

Elderpark Housing Association Ltd

31 March 2015

This Regulation Plan sets out the engagement we will have with Elderpark Housing Association Ltd (Elderpark) during the financial year 2015/16. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Elderpark was registered in 1976. It owns and manages 1,230 houses, delivers a factoring service to 273 owners and provides 12 non-housing units in the Govan area of Glasgow. It is a community based, charitable organisation and employs 23 people. Its turnover for the year ended 31 March 2014 was just over £4.8 million.

Following the triennial funding valuation undertaken by the Scottish Housing Association Pension Scheme (SHAPS), Elderpark experienced a significant increase in its past service deficit contributions. Elderpark made the decision to continue to offer the defined benefits pension scheme to staff and review its pension arrangements annually. It has past service deficit contributions totalling more than five per cent of the RSL's annual turnover and assumes rent increases in excess of inflation assumptions in its financial projections.

We will engage with Elderpark to seek assurance about the anticipated impact of its pension arrangements on its business.

We have assessed Elderpark's performance against key service quality measures and its reported performance for the percentage of lets to homeless people is in the bottom quartile.

Elderpark has brought its properties up to the Scottish Housing Quality Standard (SHQS) and we have been engaging with it during 2014 to gain the assurance we need about exemptions. Elderpark has 726 exemptions (59% of its stock). As we noted last year Elderpark has many pre 1919 tenements and 97% of exemptions relate to these flats which have small galley kitchens. Elderpark is receiving some funding from Glasgow City Council to look at options for these properties. The remaining properties will be brought up to SHQS as tenants allow access or tenancies change.

Elderpark has plans to begin developing a number of homes for social rent and will receive public subsidy to help fund this project.

Our engagement with Elderpark - Medium

We will have medium engagement with Elderpark during 2014/15 to gain assurance about the impact of its pension arrangements, homelessness provision and investment activities.

1. By 30 April 2015, Elderpark will send us Board reports and minutes of meetings covering discussions of the pension scheme, decisions made and the results of the most recent annual review. This should include details of sensitivity analysis presented to the Board on the financial impact of retaining the defined benefit pension scheme.

2. Elderpark will also send us, by the end of October 2015, an update on its plans for development, including funding plans.
3. We will:
 - meet senior staff in May 2015 to discuss the review of pension arrangements, homelessness provision, investment activities and the risks and challenges facing the organisation; and
 - review performance on homelessness when we receive the Annual Return on the Charter at the end of May.
4. Elderpark 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 Elderpark 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.