

Regulation Plan

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

Regulatory profile

Castle Rock Edinvar is the sixth largest Registered Social Landlord in Scotland, with over 5,000 tenants. It operates across six different local authority areas. It is a charitable subsidiary of the English RSL, Places for People. The Association employs nearly 500 people and has two subsidiaries of its own.

The Association has grown through development activity and mergers with other housing associations, and its turnover now stands at over £17.7m. It is one of the top ten developers of new social housing in Scotland in terms of the scale of grant funding it receives. While private finance per unit has increased, it is generating comfortable operating and net surpluses, and has the capacity to service the debt and remain viable.

The Association is seeking consent from us to a stock disposal strategy in Edinburgh.

We do not have up to date information about progress towards meeting the Scottish Housing Quality Standard and performance in collecting rent arrears has deteriorated.

Our engagement with Castle Rock Edinvar - Medium

1. Given the degree of change within the Association and our need to gain a better understanding of its current and future business, we will inspect the Association during 2008/09. This is likely to start in quarter four. The final scope of the inspection will be subject to further liaison and a review of relevant self-assessment material but given the Association's profile we will also look at:
 - CRE's governance and business strategy;
 - its relationship with its parent Places for People (PfP): the parent's strategy for CRE and the group; and its relationship with its subsidiaries;
 - whether the objectives and benefits from recent merger activity have been achieved (including agreed improvement plans);
 - performance in managing rent arrears.
2. We will continue to liaise with the Association about its proposed disposal strategy, asset management and progress towards the 2015 SHQS target.
3. The Association 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, internal controls assurance statement 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. Guides to how we regulate and inspect, and other relevant statistical and performance information, can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officers for your Association are:

For inspection: Michael Cameron, Head of Inspection
For routine engagement: Linda Scott, Support Manager

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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.