

Regulation Plan

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

Regulatory profile

River Clyde Homes is a new organisation which was registered and took ownership of its stock in December 2007. It is the third largest Registered Social Landlord in Scotland, with over 6,500 tenants and over 7,700 properties. It operates throughout Inverclyde and is a charitable company limited by guarantee. River Clyde Homes employs over 260 people. It has a subsidiary, River Clyde Property Management Ltd which is developing factoring services to over 2,100 properties.

The Association is planning a significant development programme. It proposes to demolish over 2,500 of its properties and build 850 new homes with grant funding over its first ten years of operation.

Because the Association only took ownership of its stock in December 2007, we do not yet have a full picture of its performance over time.

Our engagement with River Clyde Homes - High

1. River Clyde Homes is a new organisation so we will carry out a baseline inspection of the Association during 2009/10.

The inspection will focus on the quality of service and outcomes for current and prospective tenants. Given the Association's profile we will also examine its:

- governance and business strategy
- asset management and progress towards the 2015 SHQS target
- financial management and viability
- progress against the commitments made to tenants at ballot.

The final scope of the inspection will be subject to further liaison and a review of relevant self-assessment material.

2. Because the Association is a newly registered community ownership RSL, we want to see 30 year cashflow projections on an annual basis. We will also ask for quarterly management accounts.
3. In the period up to inspection, we will continue to monitor progress against the registration conditions and confirm how RCH's business is developing.
 - We will meet the association's senior management team and Chair twice a year to assess how the organisation is operating and how the governance and management arrangements are working.
 - We want to be assured that the organisation has a risk management strategy and internal audit arrangements, a performance management framework and systems, an internal management plan and a tailored suite of HR policies.

- We will want to confirm that RCH is investing in its stock as promised to tenants.
 - We will check RCH's performance against its business plan and look at its financial management and relationship with funders.
 - We will confirm that RCH is developing structures for devolved decision making through consultation with tenants.
4. 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 officer for your Association is: Helen Shaw, 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.