

Regulation Plan

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

Regulatory profile

Angus Housing Association is an established Registered Social Landlord with around 1,500 housing units. It is a registered charity and has 40 full time equivalent employees. Its turnover stands at around £4.5 million.

Angus Housing Association is a moderately large developer of social housing in the east of Scotland. It has generated surpluses over the past five years, although its private finance per unit has increased. The Association has the capacity to service debt and remain financially viable in the medium term.

Angus' financial position is relatively strong, but it is important that it demonstrates that it is efficient in its use of resources. Over the last five years, its unit management costs have increased by 26% in real terms. Its staff costs per unit have also risen at a faster rate (24%) than the average earning index over the last five years.

Our engagement with Angus Housing Association - Medium

1. We need additional business planning information from the Association (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 Association at the end of quarter 2 about our requirements and its business planning cycle.
2. We require assurance that Angus is adequately controlling its management costs and staff costs, both of which have risen above the rate of inflation over the past five years. Angus should provide us with a written explanation of this growth by the end of quarter 3.
3. The Association 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 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.