

ANCHO Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with ANCHO Ltd during the financial year 2013/14. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

ANCHO was registered in 2000. It owns and manages 705 houses and provides factoring services to 233 owners. It has charitable status and employs around 15 people. Its turnover for the year ended 31 March 2012 was £2.5 million.

We have reviewed ANCHO's performance against key service quality measures. ANCHO's reported performance for the percentage of current tenants rent collected, for the percentage of former tenant arrears collected and for emergency repairs completed on time is poor and deteriorating. We will engage with ANCHO to seek assurance about how it is improving its performance.

We would also like assurance about how ANCHO is planning for the impact of welfare reform.

On stock quality, ANCHO reported in June 2012 that it would be seeking a high level of exemptions for homes which did not meet SHQS, in particular the energy efficiency criterion. However it has since provided us with additional information which shows it has improved the stock condition data it holds and has made progress with its planned investment. So it is now reporting increased compliance with SHQS.

Our engagement with ANCHO - Medium

In light of ANCHO's service quality and progress with SHQS issues we will liaise with it over the coming year to be assured about progress.

1. ANCHO will provide:
 - details of its planning for welfare reform; and
 - 30 year financial projections, consisting of its income and expenditure account, balance sheet, cashflow, sensitivities, covenant calculations and results to let us see the anticipated impact of SHQS investment and welfare reform.
2. We will review ANCHO's performance for service quality when we receive the APSR in June 2013. Depending on performance, we may ask for further information to get assurance about its progress.

3. ANCHO should 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; and
 - 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 regulatory framework and other relevant statistical and performance information can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for ANCHO 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.