

Aberdeenshire Housing Partnership

31 March 2016

This Regulation Plan sets out the engagement we will have with Aberdeenshire Housing Partnership (AHP) during the financial year 2016/17. 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 61 owners across Aberdeen, Aberdeenshire and Moray. It is a registered charity and employs around 22 people. AHP's turnover at the end of March 2015 was just over £4.86 million. Moray Housing Partnership (MHP) became a subsidiary of AHP in January 2013 and AHP also has one unregistered subsidiary, AHP Developments Ltd. AHP plans to change its name to Osprey Homes in 2016/17.

During 2015/16 we reviewed AHP's business plan and financial returns to gain assurance about its financial position. AHP has plans to develop new homes beginning in 2016/17 and AHP Developments reports a net liability position in year one of its projections.

During 2015/16 we gave feedback to AHP about its draft asset management strategy, the strategy will be finalised during 2016/17. AHP has 20 properties that currently fail the Scottish Housing Quality Standard (SHQS).

To assess the risk to social landlord services we reviewed and compared the performance of all Scottish social landlords to identify the weakest performing landlords. We found that AHP is in the bottom quartile for all social landlords in relation to four satisfaction indicators - overall satisfaction, the percentage of tenants who feel the landlord is good at keeping them informed, tenants satisfied with the quality of their home and the percentage of tenants who feel their rent represents value for money. It is also in the bottom quartile for the time to complete non-emergency repairs and the level of tenancy sustainment.

Moray Housing Partnership

MHP was registered as a social landlord in 2002 and owns 488 homes across Moray. MHP has charitable status and employs 6 people. Its turnover for 2014/15 was £2.1 million. MHP has plans to begin a small development programme again in 2017/18. When we reviewed MHP's landlord services we found it was in the bottom quartile for four indicators. We will next review MHP's service quality when carry out the risk assessment for all RSLs later in 2016/17. As part of our annual risk assessment we have decided to have low engagement with MHP.

Our engagement with Aberdeenshire Housing Partnership – Medium

We will continue to have medium engagement with AHP in 2016/17 to get further assurance about its service quality and stock quality and around its unregistered subsidiary activity and its future financial plans for development.

1. AHP will send us by 31 August 2016:
 - its approved business plans for it and its subsidiaries including commentary on the results of its sensitivity analysis and risk mitigation strategies;
 - 30 year financial projections for it and its subsidiaries consisting of a statement of comprehensive income, statement of financial position and statement of cash flow, including a comparison of projected loan covenants against covenant requirements;
 - sensitivity analysis for it and its subsidiary which considers the keys risks including covenant compliance;
 - its reports to the Boards of AHP and its subsidiaries in respect of the 30 year projections and sensitivity analysis; and
 - evidence of how it demonstrates affordability for its tenants.
2. AHP will also send us by 30 September 2016 updates on:
 - the development projects for it and MHP, including funding plans, timescales, completions and any material delays or changes;
 - its finalised asset management strategy; and
 - progress with SHQS fails.
3. We will:
 - give feedback on the business plans and projections for AHP and its subsidiaries in quarter three of 2016/17;
 - engage with AHP about the service quality areas we have highlighted; and
 - monitor progress as AHP deals with its SHQS fails.
4. AHP and Moray should alert us to notifiable events and seek our consent as appropriate. They should provide us with the annual regulatory returns we review for all RSLs:
 - audited financial statements 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 Aberdeenshire Housing Partnership 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.