

Loreburn Housing Association Ltd

4 April 2012

This Regulation Plan sets out the engagement we will have with Loreburn Housing Association Ltd during the financial year 2012/2013. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Loreburn Housing Association was registered as a social landlord in 1982. It manages just over 2,350 houses in Dumfries and Galloway. It has charitable status and employs around 86 people. It has two unregistered subsidiaries, Dumfries and Galloway Homes and Loreburn Un Limited. Its turnover for the year ended 31 March 2011 was just under £9.6 million.

It plans to grow through development activity and receives grant from the Scottish Government to part fund this.

We have been engaging with Loreburn about its governance. We asked Loreburn to commission a consultant to carry out an independent governance review to help it address its governance issues. The consultant has produced a report setting out the findings from the governance review and Loreburn has developed an action plan to implement the findings. We also asked Loreburn to co-opt two people on to its management committee to provide an objective perspective and support it in dealing with its governance issues. We will continue to liaise with Loreburn to seek assurance about its progress with implementing the findings from the review.

Loreburn is considering entering into a shared service arrangement with Dumfries and Galloway Council for the provision of maintenance services. It plans to develop a business plan during quarter one and it will then decide whether to proceed with this proposal.

Our engagement with Loreburn Housing Association Ltd – Medium

1. We will liaise with Loreburn to seek assurance about its progress in implementing the findings from the governance review and we will discuss further actions with Loreburn after this.
2. Loreburn will keep us informed about its proposals to develop a shared service arrangement with Dumfries and Galloway Council. It will send us a copy of the business plan when it is complete.
3. Loreburn 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
 - 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 regulatory framework and other relevant statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk

Our lead officer for Loreburn 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.