

Wheatley Housing Group

9 October 2012

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

Regulatory profile

Wheatley Housing Group (WHG) was registered in September 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.

As a newly registered non asset owning parent of a significant group, we will 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.

We consider GHA to be of systemic importance because of its size, turnover, debt and the scale of its investment activity. As the parent of GHA and the wider group, we therefore also consider WHG to be of systemic importance.

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 Wheatley Housing Group - High

WHG is a newly registered social landlord which is seeking to diversify and expand the group's activities. And we have identified one of its subsidiaries, GHA, as being of systemic importance. As a result, WHG is also of systemic importance and because it is a newly registered body, we will have a high level of engagement with it in 2012/13.

1. WHG will provide us with a report on its progress in establishing the Wheatley Housing Group and its plans for the implementation of this by the end of October 2012.
2. We will meet with WHG's senior staff on a quarterly basis to discuss its business and any risks to the organisation. We will also seek assurances about the Group's strategy for diversification.
3. To inform these discussions, WHG should provide us with its most up to date business plan for both the group as a whole and for Wheatley Housing Group as a registered social landlord. These will include 30 year financial projections (including cashflows) and sensitivity analysis and covenant calculations so that we can continue to be assured about its financial capacity and viability. WHG should also send us the financial forecasts (including cashflows, sensitivity analysis and covenant calculations) for its registered and unregistered subsidiaries, including Glasgow Housing Association and Cube, so that we can continue to understand the contribution they make to WHG's business. WHG should provide this information by the end of February 2013.
4. WHG will provide us with details of its proposals to seek bond finance by the end of October 2012.
5. Because we consider WHG to be of systemic importance, we will also:
 - review the minutes of the governing body and the audit committee; and
 - meet with the Chair of the governing body during the year.
6. 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 (including all SHQS costs);
 - 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, guidance 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.