

Ferguslie Park Housing Association Ltd

24 August 2016

This Regulation Plan sets out the engagement we will have with Ferguslie Park Housing Association Ltd (Ferguslie Park) during the remainder of the financial year 2015/16. 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 809 houses, including 7 shared ownership units. It is a registered charity and employs around 15 staff.

Ferguslie Park's turnover at the end of March 2015 was just over £3.25 million. 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.

We 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.

In February 2016 we therefore 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.

With the support of our appointments, Ferguslie Park is addressing the immediate risks and has carried out a wider review of its governance, financial management processes and procedures and internal controls. While Ferguslie Park has made good progress in identifying its issues, the full remit we set for the appointed manager has still to complete. The outcome of the review identified that significant improvement is required in a range of areas in its governance and financial management.

We have therefore decided to continue our statutory appointments to support Ferguslie Park in putting in place the necessary policies, internal controls and safeguards which are now needed to ensure that it meets our Regulatory Standards of governance and financial management.

The governing body has recognised the serious nature of the issues and the risk they present to tenants' interests. It has responded positively and is working openly with us and the appointments to make the required changes and improvements.

Our engagement with Ferguslie Park Housing Association Ltd – High

We will have high engagement with Ferguslie Park in light of the serious weaknesses in its governance.

1. The manager and the appointees to the governing body will be accountable to the regulator and will report to us on progress. The governing body appointments are for a further year. The manager's appointment is extended to 31st March 2017. 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.
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. 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 annual accounts and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections; and
 - the Annual Return on the Charter.

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 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.