

Landlord performance > Landlords > Forth Housing Association Ltd

# Engagement plan from 31 March 2023 to 31 March 2024

---

## Landlord name

Forth Housing Association Ltd

---

## Publication date

31 March 2023

---

## Regulatory status

Working towards compliance

The RSL does not meet regulatory requirements, including the Standards of Governance and Financial Management, and it is working to achieve compliance.

## Why we are engaging with Forth Housing Association Ltd (Forth)

We are engaging with Forth about its **governance and development plans**.

In 2021 Forth notified us of allegations relating to breaches of its Code of Conduct. It commissioned two investigations and a finance review which identified evidence of serious failings in Forth's control of payments and benefits, ethical standards, management of conflicts of interest, allocations practices and concerns regarding the culture of the organisation.

Forth appointed an interim senior officer in July 2021 and provided its governance improvement plan to us in March 2022. Forth recruited additional members to its governing body to support its improvement activities. It has also commissioned additional expert assurance, culture change and improvement support.

Forth is working constructively and transparently with us as it implements its governance improvement plan.

During 2022/2023 Forth made good progress in delivering improvement. Forth has addressed gaps in its business plan including in the areas of its mission and values, risk management, prioritising tenants and service users and stock information. Forth has reviewed its asset management strategy and commissioned a stock survey to address weaknesses in the reliability of Forth's stock condition information. Forth commissioned an options appraisal in February 2023.

Following audits of its Annual Return on the Charter (ARC) Forth advised us that it had identified weaknesses in the quality of the evidence underpinning some of the indicators in its ARC. It shared its action plan with us and has given us updates on progress in addressing the weaknesses. The action plan is not yet complete.

Forth's Annual Assurance Statement (AAS, October 2022) identified material failures in Forth's compliance with the Regulatory Standards of Governance and Financial Management (the Regulatory Standards).

Forth has made a number of improvements and is seeking to embed these improvements in its processes in order to address failures in relation to the Regulatory Standards 1, 4, 5, and 6.

We will continue to engage with Forth to seek assurance that it completes and embeds its improvements to address areas of non-compliance with the Regulatory Standards.

Forth has plans to grow through a programme of new homes for social rent and will receive significant public subsidy to help achieve this. The number of affordable homes provided by Forth will increase by around one fifth over the next five years and Forth will receive significant public subsidy to help achieve this.

The Housing (Scotland) Act (2010) requires us to monitor and assess the financial well-being, governance and performance of each Registered Social Landlord (RSL).

**Our current assessment is that Forth is working towards compliance with the Regulatory Standards of Governance and Financial Management. We set out below the information that Forth must provide in order to assure us that it can achieve compliance.**

## What Forth must do

Forth must:

- provide us with regular updates on progress towards the delivery of its improvement plan;
- update its knowledge of its stock condition information;
- share with us the outcome of its options appraisal, independent assurance work and audits;
- send us by 30 April 2023:
  - its approved business plan, the report to Board on the business plan and its risk register;
  - and evidence of how it demonstrates affordability for its tenants;
- send us an update on its development programme by 31 October 2023. This will include its latest report to the governing body/appropriate committee about development and details of the scale and tenure mix, timescales for delivery and any material delays or changes to the programme; 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:

- assess the evidence Forth provides relating to its compliance with regulatory requirements, including the Regulatory Standards;
- meet with Forth's interim senior officer to discuss progress;
- meet with Forth's senior staff to discuss the business plan and risks to the organisation;
- review the development update and engage as necessary;

- review our regulatory strategy in the light of this; and
- update our published engagement plan in the light of any material change to our planned engagement with Forth.

## **Regulatory returns**

Forth 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 Forth Housing Association Ltd is:**

**Eleanor Sneddon**

Regulation Manager

0141 242 5860

[eleanor.sneddon@shr.gov.scot](mailto:eleanor.sneddon@shr.gov.scot)

**Back to landlord documents**



**Scottish Housing  
Regulator**