

## Linthouse Housing Association Ltd

### 12 August 2016

This Regulation Plan sets out the engagement we will have with Lintthouse Housing Association Ltd (Lintthouse) during the financial year 2016/17. Our regulatory framework explains more about our assessments and the purpose of Regulation Plans.

### Regulatory profile

Lintthouse was registered as a social landlord in 1975. It owns and manages 1,142 homes and provides factoring services to a further 522 owners in the Lintthouse area of Glasgow. It is a charitable organisation and employs 26 people. Its turnover for the year ended 31 March 2015 was just over £4 million.

Lintthouse appointed a new Chief Executive Officer in July 2015 and since then has undertaken a major organisational review and is currently implementing a new organisational structure.

Lintthouse commissioned an independent investigation into the delivery of its maintenance service. This identified a number of weaknesses including its compliance with policy and best practice, its approach to procurement, the robustness of its approach to updating the stock condition information and its planned and cyclical maintenance programmes. The investigation also raised concerns about governance and financial planning.

Lintthouse has recognised the serious nature of the issues that have been raised and the risk they present to tenants interests. It is working openly with us while it addresses the weaknesses within its maintenance service and its governance and financial planning. It has responded positively and has implemented some initial actions to start to address these weaknesses.

Lintthouse has decided to co-opt two individuals onto its governing body to support and assist it and develop and deliver the necessary improvements to its governance, financial planning and management of its maintenance service. It will also commission a comprehensive review of its governance and financial management as it works to provide us with assurance that Lintthouse is able to comply with our Regulatory Standards of Governance and Financial Management.

### **Our engagement with Lintthouse Housing Association Ltd – Medium**

We will have medium engagement with Lintthouse in 2016/17 to gain further assurance about its governance, financial health and management of its maintenance function.

1. Lintthouse will commission an independent review of its governance and financial management and discuss the outcome of this with us. We expect Lintthouse to ensure that it meets our Regulatory Standards of Governance and Financial Management.

2. Linthouse will agree with us the steps it will take to address the findings of its independent investigation into its maintenance service.
3. Linthouse will provide us with its business plan and financial projections once it has completed the independent review of its governance and financial management. This will include an asset management strategy which refers to a comprehensive stock condition survey and planned maintenance programme.
4. Linthouse will keep us informed on the implementation of its structural re-organisation.
5. Linthouse 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; 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Linthouse 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.