

Dunbritton Housing Association Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with Dunbritton Housing Association Ltd (Dunbritton) during the financial year 2013/14. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Dunbritton was registered in 1992. It owns and manages 753 houses and provides factoring services to 413 owners in West Dunbartonshire and Argyll and Bute local authority areas. It has charitable status and employs around 18 people. It currently has one non registered subsidiary Dunbritton Commercial Ltd but Dunbritton has plans for the subsidiary to cease trading on 1 April 2013 and it will take the subsidiary activities into the parent. Its turnover for the year ended 31 March 2012 was just over £2.65 million.

We are engaging with Dunbritton about governance issues. We asked it to co-opt two people on to the management committee to provide an objective perspective and support it in dealing with its governance issues. Dunbritton carried out an investigation which highlighted governance weaknesses and Dunbritton is developing an action plan to address these issues.

We have reviewed Dunbritton's financial returns and will engage with it to review its current business plan, its approach to the forthcoming auto-enrolment requirements (44% of its staff are not currently enrolled in a pension scheme) and its plans to manage the welfare reform changes including the impact on income, costs and assumptions for arrears and bad debts.

Our engagement with Dunbritton - Medium

1. We will continue to engage with Dunbritton to seek assurance about its progress in developing and implementing its governance action plan.
2. By 30 June 2013 Dunbritton will send us its updated business plan; scenario planning; sensitivity analysis of its key business planning assumptions; full 30 year projections, consisting of income and expenditure statement, balance sheet and cashflows, plus covenant calculations and results.
3. By September 2013 Dunbritton will send us:
 - an update on progress with auto enrolment; and
 - its plans to manage welfare reform including the impact on income, costs and assumptions for arrears and bad debts.
4. Dunbritton 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
 - annual performance and statistical return.

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 governance and performance for Dunbritton is:

Name: Lynn Stewart, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 271 3773

Our lead officer for business planning for Dunbritton is:

Name: Kirsty Anderson, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 305 4180

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.