

Cube Housing Association Ltd

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

In 2012, Cube became a subsidiary within the Wheatley Housing Group (WHG) which is also a registered social landlord (RSL). We have separately published a regulation plan setting out the engagement we will have with WHG.

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 reported performance for 2011/12, Cube continued to make improvements in the time it takes to re-let properties and in collecting rent for current tenants owing more than 13 weeks rent. However, as its performance remains in the bottom quartile of all RSLs, we will continue to monitor progress.

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 revised 30 year projections including cashflows, sensitivity analysis and covenant calculations which reflect the fact that it is now a member of the Wheatley Housing Group. Cube should provide this information to us through the Wheatley Housing Group by the end of February 2013.
2. Cube will provide us with an update on its progress with its voids and arrears performance in January 2013.
3. We will:
 - meet with senior officers from Cube in Q4;
 - continue to monitor Cube's strategy and progress towards meeting the SHQS;
 - discuss Cube's progress with its implementation plan for joining the Wheatley Housing Group when we meet it; and
 - review progress made by Cube to improve its voids and arrears performance in quarter 4 of 2012/13.
4. 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:

Name:	Kirsty Anderson, Regulation Manager
Address:	Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone:	0141 305 4180

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.