

## Fife Housing Association Ltd

**28 March 2013**

This Regulation Plan sets out the engagement we will have with Fife Housing Association Ltd (Fife) during 2013/14. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

### Regulatory profile

Fife is a charitable registered social landlord that owns and manages around 2,444 houses provides factoring services to a further 89. It employs a full time equivalent of 65 staff including its direct labour workforce. Its turnover for the year ended 31 March 2012 was just over £9.7 million. It has one unregistered subsidiary, PACT Enterprises Ltd.

Fife has implemented a range of improvements and made effective progress addressing weaknesses which we previously identified in its governance. Fife has recruited new governing body members to assist it to respond and effectively deal with the issues it faces. Fife is committed to working co-operatively with us and continues to receive external support to help it strengthen and improve its overall governance.

Fife is reviewing its financial terms and conditions with its lender. We will want assurance about the impact that these will have on its financial plans.

Fife is currently progressing a development at Abbeyview Phase 4 and it will be receiving public subsidy to part fund this activity.

Fife's treasury management arrangements include a number of free-standing derivatives (FSDs) which include an inflation linked interest swap. We have been liaising with Fife to gain further assurance about any effect these might have on its financial position.

We have assessed Fife's performance against key service quality measures. Fife's reported performance for percentage current tenants' rent collected and for average time to complete non-emergency repairs is poor and deteriorating. Its performance for current tenants owing more than 13 weeks rent is in the bottom quartile for all RSLs and deteriorating.

### Our engagement with Fife – High

In light of Fife's its governance and financial issues, and its performance issues, we will have high engagement with it during 2013/14.

1. Fife will send us:
  - its updated business plan, 30 year projections, consisting of income and expenditure statement, balance sheet and cashflows, plus sensitivity analysis and covenant calculations and results for it and its unregistered subsidiary in quarter two of 2012/13;
  - copies of its derivatives contracts and its treasury management reports to its board which monitor progress with FSDs; and
  - the monthly cash flows which it will use to monitor progress with its development programme.

2. We will review Fife's performance for service quality when we receive the APSR in June 2013. Depending on performance we may ask for further information to get assurance about progress.
3. Fife 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
  - APSR.

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 governance and performance for Fife is:

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Our lead officer for finance and risk for Fife 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.