

Home in Scotland 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 Home in Scotland Ltd (Home in Scotland)

We are engaging with Home in Scotland because it is **systemically important** 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 Home in Scotland's size, turnover and level of debt we consider it to be systemically important.

Home in Scotland is one of the largest developers of new affordable housing in Scotland and receives significant public subsidy to help achieve this. Home plans to continue to grow through a considerable programme of new homes for social and mid-market rent and low cost home ownership. As a result, the number of affordable homes provided by Home will increase by a quarter over the next five years.

What Home in Scotland must do

Home in Scotland must:

- send us by 30 June 2019:
 - its approved business plan, including its asset management strategy and 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 and compares the resulting covenants with the actual current covenant requirements; risk mitigation strategies for each of the key risks considered should also be provided;
 - the report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance; and
 - updated evidence of how it demonstrates affordability for its tenants;

- provide copies of its Board and audit committee minutes as they become available;
- tell us if there are any material adverse changes to its development plans which might affect its financial position or reputation, in line with our notifiable events guidance; and
- send us an update on its development programme by 31 October. This will include details of the units and tenure types to be delivered, timescales, completions and any material changes or delays to the programme.

What we will do

We will:

- review the minutes of the Board and audit committee meetings and liaise as necessary;
- meet with Home in Scotland's senior staff and Chair in quarter three of 2019/20 to discuss the business plan, the financial information and any risks to the organisation;
- review Home in Scotland's asset management strategy and discuss this with Home in Scotland when we meet; and
- review Home in Scotland's development update in quarter three of 2019/20 and may contact Home in Scotland after that about its plans.

Regulatory returns

Home in Scotland 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 Home in Scotland Ltd >](#)

Our lead officer for Home in Scotland Ltd is:

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