

Trust Housing Association Ltd

4 April 2012

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

Regulatory profile

Trust is a charitable registered social landlord (RSL) that owns and manages around 2527 houses and employs a full time equivalent of 83 office based staff and 213 care/support staff. Its turnover for the year ended 31 March 2011 was just over £17.5 million. It has one unregistered subsidiary, Trust Enterprise Ltd.

The financial returns made by Trust indicate it plans to grow through new development and plans to increase its debt in the period to 2015.

Achieving the Scottish Housing Quality Standard (SHQS) is a key area of work for Trust. It has plans to meet the standard by the end of 2015 and to achieve this it will have high planned maintenance spend and will be investing in around three quarters of its houses.

Trust's average time to re-let empty houses is poor compared to the rest of the sector and is deteriorating.

Given these issues we want to engage with Trust to stay informed about its business, including its subsidiary activities and progress with SHQS.

Our engagement with Trust – Medium

We will have medium engagement with Trust in 2012/13 to gain assurance about its overall financial capacity and viability in light of its development, SHQS investment and subsidiary activities.

1. Trust will send us:
 - its business planning information including its updated business plan; scenario planning; sensitivity analysis of its key business planning assumptions; full 30 year projections with cashflows; and covenant calculations; and
 - the business plan for its unregistered subsidiary including financial projections and sensitivities.
2. We will review Trust's progress with SHQS and in improving its re-let times when we receive its 2011/12 APSR return at the beginning of June and decide whether we need to have further assurance at that point.
3. Trust 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 Trust HA 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.