

Thenue Housing Association Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with Thenue Housing Association Ltd (Thenue) during the financial year 2013/14. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Thenue was established as a registered social landlord in 1979. It has charitable status and employs 58 full time equivalent staff. Thenue operates primarily in the east end of Glasgow. It owns around 2,745 homes and provides factoring services to 622 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. It has plans to create a new non registered subsidiary Calton Heritage and Learning Centre.

Thenue is among the larger developers of social housing in Glasgow and receives public subsidy to build new social housing. Its turnover was over £9.9 million for the year ending 31 March 2012.

Given the scope and complexity of its business we will continue to need updated financial projections. This will include an update on its subsidiary activity and Thenue's progress with auto enrolment (31% of its staff were not enrolled at 31 March 2012). We have discussed Thenue's plans to manage the impact of welfare reform changes with it and received assurance about its approach. We will ask Thenue for an update during the year on its progress with this.

We have assessed Thenue's performance against key service quality measures. Thenue's reported performance for the percentage of current tenants rent collected, tenancies sustained, emergency repairs on time and current tenants owing more than 13 weeks rent is in the bottom quartile although its performance for the percentage of current tenants rent collected and for tenancies sustained is improving.

Our engagement with Thenue - 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. In quarter one of 2013/14 Thenue will send us:
 - 30 year projections, consisting of income and expenditure statement, balance sheet and cashflows, plus sensitivity analysis and covenant calculations and results;
 - the business plans and projections for its subsidiaries, consisting of income and expenditure statement, balance sheet and cashflows, plus sensitivity analysis; and
 - an update on auto enrolment.

2. In quarter three Thenue will send us:
 - the management accounts for its subsidiaries to 30 September 2013; and
 - an update the impact of welfare reform including the impact on income, costs and assumptions for arrears and bad debts.
3. We will review Thenue's projections and the business plan for its subsidiary in quarter two of 2013/14 and provide feedback.
4. We will review Thenue's performance for service quality when we receive the APSR in June 2013. Depending on performance we may ask for further information to get assurance about progress.
5. 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

Our lead officer for Thenue 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.