

Craigdale Housing Association Ltd

31 March 2017

This Regulation Plan sets out the engagement we will have with Craigdale Housing Association Ltd (Craigdale) during the financial year 2017/18. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Craigdale was registered as a social landlord in 1988. It owns and manages 372 homes in Castlemilk, Glasgow. It has charitable status and currently employs six people. As at the 31 March 2016 its turnover for the year was just over £1.8 million and its debt per unit was £7,074.

Engagement

Craigdale decided to commission an independent investigation following a number of allegations about its governance. The investigation identified serious weaknesses in Craigdale's governance, internal controls, policies and procedures as well as inappropriate payments and benefits. The investigation also found that Craigdale was not complying with a number of our Regulatory Standards of Governance and Financial Management.

Craigdale recognises the issues that require to be addressed and the risks they present to the interests of tenants. It has decided it needs external support to address the issues that it faces and has co-opted three people with governance experience to its Board to strengthen the Board and provide support. It has worked openly and constructively with us.

Craigdale will now commission a comprehensive and independent review of its compliance with all of our Regulatory Standards of Governance and Financial Management.

The recommendations arising from both the independent investigation and the subsequent review against our Regulatory Standards will form the basis of an improvement action plan, which Craigdale will implement.

Our engagement with Craigdale Housing Association Ltd in 2017/18 – Medium

We will engage with Craigdale in light of the weaknesses in its governance, internal controls and policies and procedures.

1. Craigdale will co-opt three people with appropriate governance experience on to its board.
2. Craigdale will commission a comprehensive independent review of its compliance with all of our Regulatory Standards of Governance and Financial Management. We will discuss with Craigdale how it intends to address any findings from this report and the original investigations.

3. Craigdale will develop an appropriate improvement action plan to address the issues raised in the original investigation and any outcomes from the review against our Regulatory Standards.
4. We will review and monitor Craigdale's improvement action plan to ensure that it identifies and addresses the weaknesses highlighted in the review, and can ensure that it complies with our Regulatory Standards.
5. Craigdale should alert us to notifiable events and seek our consent as appropriate. It should provide us with the annual regulatory returns we review for all RSLs:
 - audited financial statements and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections;
 - Annual Return on the Charter; and
 - the return on the Energy Efficiency Standard for Social Housing.

This plan will be kept under review and may be changed to reflect particular or new events. The engagement strategy set out in this plan does not restrict us from using any other form of regulatory engagement to seek additional assurance should the need arise. Our regulatory framework and other relevant statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Craigdale Housing Association Ltd is:

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We have decided what type of engagement we need to have with this organisation based on information it provided to us. We rely on the information given to us to be accurate and complete, but we do not accept liability if it is not. And we do not accept liability for actions arising from a third party's use of the information or views contained in the Regulation Plan.