

Landlord performance > Landlords > Govan Housing Association Ltd

Engagement plan from 1 April 2024 to 31 March 2025

Landlord name

Govan Housing Association Ltd

Publication date

02 April 2024

Regulatory status

Compliant

The RSL meets regulatory requirements, including the Standards of Governance and Financial Management.

Why we are engaging with Govan Housing Association Ltd (Govan)

We are engaging with Govan about its **financial management** and **development plans**.

Govan is completing a development programme of new homes for mid-market rent. It will receive significant public subsidy and has recently obtained new private finance to support this. We will engage with Govan to get assurance about how it is managing the risks to the organisation including its levels of debt and completion of its development plans.

What Govan must do

Govan must:

- send us by 30 April 2024:
 - its approved business plan;
 - its updated risk register including details of its approach to development risk management and mitigation;
 - 30 year financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
 - a comparison of projected financial loan covenants against current covenant requirements;
 - financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resulting covenant calculations with the actual current covenant requirements;
 - the report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance;
 - the report to the Board/appropriate committee about its approach to risk management and mitigation; and
 - evidence of how it demonstrates affordability for its tenants.
- send us by 30 April 2024 for its non-registered subsidiaries:
 - the approved business plans;
 - financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
 - financial sensitivity analysis which considers the key risks and the mitigation strategies for these risks; and
 - reports to the Boards of the subsidiaries and Govan in respect of the approved financial projections and sensitivity analysis.

- send us group quarterly management accounts and accompanying reports within one month of each quarter end on an ongoing basis;
- send us monthly development updates on progress with the completion and handover of the mid-market rent homes; and
- tell us if there are any material adverse changes to its development plans which might affect its financial position or reputation, in line with our notifiable events guidance.

What we will do

We will:

- review the business plans and financial information;
- review the group quarterly management accounts and engage as necessary;
- meet with Govan's senior staff to discuss the business plans, financial information and any risks to the organisation;
- review the development updates and engage as necessary; and
- update our published engagement plan in the light of any material change to our planned engagement with Govan.

Regulatory returns

Govan must provide us with the following annual regulatory returns and alert us to notifiable events as appropriate:

- Annual Assurance Statement;
- audited financial statements and external auditor's management letter;
- loan portfolio return;
- five year financial projections; and
- Annual Return on the Charter.

It should also notify us of any material changes to its Annual Assurance Statement, and any tenant and resident safety matter which has been reported to or is being investigated by the Health and Safety Executive or reports from regulatory or statutory authorities or insurance providers, relating to safety concerns.

Our lead officer for Govan Housing Association Ltd is:

Craig Heron

Regulation Manager

0141 242 5421

craig.heron@shr.gov.scot

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**Scottish Housing
Regulator**