

## Regulation Plan

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

### Regulatory profile

Cairn Housing Association is a long established registered social landlord (RSL) with charitable status, registered in 1990. It owns around 2,900 houses across Scotland and provides factoring services for a further 2,030 homes. It operates in 22 local authority areas. It employs 182 staff and has five local offices throughout Scotland, from Thurso and Inverness to the central belt; with headquarters in Edinburgh. It has one subsidiary, Cairn Homes and Services Ltd. Cairn has grown through transfers of engagements from other RSLs, transfers of stock, and through its development activity. It is a large developer in Scotland in terms of the scale of grant funding it receives. Its turnover for the year ended 31 March 2009 was in excess of £12.8 million.

We inspected Cairn Housing Association in March 2009 and published our inspection report in August 2009 [http://apollo/stellent/groups/riinspection/documents/rslregister/cs\\_026599.pdf](http://apollo/stellent/groups/riinspection/documents/rslregister/cs_026599.pdf). We awarded the RSL a "C" grading, which represents a fair performance. We made a number of recommendations for improvement and have agreed an improvement plan with Cairn Housing Association that sets out how the RSL intends to address the concerns and recommendations raised in our inspection report.

### Our engagement with Cairn Housing Association – Medium

1. The key recommendations from the inspection findings are that Cairn should:
  - ensure that its Business Plan is explicitly supported by clear longer-term financial plans with sensitivity analysis carried out on its key business planning assumptions;
  - immediately progress its planned initiative to identify and secure internal efficiency savings;
  - improve the extent, reliability and usage of information held on its ICT system;
  - put in place an asset management strategy and improve the effectiveness of investment and planned maintenance;
  - put in place a new tenant participation strategy with a comprehensive action plan providing opportunities for tenants to influence the design and delivery of services;
  - do more to gather and respond to service user feedback and publicly report outcomes from this;
  - continue to improve the management of its empty houses; and
  - comply with its statutory obligations under the Right to Repair and improve its management of asbestos.

Given the profile of the organisation in terms of its size and range of business activities and the significance of the issues raised in the Inspection report, we will have a continuing regulatory engagement with the RSL and will monitor Cairn's progress against its improvement plan.

2. 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 officer for Cairn HA 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.