

West Highland Housing Association Ltd

14 October 2014

This Regulation Plan sets out the engagement we will have with West Highland Housing Association Ltd (West Highland) during the financial year 2014/15. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

West Highland was registered as a social landlord in 1975. It owns and manages 743 houses and provides factoring services to 143 owners across Argyll and Bute. It has two non-registered subsidiaries, West Highland Futures and West Highland Rural Solutions. It has charitable status and employs around 16 full time equivalent staff. Its turnover for the year ended 31 March 2014 was around £3.7 million.

West Highland has had a significant development programme over the last few years and has received considerable public subsidy, relative to its size. It has plans to continue to develop new homes.

West Highland places a high priority on energy efficiency for its stock and cost effective energy supply and continues to investigate projects that would assist it with delivering its energy strategy. West Highland will continue to keep us informed about these projects to help us understand the implications for its business.

West Highland reviewed its objectives and structure and decided to pursue a constitutional partnership with the Link Group. Early in 2014/15 West Highland submitted a business case to us for the proposed constitutional partnership. On 3 October West Highland's members voted to join the Link Group. We will remain in close contact with West Highland as it progresses its proposals.

West Highland is making good progress towards achieving the Scottish Housing Quality Standard (SHQS) by 2015 and the outstanding numbers of homes to be improved is low. However it did not improve the number of properties it planned to last year and it may need to apply for exemptions for a small number of homes. We will engage with West Highland to monitor its continued progress to achieving SHQS.

Our engagement with West Highland – Medium

We will continue to have medium engagement with West Highland as it progresses its plans for constitutional change and in light of its plans for its subsidiaries.

1. In quarter one of 2014/15 West Highland sent us a detailed business case for the proposed partnership with the Link Group and we assessed this.
2. By 31 October 2014 will send us an update on its energy projects.
3. We:
 - will liaise with West Highland as it progresses its proposals for a constitutional partnership with the Link Group and seeks any necessary consents;

- reviewed West Highland's progress with SHQS when we received the Annual Return on the Charter in May and saw it now anticipates having 100% SHQS compliance by 2015 and no exemptions; and
 - will review West Highland's update on its energy projects in quarter three and provide feedback.
4. West Highland 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 West Highland is:

Name: Kirsty Anderson, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 242 5547

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.