

Cathcart and District Housing Association Ltd

29 March 2018

This Regulation Plan sets out the engagement we will have with Cathcart and District Housing Association Ltd (Cathcart) during the financial year 2018/19. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Cathcart was registered as a social landlord in 1975. Cathcart currently owns and manages 577 homes and provides factoring services to 501 owners. It has charitable status and employs around 15 people. Cathcart has one unregistered subsidiary, CDHA Management and Development Ltd which was set up to carry out non-charitable business.

As at 31 March 2017 Cathcart's turnover for the year was just over £2.1 million and its debt per unit was £7,495.

Engagement

During 2017 Cathcart commissioned an independent review of its compliance with our Regulatory Standards of Governance and Financial Management. We have been engaging with Cathcart as it implements the recommendations from this review. Cathcart has reviewed its committee structure and is progressing constitutional changes to facilitate strengthening its Board. Cathcart has co-opted two people with extensive skills to increase Board capacity and is looking to recruit a further two members.

We also carried out a data integrity visit to Cathcart and gained assurance about the information it provided in its Annual Return on the Charter (ARC). We met senior staff and the governing body to discuss the risks and challenges with Cathcart's plans and we provided feedback on their business plan.

Cathcart has highlighted that 49.39% of its homes currently meet the Energy Efficiency Standard for Social Housing (ESSH) and it anticipates that recent investment work has increased compliance.

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 Cathcart is in the bottom quartile for all social landlords in relation to tenancy offers refused, lets to homeless people, rent collected of rent due and tenancy sustainment for homeless people. For all of these indicators Cathcart's performance is deteriorating. We will review Cathcart's performance when we receive its ARC return in June 2018.

Our engagement with Cathcart and District Housing Association Ltd in 2018/19 – Medium

We will engage with Cathcart as it implements its governance improvement plans.

1. Cathcart will update us on progress with the recruitment of Board members.
2. We will meet senior staff by 31 July 2018 to discuss progress with implementing its governance action plan.
3. Cathcart 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 Cathcart and District Housing Association Ltd is:

Name: Paul Milligan, Regulation Manager
Address: Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF
Telephone: 0141 242 5869

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.