

Ferguslie Park Housing Association Ltd

11 August 2017

This Regulation Plan sets out the engagement we will have with Ferguslie Park Housing Association Ltd (Ferguslie Park) during the financial year 2017/18. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Ferguslie Park was registered as a social landlord in 1988. It owns 810 homes, including 7 shared ownership units. It is a registered charity and employs around 15 staff. It has one unregistered subsidiary, The New Tannahill Centre Ltd, which manages the local community centre that provides commercial and community facilities for the local area.

As at the 31 March 2016 Ferguslie Park's turnover was over £4 million and its debt per unit was £3,326.

Engagement

In February 2016 we used our statutory powers to appoint a manager to Ferguslie Park under section 58 of the Housing (Scotland) Act 2010. We also used our statutory powers under section 65 of the Housing (Scotland) Act 2010 to appoint three additional members to Ferguslie Park's governing body.

We did this because we had identified a number of serious weaknesses in Ferguslie Park's governance and financial management as well as failures to comply with our Regulatory Standards of Governance and Financial Management. These areas of concern posed significant and immediate risks to the interests of tenants, to public and private funders' confidence and to the reputation of registered social landlords.

We extended these appointments in March 2017 to support Ferguslie Park as it worked to address the immediate risks and carry out wider reviews of its governance, financial management processes and procedures and internal controls. These reviews concluded that significant improvement was required in a range of areas in Ferguslie Park's governance and financial management.

We have again reviewed our statutory intervention. Ferguslie Park is continuing to make good progress in putting in place the necessary policies, internal controls and safeguards which are needed to ensure that it meets our Regulatory Standards of Governance and Financial Management. However, Ferguslie Park requires continued support to ensure that this progress is sustained. The appointments to the Board have therefore now been extended to March 2018 and the manager's appointment is extended to January 2018.

The governing body recognises the importance of ensuring that it is able to sustain the improvements made to comply with our Regulatory Standards of Governance and Financial Management. It also recognises that it must demonstrate it has the necessary skills, experience and capacity to allow Ferguslie Park to be self-sustaining without external support. It is currently seeking to recruit additional governing body members with appropriate experience and expertise to strengthen it. It has responded

positively and is working openly with us and the appointees to make the improvements required.

Our engagement with Ferguslie Park Housing Association Ltd 2017/18 – High

We will engage with Ferguslie Park in light of the serious weaknesses in its governance and financial management.

1. The manager and the appointees to the governing body will be accountable to the regulator and will report to us on progress.
2. We expect Ferguslie Park to engage with us to assure us it is delivering the necessary improvements to meet our Regulatory Standards of Governance and Financial Management. We may review our engagement activity depending on the outcome.
3. We will continue to review Ferguslie Park's progress in delivering the improvements to address the issues identified, and we may extend the appointments if we consider it necessary.
4. Ferguslie Park should alert us to notifiable events and seek our consent as appropriate. It should provide us with the annual regulatory returns we review for all RSLs:
 - 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.

This plan will be kept under review and may be changed to reflect particular or new events. The engagement strategy set out in this plan does not restrict us from using any other form of regulatory engagement to seek additional assurance should the need arise. Our regulatory framework and other relevant statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Ferguslie Park Housing Association Ltd is:

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We have decided what type of engagement we need to have with this organisation based on information it provided to us. We rely on the information given to us to be accurate and complete, but we do not accept liability if it is not. And we do not accept liability for actions arising from a third party's use of the information or views contained in the Regulation Plan.