

Molendinar Park Association Ltd

29 March 2017

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

Regulatory profile

Molendinar Park was registered in 1993. It owns and manages 582 homes and provides factoring services to 250 properties in the east end of Glasgow. It has charitable status and employs 9 members of staff. As at 31 March 2016 its turnover for the year was £2.15 million and its debt per unit was £5,140.

Engagement

Molendinar Park was in the process of commissioning a review of its governance arrangements when it identified that its governing body was not constituted in accordance with its rules. This meant that the majority of the governing body were not properly elected members and therefore could not make decisions on behalf of the Association. This was a serious governance failure that had been on-going for a significant period of time and which posed a serious and immediate risk to tenants' interests.

Under these circumstances the governing body had no power to act to rectify the problem and so we have decided to use our statutory powers under section 65 of the Housing (Scotland) Act 2010 ('the Act') to appoint four members to Molendinar Park's governing body.

Molendinar Park has acted appropriately in bringing this matter to our attention and requesting regulatory support. It is working openly and co-operatively with us to address this serious governance failure.

The purpose of the four appointed members is to:

- address the serious risks to Molendinar Park's governance and ensure it has a properly constituted governing body;
- support Molendinar Park to commission an independent review of its governance and financial management; and
- ensure that Molendinar Park meets our Regulatory Standards of Governance and Financial Management.

Our engagement with Molendinar Park Housing Association Ltd in 2017/18 – High

We will have high engagement with Molendinar Park to seek assurance that it is addressing serious weaknesses in its governance.

1. The appointees to the governing body are accountable to the Regulator and will report to us on progress in addressing their remit. The appointments are for a

period of six months from March 2017. We will review Molendinar Park's progress in addressing the issues identified and keep our appointments under review.

2. Molendinar Park will carry out a review of its governance against our Regulatory Standards of Governance and Financial Management and we will engage with it as necessary to address any issues arising from this.
3. Molendinar Park 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 Molendinar Park 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.