

Cube Housing Association Ltd**4 April 2012 - 8 October 2012**

This Regulation Plan sets out the engagement we will have with Cube Housing Association Ltd during the financial year 2012/2013. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Cube Housing Association Ltd, (Cube) was registered in 1990. It owns and manages over 3,380 houses and around 258 non residential properties. It also provides factoring services for about 626 homes. It employs 83 staff and has charitable status.

Cube has one wholly owned, unregistered subsidiary, Cube Innovations Ltd, which is not currently trading. During 2011/12 Cube consulted with its tenants and decided to become part of the Glasgow Housing Association (GHA) group. It will become part of the GHA group in April 2012.

In the year ending 31 March 2011 Cube had an annual turnover of just over £11.8 million.

Cube faces a number of ongoing challenges in relation to achieving the Scottish Housing Quality Standard (SHQS) and other investment activities including its new build housing programme. So we will continue to need assurance that Cube can demonstrate its ongoing financial viability over the short to medium term.

In its APSR for 2010/11, Cube reported it had continued to make improvements in the time it takes to re-let properties. However, as its performance remains in the bottom quartile of all RSLs, we will continue to monitor progress. It also reported its performance for current tenants owing more than 13 weeks rent was poor and deteriorating and we will seek assurance that Cube is taking action to address this.

Our engagement with Cube – Medium

In light of Cube's development and investment activity including its SHQS obligations we will have medium engagement with it in 2012/13.

1. Cube will send us 30 year projections including cashflows, sensitivity analysis and covenant calculations in quarter one of 2012/13.
2. We will:
 - continue to monitor Cube's strategy and progress towards meeting the SHQS;
 - discuss Cube's progress with its implementation plan for joining the GHA group when we meet it; and
 - review progress made by Cube to improve its voids and arrears performance when we receive its 2011/12 APSR and decide whether we need to have further assurance at that point.
3. Cube 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, including all SHQS costs; and
 - annual performance and statistical return.

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 Cube 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.