

## Hillhead Housing Association 2000

### 31 March 2016

This Regulation Plan sets out the engagement we will have with Hillhead Housing Association 2000 (Hillhead) during the financial year 2016/17. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

### Regulatory profile

Hillhead was registered as a social landlord (RSL) in 2004. It owns and manages 806 homes in East Dunbartonshire. It is a charitable organisation and employs 18 people. Its turnover for the year ended 31 March 2015 was just over £3.4 million.

In line with its long term business plan, Hillhead continues to project increasing levels of debt and net liabilities in the short term. We reviewed Hillhead's financial returns during 2015/16 and will continue to engage with Hillhead to get assurance about its on-going financial health.

Hillhead will shortly complete a small number of homes for social rent and has received public subsidy to help fund this project. Hillhead also has plans for two new housing developments.

### **Our engagement with Hillhead Housing Association 2000 – Medium**

We will have medium engagement with Hillhead to gain further assurance about its financial planning and on-going financial health and its development plans,.

1. Hillhead will send us by 30 September 2016:
  - its approved business plan including commentary on the results of its sensitivity analysis and risk mitigation strategies;
  - 30 year financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flows, including a comparison of projected loan covenants against covenant requirements;
  - sensitivity analysis which considers the key risks including covenant compliance;
  - its reports to the Board in respect of the 30 year projections and sensitivity analysis; and
  - evidence of how it demonstrates affordability for its tenants.
2. Hillhead will send us an update on its development projects, including funding plans, timescales, completions and any material delay or changes, by 30 September 2016.
3. We will give feedback on the business plan and financial projections by November 2016.

4. Hillhead 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 financial statements and external auditor's management letter;
  - loan portfolio return;
  - five year financial projections; and
  - Annual Return on the Charter.

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](http://www.scottishhousingregulator.gov.uk).

Our lead officer for Hillhead Housing Association 2000 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.