

## Ardenglen Housing Association Ltd

### **Regulatory Status: Working towards compliance**

**Ardenglen Housing Association Ltd (Ardenglen) does not meet the Standards of Governance & Financial Management and regulatory requirements, and it is working towards compliance.**

### **Why we are engaging with Ardenglen**

We are engaging with Ardenglen about its **governance**

COVID-19 has significantly impacted the services provided by social landlords in 2020 and will continue to influence how services are provided in 2021. We will continue to monitor, assess and report upon how each landlord is responding and we will keep our regulatory engagement under review so that we can continue to respond to the challenges of COVID-19.

As part of its annual assurance work Ardenglen commissioned an independent operations health check during 2020. This identified serious weaknesses in relation to the accuracy and reliability of Ardenglen's stock condition information and, as a result, it is unable to verify that it has a business plan based on reasonable assumptions.

The health check also identified serious weaknesses in Ardenglen's performance management in relation to its compliance duties and housing operations. Ardenglen told us that it does not comply with the Control of Asbestos Regulations 2012.

The governing body accepted the health check findings and it notified us of these issues in November 2020. Since then Ardenglen has addressed the immediate safety concerns in relation to the management of asbestos and it has communicated with the tenants affected by this. Ardenglen is developing a landlord Compliance Engagement Plan. It has also commissioned a stock condition survey and will review its Business Plan.

Ardenglen has also commissioned an independent review to help it fully understand the underlying causes of the operational and governance weaknesses identified in the health check.

In November 2020 Ardenglen also told us that in 2017 it had commissioned an independent review of its compliance with the Regulatory Standards and in 2018 it agreed a Governance action plan to deliver improvement. These actions were due to complete in March 2019 and whilst Ardenglen has completed some of the actions, a number of significant issues have not yet been fully addressed including Board oversight and performance management, embedding effective Board training,

development and succession planning, subsidiary governance review and its equality and diversity action plan.

Ardenglen undertook an independent governing body skills review in July 2020. The review identified areas to strengthen including business planning, offering effective scrutiny and challenge, and strategic thinking. Ardenglen has agreed a Board training plan to address these areas.

Ardenglen is working openly and constructively with us as it takes forward improvements. It co-opted an additional Board member to provide support in January 2021.

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

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

## What Ardenglen must do

Ardenglen must:

- provide us with its landlord Compliance Engagement plan by 30 April;
- provide us with a comprehensive improvement plan setting out how it intends to address all of the improvement areas identified and achieve compliance with the Regulatory Standards and requirements;
- provide us with regular updates on progress towards delivery of its improvement plan;
- provide us with its approved business plan, updated risk register and 30 year financial projections; and
- provide us with the report on the independent review of governance lessons and the governing body's response to this.

## What we will do

We will:

- review Ardenglen's compliance and improvement plans and discuss this with the governing body;
- consider the findings of the independent review on governance lessons learned and the governing body's response;
- review Ardenglen's business plan and 30 year financial projections; and
- update our published engagement plan in light of any material change to our planned engagement with Ardenglen.

## Regulatory returns

Ardenglen 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.



**[Read more about Ardenglen>](#)**

**Our lead officer for Ardenglen Housing Association Ltd is:**

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