

Regulation Plan

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

Regulatory profile

Tollcross registered as a social landlord in 1975. It has charitable status and employs 40 people. It owns 2,280 properties in the east end of Glasgow, providing a mix of sheltered, supported and general needs housing. It factors a further 566 properties.

Tollcross' turnover for the year ended 31 March 2010 was around £2.00 million.

In June 2011, Tollcross grew significantly when it acquired 1,572 properties from Glasgow Housing Association through second stage transfer. It also took over the provision of factoring services for 246 properties from GHA. As a result, the association has tripled in size and staff and factoring numbers have also increased significantly.

This has had a significant impact on the association. It owns considerably more houses, has more complex investment needs and has a new organisational structure. Because of this growth in 2011, we will require assurance that the association has developed and implemented robust governance arrangements and financial monitoring structures to ensure that the strategic and operational challenges presented by this growth can be managed effectively.

Our engagement with Tollcross - Medium

1. Tollcross 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.
2. The association should provide us with updates by the end of January 2012 on:
 - the governance review of the larger post transfer organisation; and
 - service delivery and performance post transfer to the end of December 2011.
3. We will meet senior staff in quarter four to gain assurance on progress with these actions.
4. Tollcross 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 Tollcross HA 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.