

Abbeyfield Scotland Ltd

28 March 2014

This Regulation Plan sets out the engagement we will have with Abbeyfield Scotland Ltd (Abbeyfield Scotland) during the financial year 2014/15. 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 210 elderly residents in 25 Abbeyfield houses across 14 local authority areas. It is a registered charity and employs around 75 full time equivalent staff, mainly support staff. Abbeyfield Scotland's turnover at the end of March 2013 was just over £2.25 million.

Abbeyfield Scotland provided us with its current business plan including 30 year financial projections and our engagement over the last year has given us assurance about strategic direction. During the year Abbeyfield Scotland completed a key piece of work to review and harmonise its rent and service charge structure and this is being implemented in phases. As part of the review of its business model, strategy and plans, Abbeyfield Scotland has established a new staff structure and roles and these are now fully operational.

Abbeyfield Scotland has provided us with its revised asset management strategy and we will feed back on this in April. Abbeyfield Scotland has achieved SHQS in all but two of its properties. Several properties have now been sold and three are being marketed. This is an on-going process to ensure that properties are fit for purpose and will meet demand from current and potential future tenants.

Work is underway to implement its strategy for tenant participation, consultation and ways of gathering service users views on the quality of housing services. Abbeyfield Scotland has recently completed a tenant satisfaction survey and will share the results with us.

Abbeyfield Scotland operates a defined contribution pension scheme for its staff with assets held by independent managers.

Our engagement with Abbeyfield Scotland – Medium

In light of Abbeyfield Scotland's significant business change programme and asset review we will have medium engagement with it in 2014/15.

1. Abbeyfield Scotland will send us in May 2014:
 - its approved business plan including commentary on the results of sensitivity tests and risk mitigation strategies;
 - 30 year projections consisting of the income and expenditure statement, balance sheet and cash flow and the related board report; and
 - sensitivity analysis linked to the key risks it has identified. We would expect this to include analysis of a range of options for rent increases and rent affordability.

2. Abbeyfield Scotland will also:
 - send us quarterly management accounts and the related board report from July onwards; and
 - keep SHR informed of progress with its closure and sales programme.
3. We will:
 - feedback on the final asset management strategy in April 2014;
 - feedback on the business plan in June;
 - meet senior staff in quarter three to discuss its revised business model, strategy and the challenges and risks facing the organisation.
4. 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
 - the Annual Return on the Charter.

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.