

## Charing Cross Housing Association Ltd

### Regulatory Status:

**We have not included a regulatory status in this box. As a result of the impact of Coronavirus (COVID-19), we postponed the publication of updated engagement plans scheduled for 31 March 2020 for all landlords other than the most critical cases. We propose to publish a regulatory status and updated engagement plans for all RSLs by the end of March 2021.**

### Why we are engaging with Charing Cross

We are engaging with Charing Cross about its **governance and financial management**.

We originally engaged with Charing Cross as the Chair had been in post for 19 years. Nine out of twelve governing body members had also been on the governing body for over nine years. We identified this issue through our annual risk assessment. We engaged to seek assurance about its approach to governing body recruitment, skills assessment, performance evaluation and succession planning.

Charing Cross carried out an independent review of its compliance against the Regulatory Standards of Governance and Financial Management. This was completed in September 2019. The review identified material non-compliance with the Standards. Since then Charing Cross has not taken effective action to address its governance and financial management weaknesses which contributed to this non-compliance. We have not been assured the Management Committee has understood the seriousness of these weaknesses, and it failed to demonstrate a willingness and ability to take the actions needed to comply with Regulatory Standards.

We have also engaged with Charing Cross regarding allegations relating to breaches of its Code of Conduct.

Charing Cross has now decided to implement a number of actions to address its weaknesses. At our request it has co-opted four individuals to the Management Committee to improve its capacity and support it to make the necessary improvements. It agreed to develop its governance improvement plan to address the findings of the governance review. It will also carry out an independent investigation into the allegations regarding breaches of its Code of Conduct. And it will take steps to address a number of other governance issues we have raised with Charing Cross including its management of proxy voting at general meetings.

We will monitor Charing Cross's progress in taking forward its agreed actions over the next four months.

Given our concerns about Charing Cross's non-compliance with Regulatory Standards we have asked Charing Cross to assure us it complies fully with its obligations in relation to tenant and resident safety.

Charing Cross has told us it intends to carry out a strategic options appraisal.

Charing Cross has also told us it needs private finance during 2021/22 to support its investment plans.

## **What Charing Cross must do**

Charing Cross must:

- develop and start to implement a governance improvement plan which will address its non-compliance with the Regulatory Standards of Governance and Financial Management;
- carry out an independent and robust investigation into the allegations regarding breaches of its Code of Conduct and act on the findings;
- work openly and co-operatively with the co-opted Management Committee members and take action to further improve the capacity of the management committee;
- provide us with assurance it fully complies with its obligations in relation to tenant and resident safety;
- carry out an internal audit investigation into the management of proxy voting at general meetings;
- send us papers and minutes for its Management Committee meetings;
- keep us informed about progress with its strategic options appraisal and share the outcome of the options appraisal with us;
- take action to address the additional governance concerns we have raised with it;
- send us by 30 April 2021:
  - an update on the borrowing requirement for 2021/22;
  - if additional borrowing is still required its latest projected monthly cash flows for the 12 months to 31st March 2022.

## **What we will do**

We will:

- monitor the progress Charing Cross makes with its agreed actions over the next four months and liaise as necessary to ensure it meets Regulatory Standards and tenants interests are protected;
- carry out a review of our regulatory strategy at the beginning of May 2021;
- keep our regulatory strategy under review and adjust it in response to emerging risks and issues;
- review the cash flow projections and follow up if necessary;
- update our published engagement plan in light of any material change to our planned engagement with Charing Cross.

## Regulatory returns

Charing Cross must provide us with the following annual regulatory returns and alert us to notifiable events as appropriate:

- Annual Assurance Statement;
- audited financial statements and external auditor's management letter;
- loan portfolio return;
- five year financial projections; and
- Annual Return on the Charter.



**[Read more about Charing Cross>](#)**

### **Our lead officer for Charing Cross Housing Association Ltd is:**

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