

## Regulation Plan

This Regulation Plan sets out the engagement we will have with Castle Rock Edinvar Housing Association Ltd during the financial year 2010/11. Our *Guide to How We Regulate* explains more about our assessments and the purpose of this Regulation Plan.

### Regulatory profile

Castle Rock Edinvar is the sixth largest registered social landlord (RSL) in Scotland, owning just under 5,500 properties, operating across eight different local authority areas, and acting as management agent for a good number of mid-market rent properties. It is a charitable subsidiary of the English RSL, Places for People. The organisation employs around 150 people and has two subsidiaries of its own, Lothian Homes and Places for People Scotland Care and Support.

The RSL has grown through development activity and mergers with other RSLs. Its turnover for the year ended 31 March 2010 was almost £25 million. It is one of the largest developers of new social housing in Scotland in terms of the scale of grant funding it receives and has preferred developer status in Edinburgh, East Lothian and West Lothian. Castle Rock Edinvar plans to continue to increase its stock through development and other activity. It has a current development programme taking it into next year and is at an advanced stage in working up a small number of additional projects, which collectively would result in around 300 new houses over the next few years. Castle Rock Edinvar's board has reviewed its budget and strategic priorities in March, which will feed into the revised composite business plan in March/April 2011 and the RSL's revised risk assessment in June 2011.

We inspected Castle Rock Edinvar in March 2009 and published our Inspection report in July 2009. The RSL achieved a 'B' Grade overall, which indicates a good performance.

In the 2009/10 APSR Castle Rock Edinvar's reported rent and arrears collection performance was only slightly below the national median. However its performance on collecting former tenants arrears was in the bottom quartile for all RSLs

### Our engagement with Castle Rock Edinvar - Medium

1. We will continue to have a medium level of engagement with Castle Rock Edinvar in 2011/12. In light of its significant development, investment and group and subsidiary activities we will need future business planning information from the RSL to continue to be assured about its ongoing financial capacity and viability. Castle Rock Edinvar should send us its revised composite business plan incorporating its risk map and financial projections by the end of quarter two 2011/12. We would also like Castle Rock Edinvar to send us the subsidiary business plans so that we can continue to understand the contribution they make to the RSL's business. We will arrange to meet with Castle Rock Edinvar once we have reviewed this information.
2. We will monitor Castle Rock Edinvar's performance on collecting former tenant arrears via the next Annual Performance and Statistical Return (APSR) and will engage with the RSL about this if necessary.

3. Castle Rock Edinvar 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
  - APSR

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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Castle Rock Edinvar 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.