

Ore Valley Housing Association Ltd

9th December 2016

This Regulation Plan sets out the engagement we will have with Ore Valley Housing Association Ltd (Ore Valley) during the financial year 2016/17. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Ore Valley was registered as a social landlord in 1991. It owns and manages 659 houses in Cardenden in the Fife local authority area. It has charitable status and employs 14 people. Ore Valley has three non-registered subsidiaries: Ore Valley Community Initiatives Limited, Ore Valley Enterprises Limited and Cardenden Heat and Power Limited (CHAP). Its turnover for the year ended 31 March 2016 was £3.5 million.

In August 2016 Ore Valley decided to proceed with a wind energy programme and a central heating replacement programme. These proposals involved the creation of two Special Purpose Vehicles: Ore Valley Energy Ltd and Ore Valley Heating Ltd that are subsidiaries of CHAP.

The proposals are significant and complex. As a result of financial plans, subsidiary activity and investment and asset management going forward, we will engage with Ore Valley to get assurance about its governance capacity to manage these issues.

Ore Valley have commissioned consultants to carry out a 100% stock condition survey which is scheduled to conclude in March 2017. The results of this survey will feed directly into their Asset Management Strategy and we will continue to seek assurance of Ore Valley's approach to this.

Our engagement with Ore Valley Housing Association Ltd– Medium

We will have medium engagement with Ore Valley to monitor the impact of its complex subsidiary activity and its investment and asset management strategies. We will also engage with Ore Valley to get assurance about its governance capacity to manage all of these issues.

1. In September 2016 Ore Valley sent us details of its governance self assessment. We will engage with Ore Valley about this to seek assurance about its governance capacity. This will include how Ore Valley is managing its complex subsidiary activities.
2. Ore Valley will provide us with updates on the progress of the wind turbine projects monthly, or earlier if required should the conditions of our consent apply.
3. Ore Valley 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; and
 - 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 Ore Valley 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.