

Regulation Plan

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

Regulatory profile

Hebridean Housing Partnership (HHP) is a charitable registered social landlord (RSL) operating in the Western Isles. HHP was created as part of a whole stock transfer from Comhairle nan Eilean Siar and was registered in September 2006. It owns in the region of 2,100 houses and employs around 41 staff. It acquired 300 houses when five smaller RSLs in the area transferred to it during 2007. Its turnover for the year ended 31 March 2009 was £6.6 million.

We inspected HHP during 2008/09. We focused our inspection on the quality of service and outcomes for current and prospective tenants, together with HHP's governance and business strategy, progress towards achieving the Scottish Housing Quality Standard (SHQS) and financial management and viability.

We published our inspection report in March 2009, awarding HHP a C grade. While we found that HHP had a number of strengths, (including its levels of tenant satisfaction) it also had areas of weakness which needed to be addressed. HHP has set out how it will address these areas of weakness in an improvement plan and we will monitor progress against this. Following our inspection of HHP in 2008, we revised our level of regulatory engagement from high to medium.

Under the terms of its transfer, HHP was to receive considerable government subsidy in the form of housing association grant (HAG) to develop 275 new homes. HHP has recently concluded negotiations with the Scottish Government about grant subsidy levels for the 275 new units featuring in its plan at the time of transfer. Grant approval is likely for the remaining 39 of these units during 2010/11. We now need an up to date business plan from HHP with revised financial projections that take account of this information.

Our engagement with Hebridean Housing Partnership Ltd - Medium

1. HHP met with us in April and updated us on progress against its improvement plan and we discussed how this would be evidenced for our audit purposes. We will monitor key areas in HHP's improvement plan and will carry out an audit of this plan around June 2011.
2. HHP should send us its updated business plan and financial forecasts in at the end of June 2010 including 30 year cashflow projections so that we can be assured that HHP remains able to meet its strategic objectives including its SHQS requirements. We will meet with HHP's senior staff in August to discuss our assessment.
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. 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 HHP is: Linda Scott, Senior Regulation Manager
Address: Highlander House, 58 Waterloo Street, Glasgow, G2 7DA
Telephone: 0141 271 3766

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.