

Blackwood Homes and Care

29 March 2018

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

Regulatory profile

Blackwood was registered as a social landlord in 1975. Blackwood currently owns and manages 1,533 homes and provides factoring services to 34 owners across twenty nine local authority areas. It provides care for residents in care homes as well as to tenants in their own homes. It has charitable status and employs around 323 full time equivalent staff.

Blackwood has one unregistered subsidiary, Margaret Blackwood Technical Consultants Ltd, which is currently dormant.

As at 31 March 2017 Blackwood's turnover for the year was £16.8 million and its debt per unit was £12,227.

Engagement

During 2017/18 we reviewed Blackwood's financial returns which demonstrates significant expansion in both its social housing and care activities.

Blackwood has developed a small number of affordable homes in recent years. Blackwood has decided to considerably increase its development programme over the next five years and it will receive significant public subsidy and private finance to help achieve this.

In order to obtain further assurance on its development, business growth and financial plans, we will discuss the risks and challenges it faces growing its business.

Our engagement with Blackwood Homes and Care in 2018/19 – Medium

We will engage with Blackwood about its financial plans and strategy for growth.

1. Blackwood 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 resulting 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. Blackwood 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. This will include a copy of the most recent development update to the Board.
3. We will meet with Blackwood's senior staff to discuss its business plan and financial information provided in quarter two of 2018/19.
4. Blackwood 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 Blackwood Homes and Care is:

Name: Luise Siekman, Regulation Manager
Address: Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF
Telephone: 0141 242 5554

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.