

## **Eildon Housing Association Ltd**

4 April 2012

This Regulation Plan sets out the engagement we will have with Eildon Housing Association Ltd during the financial year 2012/2013. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

### **Regulatory profile**

Eildon was registered in April 1976. It owns and manages around 2100 properties in the Scottish Borders and employs 137 full time equivalent staff. It has charitable status and has one non-registered subsidiary Eildon Enterprise Ltd which carries out care and repair services under contract with Scottish Borders Council and wider role activities. It is also the intended vehicle for potential future mid-market rent activity. Its turnover for the year ended 31 March 2011 was almost £11 million.

Eildon has received significant amounts of public funding to part fund its new build programme for social rent and low cost home ownership. It plans to continue to have a significant programme to develop new homes. It carries out development functions for other local registered social landlords (RSLs) and also agency services for finance and IT for one RSL.

One of Eildon's care homes for the elderly received a low rating from the Care Inspectorate and it has agreed an action plan of improvements with the Care Inspectorate. Eildon should update us on progress with achieving the objectives in its action plan.

During 2010 and 2011 we reviewed business planning information from Eildon and received assurance about its strategic and financial management; including its treasury management arrangements which involve the use of free-standing derivatives (FSDs).



### **Our engagement with Eildon Housing Association - Medium**

We will continue to have medium engagement with Eildon about its overall financial capacity and viability in light of its development, investment and subsidiary activities.

1. Eildon should:
  - provide us with 30 year projections including cashflows, sensitivity analysis and covenant calculations in quarter two of 2012/13;
  - provide us with the business plans including financial projections and sensitivities for its unregistered subsidiary; and
  - send us copies of its board reports that monitor progress with FSDs.
2. Eildon should update us on progress with achieving the objectives in its action plan agreed with the Care Inspectorate.
3. Eildon 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Eildon 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.