.

**7. Have you had regulatory judgements against you in the last 10 years?**

Has your organisation been investigated for breaches in provision of housing or supported housing services, or been the subject of regulatory judgements? Originations that are small and are undergoing proactive engagement with the RSH should not automatically be prevented from joining, but will be considered when making an application determination.

**8. Exempt accommodation**

Has your organisation been excluded from providing exempt accommodation by a local authority? Have you signed up to any existing local charter on standards in such accommodation?

**9. Is it clear how your organisation is funded?**

A lack of transparency in relation to this could be considered when determining membership suitability.

**10. Is your balance sheet solvent?**

A change to a financial year end that delays the need for an organisation to file its accounts could indicate solvency issues to us. If there has been a recent change to the organisation's year end this will be considered when assessing the application.

**11. Local charter**

If the relevant local authority or authorities that your organisation is operating in has a charter for providers of housing to optionally register with then have you registered?