

Shire Housing Association Ltd

31 March 2016

This Regulation Plan sets out the engagement we will have with Shire Housing Association Ltd (Shire) during the financial year 2016/17. 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 974 houses, delivers a factoring service to 919 owners and owns a small number of non-housing units across East Ayrshire. It has charitable status and employs around 19 people. Its turnover for the year ended 31 March 2015 was just over £4.3 million.

We have been engaging with Shire about governance weaknesses and gained assurance that these weaknesses have now been addressed. Shire also carried out a business strategy review and made good progress in implementing improvements following its completion in 2015. A new senior officer has recently been appointed and we will continue to engage with Shire to gain assurance that these improvements are embedded.

To assess the risk to social landlord services we have reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. We found that Shire is in the bottom quartile for all social landlords in relation to the percentage of tenants who feel their rent represents value for money, the percentage of lets to homeless people, re-let times and rent lost due to empty properties.

Our engagement with Shire Housing Association Ltd – Medium

We will have medium engagement with Shire to gain assurance that the improvements to its governance and business strategy are embedded. We will also seek further assurance about its service quality.

1. We will engage with Shire to ensure that the positive progress it has made on its governance and the improvements to its business strategy are embedded. We will review this element of our engagement in quarter two.
2. We will engage with Shire about the service quality areas we have highlighted.
3. 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 financial statements and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections; and
 - Annual Return on the Charter.

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 Housing Association Ltd is:

Name: John Jellema, Regulation Manager
Address: Europa Building, 450 Argyle Street, Glasgow, G2 8LG
Telephone: 0141 242 5888

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.