

Hebridean Housing Partnership Ltd

Regulatory Status:

We have not included a regulatory status in this box. After we receive the first annual Assurance Statements in October 2019 from all landlords and complete our annual risk assessment we will give Registered Social Landlords (RSLs) a regulatory status in line with our Regulatory Framework.

Why we are engaging with Hebridean Housing Partnership Ltd (HHP)

We are engaging with HHP because it is a **systemically important** landlord and about its **development** plans.

We refer to a small number of RSLs as systemically important because of their stock size, turnover or level of debt or because of their significance within their area of operation. We need to maintain a comprehensive understanding of how their business models operate, and how they manage the risks they face and the impact these may have. So we seek some additional assurance through our engagement plans. Given HHP's geographic importance we consider it to be systemically important.

HHP has an on-going development programme of new affordable homes. It has considerably increased its plans for social rent and low cost home ownership and receives significant public subsidy to help achieve this.

What HHP must do

HHP will:

- send us by 30 April 2019:
 - its refreshed business strategy and the report to the Board including an updated risk register;
 - 30 year financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
 - a comparison of projected financial loan covenants against current covenant requirements;
 - financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resulting covenant calculations with the actual current covenant requirements;
 - the report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance; and
 - evidence of how it demonstrates affordability for its tenants.
- send us copies of its Board and audit committee minutes as they become available; and

- send us an update on its development programme by 31 October 2019. This will include details of the scale and tenure mix, timescales for delivery and any material delays or changes to the programme.

What we will do

We will:

- review the minutes of the Board and audit committee meetings and liaise with HHP as necessary;
- review the business strategy and financial projections;
- meet with HHP's senior staff and Chair in quarter two of 2019/20 to discuss the business strategy, the financial information and any risks to the organisation;
- review HHP's service quality performance for improvement with a particular focus on the following areas when it submits its next Annual Return on the Charter:
 - tenants who feel the landlord is good at keeping them informed about services and decisions;
 - tenants who feel the rent for their property represents good value for money;
 - hours to complete emergency repairs;
 - anti-social behaviour cases resolved within local targets;
 - tenancy sustainment; and
 - factored owners satisfaction with the factoring service;
- review the development update and liaise as appropriate; and
- review HHP's stock condition survey plans when we review the performance of all landlords as part of our annual risk assessment. HHP has surveyed 20% of its homes for SHQS compliance in the last five years and plans to survey a further 20% in March 2022.

Regulatory returns

HHP must provide us with the following annual regulatory returns and alert us to notifiable events as appropriate:

- Annual Assurance Statement;
- audited financial statements and external auditor's management letter;
- loan portfolio return;
- five year financial projections;
- Annual Return on the Charter; and
- the return on the Energy Efficiency Standard for Social Housing.



[Read more about Hebridean Housing Partnership Ltd >](#)



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