

Regulation Plan

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

Regulatory profile

Dumfries and Galloway Housing Partnership (DGHP) was registered in April 2003. It is the second largest Registered Social Landlord (RSL) in Scotland, with around 10,500 tenants. It employs 187 people and has two registered subsidiaries; Novantie Ltd, which carries out the group's commercial activities and DGHP3 which acts as DGHP's development agent in major new build contracts.

DGHP's turnover in the year ended 31 March 2010 was almost £29 million. The Partnership has received significant amounts of subsidy in the form of housing association grant (HAG) from the Scottish Government, primarily aimed at housing for rent.

DGHP anticipates being able to meet its investment obligations under the Scottish Housing Quality Standard (SHQS) by 2015. During 2009/10 we reviewed DGHP's updated business plan which gave us assurance about its strategic management and controls. Given the scale and complexity of DGHP's business we will continue to have ongoing close engagement with the RSL.

Our engagement with Dumfries and Galloway Housing Partnership - High

1. We will continue to have a high level of engagement with DGHP. This is because of its stock size, its financial profile and the amount of public subsidy and private finance it receives.
2. We need 30-year projections on an annual basis from DGHP to allow us to assess the financial capacity and viability of the RSL in light of its ongoing development, investment, and subsidiary activities. This should include scenario planning and sensitivity analysis of its key business planning assumptions.
3. DGHP should send us its revised business plan, asset management plan and position statement in quarter three of 2011.
4. The Partnership 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 (including all SHQS costs)
 - 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 on how we regulate and inspect, and other relevant statistical and performance information, can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for DGHP 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.