

Dunbritton Housing Association Ltd

31 March 2015

This Regulation Plan sets out the engagement we will have with Dunbritton Housing Association Ltd (Dunbritton) during the financial year 2015/16. 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 840 houses including 64 shared ownership properties and provides factoring services to 345 owners in the West Dunbartonshire and Argyll and Bute local authority areas. It also manages 8 properties on behalf of Scottish Veterans. Dunbritton has charitable status and employs 22 people. Its turnover for the year ended 31 March 2014 was just over £3.05 million. It has one unregistered subsidiary, Dunbritton Commercial Ltd that is currently dormant.

Dunbritton continues to have a development programme of new housing for social rent and has received significant public subsidy to help fund this. While Dunbritton owns two sites which are not in the current approved development programme, it hopes to acquire further sites and to continue to grow through providing new homes for social rent.

We have reviewed Dunbritton's business plans and financial returns and will continue to engage with it as it further develops the stress testing in its plans to understand the impact of a continuing development programme on its business and financial plans.

Our engagement with Dunbritton – Medium

We will continue to have medium engagement with Dunbritton in light of its development activities and as it develops its business plan in light of these activities.

1. Dunbritton will send by 30 November 2015 its:
 - approved business plan including commentary on the results of sensitivity tests and risk mitigation strategies;
 - 30 year financial projections consisting of the income and expenditure statement, balance sheet and cash flow, including calculation of loan covenants and covenant requirements;
 - sensitivity analysis which looks at key risks such as, arrears levels, covenant compliance and development. We would also expect this to include analysis of a range of options for rent increases and inflation rates which demonstrate continuing affordability for tenants; and
 - reports to the Board in respect of the 30 year projections and sensitivity analysis.
2. Dunbritton will send us an update on its plans for development, including funding plans, by 30 November 2015.
3. We will provide feedback on the business plans and projections for Dunbritton in quarter three of 2015/16.

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 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 Dunbritton is:

Name: Kirsty Anderson, Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 242 5547

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.