

## **Regulation Plan**

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

### **Regulatory profile**

Port of Leith Housing Association was registered in March 1976 and has charitable status. It owns and manages 2097 tenancies in Edinburgh and employs 54 people. Its turnover for the year ended 31 March 2010 was just over £7 million. It has recently established a subsidiary, Persevere Developments Ltd to support the association's core activities with the provision of mid market rent.

Port of Leith Housing Association is one of the lead developers of social housing in the Edinburgh. It continues to have a significant new build social housing and low cost home ownership programme and has received considerable public subsidy. The RSL has concluded a restructuring exercise during 2010.

The percentage of former tenant arrears collected annually has almost doubled since 2006/2007 but remains in the bottom quartile for all RSLs.

### **Our engagement with Port of Leith Housing Association - Medium**

1. In light of its significant development and investment activities we will need additional business planning information from Port of Leith to assess its ongoing financial capacity and viability. This information will include its business plan, scenario planning and sensitivity analysis of its key business planning assumptions, along with full 30 year projections that demonstrate it will continue to be viable, meet its lenders covenants and development obligations. We will liaise further with Port of Leith about these requirements.
2. We will review the RSL's progress in reducing former tenant arrears when we receive its 2010/11 APSR return at the beginning of June.
3. Port of Leith 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 Port of Leith 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.