

## Wheatley Housing Group Ltd

### Regulatory Status:

We have not included a regulatory status in this box. After we receive the first annual Assurance Statements in October 2019 from all landlords and complete our annual risk assessment we will give Registered Social Landlords (RSLs) a regulatory status in line with our Regulatory Framework.

### Why we are engaging with Wheatley Housing Group Ltd (WHG)

We are engaging with WHG because it is a **systemically important** landlord and about its **development** plans and its **subsidiaries**.

WHG has six registered subsidiaries Barony Housing Association Ltd, Cube Housing Association Ltd (Cube), Dunedin Canmore Housing Ltd (Dunedin Canmore), Glasgow Housing Association Ltd (GHA), Loretto Housing Association Ltd and West Lothian Housing Partnership Ltd.

We refer to a small number of RSLs as systemically important because of their stock size, turnover or level of debt or because of their significance within their area of operation. We need to maintain a comprehensive understanding of how their business models operate, and how they manage the risks they face and the impact these may have. So we seek some additional assurance through our engagement plans. We consider WHG to be systemically important. We also consider Cube, Dunedin Canmore and GHA to be systemically important in their own right, due to a combination of their size, turnover and level of debt.

WHG is the largest developer of new affordable housing in Scotland and plans to continue to grow by building or acquiring around 3,500 affordable homes over the next five years. The group's development programme is spread across all six subsidiaries and includes homes for social rent and mid-market rent. WHG's development programme will continue to be funded by significant public subsidy, WHG's bond finance and other forms of affordable housing finance.

### What WHG must do

WHG must:

- send us by 30 June 2019 for the group and registered subsidiaries:
  - the approved business plans and updated risk registers;
  - 30 year financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
  - a comparison of projected financial loan covenants against current covenant requirements;

- financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resulting covenant calculations with the current covenant requirements;
- the report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance;
- evidence of how it demonstrates affordability for its tenants and
- send us by 30 June 2019 the following information for its non-registered subsidiaries:
  - the approved business plans;
  - the financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
  - financial sensitivity analysis which compares the projected covenant performance with the current covenant requirements (where applicable) and considers the key risks including risk mitigation strategies;
  - reports to the Boards of the non-registered subsidiaries and WHG in respect of the approved financial projections and sensitivity analysis.
- provide copies of its Board and audit committee minutes as they become available;
- tell us if there are any material changes to its development plans which might affect its financial position or reputation, in line with our notifiable events guidance; and
- send us by 31 October 2019 details of its Development and Acquisition Programme. This will include details of the scale and tenure mix, timescales for delivery, progress with individual RSL programmes against the 2019/20 planned programme and copies of the reports to the WHG Board on the Programme.

## What we will do

We will:

- review the minutes of the Board and audit committee meetings and liaise as necessary;
- review the business plans and financial projections;
- meet with WHG's senior staff on a quarterly basis to discuss the business plan, the financial information and any risks to the organisation;
- observe the Wheatley Group Board meeting in quarter three; and
- observe the Cube Board meeting in quarter four.

## Regulatory returns

WHG must provide us with the following annual regulatory returns and alert us to notifiable events as appropriate:

- Annual Assurance Statement;
- audited financial statements and external auditor's management letter;
- loan portfolio return;
- five year financial projections;
- Annual Return on the Charter; and
- the return on the Energy Efficiency Standard for Social Housing.



**[Read more about Wheatley Housing Group Ltd >](#)**

You can also access information about WHG's registered subsidiaries from this link.

**Our lead officer for Wheatley Housing Group Ltd is:**

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