

Castle Rock Edinvar Housing Association Ltd**4 April 2012 - 4 December 2012**

This Regulation Plan sets out the engagement we will have with Castle Rock Edinvar Housing Association Ltd during the financial year 2012/13. Our regulatory framework 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 and managing around 6,100 properties. It operates across eight different local authority areas and is a charitable subsidiary of the English RSL, Places for People. It employs around 145 people and has two subsidiaries of its own, Places for People Scotland and Places for People Scotland Care and Support.

Castle Rock Edinvar has grown through development activity and mergers. Its turnover for the year ended 31 March 2011 was just over £31.1 million. It plans to continue to develop and is one of the largest developers of new affordable housing in Scotland in terms of the scale of grant funding it has received. It has plans to develop nearly 200 new homes during 2012/13.

Given Castle Rock Edinvar's size, turnover and the scale of its development activity, and its group and subsidiary activities, we consider it to be of systemic importance.

In the 2010/11 APSR Castle Rock Edinvar's reported its performance on arrears over 13 weeks was in the bottom quartile and was deteriorating. Its performance on collecting former tenants arrears was also in the bottom quartile for all RSLs but was improving.

Our engagement with Castle Rock Edinvar - Medium

We consider Castle Rock Edinvar to be of systemic importance because of its significant development, investment and group and subsidiary activities. So we will continue to have a medium level of engagement with Castle Rock Edinvar in 2012/13.

1. We will:
 - meet with Castle Rock Edinvar's senior staff at least twice a year to discuss its future business and any risks to the organisation;
 - meet the Chair in quarter four; and
 - review the minutes of the governing body and audit committee meetings.
2. Castle Rock Edinvar should send us:
 - 30 year projections including cashflows, sensitivity analysis and covenant calculations in quarter two of 2012/13; and
 - the financial projections for its unregistered subsidiaries.
3. We will review Castle Rock Edinvar's performance on the percentage of tenants owing more than 13 weeks rents when we receive its next Annual Performance and Statistical Return (APSR) in June and discuss any necessary additional information we require after that.
4. Castle Rock Edinvar should also 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
 - 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 regulatory framework and other relevant guidance and statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Castle Rock Edinvar is:

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| Name: | Helen Shaw, Senior Regulation Manager |
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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.