

Ardenglen Housing Association Ltd

18 November 2016

This Regulation Plan sets out the engagement we will have with Ardenglen Housing Association Ltd (Ardenglen) during the financial year 2016/17. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Ardenglen was registered in 1990. It owns and manages 956 houses and provides factoring services to 18 owners in the Castlemilk area, Glasgow. Ardenglen has charitable status and employs 19 people. Its turnover for the year ended 31 March 2016 was just over £3.8 million.

Ardenglen is seeking to diversify and has plans to purchase a significant new community facility, the Cathkin Braes Activity Centre, in Castlemilk. It plans to establish a new subsidiary company to manage this facility. We will engage with Ardenglen to seek assurance about the impact these proposals will have on Ardenglen. We will also seek assurance that the identified risks are being managed effectively.

Our engagement with Ardenglen Housing Association Ltd – Medium

We will have medium engagement with Ardenglen to understand the impact of its subsidiary activity and gain assurance over the purchase and operation of the Cathkin Braes Activity Centre

1. Ardenglen will send us by 31 January 2017:
 - its approved business plan including commentary on the results of its sensitivity analysis and risk mitigation strategies, specifically in relation to the operation of the Cathkin Braes Activity Centre; and
 - 30 year financial projections for it consisting of a statement of comprehensive income, statement of financial position and statement of cash flow, including a comparison of projected loan covenants against covenant requirements.
2. Ardenglen will also send us by 31 January 2017:
 - an approved business case for the planned new subsidiary covering the full details of its role in the Cathkin Braes Activity Centre.
 - financial projections for the subsidiary consisting of a statement of comprehensive income, statement of financial position and statement of cashflow
 - reports to the Board of Ardenglen in respect of the decisions that have been made in relation to the proposed new community facility; and
 - details of the Board of Management of the new subsidiary
3. Ardenglen 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; and
- 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 Ardenglen 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.