



REF: 012/17

## Swan Housing Association Response to HCA Regulatory Judgement

Swan Housing Association has ambitious plans to complete a secured development pipeline of 3,500 homes, across all tenures. We are at the forefront in terms of delivering the Government's ambition of delivering around a quarter of a million new homes each year. Our social purpose, creating more homes and services, underpins our ambitious new corporate strategy which we will launch on 1 April 2017.

We have received confirmation from our Regulator, the Homes and Communities Agency, that Swan has retained its G1 Governance Rating and that its Viability Rating has been changed to V2.

The regulator has not asked Swan to take action to address the V2 rating. The regulator has made it clear to us that the V2 rating reflects Swan's decision to develop more within an acceptable capacity, rather than any lack of confidence in the governance and controls in place.

Swan is confident that we have the right governance and financial strength in place to deliver both our ambitious development programme and our social purpose, whilst making a significant contribution to the challenge laid down by the Government around the delivery of new homes. The regulator is content for us to have a G1/ V2 status and we are confident that we can continue to develop more within an acceptable capacity.

### **Valerie Owen, OBE, Chair of Swan Board said:**

*"As a Board we are pleased that the Regulator has "assurance that Swan's governance arrangements enable it to adequately control the organisation and to continue meeting its objectives". We are reassured that our Regulator does not wish us to take any steps to address the V2 rating and we are comfortable that this rating was given because we are stretching our assets in a measured and responsible way to meet housing need.*

*We remain committed to delivering our social purpose, whilst ensuring that Swan retains appropriate Governance and Viability ratings. As Julian Ashby, Chair of the Regulation Committee at the Homes and Communities Agency emphasised at the Social Housing Finance Conference in 2015 "a V2 judgement is a compliant judgement".*

**John Synnuck, Swan's Chief Executive said:**

*“ For over a quarter of a century Swan has been delivering high-quality new homes to people who need them and we now own or manage over 11,000 homes. We are passionate about our social purpose; that is delivering homes and services to meet housing need. We want to make the best use of our assets to ensure that we can continue to provide new homes of a range of tenures and believe it is our duty to both maintain services for our existing tenants and to step up and make a significant contribution to meeting the government's target for new homes”.*

**Geoff Pearce, Swan's Executive Director of Regeneration and Development said:**

*“We are confident that our outstanding development programme will continue to make a significant impact on meeting housing need, whilst also being delivered in a way which manages risk. We are already able to use our in house contractor, NU living, to deliver our projects in a cost effective way. We build in phases to manage our exposure, have a great track record of selling off-plan and have secured a range of finance to ensure that we can meet our commitments.*

*We work closely with our Local Authority, Borough and funding partners including the Homes and Communities Agency and the Mayor of London and are delivering regeneration that is transforming communities across East London and Essex. We remain ready, willing and able to deliver”.*

**-ENDS-**