

Milnbank Housing Association Ltd

29 March 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 2017 Milnbank's turnover for the year was just under £6.2 million and its debt per unit was £8,031.

Engagement

During 2017, Milnbank commissioned an independent investigation into allegations relating to governance issues. This investigation has concluded and we will engage further with Milnbank about the findings of the investigation. Milnbank has confirmed it will seek specialist advice from its employment advisor on its recruitment and selection policy and it will take on board any matters arising from the advice.

Also in 2017, Milnbank advised us that it had carried out a self-assessment against the Regulatory Standards of Governance and Financial Management. We will engage with Milnbank to discuss the findings from that self-assessment.

To assess the risk to social landlord services we have reviewed and compared the 2016/17 performance of all Scottish social landlords to identify the weakest performing landlords. We found that Milnbank is 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 is deteriorating.

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:

- review Milnbank's self-assessment against the Regulatory Standards and meet the Management Committee to agree improvement actions as necessary;

- engage on the specialist advice Milnbank receives on its recruitment and selection policy; and
 - review Milnbank's performance when we receive its Annual Return on the Charter in June 2018.
2. 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.