

Regulation Plan

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

Regulatory profile

Glasgow Housing Association Ltd (GHA) was registered in 2001 and has charitable status. It is the largest Registered Social Landlord (RSL) in Scotland, with almost 60,000 tenants. And it owns 57% of the social rented housing stock in Glasgow and 23% of the social rented stock in Scotland. It employs over 1,780 people and has three non-registered subsidiaries: GHA (Management) Ltd, YourPlace Property Management Limited and GHA (Funding) Limited.

GHA's group turnover in the year ended 31 March 2010 was £251.2m.

The RSL has agreed, in consultation with its tenants, homeowners and stakeholders a new purpose and direction and it has put in place new governance and service structures to reflect this new purpose and direction.

The RSL has also been progressing its programme of second stage transfers (SSTs). By the end of March 2011, 12,348 properties will have transferred out of GHA. Between April and June 2011, GHA anticipates that the remaining 6,626 properties in the programme will transfer to other landlords, if tenants vote in support of these transfers.

GHA has received and will continue to receive significant amounts of public subsidy. It has a substantial investment programme to carry out comprehensive improvements to its homes to bring these up to the Scottish Housing Quality Standard and to build new homes. Given this and the number of tenants GHA has and the complexity of its business, we will continue to have ongoing engagement with it.

Our engagement with Glasgow Housing Association- High

1. We will continue to have a high level of engagement with GHA. This is principally because it is continuing to deliver significant change through its SST programme but also because of the number of tenants it has, its financial profile and the amount of public subsidy and private finance it receives.
2. GHA should send us its revised business plan, including 30-year projections on an annual basis 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, sensitivity analysis of its key business planning assumptions and the annual independent assessment of the plan. And it should demonstrate that it will continue to be viable and meet lenders covenants and its SHQS and development obligations.
3. We will meet members of GHA's executive management team and governing body as required to get appropriate assurances about the association's progress with its business plan. And to understand its proposals for new business opportunities.

4. We will continue to meet GHA regularly to be assured that it is progressing the remaining second stage transfers within the agreed current programme, where they can be achieved.
5. GHA 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 GHA 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.