Scottish Housing Regulator

Report on statutory intervention at Wellhouse Housing Association

June 2017

About us

We are the independent regulator of social landlords in Scotland.

We safeguard and promote the interests of:

Around:

600,000

Tenants who live in homes provided by social landlords

Around:

123,000

Home owners who receive services of social landlords

Around:

49,000

People and their families who may be homeless and seek help from local authorities

Over:

400

Gypsy/Travellers who can use official sites provided by social landlords

We regulate:

188 Social landlords

156 Registered social landlords

32 Local authorities

Our role:

To monitor, assess and report on social landlords' performance of housing activities and RSLs' financial wellbeing and standards of governance. We intervene, where we need to, to protect the interests of tenants and service users.

Our Regulatory Framework explains how we regulate social landlords. It is available on our website.

HAPPY TO TRANSLATE

Executive summary

This report shows the many and serious failings at Wellhouse which led to our statutory intervention. In December 2014, we appointed a manager to Wellhouse after an independent investigation it commissioned found serious failures in its governance and financial management. Wellhouse did not meet Regulatory Standards and did not know that it did not meet the Standards.

The nature, extent and consequences of the failures were a serious and immediate risk to Wellhouse's tenants, service users and the social housing sector's good reputation.

There was bad practice, bad governance and inappropriate behaviour at Wellhouse. Some of those in leadership in the organisation disregarded the controls that were there to protect the organisation, and so its tenants' interests.

Wellhouse carried out a series of investigations uncovering serious weaknesses in how it was governed and managed including:

- fundamental failings in its internal systems;
- management over-ride of internal controls;
- former office bearers and some senior staff repeatedly acted beyond their authority;
- management committee members did not understand and failed to properly carry out their role, responsibilities and accountabilities;
- out-of-date or ignored governance policies and procedures;
- the management committee making decisions based on inadequate information and without necessary challenge; and
- it failed to identify and manage risks to its purpose and objectives.

The cumulative impact of these systemic weaknesses enabled poor behaviours by key individuals within the organisation and contributed to a culture where these behaviours became widespread and went without challenge.

Wellhouse presented itself as an organisation that performed well. But it submitted inaccurate and misleading regulatory returns and repeatedly failed to tell us about relevant notifiable events which would have led to further scrutiny by us. It misled its tenants about its performance.

Wellhouse became disconnected from its tenants and service users. The interests of its tenants and service users were not always the principal driver of decisions it made. This resulted in a range of poor outcomes for Wellhouse's tenants and service users including financial loss and the risk of further significant financial costs.

Our intervention was necessary to prevent further losses and further risk to the interests of Wellhouse's tenants and service users.

We ended the manager's appointment in November 2016. We were satisfied that Wellhouse had addressed the fundamental weaknesses that led to its failures and our intervention. The management committee, with the invaluable support of co-opted committee members, has created a solid platform for it to build on and keep improving.

About this report

1. In December 2014 we appointed a manager to Wellhouse under section 58 of the Housing (Scotland) Act 2010. We regard public communication of our intervention actions to be important in providing assurance about effective and strong regulation.

2. This report explains the reasons why we intervened. It summarises the main weaknesses and failures that led to our intervention. We have not reported on the full range or full details of the weaknesses and failings that have been uncovered at Wellhouse.

3. The report also describes the impact on Wellhouse's tenants and service users and the action the management committee has taken to set matters right and ensure Wellhouse meets Regulatory Standards. In appendix 1 we identify the key factors in Wellhouse's failures so that other landlords can learn from the issues. The intervention timeline is in appendix 2.

About Wellhouse

4. Wellhouse was registered as a social landlord in 1994. It has charitable status. At the time of our intervention, it owned and managed 829 houses and provided factoring services to 51 owners in a small neighbourhood in Easterhouse, Glasgow. It employed 15 people and its turnover for the year ending 31 March 2014 was £2.7 million. Its private investment from lenders was £9 million. Over the years since its registration Wellhouse had received substantial public subsidy to build homes for social rent. It was completing Phase 7 of its development programme and was considering future projects to build new homes.

5. Wellhouse's management committee prior to our intervention consisted of nine members; all Wellhouse tenants. Four members had served on the management committee for more than 12 years with one serving for 25 years; three had six years' service and two members had less than two years. Three new members had joined and left the in the year prior to our intervention.

6. Wellhouse had four office bearer positions: chair, vice–chair, treasurer and secretary. These were all held by management committee members. The same four individuals had acted in these roles for significant periods during the preceding 10 years. The roles were generally circulated amongst them. Only the chair was a relatively newer office bearer having been appointed in 2013 following a period as treasurer between 2011-12.

7. Wellhouse's senior management team consisted of a director, depute director with responsibility for housing, property services, human resources and finance, senior finance officer, and senior policy and performance officer. The director had been in post for 13 years. All of its frontline staff members had worked at Wellhouse for less than three years.

Our regulatory requirements

8. Prior to our intervention in December 2014, we had low engagement with Wellhouse. This means that information it submitted to us did not highlight risks to tenants' interests requiring our engagement. On that basis, we did not need additional contact with Wellhouse unless other events arose. We required Wellhouse to give us its Annual Returns on the Charter (ARCs), its audited annual accounts, auditor's management letter, loan portfolio information and its five year financial projections. We required it to tell us about notifiable events; these are events which put at risk:

   - tenants' and service users' interests or safety;
   - the RSL's financial health, public investment, or lenders' confidence; or
   - the good governance and reputation of an individual RSL or the RSL sector.

9. Our Regulatory Framework contains six [Regulatory Standards of Governance and Financial Management](). We expect all RSLs to comply with these Standards. These require:

1. The Management Committee to lead and direct the RSL to achieve good outcomes for its tenants and other service users.

2. The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

3. Management of resources by the RSL to ensure its financial well-being and economic effectiveness.

4. Decisions based on good quality information and advice which identifies and reduces the risks to the RSL's purpose.

5. The RSL to conduct its affairs with honesty and integrity.

6. The Management Committee and senior officers to have the skills and knowledge they need to be effective.

10. Each Standard has additional guidance for landlords. We require RSLs to self-assess against the Standards and take any actions needed to make sure they comply. We require RSLs to notify us immediately if there is a failure to comply with the Standards.

11. Following our intervention we identified that over a number of years Wellhouse had not reported notifiable events to us, and had not notified us of any of its failures to comply with Regulatory Standards. It had given us inaccurate and misleading information in its ARC return and correspondence with us.

Concerns raised about Wellhouse

12. In March 2014, a third party contacted us and made allegations of improper conduct at Wellhouse. We considered the evidence to support the allegations. We concluded the allegations, if proven, were very serious. We asked Wellhouse's management committee to appoint an appropriately qualified, independent person to investigate the allegations.

The management committee agreed that it needed to do this and set up a working group to manage the independent investigation.

13. Wellhouse initiated the independent investigation in July 2014 and this concluded in November 2014. It found:
    - a senior manager repeatedly used Wellhouse's corporate credit card to make personal purchases without agreement from Wellhouse and without making any repayments;
    - Wellhouse did not effectively control use of corporate credit cards held by certain senior staff, failing to authorise or review expenditure and not obtaining or retaining receipts;
    - from April 2009 to June 2014 Wellhouse incurred £24,000 of expenditure on the cards for which certain senior staff could not provide evidence of a legitimate business purpose;
    - Wellhouse paid a senior manager overtime in personal goods on its Amazon Account rather than through payroll. This arrangement had not been documented nor approved by the management committee;
    - Wellhouse poorly managed the purchase of a car costing £19,400 for a senior manager. Office bearers exceeded their authority in approving the purchase contrary to the management committee's decision to lease a car for general office use;
    - a senior manager paid the deposit on the car using Wellhouse's credit card before the office bearers' decision, and Wellhouse did not register as the owner on the purchase records although it showed the car as an asset on its balance sheet;
    - Wellhouse repeated these mistakes when replacing the car in 2014 with one costing £28,925;
    - certain senior staff had work carried out on their private properties using Wellhouse staff and materials;
    - some staff received payments and benefits which were not in their employment contracts in breach of both Wellhouse's policy and legislation in place at the time[1]; and
    - Wellhouse failed to properly submit appropriate tax returns for a range of its payments and benefits to staff.

14. The investigation also found serious issues and irregularities in Wellhouse's relationship with an independent local company Connect Community Trust (CCT). Five members of Wellhouse's management committee and a senior manager were also directors of CCT. One management committee member was an employee of CCT. There was no formal relationship between the two organisations. The investigation found:

    - Wellhouse's management committee and a senior manager did not properly declare and manage conflicts of interest when taking decisions about CCT;
    - Wellhouse breached the terms of its loan agreements by giving financial support to CCT without its lender's advance approval, risking re-pricing or immediate repayment of the loan;
    - Wellhouse was not aware of the breach of loan agreement until the investigation highlighted this;
    - Wellhouse extended a £22,000 credit facility to CCT for its monthly payroll without management committee approval; and
    - Wellhouse paid CCT employees cash directly for certain services rather than by invoice from CCT.

[1] Schedule 7 of the Housing (Scotland) Act 2001

Why we intervened

15. The investigation report clearly showed that Wellhouse was failing Regulatory Standards. It was facing a number of serious risks arising from:

- the absence of basic good governance practices;
- the lack of internal financial controls and clear evidence of management over-ride of internal controls;
- the absence of checks and balances such as an internal audit function and an audit committee;
- the potential negative impact on tenants and service users of additional costs arising from the breach of loan agreements and the potential for tax liabilities;
- the threat to Wellhouse's charitable status because of the benefits and payments it had given to some staff members;
- the compromised position of some management committee members and some senior managers as a result of the failure to manage conflicts of interest; and
- Wellhouse's inability to demonstrate it was conducting its affairs with honesty and integrity.

16. We concluded that the failings were an immediate and significant risk to the interests of Wellhouse's tenants and service users. They also had the potential to seriously damage Wellhouse's and the wider sector's reputation.

> We will not normally need to intervene if we are satisfied that the landlord is able and willing to address our concerns. We need to be confident that the regulated body is taking its problems seriously, is committed to tackling them, and engaging constructively to satisfy us that it is able to deal effectively and speedily with its problems. We will intervene where the organisation's own attempts are unsuccessful or we are not confident that the organisation is able or willing to tackle its problems.
>
> *Regulatory Framework*

17. Wellhouse's management committee was co-operating with us and it co-opted three new members who brought specialist knowledge and an independent viewpoint to support it. However, we were not assured that Wellhouse either fully understood the nature and extent of its failings or was capable of dealing with the range of serious and complex issues it faced without extra support. We decided it was necessary and proportionate to use our statutory powers to appoint a manager.

18. On 27 November 2014, we met with the management committee and explained our decision to appoint a manager.

We appointed the manager to:

- address the serious weaknesses in, and risks to, Wellhouse's governance and financial management position and help the management committee to resolve these issues;
- consider whether Wellhouse's governance and financial management processes and procedures were fit for purpose; and
- assist and support the management committee to ensure that Wellhouse's affairs were managed to an appropriate standard.

The manager's remit was to:

- put in place the necessary policies, internal controls and safeguards to ensure financial transparency and probity; and
- carry out a strategic review and implement any necessary improvements to ensure that Wellhouse meets Regulatory Standards.

19. We informed the Office of the Scottish Charity Regulator of our intervention. We published our Regulation Plan on 8 December 2014 setting out the reasons for our intervention and confirming that we had moved Wellhouse from low to high engagement.

How far the failures extended

20. Following the manager's appointment, Wellhouse's management committee carried out further investigations between January and March 2015. These focused on specific areas of weakness highlighted in the original investigation and further concerns that had been independently raised with us by third parties after our intervention. These investigations were necessary to understand how far the failures extended and to identify all of the risks facing Wellhouse.

A review of financial controls:

Wellhouse did not put into practice its written policies and procedures; its business and control framework was not adequate; it had no treasury management strategy; its approach to risk management was inadequate and it had weaknesses in the budget and five year plan processes.

A review of procurement:

This identified that Wellhouse was not adequately following its purchasing and procurement processes; audit trails were insufficient; and it did not have enough oversight or control of the process.

A review of the financial relationship with Connect Community Trust (CCT):

This concluded Wellhouse had paid CCT £850,000 for services without formal service level or grant agreements. It had failed to recover £22,000 of the payroll credit facility it extended to CCT

It had been paying a significant proportion of a member of CCT staff's employment costs. As the member of staff in question was a member of Wellhouse's management committee, the investigation concluded that this breached legislation on payments and benefits and would likely have breached Wellhouse's rules.

A review of concerns regarding ethics and culture:

This found evidence that some senior staff had misused compromise agreements, pay offs and dismissal of staff. Wellhouse mishandled serious staff grievances and did not independently investigate allegations made. It found evidence that some senior staff used a restructure to promote the exit of aggrieved staff members. Some senior management made compensation payments for loss of office to staff without management committee approval and did not report these to the management committee. In some cases the level of compensation was above that permitted by staff terms and conditions of service.

21. There were a number of elements to the statutory manager's governance review of Wellhouse's compliance with Regulatory Standards which he completed in May 2015:

> This concluded Wellhouse did not comply with Regulatory Standards 4 and 5 and that it was only partially complying with Regulatory Standards 1, 2, 3 and 6 where there were areas of significant weakness. The review recommended major improvements to Wellhouse's governance and financial management in order to meet the Standards.

22. The management committee accepted the findings of the investigations and the review. It considered with its legal advisors reporting certain matters to the police and Her Majesty's Revenue and Customs. It agreed to take forward an extensive improvement plan to address all of the weaknesses and failings.

The impact on Wellhouse's tenants and service users

23. Wellhouse's failure to meet Regulatory Standards directly affected its tenants and service users and risked further poor outcomes. We state some, but not all, of these below.

- Wellhouse charged tenants for reasonable wear and tear repairs which should be covered by rent. It then limited further repairs to the homes of any tenants who owed money for these recharges and suspended them from its housing list. Wellhouse excluded these repairs from its reported figures in the ARC, thereby masking its actual, poorer repairs performance. Wellhouse did not provide some tenants with the repairs they were entitled to under Right to Repair.

- It did not always allocate its houses in line with the legal requirement to give reasonable preference to those in housing need. Wellhouse operated an allocations quota system that disadvantaged homeless people and gave preference to local residents involved in community groups. It required people applying for a home to provide personal character references as opposed to tenancy references.

- It risked incurring significant costs which tenants would have ultimately had to pay through rent by:
  - breaching the terms of its loan agreements;
  - risking its charitable status in giving some staff extra non-contractual benefits;
  - failing to properly submit tax returns for these benefits; and
  - its poor treasury management practices.

- Wellhouse made payments to individuals and contractors providing services with whom it had no contracts. This inappropriate practice risked creating the perception of inappropriate behaviour and selective direct awards. It was not able to demonstrate it had procured value-for-money in its services.

- Wellhouse used funds drawn from rent paid by tenants to provide staff with payments and benefits to which they were not entitled.

Improving outcomes for tenants and service users

24. The statutory manager's immediate priority was to support Wellhouse's management committee to act on the investigation recommendations. The other urgent priority was to address the immediate risk to Wellhouse's financial health from default on its loan agreements and potential tax liabilities. The manager worked closely with Wellhouse's lenders and other key stakeholders.

25. Wellhouse surveyed its tenants and invited them to open meetings to discuss their priorities and concerns. It formed a customer focus panel.

26. With the support of the manager Wellhouse developed an extensive improvement plan, which it hoped to deliver over 18 months. However, it extended this timescale as new issues and priorities emerged. The scale of the improvement work necessary has required extensive commitment from Wellhouse's management committee. During this time it has worked openly and constructively with us. It valued and made use of the support and experience of the manager, co-optees and its interim senior management team. It dealt effectively with complex and challenging disciplinary processes and Code of Conduct investigations.

27. Some of the improvements include:

    - A review of the rechargeable repairs and allocations policies. Wellhouse has re-tendered its repairs contractor services to ensure it can show quality and value for money.
    - It has changed the membership of its management committee to ensure a mix of skills and experience. It recruited new members to fill the skills gaps it identified. It now has eleven committee members.
    - Wellhouse now has a formal relationship with CCT governed by a service level agreement.
    - It has set up an audit and risk sub-committee with an agreed remit and a clear programme of work and meeting timetable. It has tendered and appointed new internal and external auditors.
    - It has worked with its lenders to provide them with assurance about its governance improvement in order to avoid them increasing the interest rate on, or recalling, its £9 million of loans.

28. In January 2016 Wellhouse carried out a strategic review and decided that remaining an independent organisation was in its tenants' and service users' best interests.

29. By November 2016 the manager's review concluded that Wellhouse was now meeting Regulatory Standards. On this basis we decided to end our statutory intervention and ended the manager's appointment. Wellhouse continues to work through a programme of improvement actions. These included strengthening the management committee, completing its staff restructure, improving risk management and embedding the new leadership and culture. We continue to engage with Wellhouse as it manages these improvements.

30. Wellhouse met the costs for the statutory manager's services and expenses. This covered a period from 8 December 2014 to 30 November 2016.

8 December 2014 -31 March 2015	£39,000
1 April 2015 to 31 March 2016	£147,000
1 April 2016 to 30 November 2016	£36,000

Appendix 1
Key factors in Wellhouse's failures

31. These are the key factors contributing to the governance failure at Wellhouse.

RSL conducts affairs with honesty and integrity

- Senior committee members and some senior managers did not always act with probity and in a manner to ensure Wellhouse's good reputation.
- The management committee failed to respond to breaches of its code of conduct, and allowed poor leadership behaviours and non–compliance to persist.
- Wellhouse did not have a whistleblowing policy and deterred staff from raising concerns.
- Some senior staff and office bearers mis-handled grievances; they did not appoint appropriate independent investigators or seek appropriate independent employment advice. Some senior management made compensation payments for loss of office to staff without management committee approval and did not report these to the management committee. The management committee did not assure itself about the reasons for staff exits and redundancies despite there being a high number within a very short period of time.
- Some senior managers used staff restructuring inappropriately to conceal problems from the management committee and to embed the prevailing culture.

Management committee member skills and knowledge

- Wellhouse did not have a comprehensive management committee recruitment and appointment policy, and no separate succession planning policy or process.
- It did not provide new members with effective induction or training.
- It had no management committee appraisal policy or process, and did not know if training met members' learning and development needs.
- Office bearers promoted a perception that they were skilled and knowledgeable, and this deterred questions and challenge by other committee members

Governance policies and arrangements

- The majority of management committee members did not fully understand their role and responsibilities.
- Some were not aware of the purpose, content or existence of governance policies and internal controls. The management committee did not regularly review these to ensure they were meeting their responsibilities and regulatory requirements.

Delegated authority in making decisions

- Office bearers and senior staff repeatedly acted beyond their remit and authority. They failed to respect previous decisions of the wider committee. They approved actions that were not in accordance with Wellhouse's policies and procedures.
- The office bearers and senior staff did not always tell the management committee of the decisions and financial commitments they made and the management committee did not challenge these actions when it became aware of them.

Personal interests

- Management committee members and senior staff did not always declare personal interests. When they did, they did not manage these appropriately.
- Senior staff sought approval for certain actions from a preferred group of office bearers rather than the full management committee as required by the financial regulations.

Quality of information and challenge

- The management committee did not carry out its scrutiny and challenge role effectively. It did not assure itself about regulatory, constitutional and legal compliance of the recommendations from the senior team.
- Senior management reports to the management committee did not always have the right information and enough analysis to help effective decision-making. They did not always make clear recommendations. Senior staff established an accepted process of providing frequent verbal rather than written reports on important decisions.
- It did not keep good records of its decisions and actions.

Performance management

- Wellhouse was poor at managing performance; its business plan objectives did not clearly feed into operational objectives or performance reporting.
- The management committee did not manage and appraise the director.
- The management committee did not have good oversight on financial management.

Risk management

- Wellhouse did not apply its risk management policy. The management committee did not carry out regular oversight of its risk management processes, and did not assure itself about risk implications when making decisions, nor was it directed to these considerations by senior staff.

Internal controls

- Management over-rode internal financial controls.
- Wellhouse did not apply its internal financial control policies and procedures.
- It did not apply or monitor its treasury management policy.
- A member of the senior staff team was not financially qualified and the management committee did not seek appropriate expert financial advice when necessary.
- It did not effectively set and monitor budgets, and senior staff did not report detail of management account variances to the management committee.
- The management committee did not monitor cashflows or seek assurance about the financial implications for its decisions.

Audit

- Wellhouse had not re-tendered its external audit service since 1994.
- It did not act quickly on its auditor's recommendations. One of these recommendations was to implement a system of internal audit.

Appendix 2
Timeline

March 2014	We received information from a third party alleging improper conduct at Wellhouse.
May 2014	After considering the supporting evidence we decided the allegations had to be investigated to confirm the facts.
June 2014	We met with the chair and another management committee member to tell them the allegations and seek assurance that they would be independently investigated. We suggested the management committee obtained independent legal advice. The management committee did so and then set up a working group to manage the independent investigation. This was delayed as it had difficulty finding non-conflicted management committee members for the working group.
July 2014	With independent legal advice the working group carried out a procurement exercise to appoint an independent investigator. It confirmed to us the management committee was taking this matter seriously and wanted the investigation to be thorough and completed quickly.
November 2014	We received the investigation report from the working group. The management committee accepted the factual accuracy of the report and that the findings were serious. It decided to: • set up a governance working group to develop an improvement plan; • asked us to identify three co-optees to provide it with additional support; and • delegated authority to a panel to take forward any necessary disciplinary action under guidance from an employment lawyer. It elected replacements for office bearers following the chair and treasurer's resignation from the roles and the vice-chair's resignation from the management committee. We met with the governance working group to discuss Wellhouse's response to the investigation. We required assurance there were effective leadership and management arrangements in place to address the immediate concerns in an effective way. We arranged to meet with the management committee on 27 November 2014. Wellhouse's legal advice confirmed that it had almost certainly breached its financial covenants and there were events of default which it should report to its lender. We concluded that the governance and financial management issues were so serious we needed to appoint a manager to protect tenants' and service users' interests. We informed the management committee we were using our powers to appoint a manager. The management committee accepted this. We committed to review the appointment after 6 months.

	To provide additional support three people proposed by us joined the management committee. One filled the casual vacancy created by the vice-chair's departure.
December 2014	We published a regulation plan setting out the reasons for the statutory appointment and moved Wellhouse from low to high engagement. Wellhouse notified the events of default to its lenders.
January 2015	Wellhouse suspended certain senior staff and put temporary finance agency cover in place. It commissioned three further independent investigations.
February 2015	The management committee commissioned an independent investigation into the effectiveness of its internal financial controls. Both lenders issued reservation of rights letters.
March 2015	The independent investigations reported their findings. A senior manager left Wellhouse and a member of the senior team left the role.
April 2015	Wellhouse appointed an interim director and an interim operations manager. It told us that it had reported incorrect performance data to us.
May 2015	The statutory manager's review concluded that Wellhouse was failing to meet almost all Regulatory Standards. The management committee accepted the findings and agreed a substantial improvement plan to address the governance and financial management issues. It commissioned an investigation into potential code of conduct breaches. Wellhouse suspended a senior member of staff We concluded there was still a high level of risk to tenants' interests and we continued the manager's appointment with a review at the end of September 2015.
June 2015	The management committee told us the actions it was taking regarding a serious complaint it had received involving two management committee members.
July 2015	A number of management committee members were implicated in poor behaviours. We initiated processes for removing the management committee members but they resigned before the process concluded.
September 2015	Wellhouse identified it had breached legislation controlling benefits in allocating two of its homes, a payment to a connected business and staff benefits of paid additional leave over a number of years. We reviewed the manager's appointment. We concluded while some improvements had been delivered and there were plans to complete the remainder by early 2016 there still remained significant weaknesses in Wellhouse's governance and financial management which were a risk to tenants' interests. We continued the manager's appointment with a further review in January 2016. A senior member of staff left.

January 2016	Following a strategic review the management committee decided Wellhouse will remain independent. We reviewed the manager's appointment concluding there were improvements to be completed in areas of significant weakness in Wellhouse's governance and financial management which were a risk to tenants' interests and to the reputation of registered social landlords. We continued the appointment with a review in May 2016.
February 2016	Wellhouse identified three new members to join the management committee through a recruitment exercise.
May 2016	Wellhouse recruited a new director and started to create a new staff and senior management structure. We reviewed the manager's appointment and concluded Wellhouse had still to complete and embed improvements in areas of significant weakness in its governance and financial management. This included important actions on developing a new leadership team. We continued the appointment with a review in November 2016.
September 2016	Wellhouse recruited a new senior management team.
November 2016	We reviewed the manager's appointment. We concluded the manager's remit had been fulfilled and the serious and immediate risks to tenants' interests had been addressed. We ended our statutory intervention.

NOTICE OF THE INVESTIGATING FIRM

1. CGPM Consulting LLP, CGPM, has, on certain conditions, allowed The Scottish Housing Regulator (the Principal) to have access to, cite and quote from their Investigation Report on the investigation into Allegations notified or identified to Wellhouse Housing Association, the Association, during 2014 and 2015.
2. CGPM does not accept or assume responsibility to anyone other than the Association and the Directors of the Association as a body, for its work, for its Investigation Report or for the opinions it has formed. To the fullest extent permitted by law, CGPM does not accept or assume responsibility to anyone as a result of the access given to its Report or for any information or explanation given to the Principal in relation to the Investigation Report or in connection with the Review by the Principal of the Investigation Report.
3. The Investigation Report was not created for, and should not be treated as suitable for, any purpose other than the reporting whether or not there was *prima facie* evidence supporting the Allegations. The investigation was undertaken to permit a group of Directors, given appropriate delegated authority, to determine whether to refer the matter for disciplinary action to be taken under the Association's policies.

Scottish Housing Regulator