

Regulation Plan

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

Regulatory profile

Home in Scotland became a registered social landlord (RSL) in 1988 and has around 3,100 tenants. It operates across five different local authority areas. It is a charitable subsidiary of the English RSL, Home Group Ltd and employs 81 people.

Its turnover for the year ended 31 March 2010 was around £12.4 million, increasing by almost 15% from the previous year mainly due to Homestake sales during the financial year and partially due to development activity. Home in Scotland is a developer of social housing throughout Scotland and has experienced a modest growth over recent years through its development activity.

Home in Scotland has told us that the Home Group is embarking on a business change programme and that this will be a key activity for it in the coming three years. We have recently received the RSL's revised business plan.

Our engagement with Home in Scotland Housing Association - Medium

1. Because Home in Scotland is a subsidiary organisation of an RSL registered with another regulator, we need to continue to understand the nature of any financial arrangements in place within the group structure. We will review Home in Scotland's business planning information in quarter two of 2010/11.
2. Given the changes to the group, and our need to gain a more in-depth understanding of Home in Scotland's current and future business, we intend to inspect Home in Scotland in 2010/11. This is likely to start in quarter four. The inspection will focus on the quality of service and outcomes for current and prospective tenants. The final scope of the inspection will be subject to further liaison and a review of relevant self-assessment material but given the RSL's profile, we will also look at:
 - Home in Scotland's governance and business strategy;
 - Its relationship with its parent, the Home Group, and its parent's strategy for Home in Scotland; and
 - The financial arrangements and operations within the group structure.

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 Home in Scotland is:

For inspection:

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For other engagement:

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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 from a third party's use of the information or views contained in the Regulation Plan.