

## Regulation Plan

This Regulation Plan sets out the engagement we will have with Waverley Housing. Our *Guide to How We Regulate* explains more about our assessments and the purpose of this Regulation Plan.

### Regulatory profile

Waverley Housing registered as a social landlord in 2003. It is constituted as a Company Limited by Guarantee and has charitable status. It owns around 1,534 houses in the Scottish Borders and employs around 39 people. Its turnover for the year ended 31 March 2010 was £4.86 million.

We have been engaging closely with Waverley about its ability to meet the Scottish Housing Quality Standard (SHQS) by 2015. The RSL has produced a revised strategy showing how it intends to meet the standard and has said to us that it intends to have achieved the standard for approximately 25% of its stock by March 2012. An option included in its strategy is a possible exchange of homes with Scottish Borders Housing Association. This is currently under consideration by the Scottish Government. Waverley will then need our consent and we will consider the proposals once we have all the information we need. As Waverley's plans to meet the SHQS are at a relatively early stage we will need to review its progress during 2011 to be assured it can comply with the 2015 deadline.

During 2010/11 we have been reviewing Waverley's monthly arrears performance and are assured about its approach to current tenant arrears collection. However its performance on collecting former tenants' arrears was in the bottom quartile for all RSLs at 2.9%. We need to be assured that the RSL has cost effective arrangements in place to maximise collection of this potential income.

#### **Our engagement with Waverley Housing – Medium**

1. We will carry out a targeted review of Waverley's revised strategy to meet its SHQS obligations during quarter two/three in 2011 in order to be assured it can meet the 2015 deadline.
2. We will also review Waverley's overall business strategy in order to be assured that the RSL can afford to meet all its business objectives and continue to meet its bank covenants. Waverley has agreed to send us its updated business plan by April 2011.
3. We consider the proposals submitted to us for an exchange of properties with Scottish Borders Housing Association, once we have received the information we need.
4. We will review Waverley's former tenants arrears collection performance when we receive its 2010/11 APSR and decide at this time whether we need further

assurance.

5. Waverley should continue to 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
  - 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 guides to how we regulate and inspect, 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 Waverley is:

Name: Janet Dickie, 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.