

North Glasgow Housing Association Ltd

4 April 2012

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

Regulatory profile

NGHA was registered in 1976. It has charitable status and has four unregistered subsidiaries, North Glasgow Management Services Ltd, Design Services Ltd, NG2 Ltd and NG3 Ltd which is dormant. NGHA owns and manages 5418 homes in north east Glasgow and employs approximately 110 people.

NGHA's turnover for the year ended 31 March 2011 was £16 million. It has now had ownership of 3027 properties which it acquired through second stage transfer from Glasgow Housing Association for just over a year.

Since completion of the stock transfer NGHA has provided us with assurance about its progress with the collection of rent and former tenant arrears; its governance review which is now concluded and its financial position, management and controls. We assessed its revised business plan and met senior staff to provide feedback.

NGHA received public subsidy in the past and is completing new build development projects this year. It still has some plans to develop new homes and hopes to start one new build project late in 2012/13, subject to funding availability.



Our engagement with North Glasgow HA – Medium

NGHA has grown rapidly as a result of second stage transfer and we need to be assured that it is continuing to manage effectively the strategic and operational challenges associated with this growth. So we will have medium engagement with it in 2012/13.

1. NGHA will send us:
 - a copy of its annual performance plan in April;
 - its report on the outturn financial position for 2011/12 at the end of May;
 - its revised business plan, 30 year financial projections including cashflows, sensitivity analysis and covenant calculations at the end of June;
 - an update on the outcome of the repairs tender in July;
 - its subsidiaries business plans for 2012 including financial projections to allow us to fully understand their contribution to and impact on the RSL; and
 - an update on the outcome of its factoring review in September 2012.
2. We will meet senior staff in August to discuss the group's financial performance and the risks and challenges facing it.
3. NGHA 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 performance information can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for North Glasgow 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