

Knowes Housing Association Ltd

Engagement plan

From 1 April 2026 to 31 March 2027

Regulatory status

Non-Compliant – 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 Knowes Housing Association Ltd (Knowes)

We are engaging with Knowes about its **governance**.

In April 2024, Knowes notified us about a code of conduct matter. It commissioned an independent investigation into the matter which reported in August 2024. It upheld a code of conduct breach and identified some weaknesses in Knowes' governance processes. In response to these findings Knowes commissioned an independent governance review which concluded in stages between August and December 2025.

The independent governance review identified serious weaknesses in Knowes' approach to governance and its strategic leadership. This included concerns around reporting to the governing body, business planning, risk management and oversight of development plans as well as compliance with its constitution and its approach to governing body appraisal, training and succession planning.

In its most recent Annual Assurance Statement (AAS) submitted in October 2025, Knowes stated it was compliant with regulatory requirements including the Standards of Governance and Financial Management (the Standards). We engaged with Knowes to understand its decision making and the evidence it used to confirm its compliance with the Standards.

We reviewed the information Knowes shared with us including the outcome reports from the independent governance review. We found material non-compliance with Standards one, four and six. We also concluded that Knowes had not been compliant with the Standards over a number of years and had not identified or declared this during its AAS process.

Knowes is progressing a governance improvement action plan. It has completed a number of urgent actions in response to some of the governance concerns and these measures will require time to embed to allow Knowes to demonstrate compliance with the Standards. A number of remaining actions identified during the independent governance review still require to be progressed. We have also shared our concerns with Knowes that the governance improvement action plan does not address all the areas of weaknesses which have been highlighted in its independent



reports and there is a lack of clarity around timescales and performance monitoring measures.

We will continue to engage with Knowes to seek assurance about the steps it is taking to progress the findings of the independent governance review and to address our concerns about the delivery of this. We will also seek assurance about its approach to annual self-assurance and the steps it will take to meet the Standards.

Knowes is engaging openly and constructively with us.

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 Knowes is non-compliant and is working towards compliance with the Standards. We set out below the information that Knowes must provide in order to assure us that it can achieve compliance.

What Knowes must do

Knowes must:

- tell us its plans to address our concerns about the weaknesses in its governance improvement action plan and its approach to annual self-assurance, including setting clear timescales and performance monitoring measures;
- send us monthly updates on the progress of its governance improvement action plan to address the weaknesses in its approach to governance and strategic leadership; and
- tell us when it considers Knowes to be compliant with the Standards and provide us with the assurance we require to confirm this.

What we will do

We will:

- consider Knowes' plans to address our concerns about the weaknesses in its governance improvement action plan and its approach to annual self-assurance and engage as necessary;
- review the monthly updates on the progress of its governance improvement action plan and engage as necessary;
- consider the information Knowes sends us relating to its compliance with the Standards and engage as necessary; and
- update our published engagement plan in the light of any material change to our planned engagement with Knowes.

Regulatory Returns

Knowes must provide us with the following annual regulatory returns and alerts 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 Knowes Housing Association Ltd is:

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