

## **Cadder Housing Association Ltd**

**28 March 2014**

This Regulation Plan sets out the engagement we will have with Cadder Housing Association Ltd (Cadder) during the financial year 2014/15. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

### **Regulatory profile**

Cadder was registered as a social landlord in 1993. It owns and manages 652 houses and provides factoring services to a further 397 houses in the north of Glasgow. It is a charitable organisation and employs 27 people. Its turnover for the year ended 31 March 2013 was just over £2.57 million.

We have reviewed Cadder's financial returns and need to engage with it to get a better understanding of its costs and how it plans to manage its cash. We also need to get a better understanding of Cadder's business plans in light of its intention to build a new community centre.

### **Our engagement with Cadder – Medium**

We will have medium engagement with Cadder in 2014/15 to gain further assurance about its business and financial planning.

1. Cadder will send us:
  - its Business Plan including commentary on results of sensitivity tests and risk mitigation strategies by 31 May 2014;
  - its 30 year projections consisting of income and expenditure statement, balance sheet and cash flow, including covenant requirements and calculation of the loan covenants by 31 May 2014;
  - its 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 by 31 May 2014;
  - its report to the Board about the 30 year projections by 31 May 2014;
  - annual budget for 2014/15 complete with assumptions and narrative by 30 April 2014; and
  - its management accounts for the 12 months to 31 March 2014 by 31 May 2014 and quarterly thereafter.
2. We will provide feedback on the business plan and projections by the end of August 2014.
3. Cadder 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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Cadder is:

Name:	Luise Siekman, Regulation Manager (Finance)
Address:	Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone:	0141 305 4084

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.