

Regulation Plan

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

Regulatory profile

Scottish Borders Housing Association (SBHA) is a stock transfer organisation, registered in 2003 with charitable status. It is the fourth largest registered social landlord (RSL) in Scotland and owns just over 5,800 houses. It has a non-registered subsidiary, SBHA Plus. It operates across the Scottish Borders area and employs just over 200 people. Its turnover at 31 March 2010 was £16.59 million.

There has been significant change in the RSL's senior management team following retirement and reorganisation of the repairs and maintenance functions is also underway.

During 2010/11 SBHA increased the proportion of its stock which meets the Scottish Housing Quality Standard (SHQS) but reported in its 2010 SHQS return that 80% still do not. SBHA has completed a further stock condition survey and has used this to review its projections for meeting the standard. An option included in its strategy concerns a possible exchange of homes with Waverley Housing which is currently under consideration by the Scottish Government. The RSL anticipates meeting the Standard by December 2014 and we will liaise with senior staff to gain assurance that progress remains on target.

SBHA will send us its asset management strategy at the end of June and an updated strategic plan by the end of September 2011.

Our engagement with Scottish Borders – Medium

1. Because Scottish Borders is a large, community ownership, stock transfer RSL we want to see 30 year projections on an annual basis with sensitivity analysis on key business planning assumptions. We will receive this at the end of June.
2. SBHA should send us its asset management strategy at the end of June and its revised strategic plan at the end of September 2011.
3. We will give feedback on the asset management strategy in quarter two and meet senior staff in quarter three of 2011/12.
4. The RSL 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.

Our lead officer for SBHA 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.