

Milnbank Housing Association Ltd

13 November 2018

This Regulation Plan sets out the engagement we will have with Milnbank Housing Association Ltd (Milnbank) during the financial year 2018/19. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Milnbank was registered as a social landlord in 1975. Milnbank currently owns and manages 1,687 homes and provides factoring services to 1,106 owners. It has charitable status and employs around 105 people.

Milnbank has two unregistered subsidiaries, Milnbank Community Enterprises which delivers community regeneration projects and Milnbank Property Services which delivers factoring services.

As at 31 March 2018 Milnbank's turnover for the year was just under £6.4 million and its debt per unit was £7,350.

Engagement

During 2017, Milnbank commissioned an independent investigation into allegations relating to governance issues. We engaged with Milnbank about the findings of the investigation, including its handling of complaints and conflicts of interest. Milnbank's response to the investigation and its engagement with us raised concerns about its governance.

We also reviewed the work that Milnbank carried out to assess itself against the Regulatory Standards of Governance and Financial Management and found that it does not meet self assessment good practice principles. The self assessment did not demonstrate that Milnbank had fully tested its governance against the Standards, it lacked evidence of compliance and it did not consider the need for any improvement actions as a result of this work.

Milnbank has advised us that it will work co-operatively with us and will commission an independent, comprehensive review of its compliance against the Regulatory Standards of Governance and Financial Management. We will engage with Milnbank through this process and will discuss the findings with it and any subsequent work to implement an improvement plan based on the findings.

Based on Milnbank's 2016/17 ARC, we found that Milnbank was in the bottom quartile for all social landlords in relation to lets to homeless people, anti-social behaviour cases resolved within target timescales, rent collected of rent due and gross rent arrears of rent due. For three of these indicators Milnbank's performance was deteriorating.

We have reviewed its performance based on the 2017/18 ARC and found that in all but one of these indicators (rent collected of rent due), Milnbank remains in the bottom quartile of all social landlords and performance has deteriorated further. Milnbank is also now in the

bottom quartile of all social landlords for the percentage of all complaints responded to in full within the Scottish Public Service Ombudsman's (SPSO's) timescales.

Our engagement with Milnbank Housing Association Ltd in 2018/19 – Medium

We will engage with Milnbank because we need assurance about its governance.

1. We will engage with Milnbank as it progresses an independent review against the Regulatory Standards and we will meet the Governing Body to discuss the findings and agree improvement actions as necessary.
2. Milnbank will provide us with an update on the actions that it will take to improve its performance in lets to homeless people, anti social behaviour cases resolved within target timescales, gross rent arrears of rent due and complaints responded to within the SPSO's timescales by January 2019.
3. Milnbank 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.

Our lead officer for Milnbank 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.