

## Thenue Housing Association Ltd

**28 March 2014**

This Regulation Plan sets out the engagement we will have with Thenue Housing Association Ltd (Thenue) during the financial year 2014/15. 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 around 58 full time equivalent staff. Thenue operates primarily in the east end of Glasgow. It owns around 2,579 homes and provides factoring services to a further 630 houses. It has two non registered subsidiaries. Thenue Housing Services Ltd provides services and consultancy. The Calton Heritage and Learning Centre aims to promote the area's heritage and provide access to services and learning opportunities.

Thenue has been among the larger developers of social housing in Glasgow and received public subsidy to build new social housing. Its main new housing development is a large development involving the Athletes' Village for the Commonwealth Games. Its turnover was over £11.7 million for the year ending 31 March 2013.

Given the scope and complexity of Thenue's business, its development and subsidiary activity we will continue to need updated financial projections from it.

### Our engagement with Thenue - Medium

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

1. Thenue will send us:

- the Approved Business Plans for both it and Calton Heritage and Learning Centre including commentary on results of sensitivity tests and risk mitigation strategies along with an update on Thenue Housing Services by 31 August 2014;
- 30 year projections for Thenue and 5 year projections for Calton Heritage and Learning Centre consisting of income and expenditure statement, balance sheet and cash flow, including covenant requirements and calculation of the loan covenants along with the annual budget for Thenue Housing Services by 31 August 2014;
- its sensitivity analysis which looks at key risks such as, arrears levels and covenant compliance. We would also expect this to include analysis of a range of options for rent increases by 31 August 2014;
- the reports to the Boards of it and its subsidiaries in respect of the projections by 31 August 2014;
- an update on the planned development involving the Athletes' Village for the Commonwealth Games and any implications for the Business Plan by 31 August 2014; and
- the management accounts for the subsidiaries at September 2014 by November 2014.

2. We will review Thenue's Business Plans and projections and the management accounts for its subsidiaries in quarter three of 2014/15 and provide feedback.
3. 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 Return on the Charter.

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.