

Ruchazie Housing Association Ltd

Regulatory Status: Statutory Action

Ruchazie Housing Association Ltd (Ruchazie) does not meet the Standards of Governance & Financial Management and regulatory requirements, and we are using statutory powers to address the non-compliance.

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

We are engaging with Ruchazie about its **governance**. We expect RSLs to comply with the Regulatory Standards of Governance and Financial Management and associated statutory guidance. In March 2018 we used our statutory powers under Section 65 of the Housing (Scotland) Act to appoint four people to Ruchazie's governing body. We also used our statutory powers under Section 58 of the Act to appoint a manager. We have extended the appointment of the manager until June 2020. We have also extended two of the appointments to the governing body until June 2020 and one appointment to the governing body until April 2020.

What Ruchazie must do

Ruchazie has carried out a review of its governance and financial management against the Regulatory Standards which found widespread non-compliance with regulatory standards. Ruchazie has developed a governance improvement plan to address the findings of the governance and financial management review.

Ruchazie is implementing its governance improvement plan and has confirmed it will have made the necessary improvements to address its non-compliance with Regulatory Standards by June 2020.

Ruchazie has also carried out a strategic options appraisal and has decided to remain an independent organisation and develop ways of collaborating with other organisations to achieve its objectives. It will now develop a new business plan which addresses the outcome of its options appraisal.

Ruchazie must ensure that its stakeholders, including tenants and funders are kept up to date with progress on addressing the issues that led to us using our statutory powers.

What we will do

Ruchazie's statutory manager and appointees will report to us on progress in addressing the issues that led to intervention.

We will seek assurance that Ruchazie:

- implements its governance improvement plan so that it can demonstrate sustainable compliance with Regulatory Standards;
- successfully completes a skills audit and assessment of committee performance to inform a major programme of committee recruitment;
- carries out an effective programme of committee recruitment;
- undertakes work to assure itself it has appropriate arrangements in place for tenant and resident safety, procurement, contracting and maintenance arrangements; and
- develops a robust business plan that includes details of its plans to remain an independent organisation and collaborate with others to achieve its objectives.

Regulatory returns

Ruchazie 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;
- Annual Return on the Charter; and
- the return on the Energy Efficiency Standard for Social Housing.



[Read more about Ruchazie>](#)

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