

Cassiltoun Housing Association Ltd

29 March 2018

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

Regulatory profile

Cassiltoun was registered as a social landlord in 1985. Cassiltoun currently owns and manages around 986 homes, including four shared ownership properties and provides factoring services to 140 owners in the Castlemilk area of Glasgow. It has charitable status and employs around 25 people.

Cassiltoun has two unregistered subsidiaries. Cassiltoun Trust is a regeneration project which aims to conserve local buildings and the environment and also provide employment opportunities. Cassiltoun Stables Nursery Ltd provides local childcare services.

As at 31 March 2017 Cassiltoun's turnover for the year was just under £4.8 million and its debt per unit was £7,266.

Engagement

Following a break from development, Cassiltoun plans to start developing new homes for social rent and will receive significant public subsidy to help achieve this.

Cassiltoun is progressing its financial plans to support its development programme and on-going investment in existing properties and we will engage with it about the impact of its plans.

During 2017/18 we reviewed Cassiltoun's financial returns and we will engage with it to gain assurance about its current and projected financial performance, processes and procedures.

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

We will engage with Cassiltoun about its financial health and development proposals.

1. Cassiltoun will send us by 30 April 2018:
 - its approved business plan;
 - updated 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. Cassiltoun will provide regular updates on progress with its development programme, as required. This will include updates against key milestones in the development project plan, progress with securing funding and details of any material delays or changes to the programme.
 3. We will:
 - meet with senior staff to discuss the business plan and the financial information in quarter one of 2018/19;
 - review Cassiltoun's development updates and engage as required; and
 - discuss with Cassiltoun the financial processes, procedures and controls in place.
 4. Cassiltoun 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 Cassiltoun 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.