

## **Thenue Housing Association Ltd**

4 April 2012

This Regulation Plan sets out the engagement we will have with Thenue 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**

Thenue Housing Association was established as a registered social landlord in 1979. It has charitable status and employs 64 full time equivalent staff. Thenue operates primarily in the east end of Glasgow. It owns around 2,600 homes and provides factoring services to 616 houses. It has one non registered subsidiary, Thenue Housing Services Ltd, that provides services and consultancy, and it also runs a number of hostels and supported housing schemes.

Thenue is among the larger developers of social housing in Glasgow and receives public subsidy to build new social housing. Its turnover was over £9.4 million for the year ending 31 March 2011.

In its 2010/11 APSR, Thenue reported that around 50% of its stock did not meet the Scottish Housing Quality Standard (SHQS) but it has told us that it can bring its stock up to the SHQS by 2015. Thenue still has a significant amount of work to do to achieve the standard and will have relatively high investment costs per house at almost £7,000.

During 2010 and 2011 we carried out an assessment of Thenue's business planning information and have received assurances about its financial and strategic management. Given the scope and complexity of its business we will continue to need updated business planning information (including financial projections).

In the 2010/11 APSR Thenue reported considerable improvements to its performance in collecting former tenant arrears. However its performance in collecting current tenants rents was in the bottom quartile nationally and its performance in completing emergency repairs on time was poor and deteriorating.



### Our engagement with Thenue Housing Association - Medium

We will continue to have medium engagement with Thenue about its overall financial capacity and viability in light of its development, investment and subsidiary activities.

1. Thenue sent us its Corporate Strategy 2012/15 in March 2012. We will review this in quarter one of 2012/13 and provide feedback. It will also send us:
  - 30 year projections including cashflows, sensitivity analysis and covenant calculations; and
  - the business plan for its unregistered subsidiary including financial projections and sensitivities.
2. We will review Thenue's progress towards meeting the SHQS when we receive the next APSR in June 2012 and will discuss this with Thenue when we meet.
3. We will review Thenue's performance in collecting current tenants rent and completing emergency repairs on time when we receive its 2011/12 APSR and decide at this time whether we need further assurance.
4. Thenue 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 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](http://www.scottishhousingregulator.gov.uk)

Our lead officer for Thenue 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.