

Ferguslie Park Housing Association Ltd

24 March 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 803 homes and also has 7 shared ownership homes. It is a registered charity and employs around 15 staff. As at the 31 March 2016 Ferguslie Park's turnover was over £4 million and its debt per unit was £3,326.

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.

Engagement

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 addressed the immediate risks and has carried out wider reviews of its governance, financial management processes and procedures and internal controls. These reviews concluded that significant improvement is required in a range of areas in Ferguslie Park's governance and financial management.

Ferguslie Park is making 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. Ferguslie Park requires continued support to ensure that this progress is sustained. The appointments to the Board remain in place until August 2017 and the manager's appointment is extended to September 2017.

The governing body recognises the serious nature of the issues, the risk they present to tenants' interests and the need for significant improvement in a range of areas. 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 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:

Name: John Jellema, Regulation Manager
Address: Buchanan House, 58 Port Dundas Road, Glasgow G4 0HF
Telephone: 0141 242 5888

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.