

Abbeyfield Scotland Ltd

28 March 2013

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

Regulatory profile

Abbeyfield Scotland provides sheltered and very sheltered housing for 208 elderly residents in 25 self-contained Abbeyfield houses across 14 local authority areas. It is a registered charity and employs around 80 full time equivalent staff, mainly support staff. Abbeyfield Scotland's turnover at the end of March 2012 was just over £3.8 million.

We inspected Abbeyfield Scotland in December 2011 and we highlighted a number of areas which it needs to address. Abbeyfield Scotland has demonstrated it is on track to deliver the improvement actions and will conclude these during the coming year.

Abbeyfield Scotland has provided us with its current business plan including 30 year financial projections, sensitivity analysis and covenant calculations. Our engagement with Abbeyfield Scotland over the last year has provided assurance about its strategic direction.

As part of the review of its business model, strategy and plans, Abbeyfield Scotland has established a new staff structure and roles. It is also reviewing its asset management strategy and has assessed the properties it owns. Eight of these properties including its care home are now closed. There is an on-going process to ensure that properties are fit for purpose and meet demand from current and potential future tenants. We will liaise closely with it over the necessary consents, its revised strategy and its business plan.

Abbeyfield Scotland now has full stock condition information and projected investment required is far less than originally anticipated. It plans to achieve SHQS in all but one property by the end of 2014.

Work is underway, now that the new business model is established, to develop tenant participation, consultation and ways of gathering service users views on the quality of housing services. A key piece of work currently underway is the review of its rent and service charge structure and levels.

Our engagement with Abbeyfield Scotland – Medium

In light of Abbeyfield's significant business change programme and asset management review we will have medium engagement with it in 2013/14.

1. Abbeyfield Scotland will:

- send us in May, its revised business plan including 30 year financial projections consisting of an income and expenditure account, balance sheet, cashflows and sensitivity analysis, incorporating proposed new rent and service charge structures;
- keep SHR informed about the outcome of its consultation on rents and service charges;

- send us its revised asset management strategy in quarter three;
 - keep SHR informed of progress with its closure and sales programme; and
 - report in quarter three on progress with improvement actions from the inspection.
2. We will:
- feedback on the business plan in June;
 - meet senior staff in quarter three to discuss progress with the inspection improvement actions; its revised business model, strategy and the challenges and risks facing the organisation.
3. Abbeyfield Scotland 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 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.