

## Grampian Housing Association

**2 December 2013**

This Regulation Plan sets out the engagement we will have with Grampian Housing Association Ltd (Grampian) during the financial year 2013/2014. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

### Regulatory profile

Grampian owns and manages around 3,395 housing (rented and shared ownership) units and provides factoring services to 3,198 homes across Aberdeen, Aberdeenshire and Moray. It employs around 98 full time equivalent staff and has two non-registered subsidiaries Grampian Community Energy Ltd and Kirkgate Developments Ltd, which develops property for outright sale, mid market rent, and for the NHS. Its turnover was around £15.7 million in the year ending 31 March 2013.

Grampian is one of the largest developers of social housing in north east Scotland and has plans to continue to grow through its development activities including housing for social rent, low cost home ownership and housing for mid-market rent through its subsidiary.

Grampian has established Grampian Community Energy and has longer term plans to undertake a range of renewable energy projects through its subsidiary. It is also investigating other energy and renewables projects working with a range of partners.

Given these issues we need to engage with Grampian to stay informed about its business. We will review its business plan and projections for it and its subsidiaries, 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 Grampian – Medium**

We will continue to have medium engagement with Grampian in light of its development and subsidiary activities.

1. In quarter two of 2013/14 Grampian sent us its business plan and 30 year projections we will provide feedback on the projections in quarter three.
2. By 30 September 2013 Grampian sent us an update on pensions and progress with auto enrolment and details of its plans to manage welfare reform. We will discuss its plans when we meet in quarter three.
3. In quarter four of 2013/14 Grampian will send us management accounts for its subsidiary Kirkgate Developments together with its business plan and 30 year financial projections consisting of income and expenditure statement, balance sheet and cash flows, sensitivity analysis and covenant compliance if appropriate.

4. Grampian should to 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Grampian 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.