Regulation Plan

This Regulation Plan sets out the engagement we will have with Albyn Housing Society Ltd. Our *Guide to How We Regulate* explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Albyn Housing Society has around 2,200 housing units across the Highland and Moray local authority areas. It is a registered charity and employs 50 people. Its turnover now stands at nearly £12m.

Albyn is a key developer of social housing and shared ownership properties in the north of Scotland and also one of the largest developers in Scotland. The Society receives large amounts of public subsidy in the form of housing association grant and has also borrowed significant levels of private finance to fund its development programme.

Our review of its performance indicators shows that its rent arrears are higher than we would expect.

Our engagement with Albyn Housing Society - Medium

1. We need additional business planning information from the Society (ie information that goes beyond routine submissions) to assess its overall financial capacity and viability, in light of its development, investment and other activities. We are likely to need to see a comprehensive business plan, including sensitivity analysis around key assumptions, with a covering narrative. We will liaise with the Society at the end of quarter two about our requirements and its business planning cycle.

2. The Society should improve its performance in dealing with the collection of rental income from its tenants. It should provide us with a written report on the steps it has taken to improve its arrears performance when it submits its 2008/09 Annual Performance and Statistical Return.

3. The Society should continue 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, internal controls assurance statement and external auditor's management letter
   - loan portfolio return
   - five year financial projections
   - annual performance and statistical return

This plan will be kept under review and may be changed to reflect particular or new events. Guides to how we regulate and inspect, and other relevant statistical and performance information, can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for your Association is:

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We have decided what type of engagement we need to have with the association based on information it provided to us. We rely on the information given to us by the association 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 Regulatory Assessment or Regulation Plan.