

## Govan Housing Association Ltd

**28 March 2013**

This Regulation Plan sets out the engagement we will have with Govan Housing Association Ltd (Govan) during the financial year 2013/2014. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

### Regulatory profile

Govan was registered as a social landlord in January 1976. It owns and manages 1,408 homes in the south west of Glasgow and provides factoring services to a further 519. It employs 39 full time equivalent staff, has charitable status and its turnover for the year ended 31 March 2012 was just over £6.3 million. It has one non-registered subsidiary, South Clyde Housing Ltd which is currently dormant.

Govan is completing development projects this year which will deliver homes for social rent and low cost home ownership. The rate of sales of these properties has slowed but Govan continues to market these effectively and has kept us fully informed of progress.

Our engagement with Govan's senior management team over the last year has provided assurance about its financial position and business strategy including confirmation that its financial performance is consistent with its lending covenants. Govan plans a more fundamental review of its business plan this year and we will want to see this.

Govan has provided us with details of how it is preparing for welfare reform and how it intends to manage the anticipated impacts.

### Our engagement with Govan - Medium

We will continue to have medium engagement with Govan about its overall financial capacity and viability.

1. Govan will:
  - continue to provide us with quarterly updates on progress with sales;
  - provide in quarter two, its revised business plan including 30 year financial projections with the income and expenditure account, balance sheet, cash flow statements, sensitivities, covenant calculations and results;
  - in quarter two, details of the expected impact of auto enrolment as 38% of its staff were not enrolled at 31/3/12;
  - in October, the RSL management accounts to 30 September; and
  - inform us of any material change in the status of the subsidiary.
2. We will:
  - provide feedback on the welfare reform action plan in April; and
  - meet senior staff in quarter three to provide feedback on the business plan and associated financial information and discuss the challenges and risks facing the business.

3. Govan 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
  - 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Govan 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.