

Muirhouse Housing Association Ltd

28 October 2014

This Regulation Plan sets out the engagement we will have with Muirhouse Housing Association Ltd (Muirhouse) during the financial year 2014/15. 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 448 houses in north west Edinburgh. It has charitable status and employs around 8 people. Its turnover for the year ended 31 March 2014 was just over £1.8 million.

Muirhouse plans to grow considerably through new development in the next three years. It also has plans to develop a large number of mid market rent housing for the first time. Muirhouse has established a subsidiary to manage the mid-market rent properties.

Given these issues, we sought assurances from Muirhouse about its business and its plans to manage the risks involved with its development programme. We also sought assurance about its plans to manage the welfare reform changes including the impact on income, costs and assumptions for arrears and bad debts.

Muirhouse was unable to provide us with all of the financial and business planning information we had asked for. In August 2014 we asked Muirhouse to commission an Independent Financial Assessment to provide us with assurance about its financial position, the impact of its development activity and the robustness of its financial planning processes.

Our engagement with Muirhouse – Medium

We will have medium engagement with Muirhouse to get a higher level of assurance about its overall financial capacity and viability in light of its development and subsidiary activity.

1. Muirhouse will complete the Independent Financial Assessment and we will review our regulatory engagement when we see the findings from the Assessment.
2. 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 annual accounts 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 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.