

Regulation Plan

This Regulation Plan sets out the engagement we will have with Thenew Housing Association Ltd. Our *Guide to How We Regulate* explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Thenew Housing Association was established in 1979 and operates primarily in the centre and east end of Glasgow. It is an Industrial and Provident Society, has charitable status and employs around 62 staff. Thenew HA now owns around 2,600 homes and provides factoring services to nearly 600 properties. Its turnover was £9.81 million at 31st March 2008. It has one non registered subsidiary, Thenew Housing Services Ltd, that provides services and consultancy and it also runs a number of hostels and supported housing schemes.

Thenew is among the larger developers of social housing in Scotland and receives considerable amounts of the public subsidy in the form of housing association grant (HAG) to new build social housing. It is also investing in the low cost home ownership market.

Thenew has told us that it can bring most of its stock up to the Scottish Housing Quality Standard (SHQS) by 2015 but is projecting to upgrade around 50% of the stock requiring investment in the 2014/15 financial year so we need assurance that this will be delivered.

Thenew currently manages 120 units on behalf of Glasgow Housing Association (GHA) It plans to acquire these units from GHA through second stage transfer (SST). It has submitted a business plan to GHA setting out its proposal for the transfer. We will consider this plan once it has been agreed with GHA, in accordance with our published guidance on SST. Our interest in examining the proposals is to understand the impact that SST will have on Thenew's business and be assured about the financial arrangements that will allow the transfer to take place

Our engagement with Thenew Housing Association - Medium

1. We need up to date business planning information from Thenew HA to assess its overall financial capacity and viability, in light of its development and investment activity including SHQS obligations. We will need to see a comprehensive business plan, including sensitivity analysis around key assumptions, with a covering narrative. This should also include their specific SST business plan submission for the transfer of 120 properties from GHA, once the RSL's detailed proposals have been agreed with GHA.
2. We will consider the all the business planning information provided by Thenew and provide feedback on both our overall assessment of the RSL's financial capacity and viability, and specifically whether we are granting consent to GHA to proceed with the statutory consultation and tenant ballot. Assuming agreement is given, Thenew should confirm with us the subsequent timescale and progress of the transfer.
3. The RSL should continue to 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
- 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 guides to how we regulate, inspect and intervene, and other relevant statistical and performance information, can be found on our website at www.scottishhousingregulator.gov.uk.

Our lead officer for Thenew 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.