

Dalmuir Park Housing Association Ltd

4 August 2017

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

Regulatory profile

Dalmuir Park was registered as a social landlord in 1978 and operates in the Clydebank area of West Dunbartonshire. It currently owns and manages 653 homes and provides factoring services to 174 owners. It has charitable status and employs 30 people.

As at 31 March 2016, Dalmuir Park's turnover for the year was £3.8 million and its debt per unit was £971.

Engagement

We have identified a number of governance issues at Dalmuir Park including its handling of notifiable events. Dalmuir Park will complete an independent investigation into some of these potential governance issues and we will review our engagement with Dalmuir Park when this is completed.

It will co-opt two people with governance skills and experience to its governing body to strengthen it and provide expert, independent support.

We will seek assurance from Dalmuir Park that it is complying with our Regulatory Standards of Governance and Financial Management.

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

We will engage with Dalmuir Park in light of its governance issues.

1. Dalmuir Park will co-opt two independent people with appropriate governance skills and experience on to its governing body.
2. Dalmuir Park will complete an independent investigation into potential governance issues.
3. We will review the outcomes of Dalmuir Park's independent investigation and engage with it as necessary to address any issues arising from this.
4. Dalmuir Park will send us, by 30 September 2017:
 - its latest approved business plan;
 - 30 year financial projections, consisting of a statement of comprehensive income; statement of financial position; and statement of cash flow, complete with details of assumptions and explanatory narrative;
 - a comparison of the projected financial loan covenants against covenant requirements;

- financial sensitivity analysis which compares the resulting covenant calculations with the current covenant requirements, together with risk mitigation strategies;
 - report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance; and
 - evidence of how it demonstrates affordability for its tenants.
5. Dalmuir Park 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 Dalmuir Park 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.