

**Southside Housing Association Ltd**

4 April 2012

This Regulation Plan sets out the engagement we will have with Southside 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**

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 houses. It provides a factoring service to 817 owner occupiers through its non-registered subsidiary, Southside Factoring and Related Services Ltd. This includes 309 homes where Southside took over the factoring services from GHA.

Southside's turnover for the year ended 31 March 2011 was just over £3.6 million. It plans to increase the number of its properties over the next few years by building new homes with the aid of public subsidy.

At the end of March 2011, Southside acquired 534 homes in Cardonald and 506 in Pollokshields from Glasgow Housing Association (GHA) through second stage transfer. It acquired a further 442 homes from GHA in Halfway on 27 June 2011. Southside therefore is significantly larger, has more complex investment needs and has a new organisational structure.

Because of this growth in 2011 we engaged with Southside and gained assurance that it is continuing to implement robust governance arrangements to ensure that these strategic and operational challenges and risks can be managed effectively.

Southside is refining its stock condition data for properties acquired from GHA which will provide it with additional assurance about the scope and focus of investment programmes.



### **Our engagement with Southside – Medium**

Southside has grown rapidly as a result of second stage transfer and we need to be assured that it is continuing to effectively manage the challenges and risks associated with this growth. We will have medium engagement with Southside.

1. Southside will provide us with:
  - an update on outcomes from the stock condition survey work on its SST properties once completed in May;
  - its business plan by the end of June 2012; and
  - management accounts as at the end of September once they have been agreed by Board.
2. We will:
  - provide feedback to Southside in July following receipt of the business plan;
  - meet senior staff in quarter four to discuss overall progress against the business plan.
3. Southside 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Southside 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.