

Regulation Plan

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

Regulatory profile

Southside Housing Association registered as a social landlord (RSL) in 1975. It has charitable status and employs 72 people. It operates in the south west of Glasgow and owns 2,078 general needs properties. It provides a factoring service to 817 owner occupiers through its non-registered subsidiary, Southside Factoring and Related Services Ltd. This includes 309 properties where Southside took over the factoring services from GHA.

Southside's turnover for the year ended 31 March 2010 was just over £4.1 million. The RSL plans to increase its stock over the next few years by building new homes with the aid of Housing Association Grant .

At the end of March 2011, Southside acquired 534 properties in Cardonald and 506 properties in Pollokshields from Glasgow Housing Association (GHA) through second stage transfer. It acquired a further 442 properties from GHA in Halfway on 27 June 2011.

This means Southside has grown considerably. It is significantly larger, has more complex investment needs and has a new organisational structure. Because of this growth in 2011, we will require assurance that it has developed and implemented robust governance arrangements and financial monitoring structures to ensure that these strategic and operational challenges can be managed effectively.

Our engagement with Southside – Medium

1. Southside HA has grown rapidly as a result of second stage transfer and we need to be assured that it is managing effectively the strategic and operational challenges associated with this growth. Southside should provide us with an update on:
 - the governance structures in the larger post transfer organisation by the end of October 2011.
 - service delivery and performance post transfer to the end of November 2011; to be with us by 16 December 2011.
2. We will meet senior staff in quarter four to gain assurance on progress with these actions.
3. 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 Southside HA is:

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We have decided what type of engagement we need to have with the association based on information it provided to us. We rely on the information given to us by the association 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 Regulatory Assessment or Regulation Plan.