

Cloch Housing Association Ltd

4 April 2012

This Regulation Plan sets out the engagement we will have with Cloch 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

Cloch Housing Association was registered as a social landlord in 1977. It owns and manages just over 1,390 houses and provides factoring services to around 430 owners in Greenock. It has charitable status and employs around 29 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. Cloch's Director left in July 2010 and it currently has an interim Director in place. Cloch has considered its options for the future and the governing body has decided to enter into a constitutional partnership with Oak Tree Housing Association. So Cloch will continue as a registered social landlord but will be part of a group structure with Oak Tree.

Cloch commissioned a consultant to carry out a review of its business plan and this identified a number of issues for it to address. We asked Cloch to commission an independent investigation into some of the findings of this report. The independent investigation was completed in February 2012 and we are engaging with Cloch about how it will take forward the findings. We are also continuing 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 weaknesses 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. Cloch will keep us updated about its progress with entering into a constitutional partnership with Oak Tree Housing Association.
2. Cloch will keep us informed about how it acts on the findings from its independent 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 discuss further actions with Cloch.
4. Cloch 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 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.