We are required by the Regulatory Framework of the Scottish Housing Regulator to publish our current Engagement Plan.

We are currently engaged at ‘medium level’, having been ‘low level’ for many years. This increase in the Engagement Level is attributed to the retirement of our previous CEO, and our current development plans. This type of Engagement is called ‘Systemic’ and not due to any governance or performance issues that have occurred.

Regulatory status – we remain a fully compliant RSL which means that we meet the Regulatory requirements, including the Standards of Governance and Financial Management.

Please see below a copy of our Engagement Plan and please do not hesitate to contact us if you wish to discuss any aspect of this report.

**“Why we are engaging with Govan Housing Association Ltd (Govan).**

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

**Govan has informed us that its senior officer is leaving the organisation. Govan has decided to complete a strategic options appraisal before deciding its next steps to replace its senior officer. We will engage with Govan to get assurance it is progressing the strategic options appraisal in line with our Regulatory Standards of Governance and Financial Management (the Regulatory Standards).**

**Govan has plans to grow through a programme of new homes for mid-market rent and will receive significant public subsidy to help achieve this.**

**What Govan must do**

**Govan must:**

* **update us on the outcome of the strategic options appraisal and provide a copy to us;**
* **keep us informed about its plans for the replacement of its senior officer;**
* **send us by 30 April 2023:**
	+ **its approved business plan, the report to the 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:**

* **liaise with Govan as it progresses the strategic options appraisal and replacement of its senior officer and engage as necessary;**
* **meet with Govan’s senior staff to discuss the business plan and risks to the organisation;**
* **review the development update 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.”**