

Home in Scotland Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with Home in Scotland Ltd (Home in Scotland) during the financial year 2013/2014. 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. It owns and manages 3,533 homes and provides a factoring service for 151 home owners. It operates across five different local authority areas and is a charitable subsidiary of Home Group Ltd. It employs 65 people. Its turnover for the year ended 31 March 2012 was around £12.7 million.

Home in Scotland has a very substantial development programme delivering homes for social and mid market rent as well as shared equity.

The Home Group business change and restructuring programme is now largely complete and attention is currently focussed on reviewing the group's office holdings. Rationalisation of office accommodation is planned in Scotland and will ensure that all premises are Disability Discrimination Act compliant.

We have reviewed Home in Scotland's financial information in 2012/13 and gained assurance about its financial viability and controls. Home in Scotland has a free standing derivative with Home Group.

We have assessed Home in Scotland's performance against key service quality measures. Its performance in re-letting properties and percentage of former tenant arrears written off has been poor this year but steps have already been taken to ensure this improves. Relet performance has deteriorated over the last year due in part to new arrangements being put in place across the Group with a new contractor. Evidence is already being seen of improved performance and will be monitored by Home in Scotland.

Our engagement with Home in Scotland - Medium

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

1. Home in Scotland will send us:
 - a copy of its treasury management policy in April;
 - a copy of its risk management policy and register in April;
 - an update on progress with the development programme at the end of September 2013 and in February 2014;
 - in quarter three, 30 year projections consisting of income and expenditure statement, balance sheet, cashflows, sensitivity analysis, covenant calculations and results; and
 - details of progress and measures to be put in place to manage the welfare reform changes and how this will impact on future income and costs.

2. We will:
 - provide feedback on the financial updates we receive;
 - review Home in Scotland's performance for service quality when we receive the APSR in June 2013. Depending on performance we may ask for further information to get assurance about progress; and
 - meet Home in Scotland during quarter four 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:

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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.