

Regulation Plan

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

Regulatory profile

Cloch Housing Association was registered as a social landlord in 1977. It owns just over 1,300 housing units and provides factoring services to around 430 owners in Greenock. It has charitable status and employs around 32 people. Its turnover for the year ended 31 March 2011 was just over £5 million.

We have been engaging with Cloch about governance and financial issues.

The Director left the organisation in July 2010. The association appointed a part time interim Director but has recently decided to appoint a new full time interim Director. We have asked Cloch to consider its options before it decides to recruit to this post on a permanent basis.

Cloch commissioned a consultant to carry out a review of its business plan and this identified a number of issues for the association to address. We are engaging with the association about how it will take forward the findings of this report. In particular we have asked Cloch to commission an independent investigation into some of the findings of this report. We also wish to seek assurance about Cloch's overall financial management and viability.

We asked Cloch to co-opt four people on to its management committee to strengthen its committee and to support it in dealing with its governance and financial issues. We also asked Cloch to commission a consultant to carry out a governance review to strengthen its governance arrangements. We will discuss the findings and actions arising from this review with Cloch.

Our engagement with Cloch Housing Association - Medium

1. We expect Cloch to discuss the outcome of its options appraisal with us when this work is complete.
2. We expect Cloch to keep us informed about how it acts on the findings from its business plan review including the outcome of the investigation. We will liaise further with Cloch about our exact requirements to gain assurance about its overall financial management and viability.
3. We will review progress with the governance review. And we will discuss further actions with Cloch.

4. 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 Cloch 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.