

## Dalmuir Park Housing Association Ltd

### 7 June 2018

This Regulation Plan sets out the engagement we will have with Dalmuir Park Housing Association Ltd (Dalmuir Park) during the financial year 2018/19. 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. Dalmuir Park currently owns and manages 685 homes and provides factoring services to 174 owners in the Clydebank area of West Dunbartonshire. It has charitable status and employs 28 people.

As at 31 March 2017 Dalmuir Park's turnover for the year was £3.9 million and its debt per unit was £876.

### Engagement

In December 2017, we identified serious governance failures at Dalmuir Park as a result of misconduct, mismanagement and ineffective leadership. We considered Dalmuir Park's poor governance was a serious risk to its tenants' interests and to the reputation of social landlords. So, we used our statutory powers of intervention to:

- appoint a manager under section 58 of the Housing (Scotland) Act 2010);
- appoint six members to the governing body under section 65 of the Act;
- suspend a member of the governing body under section 61 of the Housing (Scotland) Act 2010.

These appointments were for a period of six months and we have now reviewed progress at Dalmuir Park.

Between November and March 2018, Dalmuir Park carried out further investigations into alleged serious breaches of the code of conduct for governing body members and staff.

The Chair, two long-standing members and another newer member of the governing body have resigned since December. The Director also left the organisation and, since January, an interim Director has been in place.

Dalmuir Park is working constructively with the statutory manager and appointees and has made significant progress to implement an action plan to address areas of weakness identified both prior to and following the appointments. However, substantial work is still required to ensure that Dalmuir Park complies with the Regulatory Standards of Governance and Financial Management. The association has also commissioned a strategic options appraisal which the governing body will consider in June 2018.

Dalmuir Park continues to require external support to provide the necessary governance and leadership capacity to address the serious risks it faces. We have therefore continued the appointment of the manager and five officers to the governing body until June 2019.

### **Our engagement with Dalmuir Park Housing Association Ltd in 2018/19 – High**

We will engage with Dalmuir Park about the serious and urgent governance issues it is dealing with.

1. The manager and the appointees to the governing body will be accountable to the Regulator and will report to us on progress in addressing their remits.
2. The appointments are for a period of one year until 7 June 2019. At that time we will review Dalmuir Park's progress against the remit, and we may extend the appointments if we consider it necessary.
3. Dalmuir Park will complete a strategic review of the organisation to establish the best strategic solutions for its tenants and service users by the end of June 2018.
4. We expect Dalmuir Park to engage with us to assure us that its tenants' interests are being protected and it can meet the Regulatory Standards of Governance and Financial Management. We may review our engagement activity depending on progress with this.
5. Dalmuir Park will send us copies of its Board and audit committee minutes as they become available.
6. 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](http://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.