

Regulation Plan

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

Regulatory profile

Govan is a long established social landlord, registered in January 1976. It has around 1,132 tenancies in the south west of Glasgow and provides factoring services to 410 homes. Govan is an Industrial and Provident Society and has charitable status. It has one non-registered subsidiary, South Glasgow Housing Ltd. It employs 32 full time equivalent staff.

We inspected Govan in May 2008 and awarded it a C grade indicating a fair performance. Overall our assessment was that Govan had some strengths but also some areas where improvement was required. Govan submitted an improvement plan which set out how it planned to respond to our recommendations for improvement.

Govan has a small development programme and participates in some low cost home ownership activity.

Govan's turnover for the year ended 31 March 2008 was £3.3 million. Its operating costs and interest charges are increasing.

Govan's performance in collecting rents and in letting its empty properties are amongst the poorest in the sector, and for lettings has deteriorated between 07/08 and 08/09.

Our engagement with Govan Housing Association Ltd - Medium

1. We will have discussions with Govan to gain assurance about its financial position, business strategy, and confirmation that its financial performance is consistent with its lending covenants. We will revise our information requirements thereafter as necessary.
2. Govan will provide us with an update of progress against its improvement plan in December 2010.
3. In the meantime, Govan should provide us with a specific action plan to address its performance in collecting rents and letting its empty properties by the end of September 2009.
4. Govan 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 Govan 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.