

Regulation Plan

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

Regulatory profile

CHP is a charitable company limited by guarantee with over 1,700 tenants in Cumbernauld. It also provides a factoring service to over 1,000 owners. The Association employs 31 people. Its turnover in 2006/07 was nearly £5m.

We inspected CHP in 2004 and found it was poorly governed and managed. We placed appointees on its Board in June 2005 and directed CHP to appoint a Special Manager in January 2007. This has strengthened the organisation's governance and strategic management. CHP assessed its options for the future and decided to explore becoming a subsidiary of Sanctuary (Scotland) Housing Association. The key issue to be resolved before this or any other option can proceed is finding a sustainable solution for CHP's 12 blocks of multi-storey properties. CHP owns 38% of the stock in these multi-storeys and the remaining 62% is privately owned. This is a complex issue for CHP and it is currently working with Scottish Government, North Lanarkshire Council and the Sanctuary Group to find a solution.

CHP's overall performance in the time it takes to let its properties was in the bottom quartile for all RSLs but does show some improvement for 2007/08.

Our engagement with Cumbernauld Housing Partnership Ltd - High

1. Given the serious nature of the governance issues facing the organisation we will:
 - o meet regularly with the appointees and assess their quarterly reports about the governance of the organisation. And we will meet the Chairperson to confirm his perspective on the governance and future of CHP.
 - o meet with the Special Manager about the operational and strategic management of the organisation and progress with the group structure strategy.
 - o examine any proposals for CHP's long-term future to be assured that the proposal will address the governance and performance weaknesses in CHP and secure the necessary investment in the stock.
 - o require evidence that its longer term strategy will enable it to meet the SHQS by 2015 and that funding for this has been incorporated into its business plan; CHP should also ensure that its five-year financial projections include estimates of costs of meeting the SHQS.
2. CHP must continue to address its performance in reletting property and we will review progress at the submission of the next Annual Performance and Statistical Return.

3. The Association 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, internal controls assurance statement 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. 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.

Our lead officer for your Association is: Helen Shaw, Support Manager

Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 305 4106

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.

