

## **Regulation Plan**

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

### **Regulatory profile**

North Glasgow HA was registered in 1976. It has charitable status and has two unregistered subsidiaries, North Glasgow Management Services Ltd and Design Services Ltd. North Glasgow owns and manages 5,359 properties in north east Glasgow and employs approximately 48 people.

North Glasgow's turnover for the year ended 31 March 2010 was £8.8 million.

North Glasgow acquired 3027 properties from Glasgow Housing Association through second stage transfer (SST) on 28 March 2011. The registered social landlord (RSL) has also received public subsidy in the form of Housing Association Grant (HAG) and plans to continue developing social rented and low cost home ownership units.

In 2010, we assessed the association's proposals for SST and the impact on its business. We also engaged with the association on its future business plan to reflect progress with its investment and development plans and we met with the senior management team. In 2011, we will carry out an assessment of the association's updated consolidated business plan which it intends to send to us by April 2011.

In 2010 we spoke to North Glasgow about the steps it was taking to improve rent collection and in its APSR for 2010/11 the RSL reported improved performance for most indicators except the collection of former tenants' arrears

### **Our engagement with North Glasgow HA - Medium**

1. We need additional business planning information from the RSL to assess its overall financial capacity and viability, in the light of its investment, development, and subsidiary activities. This information should include scenario planning and sensitivity analysis of the RSL's key assumptions along with full 30 year financial projections that demonstrate it will continue to be viable and meet lenders covenants and its SHQS and development obligations. NGHA will be sending us its consolidated business plan by April 2011. We will review this and feedback to NGHA in May 2011. We also need to see its subsidiary business plans to allow us to fully understand their contribution to, and impact on, the RSL.
2. The association will carry out a review of its governance arrangements and will seek our consent to any necessary rule changes to ensure it meets our expectations set out in the Regulatory Code of Governance.
3. We expect North Glasgow HA to continue making improvements to its performance

in rent income collection and in particular the collection of former tenant arrears and we will review the position once we have received its Annual Performance and Statistical Return (APSR) for 2010/11

4. North Glasgow 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 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.