

Regulation Plan

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

Regulatory profile

Weslo is a charitable registered social landlord (RSL) mainly operating in West Lothian and Falkirk. It owns over 2,100 houses and employs just over 60 staff. We registered Weslo in February 2007 but it had been operating as an independent landlord for a number of years previously. Weslo's turnover for the year ended 31 March 2009 was just over £6.5 million. Weslo has established a subsidiary to manage its mid market rent properties.

We inspected Weslo in December 2009 and published our [final report](#) this month. We awarded the RSL a "C" grading, which represents a fair performance. While we found that Weslo has some strengths including working closely with local authority partners and providing a high percentage of its houses to homeless people, it also had some areas where improvement is needed.

Weslo is currently developing its improvement plan setting out how it will address the recommendations for improvement in our inspection report. The RSL has recently sent us a copy of its revised business plan.

Our engagement with Weslo – Medium

1. Weslo should submit its improvement plan by 30th July 2010 and implement the recommendations from our inspection.
2. We will monitor Weslo's progress against its improvement plan and provide feedback on the revised business plan in quarter two. As part of our review, we will seek assurance that its financial information is consistent with its lending covenants.
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.

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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.