

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. 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 2008 was £6.2 million.

HHP was created as part of a whole stock transfer from Comhairle nan Eilean Siar and was registered in September 2006. 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.

Under the terms of its transfer, HHP was to receive considerable government subsidy in the form of housing association grant (HAG) to develop new homes, being amongst the top 50 developing associations in Scotland and the only significant new social housing provider in the Western Isles. HHP is currently in negotiation with the Scottish Government to identify the best solutions to the challenges presented by the proposed changes to grant levels for its new build programme, and will need to identify how it can fund these solutions within its business plan.

Following our inspection of HHP in 2008 we have revised our level of regulatory engagement from high to medium.

Our engagement with Hebridean Housing Partnership Ltd - Medium

1. We will monitor key areas in HHP's improvement plan and will carry out an audit of this plan around June 2011.
2. We expect HHP to keep us informed about the outcome from its negotiations with the Scottish Government concerning its future development programme.
3. Once these negotiations are concluded we will require an updated business plan and financial forecasts including 30 year projected cash flows so that we can be assured that HHP remains able to meet its strategic objectives including its SHQS requirements.
4. 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
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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.