

Regulation Plan

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

Regulatory profile

Hillhead Housing Association was registered in June 2004 following a successful ballot of East Dunbartonshire Council tenants. It has charitable status and manages around 735 properties in Kirkintilloch. It employs 17 people and its turnover for the year ended 31 March 2010 was £2.33 million.

The financial returns made by Hillhead indicate that it plans to increase its debt considerably in the period to 2015 with a consequent increase in its overall borrowing costs.

Achieving the Scottish Housing Quality Standard (SHQS) is a key area of work for the RSL. It anticipates achieving the standard by the end of 2013 but reports high average unit costs. We need assurance that Hillhead can afford to deliver planned progress in the context of its financial position.

Our engagement with Hillhead Housing Association - Medium

1. Hillhead should provide us with an update on progress with certain areas of its business planning in May 2011 incorporating its funding and development commitments. We will review the information and assess Hillhead's overall financial viability and capacity to meet its SHQS, development and other commitments. We will liaise further with Hillhead about our exact requirements.
2. Hillhead should also provide us with a copy of its asset management strategy.
3. The RSL 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
 - 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 to how we regulate, inspect and intervene, and other relevant statistical and performance information, can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Hillhead HA is:

Name: Janet Dickie, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 305 4115

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.