

Maryhill Housing Association Ltd

31 March 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 2016 its turnover was almost £11.8 million and its debt per unit was £3,896.

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. We will continue to engage with Maryhill as it develops its approach to business planning and the links to the financial and asset management plans. In March 2017 Maryhill appointed a new Chief Executive.

Maryhill has plans to develop a small number of homes for social rent and will receive public subsidy to help achieve this. It is considering 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 strategy, business plan and financial projections.

1. Maryhill will send us by 30 April 2017:
 - its approved business plan;
 - 30 year financial projections consisting of statements of comprehensive income, financial position and cash flows complete with details of assumptions and explanatory narrative;

- a comparison of projected loan covenants against covenant requirements;
 - financial sensitivity analysis which compares the resulting covenant calculations with the current covenant requirements, together with risk mitigation strategies; and
 - its reports to the Board of Maryhill in respect of the 30 year projections and sensitivity analysis and covenant compliance.
2. Maryhill will also send us an update on its development programme, including funding plans, timescales, completions and any material delay or changes by 31 October 2017.
 3. We will meet senior staff and the Chair to discuss Maryhill's business strategy, business plans, financial information and the risks and challenges facing the organisation by the end of July 2017.
 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;
 - 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:

Name: Kirsty Anderson, Regulation Manager
Address: Buchanan House, 58 Port Dundas Road, Glasgow G4 0HF
Telephone: 0141 242 5547

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.