

Tollcross Housing Association Ltd

31 March 2015

This Regulation Plan sets out the engagement we will have with Tollcross Housing Association Ltd (Tollcross) during the financial year 2015/16. Our regulatory framework explains more about our assessments and the purpose of this regulation plan.

Regulatory profile

Tollcross was registered as a social landlord (RSL) in 1975. Tollcross owns and manages 2,241 homes and provides a factoring service to 493 owners in the east end of Glasgow. It grew significantly in 2011 when it acquired 1,572 homes from Glasgow Housing Association through second stage transfer. Tollcross is a registered charity and employs around 40 people. Its turnover at the end of March 2014 was around £7.5 million.

In August 2014 Tollcross commissioned an independent investigation into the delivery of parts of its housing services. The investigation found that there were a number of weaknesses, some of them significant, in the way in which Tollcross' procedures in relation to some aspects of housing management were being applied. It found there were weaknesses in some aspects of arrears management, evictions, abandonments, housing list applications and terminations. We consider that there had been a significant performance failure as tenants' interests were at risk because Tollcross' internal controls failed to ensure that its procedures were being properly applied.

Tollcross has recognised the serious nature of the situation; it has developed an action plan to address the issues raised by the investigation and has already made a number of improvements. We will continue to engage with Tollcross to monitor its progress against the action plan.

Tollcross continues to have a significant development programme of new housing for social rent and receives considerable public subsidy to help fund this. We considered the standard financial information which Tollcross provided to us and after analysing the information we consider that we have appropriate assurances about its financial position and forecasts.

Our engagement with Tollcross – Medium

We will have medium engagement with Tollcross in 2015/16 to gain further assurance about the internal controls of its delivery of housing services.

1. Tollcross will provide us with regular updates on progress with its action plan.
2. We will:
 - monitor progress and liaise with Tollcross as necessary; and
 - carry out a review of progress after six months.
3. Tollcross 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 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 Tollcross 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.