

Cloch Housing Association Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with Cloch Housing Association Ltd (Cloch) during the financial year 2013/14. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Cloch was registered as a social landlord in 1977. It owns and manages 1,368 houses and provides factoring services to around 425 owners in Greenock. It has charitable status and employs 30 people. Its turnover for the year ended 31 March 2012 was just over £5.4 million.

We have been engaging with Cloch about governance issues. We asked Cloch to commission a consultant to carry out a governance review to strengthen its governance arrangements. We also asked Cloch to co-opt four people to strengthen its management committee and support it in dealing with its governance weaknesses. Cloch is implementing the findings and actions arising from this review and we are engaging with Cloch about its progress.

Cloch considered its options for the future and the governing body decided to enter into a constitutional partnership with Oak Tree Housing Association. Cloch became a subsidiary of Oak Tree in January 2013. We will continue to engage with Cloch about its progress with integration into the Oak Tree group.

Our engagement with Cloch - Medium

In the light of the fact that Cloch has joined the Oak Tree group we will have medium engagement with it in 2013/14.

1. We will continue to liaise with Cloch to seek assurance about its progress with implementing governance improvements.
2. Cloch will:
 - will keep us updated about its integration into the Oak Tree Group;
 - provide us with in November, management accounts as at 30 September 2013;
 - provide us with information on the expected impact of auto-enrolment (36% of its staff were not enrolled at 31 March 2012); and
 - provide us with details of progress and the measures to be put in place to manage the welfare reform changes and the how this will impact on income and costs.
3. We will meet senior staff and the Board as required to discuss progress with integration into the Oak Tree group.

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 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.