

Regulation Plan

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

Regulatory profile

Dumfries and Galloway Housing Partnership (DGHP) was registered in April 2003. It is the second largest Registered Social Landlord (RSL) in Scotland, with around 10,500 tenants, a turnover in the year ended 31 March 2008 of almost £27m, and 187 staff. It has one non-registered subsidiary, Novantia Ltd, which carries out the group's commercial activities. The Partnership has received significant amounts of subsidy in the form of housing association grant (HAG) from the Scottish Government, primarily aimed at procuring housing for rent. Its development programme over the next few years is amongst the largest in Scotland.

We inspected DGHP in October 2006 and awarded it a C grade for housing management and property maintenance. This grade reflected a fair performance with some strengths. The inspection also highlighted a number of areas which the Partnership needed to address and it set out proposals to do this in its improvement plan in January 2007. We audited DGHP's progress against its improvement plan this year and we considered this to be satisfactory.

We have recently received updated financial information from DGHP which we are currently reviewing in light of its considerable investment and development activities.

Our engagement with Dumfries and Galloway Housing Partnership - High

1. We will continue to have a high level of engagement with DGHP. This is because of its stock size, its financial profile and the amount of public subsidy and private finance it receives, and because we are currently assessing DGHP's up-to-date financial information.
2. Because DGHP is a community ownership RSL, we need to see 30-year cashflow projections on an annual basis.
3. The Partnership 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 (including all SHQS costs)
 - 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 on 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 officer for your RSL 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.