

Home in Scotland Ltd

4 April 2012

This Regulation Plan sets out the engagement we will have with Home in Scotland Ltd during the financial year 2012/2013. Our regulatory framework explains more about our assessments and the purpose of this regulation plan.

Regulatory profile

Home in Scotland became a registered social landlord in 1998 and owns and manages 3,223 homes. It operates across five different local authority areas and is a charitable subsidiary of Home Group Ltd. It employs 74 people.

Its turnover for the year ended 31 March 2011 was around £12 million. Home in Scotland is a developer of social housing mainly in Dundee and the central belt of Scotland and has experienced growth over recent years through its development activity. The Home Group business change programme will continue to be a key activity for it in the coming two years and we have an interest in how this impacts on Home in Scotland.

Home in Scotland continues to be a very significant developer, completing committed projects over the next two years and beginning projects it successfully bid for from the Scottish Government's Investment and Innovation Fund. These new projects will deliver properties for social rent, mid market rent and shared equity. Home in Scotland is also actively exploring a number of innovative funding mechanisms to attract additional sources of funding.

We have reviewed Home in Scotland's financial information in 2011/12 and gained assurance about its financial viability and controls.

Our engagement with Home in Scotland Ltd - Medium

In light of its significant development, investment and group activities we will continue to have a medium level of engagement with Home in Scotland.

1. Home in Scotland will send us 30 year financial projections including cashflows, sensitivity analysis and covenant calculations.
2. We will:
 - provide feedback on the financial updates we receive; and
 - meet Home in Scotland during quarter three to discuss its ongoing financial capacity and viability and the risks and challenges facing its business.
3. Home in Scotland 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 Home in Scotland 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.