

West of Scotland Housing Association Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with West of Scotland Housing Association Ltd (West of Scotland) during the financial year 2013/2014. 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 72 full time equivalent staff. West of Scotland owns and manages in the region of 3,098 housing units and provides factoring services to 375 homes. It has one non-registered subsidiary Willowacre Trust. Its turnover was £11.3 million at 31 March 2012.

West of Scotland has been one of the largest developers in the west of Scotland. It has received significant public subsidy to help fund this. It has plans for some further growth in the next two years with housing for social rent.

During 2012/13 West of Scotland consulted with its tenants and members and decided to become part of the Gentoo Group. It will become part of the Gentoo group in April 2013.

We have reviewed West of Scotland's financial returns and need to engage with it to get an update on its subsidiary activity and its plans to manage the welfare reform changes including the impact on income, costs and assumptions for arrears and bad debts.

Our engagement with West of Scotland - Medium

We will continue to have medium engagement with West of Scotland in light of its subsidiary activities and the early stage of its constitutional partnership with the Gentoo Group.

1. West of Scotland will give us quarterly updates on its progress with the implementation of the constitutional partnership with the Gentoo Group.
2. By 30 September 2013 West of Scotland will send us:
 - 30 year projections, consisting of income and expenditure statement, balance sheet and cashflows, plus sensitivity analysis and covenant calculations and results for it and its subsidiary;
 - management accounts for its subsidiary; and
 - its plans to manage welfare reform including the impact on income, costs and assumptions for arrears and bad debts.
3. We will provide feedback on the financial projections in quarter three of 2013/14.

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.

Our lead officer for West of Scotland 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.