

Cordale Housing Association Ltd

4 April 2012 - 31 July 2012

This Regulation Plan sets out the engagement we will have with Cordale Housing Association Ltd during the financial year 2012/2013. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Cordale registered as a social landlord in 1992. It has charitable status and employs 10 full time equivalent staff. It owns 512 homes in West Dunbartonshire, providing a mix of extra care, wheelchair and general needs housing. It factors a further 22 properties. Cordale's turnover for the year ended 31 March 2011 was just under £1.6 million.

West Dunbartonshire Council recently named Cordale as the preferred bidder to acquire its stock of around 900 properties in the Vale of Leven. It submitted a business plan to the Council to support its bid and we will consider this once it is finalised.

The Council anticipates balloting tenants at the end of September 2012 and if this results in a yes vote, Cordale will triple in size once it takes ownership of the stock. Our interest in examining the proposals is to understand the impact that this stock transfer will have on Cordale's overall business and to be assured about the financial arrangements that will allow the transfer to take place. This information should also provide us with assurance that its overall financial capacity and viability will be maintained.

We are currently engaging with Cordale about staffing and governance issues it is dealing with.

Cordale has been a major developer of rented housing and received high levels of public subsidy to achieve this. It plans to continue to grow and is exploring innovative funding approaches and we need to engage with it to receive assurance about the regulatory implications of these activities.

Cordale's performance for percentage lets to homeless people is poor compared to the sector overall.



Our engagement with Cordale - Medium

In the light of Cordale's involvement in stock transfer we will have medium engagement with it in 2012/13.

1. Cordale will:
 - agree with us the information it will provide about its proposals for the transfer of 928 properties in the Vale of Leven from West Dunbartonshire Council; and
 - confirm with us the timescale and progress of the transfer.
2. We will consider the final business plan and tell Cordale and West Dunbartonshire Council if we have any concerns about Cordale's overall business and financial capacity and whether we are assured that viability will be maintained.
3. Cordale will keep us informed at key stages of progress with its innovative funding proposals.
4. We will continue to work with Cordale to resolve its staffing and governance issues. We will review progress and our engagement with Cordale in quarter one.
5. Cordale 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
 - annual performance and statistical return.

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 Cordale is:

Name: Kirsty Anderson, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 305 4180

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.