

Regulation Plan

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

Regulatory profile

West of Scotland Housing Association has been registered as a social landlord since 1975. It has charitable status and employs around 87 people. It owns in the region of 2,850 housing units and provides factoring services to 356 homes. Its turnover was around £11.3 million at 31 March 2010.

West of Scotland is a one of the largest developers in Scotland. It receives considerable amounts of public subsidy in the form of housing association grant (HAG) and is also investing in the low cost home ownership market.

During 2010/11 we carried out a review of West of Scotland's business planning information and received assurance about its strategic and financial management. Given the scale and nature of its business we will continue to require additional business planning information from the RSL.

In its 2009/10 APSR, West of Scotland reported that its performance in completing repairs had worsened. The RSL had investigated the reasons for the drop in performance and had identified problems in the way completion times had been recorded. The RSL is taking steps to address this and we will review whether we need to seek further assurance once we have received the 2010/211 APSR.

Our engagement with West of Scotland Housing Association - Medium

1. We will continue to require and review revised business planning information from West of Scotland HA to assess its overall financial capacity and viability, in light of its development and investment activity. We will review its business plan and its 30 year financial projections which should include scenario planning and sensitivity analysis around key assumptions demonstrating its viability and its continued ability to meet its lenders covenants and fulfil its development obligations. We will agree a timetable for this review with West of Scotland.
2. We will review West of Scotland's performance in completing reactive repairs when we receive its 2010/11 APSR and decide at this time whether we need further assurance.
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 West of Scotland 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.