

## **Ferguslie Park Housing Association Ltd**

**30 January 2018**

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 803 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 2017, Ferguslie Park's turnover was over £4.25 million and its debt per unit was £2,958.

### **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 the 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 and again in August 2017. Initially we made the appointments to support Ferguslie Park to address the immediate risks and carry out wider reviews of its governance, financial management, processes and procedures and internal controls. We extended the appointments to then support the implementation of the necessary changes in governance and financial management. Ferguslie Park has made good progress in delivering the required improvements but this has taken some time due to the number and complexity of issues identified, particularly in relation to Ferguslie Park's subsidiary, The New Tannahill Centre Ltd.

We have again reviewed our statutory intervention. Ferguslie Park has recruited new members with good skills and experience to strengthen its governing body. It has completed many of the necessary improvements and Ferguslie Park is now seeking to recruit a Chief Executive and complete a review of its staffing structure. The successful appointment of a Chief Executive is a critical milestone for Ferguslie Park.

We are satisfied that our appointed manager has concluded the remit we set to support the organisation to comply with Regulatory Standards. It is now for the governing body to demonstrate that it is capable of sustaining and building on these improvements. We have therefore decided to end the appointment of the manager at the end of January 2018 and reduce the number of statutory appointments to the governing body from three to two at the end of March 2018. This will ensure continued support for the governing body as it appoints

a new Chief Executive and senior management team, completes its staff restructure, develops the skills and experience of the new governing body members and continues embedding a strong leadership culture within the organisation.

The two appointments to the Board have therefore now been extended to September 2018.

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

We will engage with Ferguslie Park as it continues to ensure that it fully meets the Regulatory Standards of Governance and Financial Management.

1. 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 the 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 consolidating the improvements that have been made. As part of this we will expect Ferguslie Park to update us on its progress in appointing a Chief Executive, senior management team and finalising its staff structure.
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](http://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.