

Queens Cross Housing Association Ltd

4 April 2012

This Regulation Plan sets out the engagement we will have with Queens Cross 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

Queens Cross registered as a social landlord in 1976. It has charitable status and employs around 135 full time equivalent staff. Following the most recent stock transfer from Glasgow Housing Association, it increased its properties from 2,519 to 4,521 and provides a mix of general needs, sheltered and supported housing. It has one registered subsidiary, Queens Cross Factoring which also manages a small number of mid market rent properties. It had a turnover of almost £10.7 million for the year ending 31 March 2011.

Queens Cross is going through a period of significant change. There are new Board members and a new executive team in place; new structures are being established across the business and a call centre, for repairs only, was set up in March 2011.

Through our engagement with Queens Cross we have gained assurance that systems and structures are in place to foster good governance. Board induction and training is in place as are plans to provide training and development for members of the Community Involvement Groups. It is commissioning an independent review of its non social lettings activities this financial year and should send us a copy of the report when it is available in the summer.

Over the next three years Queens Cross will spend a significant amount on planned maintenance, including £8.9m on achieving the Scottish Housing Quality Standard (SHQS). Some additional stock condition surveys are being carried out and Queens Cross should update us on the outcomes from this work.

Queens Cross has improved its performance slightly in relation to former tenant arrears and relets. It has also identified some issues in relation to repairs performance.

Queens Cross had one successful bid to Scottish Government's Investment and Innovation Fund which will deliver homes for social rent and shared equity or improvement for sale. It also has previously committed development projects which are now nearing completion and will provide homes for social rent and shared equity.



Our engagement with Queens Cross – Medium

Queens Cross 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. Queens Cross will send us:
 - an update on the additional stock condition survey work it is undertaking;
 - its revised service plans in April;
 - an update on the re-procurement of the repairs contract in July;
 - an update on the consultation and options appraisal for Cedar Court and Braid Square and the implications for investment programmes and the SHQS in quarter one;
 - a copy of the review of non social letting activities in quarter three;
 - an update on progress against service plans and performance targets by November 2012;
 - financial forecasts, including sensitivity analysis, for the subsidiary to determine the impact on the RSL.
2. We will:
 - provide feedback as necessary on the subsidiary financial information
 - provide feedback on the most recent 30 year financial projections in April;
 - review service quality performance indicators when we receive the APSR in June; and
 - meet senior staff in quarter three to discuss updates and gain assurance on progress with the strategic and operational challenges posed by this significant growth.
3. Queens Cross 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 other relevant statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk.



Our lead officer for Queens Cross 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.