

Muirhouse Housing Association Ltd

20 December 2016

This Regulation Plan sets out the engagement we will have with Muirhouse Housing Association Ltd (Muirhouse) during the financial year 2016/17. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Muirhouse was registered as a social landlord in 1992. It owns and manages 570 houses in north west Edinburgh. It has charitable status and currently employs 8 people. It has one subsidiary Muirhouse Homes Ltd (MH4) that it established to manage its mid-market rent properties. Its turnover for the year ended 31 March 2016 was just over £2.9 million.

We have been engaging intensively with Muirhouse since December 2014 as we had identified a serious and urgent risk to its financial health, serious weaknesses in its governance and financial management and a failure to comply with our Regulatory Standards of Governance and Financial Management. In December 2014 we used our statutory powers to appoint a manager to Muirhouse and three additional members to its governing body. Muirhouse has been working to address the risks and weaknesses we identified since then. It agreed a detailed improvement action plan with us to address these issues and ensure it complies fully with Regulatory Standards.

Muirhouse has improved its governance and financial management and has given us assurance about its financial position. Due to these improvements we decided to end our statutory intervention in June 2016.

Since then, we have engaged with Muirhouse as it has managed an on-going period of change. We have reviewed Muirhouse's progress with its action plan and found it has further improved its governance and financial management. Muirhouse has given us additional evidence that shows it now complies with Regulatory Standards.

Muirhouse continues to work to bed in the improvement actions it has taken. We will engage with Muirhouse to monitor the implementation of its of change programme and as part of this we will review Muirhouse's new approach to internal audit.

Our engagement with Muirhouse Housing Association Ltd – Medium

We will have medium engagement with Muirhouse as it continues to implement its improvement action plan.

1. Muirhouse sent us:
 - in June 2016 its approved business plans for the RSL and its subsidiary together with supporting financial information. We gave detailed feedback on its plans and received assurance about its financial health; and
 - in August 2016 its asset management plan and strategy. We gave feedback on the plan and strategy and received assurance about its approach to asset management.

2. We will engage with Muirhouse to review its progress with its planned work to further strengthen its governance and we will review its approach to internal audit by the end of February 2017.
3. Muirhouse 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; and
 - Annual Return on the Charter.

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 Muirhouse 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.