

Regulation Plan

This Regulation Plan sets out the engagement we will have with Link Group Ltd during the financial year 2011/2012. Our *Guide to How We Regulate* explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Link Group Ltd was established as a registered social landlord (RSL) in 1975. Link comprises the Link Group, two registered subsidiaries (Horizon and Larkfield Housing Associations) and three non-registered subsidiaries (Link Homes, Link Housing Association and Link Living). Link employs approximately 332 people across the parent (Link Group Ltd) and its subsidiaries. It owns and manages around 6,300 housing units across most local authority areas in Scotland, and provides factoring services for 3,122 properties. It has charitable status and its turnover was around £25.9 million for the year ended 31 March 2010.

Link has grown through a combination of mergers and development activity. It is a major developer of social housing and has received significant amounts of public funding in the form of Housing Association Grant (HAG). Link plans to complete its current, planned, programme of development and to look for opportunities to be involved in further new build development activity in the coming year. Link's next business plan is due in April/May 2011.

As at 31 March 2010, Link's performance in relation to the time taken to carry out routine repairs to its properties is poor in comparison with the sector as a whole. Its performance in relation to the average time taken to re-let its properties has deteriorated since the previous year and is poorer than a number of other RSLs.

Our engagement with Link Group Ltd – Medium

1. We will continue to have a medium level of engagement with Link Group Ltd in 2011/12. In light of its significant development, investment, subsidiary and other activities, we will need future business planning information from the RSL to continue to be assured about its ongoing financial capacity and viability. Link should send us a copy of its revised business plan in quarter 1 of 2011/12, along with its subsidiaries business plans so that we can fully understand the contribution they make to the RSL's business. We will arrange to meet with the RSL to discuss these in quarter 2 of 2011/12.
2. We will monitor Link's performance on repairs and re-let times via the next Annual Performance and Statistical Return (APSR) and will engage with the RSL about this if necessary.
3. Link 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
 - APSR

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 Link 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.