

## Regulation Plan

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

### Regulatory profile

Abbeyfield Scotland provides sheltered and very sheltered housing for almost 270 elderly residents in 32 non self contained Abbeyfield houses across 17 local authority areas. It is a registered charity and employs around 175 people, mainly care staff. Abbeyfield Scotland's turnover at the end of March 2010 was just over £2.8m.

The Registered Social Landlord (RSL) was formed following a merger with an existing Abbeyfield Society, Abbeyfield Dumfries, in 2007 and the subsequent transfer of engagements from a further 30 individual societies on 1 April 2008. This was a unique transfer arrangement that evolved over a number of years.

Abbeyfield Scotland's business plan indicated that it was financially viable for the first ten years. Financial viability was based on a number of assumptions and estimates made before the merger. These assumptions are being reviewed in the light of operational experience and some disparities already highlighted to us by Abbeyfield Scotland. We have received financial projections from the RSL to assure us about the medium term financial position.

As part of the review of its business strategy and plans, Abbeyfield Scotland is considering its stock ownership and disposing of some properties. We will liaise closely with the association over necessary consents and its revised strategy and business plan.

Currently, the association is operating with a part-time interim manager while it reviews its business plan and senior staffing requirements. Recruitment of a new Chief Executive has now begun and we will maintain our regular contact with the RSL through this change process.

The association reported that it did not collect any former tenant rent arrears during 2009/10. We will review the RSL's performance when we receive the next APSR and decide if we need further assurance at that time.

### **Our engagement with Abbeyfield Scotland – Medium**

1. Abbeyfield Scotland should send us its revised business plan and asset management strategy in quarter three.
2. We will meet senior staff and the Board in quarter one and again as necessary during the year to assure us about their role in defining strategic direction for the RSL; its planning process and progress against the business strategy and plan.
3. We will inspect Abbeyfield Scotland during quarter three in 2011/12. The scope of the inspection will be determined by our ongoing engagement with the RSL.

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 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 guides to how we regulate, inspect, 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 Abbeyfield Scotland 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.