

Hanover (Scotland) Housing Association Ltd

28 March 2013

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

Regulatory profile

Hanover was registered as a social landlord in 1979. It owns and manages 5,249 houses and provides factoring services to 1,170 owners across 22 local authority areas in Scotland. It has charitable status and employs around 369 people. Its turnover for the year ended 31 March 2012 was just over £27.4 million. It has four small development projects which will all deliver housing for social rent.

We have reviewed Hanover's financial returns and gained assurance about its viability. We will engage with Hanover to seek further assurance about the anticipated impact of auto enrolment given that 59.53% of its staff were not enrolled at 31 March 2012.

Hanover reported that a low proportion of its housing stock has been surveyed in the last three years. Almost one third of Hanover's homes do not currently meet the Scottish Housing Quality Standard (SHQS). It plans to carry out further survey work and anticipates meeting SHQS by 2015.

We have assessed Hanover's performance against key service quality measures. Hanover's reported performance for the average time to complete non emergency repairs, average time to re-let empty houses and percentage of emergency repairs on time is poor and deteriorating for all three indicators.

Our engagement with Hanover -Medium

We will have medium engagement with Hanover during 2013/14 to gain further assurance about progress with SHQS and service quality.

1. Hanover will:
 - send us, in quarter three, 30 year financial projections including an income and expenditure account, balance sheet, cashflow, sensitivities, covenant calculations and results;
 - an update on the anticipated impact of auto enrolment and the outcomes of further SHQS survey work in quarter three; and
 - provide an update in quarter three on progress with SHQS survey work and the compliance rate achieved in its homes.

2. We will:
 - review Hanover's performance for service quality when we receive the APSR in June 2013. Depending on performance we may ask for further information to get assurance about progress; and
 - meet senior staff in quarter three to provide feedback on financial and other information we receive and discuss progress with SHQS.

3. Hanover 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 Hanover 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.