

Aberdeenshire Housing Partnership Ltd

31 March 2015

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

Regulatory profile

AHP was registered in 1999. It owns and manages 909 houses and provides factoring services to 87 owners across Aberdeen, Aberdeenshire and Moray. It is a registered charity and employs around 21 people. AHP's turnover at the end of March 2014 was just over £4.7 million. Moray Housing Partnership (MHP) became a subsidiary of AHP in January 2013 and AHP also has one unregistered subsidiary, AHP Developments Ltd.

During 2014/15, we reviewed AHP's business plan and financial returns to gain assurance about its financial position. AHP Developments has made progress however it continues to report a net liabilities position and we need to continue to monitor AHP's financial plans and the impact of its subsidiary on AHP. We will engage with it around its unregistered subsidiary activity.

AHP has been developing its asset management strategy to help it manage future challenges around stock management and demand. We will review its asset management strategy in 2015/16.

We have assessed AHP's performance against key service quality measures and found its reported performance for tenant satisfaction and the number days to complete non-emergency repairs is poor. We discussed this with AHP and it told us about its improvement plans. We will review progress with AHP in 2015/16 after we receive the Annual Return on the Charter in May 2015.

Moray Housing Partnership

MHP was registered as a social landlord in 2002 and owns 488 homes across Moray. MHP has charitable status and employs six people. Its turnover for 2014/15 was £2 million. It has one non-registered subsidiary MHP Estate Services that it is in the process of winding up. As part of our annual risk assessment we have also considered MHP and have decided to have low engagement with it.

Our engagement with AHP – Medium

We will have medium engagement with AHP in 2015/16.

1. By 30 September 2015 AHP will send us its:
 - approved Business Plan including commentary on results of sensitivity tests and risk mitigation strategies for it and its registered and unregistered subsidiaries;
 - 30 year financial projections for it and its subsidiaries consisting of 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 and covenant compliance. 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. AHP will send us its asset management strategy by 30 September 2015.
 3. We will:
 - provide feedback on the business plans and projections for AHP and its subsidiaries in quarter three of 2015/16;
 - review its asset management strategy and discuss this with AHP when we meet in quarter three; and
 - we will review AHP's service quality performance when we receive the Annual Return on the Charter in May 2015.
 4. AHP 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 AHP 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.