

Maryhill Housing Association Ltd

2 November 2017

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

Regulatory profile

Maryhill was registered as a social landlord in 1977 and is a community based, charitable housing association operating in the north west of Glasgow. It owns and manages 3,046 homes and provides factoring services to 717 owners. Maryhill employs around 87 staff and as at 31 March 2017 its turnover was almost £12 million and its debt per unit was £3,876.

It has a subsidiary Maryhill Communities Ltd, that was established to deal with all commercial activities but is not currently trading.

Engagement

We engaged with Maryhill in 2016/17 around its financial position and business planning. We discussed the need for a comprehensive approach to business planning integrating the strategic and financial information with its risk management particularly around asset investment and development. We also reviewed Maryhill's asset management strategy.

We received assurance about Maryhill's improved understanding of stock condition and its plans to meet the Scottish Housing Quality Standard (SHQS). Maryhill was developing its long term investment plan for its stock.

We also reviewed the extensive work Maryhill had completed on demonstrating affordability for tenants to get assurance about its approach to this. In June 2017 we reviewed Maryhill's business plan and received assurance about its approach to planning and how it links the business plan to its financial and asset management plans.

In September 2017 Maryhill decided to restructure its senior team and we will engage with Maryhill as it progresses this and manages the associated risks.

Maryhill has plans to develop a small number of homes for social rent and will receive public subsidy to help achieve this. It plans an expansion of its development programme and we will engage with Maryhill to understand how the programme fits in with its financial plans.

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

We will engage with Maryhill about its business plan, the implications of its planned development and its planned restructuring.

1. On 30 April 2017 Maryhill sent us its business plan and financial projections. We reviewed these and received assurance about Maryhill's approach. We will consider Maryhill's expanded development proposals in quarter 3 in the context of our review Maryhill's financial information.

2. Maryhill sent us an update on its development programme, including funding plans, timescales, completions and any material delay or changes on 31 October 2017.
3. Maryhill will keep us informed about progress with the restructuring of the senior team and the management of any associated risks.
4. Maryhill 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;
 - the 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 Maryhill 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.