

Shire Housing Association Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with Shire Housing Association Ltd (Shire) during the financial year 2013/14. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Shire was registered as a social landlord in 1996. It owns and manages 999 houses and provides factoring services to 912 owners across East Ayrshire. It has charitable status and employs around 16 people. Its turnover for the year ended 31 March 2012 was just over £4 million.

We have been engaging with Shire about governance issues. Shire is developing an implementation plan to address these issues. We asked Shire to co-opt three people on to the management committee to support it in dealing with its governance issues.

We have assessed Shire's performance against key service quality measures. Shire's reported performance for the percentage of lets to homeless people is poor and deteriorating. Its performance for the percentage of former tenant arrears written off and collected and for tenancies sustained is in the bottom quartile and deteriorating.

We will also engage with Shire to understand how it plans to manage the welfare reform changes including the impact on income, costs and assumptions for arrears and bad debts.

Our engagement with Shire – Medium

We will have medium engagement with Shire in light of the governance issues it is dealing with and to gain a higher level of assurance about its service quality.

1. We will continue to engage with Shire to get assurance about its progress with developing its implementation plan and addressing its governance issues.
2. We intend to engage with Shire in 2013/14 to gain a higher level of assurance about its service quality. We will discuss how we obtain this assurance with Shire and depending on the outcome of this engagement we may review our future regulatory engagement with it.
3. By 30 September 2013 Shire will send us an update on its plans to manage welfare reform including the impact on income, costs and assumptions for arrears and bad debts.
4. Shire 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 Shire is:

Name: John Jellema, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 305 4119

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.