

Govan Housing Association Ltd

28 March 2014

This Regulation Plan sets out the engagement we will have with Govan Housing Association Ltd (Govan) during the financial year 2014/2015. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Govan was registered as a social landlord in January 1976. It owns and manages 1,407 homes in the south west of Glasgow and provides factoring services to a further 535 homes. It employs 36 full time equivalent staff, has charitable status and its turnover for the year ended 31 March 2013 was over £7.8 million. It has one non-registered subsidiary, South Clyde Housing Ltd which is currently dormant.

Govan has recently completed a review of its staff structure to strengthen its business model and refocus services on current and future challenges and risks. There has been significant change to the senior management team and it is recruiting to the new posts of Director of Finance and Director of Operations.

Govan has done significant work to prepare for welfare reform. It has updated its action plan and had this externally evaluated. In conjunction with Elderpark and Linthouse Housing Associations, it has successfully applied for grant funding to address some of the impacts of welfare reform. Increased resources have been dedicated to address these challenges and additional expertise has been brought to the Governing Body.

Govan has now completed its current development programme which delivered homes for social rent and low cost home ownership. A very small number of sales have still to be completed.

Our engagement with Govan over the last year has provided assurance about its financial position and business strategy including confirmation that its financial performance is consistent with its lending covenants. Govan will carry out a fundamental review of its business planning process this year now that restructuring is underway.

Progress with bringing properties up to the Scottish Housing Quality Standard (SHQS) has progressed faster than planned during 2013/14 with less than 8% of properties still to be improved. We have also engaged with Govan around its reported 55% SHQS exemptions. Of these 84% are pre 1919 tenemental flats with small galley kitchens.

Our engagement with Govan - Medium

In the light of Govan's organisational restructuring we will continue to have medium engagement with it.

1. Govan will provide:

- in quarter three, its revised business plan;
- updates at key stages of the re-organisation process; and
- an update if there is any material change in the status of its subsidiary.

2. We will:
 - meet senior staff in quarter three to provide feedback on the revised business planning process and discuss the challenges and risks facing the business.
3. Govan 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 annual accounts and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections; and
 - Annual Return on the Charter.

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 Govan is:

Name: Janet Dickie, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 305 4115

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.