

Angus Housing Association Ltd

29 March 2018

This Regulation Plan sets out the engagement we will have with Angus Housing Association Ltd (Angus) during the financial year 2018/19. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Angus was registered as a social landlord in 1975. Angus currently owns and manages 1,845 homes (including five shared-ownership homes) in Angus and Dundee and provides factoring services to 186 owners. It has charitable status and employs around 42 people. Angus has one subsidiary Musselcrag that is currently dormant.

As at 31 March 2017 Angus' turnover for the year was just under £8.53 million and its debt per unit was £17,046.

Engagement

Angus is one of the larger developers of new affordable housing in Scotland and receives significant public subsidy to help achieve this. Angus plans to continue to grow through a considerable programme of new homes for social rent. It also develops new housing on behalf of other RSLs.

During 2017/18 we reviewed Angus' financial returns which showed an increase in borrowing to support its development programme. We will engage with Angus to get additional assurance around its treasury management as it puts in place its funding needs to deliver the objectives set out in its business plan.

Due the level of development proposed and funding required we will engage with Angus to get assurance about its financial health.

Our engagement with Angus Housing Association Ltd in 2018/19 – Medium

We will engage with Angus about its development proposals and treasury management.

1. Angus will send us by 30 June 2018:
 - its approved business plan;
 - 30 year financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
 - financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resultant covenant calculations with the actual current covenant requirements;
 - report to the Board in respect of the approved 30 year projections, sensitivity

- analysis and covenant compliance; and
 - evidence of how it demonstrates affordability for its tenants.
2. Angus will send us an update on its development programme by 31 October 2018. This will include details of the units and tenure types to be delivered, timescales, completions and any material delays or changes to the programme.
 3. We will:
 - meet with the senior management team in quarter two of 2018/19 to discuss the business plan and the financial information;
 - seek assurance about Angus' approach to treasury management and will engage with it as necessary to address any issues arising from this; and
 - review Angus' development update in quarter three of 2018/19.
 4. Angus 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 financial statements and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections;
 - Annual Return on the Charter; and
 - the return on the Energy Efficiency Standard for Social Housing.

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 Angus Housing Association Ltd 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.