

Berwickshire Housing Association Ltd

4 April 2012

This Regulation Plan sets out the engagement we will have with Berwickshire Housing Association during the financial year 2012/13. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Berwickshire Housing Association (BHA) was formed as a registered social landlord (RSL) in 1995 following the transfer of Berwickshire District Council's housing stock. It has charitable status, owns around 1750 homes including 553 non housing properties located in the Berwickshire area and employs approximately 48 people. BHA's turnover for the year ended 31 March 2011 was approximately £6.3 million.

We have reviewed BHA's financial projections and gained assurance about its strategic management and controls.

BHA has developed alternative funding approaches and is in discussion with Scottish Government with the aim of progressing this. We have been liaising closely with Scottish Government and BHA and have been kept informed of progress.

BHA has three subsidiaries; BHA Enterprises Limited (formerly HomeHunt) which will continue to trade until there is no longer a need to support legacy software systems; Berwickshire Ltd and Seton Care Ltd which are both undertaking significant projects. BHA's aim is to maximise benefit to it and we are engaging with it about these subsidiaries activities.

Our engagement with Berwickshire Housing Association – Medium

In light of BHA's development and subsidiary activities we will have medium engagement with it during 2012/13.

1. BHA will:
 - continue to keep us informed about progress with its alternative funding approaches, care home and wind farm proposals;
 - send us its next set of 30 year financial projections for the parent including cashflows, sensitivity analysis and covenant calculations by the end of June 2012; and
 - send us business plans for its subsidiaries including financial projections, to let us see the impact of subsidiaries on the parent.

2. We will:
 - provide feedback on any regulatory implications and requirements relating to its alternative funding proposals;
 - provide feedback to BHA on the revised financial projections and business plans by the of July.

3. BHA 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; and
 - 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.

Our lead officer for Berwickshire HA 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.