

Regulation Plan

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

Regulatory profile

Atrium Homes is an established registered social landlord (RSL), which acquired its housing stock following the transfer of Scottish Homes' properties in 2000. It manages almost 1000 properties and it employs 21 full time equivalent staff. Atrium has charitable status and has established a non registered subsidiary organisation, Atrium Initiatives, as part of its group structure.

For the year ended 31 March 2010, Atrium's turnover was approximately £3.78 million. Atrium has a significant development role in East Ayrshire and has received substantial public subsidy in the form of Housing Association Grant (HAG).

During 2010, we carried out a review of Atrium's business planning information and gained assurance about its strategic and financial management. Atrium has plans to continue to grow through new development subject to this being in the best interest of the association. As part of its plans to meet the Scottish Housing Quality Standard by 2015 it has been examining options for some of its non- traditionally constructed properties including some where demand has been low and re-let times have been affected. Atrium has kept us informed about progress with its plans and how it intends to tackle its void turnaround times and we are assured about its approach.

Our engagement with Atrium Homes - Medium

1. We will continue to need additional business planning information from Atrium to assess its overall financial capacity and viability in light of its ongoing development, investment, and SHQS obligations. This should include scenario planning and sensitivity analysis of the RSL's key business planning assumptions along with full 30 year projections that demonstrate that it will continue to be viable and meet its lenders' covenants. We will continue to liaise with Atrium about our exact requirements.
2. The RSL 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, inspect, and intervene and other relevant statistical and performance information, can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Atrium Homes 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.