

Regulation Plan

This Regulation Plan sets out the engagement we will have with Maryhill Housing Association Ltd. Our *Guide to How We Regulate* explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Maryhill HA was registered in June 1977 and is a community based, charitable housing association operating in the north west of Glasgow. It owns 850 properties and factors a further 350. Maryhill HA employs around 25 staff and its turnover for the year ended 31 March 2009 was just short of £2.6m.

Maryhill is a relatively large developer of social housing in the west of Scotland and is one of the larger developers in Scotland in terms of the public funding it receives.

The association currently manages 2,247 properties on behalf of Glasgow Housing Association (GHA). It is developing proposals to acquire these units from GHA through second stage transfer (SST). We will consider its proposed business plan once it has been agreed with GHA, in accordance with our published guidance on SST. Our interest in examining the proposals is to understand the impact that SST will have on Maryhill's business, the capacity of the association to monitor and deliver services and to be assured about the financial arrangements that will allow the transfer to take place. As part of this assessment we will seek assurance that the RSL's overall financial capacity and viability is maintained.

We asked Maryhill for additional business planning information last year. We have now received part of this and will incorporate feedback on this into our assessment of the RSL's SST proposals.

As part of our annual performance and statistical return (APSR) verification process in 2009, we reviewed Maryhill's information and found significant weaknesses in the association's record keeping at that time. We carried out a follow up visit to the association in May 2010 and Maryhill has now responded to our feedback from this visit. We are considering the association's proposals to address our findings. We will review progress in July 2010.

Our engagement with Maryhill – Medium

1. We expect Maryhill to agree with us the information it will provide in its SST business plan submission for the transfer of the 2,247 properties from GHA. This information should also give us assurance that the RSL's overall financial capacity and viability will be maintained.
2. We will then consider the business plan, and tell Maryhill whether we will grant consent to GHA to proceed with the statutory consultation and tenant ballots. Maryhill should confirm with us the subsequent timescale and progress of the transfer.

3. We will review Maryhill's plan to address the concerns raised from our APSR verification visit in July 2010 and will take appropriate action if necessary.
4. The RSL should continue to 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
 - annual performance and statistical return

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 guides to how we regulate, inspect and intervene, and other relevant statistical and performance information, can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Maryhill HA 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.