

## Regulation Plan

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

### Regulatory profile

Kingdom Housing Association owns around 3,130 houses and provides factoring services for a further 242 properties. It is a registered charity and employs 315 people. It has one non-registered subsidiary, Kingdom Initiatives Ltd, which provides property development and management services outwith the social rented sector. Kingdom HA's turnover for the year ended 31 March 2010 was almost £18 million.

Kingdom HA is the largest developer of social housing in Fife and one of the largest developers in Scotland. It has received significant amounts of public subsidy in the form of Housing Association Grant (HAG) and built both new build for social renting and low cost home ownership schemes. It also manages developments on behalf of other RSLs operating in Fife as part of the Fife Housing Alliance. In November 2010 the Alliance was formally appointed as the preferred partner for Fife to deliver the affordable housing investment programme for a three year period from April 2011.

During 2010 we assessed business planning information from the RSL that provided us with assurance about its strategic and financial management. Given the scope and complexity of its business we will continue to need updated business planning information and have agreed with Kingdom the additional information and progress reports we would like to receive.

#### **Our engagement with Kingdom Housing Association - Medium**

1. We will continue to need additional business planning information from Kingdom to assess its overall financial capacity and viability, in light of its development, investment, subsidiary and other activities. We need to see updated versions of its business planning information (including for its subsidiary) and 30-year projections with scenario planning and sensitivity analysis around key assumptions. We are due to receive its business plan by April 2011. We will provide feedback to Kingdom by Quarter 2 2011/12.
2. 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Kingdom HA is:

Name:	Kirsty Anderson, Regulation Manager
Address:	Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone:	0141 305 4180

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.