

Wheatley Housing Group Ltd

28 March 2013

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

Regulatory profile

WHG was registered as a social landlord on 31st August 2012. WHG is the parent in a new group structure which includes Glasgow Housing Association Ltd (GHA) and Cube Housing Association Ltd, both of which are also registered social landlords. The group also includes a number of unregistered subsidiaries.

WHG was established as a non asset owning parent with responsibility for the development and implementation of the overall purpose and strategic direction of the group. It will also undertake scrutiny of the financial and overall constitutional affairs of the group. WHG was registered as a non asset owning parent of a significant group which has plans to grow and we will continue to require assurances about WHG's governance and financial health. We will want to understand the future strategic direction of the group and the relationship with and between both its registered and unregistered subsidiaries.

WHG is currently exploring partnership opportunities with other RSLs as a means of growth and these RSLs will require our consent to effect the necessary constitutional changes. WHG is also considering the possibility of raising its own bond finance.

We have identified WHG as being of systemic importance because it is the parent of a significant group which includes GHA as one of its subsidiaries, which we have also identified as being of systemic importance because of its size, turnover, debt and the scale of its investment activity. It is also has plans for growth.

We have separately published regulation plans for both GHA and Cube which sets out the specific regulatory engagement we will have with these Registered Social Landlords.

Our engagement with WHG - High

WHG is a newly registered social landlord which is seeking to diversify and expand its group's activities. WHG is of systemic importance and because it is a newly registered body with plans for growth, we will have a high level of engagement with it in 2013/14.

1. WHG should send us its updated group and subsidiary business plans and its 30 year financial projections in quarter 4. This should include income and expenditure accounts, balance sheet and cash flow statements; covenant calculations and results.
2. WHG will provide us with a copy of its Group Corporate Strategy in June 2013.
3. WHG will provide us with further reports on progress with establishing and implementing its group structure and its proposals for delivering effective governance and financial management by September 2013.

4. WHG will provide us with details of its plans to raise bond finance, the timescales for this and the necessary applications for our consent by June 2013.
5. We will meet with WHG's senior staff on a quarterly basis to discuss its business and any risks to the organisation.
6. Because we consider WHG to be of systemic importance, we will also:
 - review the minutes of the governing body and audit committee meetings; and
 - meet with the Chair of the governing body in quarter 4.
7. WHG 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 WHG 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.