

## West of Scotland Housing Association Ltd

01 August 2012

This Regulation Plan sets out the engagement we will have with West of Scotland 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

West of Scotland has been registered as a social landlord since 1975. It has charitable status and employs around 69 full time equivalent staff. During 2011/12 the Willowacre Trust became an unregistered subsidiary of West of Scotland. West of Scotland owns and manages in the region of 3,000 housing units and provides factoring services to 368 homes. Its turnover was around £10.6 million at 31 March 2011.

West of Scotland is a one of the largest developers in Scotland. It has received significant public subsidy to help fund this. It plans to continue to grow through its development activities and has a large planned programme for housing for social rent.

During 2011/12 West of Scotland reviewed its strategic objectives and plans for the future. It has now decided to explore the option of a constitutional partnership with the Gentoo group. Given the scale and nature of its business we will continue to require additional business planning information from West of Scotland.

In its 2011/12 APSR, West of Scotland reported that its performance in the percentage of emergency repairs completed on time had improved although it is still poor compared to other RSLs. West of Scotland has plans to further improve performance. We will continue to review its progress during 2012/13 on a quarterly basis.

### Our engagement with West of Scotland Housing Association - Medium

We will continue to have medium engagement with West of Scotland about its overall financial capacity and viability in light of its development, investment and subsidiary activities and because it is considering a constitutional partnership with the Gentoo group.

1. West of Scotland has sent us its updated business plan and will also send us:
  - scenario planning, sensitivity analysis of its key business planning assumptions, full 30 year projections with cashflows, and covenant calculations by 30 September 2012; and
  - the business plan for its unregistered subsidiary including financial projections and sensitivities.
2. West of Scotland will keep us informed about its progress in exploring the option of a constitutional partnership with the Gentoo group. We will consider the business case and constitutional amendments associated with this proposal.
3. We will continue to review West of Scotland's performance in completing emergency repairs on a quarterly basis during 2012/13.
4. West of Scotland 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 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.