

## 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 registered social landlord (RSL) which took ownership of its stock from Inverclyde Council in December 2007 following a successful stock transfer ballot. It is a charitable company limited by guarantee. River Clyde Homes has around 6300 tenants in mainstream and sheltered accommodation throughout Inverclyde, and employs around 265 people. In the year ended 31 March 2008 it had a turnover of £8.6 million. It has a subsidiary, River Clyde Property Management Ltd, which provides factoring services to over 2,153 properties.

Since registration, we have met the RSL's senior management team twice a year to monitor progress against its registration conditions and understand how its business is developing. River Clyde Homes has told us that its senior officer is leaving in September 2009. We expect it to tell us about its plans for recruiting to this post and any changes it makes to its organisational structure.

### Our engagement with River Clyde Homes - High

1. River Clyde Homes is a new RSL so we will carry out a baseline inspection in the latter part of 2009/10. The inspection will focus on the quality of service and outcomes for current and prospective tenants. Given the RSL's profile we will also examine its:
  - governance and business strategy
  - asset management and progress towards meeting the Scottish Housing Quality Standard by 2015
  - 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 River Clyde Homes is a newly registered community ownership RSL, we want to see 30 year cashflow projections on an annual basis.
3. In the period up to inspection, we will continue to monitor progress against River Clyde Homes' registration conditions and to assess how its governance and management arrangements are working. We want to be assured that the organisation is investing in its stock as promised to tenants, that it is developing structures for devolved decision making through consultation with tenants and that it has a strategy in place for managing risks to its business. We meet River Clyde Homes to discuss our business plan requirements and will check its performance

against its plan and look at its financial management and relationship with funders.

4. 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](http://www.scottishhousingregulator.gov.uk).

Our lead officers for RCH are:

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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.