

**Waverley Housing****5 September 2012**

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

**Regulatory profile**

Waverley registered as a social landlord in 2003. It is constituted as a Company Limited by Guarantee and has charitable status. It owns 1,530 houses in the Scottish Borders and employs around 43 people. Its turnover for the year ended 31 March 2011 was just under £5 million.

We carried out on site work at Waverley earlier this year to examine its progress with achieving the Scottish Housing Quality Standard (SHQS). We saw that Waverley Housing has improved the information it holds on the condition of its houses and has recently introduced a comprehensive asset management database. The new database is linked to the response repairs system to allow Waverley to maintain up to date information on its houses. This has still to be fully implemented particularly in relation to performance reporting.

Waverley Housing has now achieved 22% compliance with SHQS which is just below its 25% target for 2011/12 leaving a substantial amount of work to complete by 2015. Waverley has told us that it will achieve SHQS by 2015.

Waverley has improved its overall arrears performance but its collection rates for former tenant arrears has deteriorated.

Given the substantial amount of work Waverley has still to do to achieve SHQS we will have a medium level of engagement with it in 2012/13.

**Our engagement with Waverley Housing – Medium**

We expect Waverley to address the issues highlighted in our targeted scrutiny activity and respond effectively to our recommendations so that it can deliver improvements in its performance.

1. We will:
  - monitor Waverley's progress towards achieving SHQS by 2015;
  - review its performance in collecting arrears in quarter three in relation to sector performance; and
  - meet senior staff if appropriate in quarter three to discuss progress.
2. Waverley will send us written updates on progress with:
  - delivery of SHQS in October 2012 and in February 2013; and
  - arrears management in October 2012.

3. Waverley 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;
  - 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Waverley 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.