

Cairn Housing Association 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 Cairn Housing Association Ltd (Cairn)

We are engaging with Cairn about its **subsidiary, ANCHO**; its **development** plans; and about its **partnership proposals with Pentland Housing Association (Pentland)**.

Following an open tender exercise where potential partner housing associations were invited to submit proposals, Pentland has concluded that it is in the best interests of its tenants and other customers to transfer to Cairn. Pentland's tenants and other customers will be consulted on the development of the detail of the proposed transfer. The proposal will then be the subject of a formal ballot of Pentland's tenants.

During 2018/19 ANCHO joined Cairn in a constitutional partnership to form Cairn Housing Group. A number of promises were made to ANCHO tenants as part of the constitutional partnership process. We will monitor the delivery of these commitments by Cairn during 2019/20. As part of the Group Integration Plan, ANCHO will work with Cairn to complete the agreed actions in the previous governance improvement plan. Cairn and ANCHO will also complete a comprehensive governance review within three years of the partnership (November 2018). ANCHO's auditors also identified a number of control issues which we will review following receipt of the auditors' report for 2018/19.

Cairn developed a small number of new affordable homes and received public subsidy to help achieve this. Cairn has plans to continue to grow through a considerable programme of new homes for social and mid-market and market rent. As a result, the number of affordable homes provided by Cairn will increase by 17% over the next five years.

What Cairn must do

Cairn must:

- liaise with us as it develops the proposals for the transfer of engagements from Pentland and tell us about the impact of the proposal, if any, on Cairn's tenants;
- send us an update on ANCHO's governance improvements and keep us updated about the Group Integration Plan;
- complete with ANCHO a governance review of the Cairn Housing Group; and

- send us the auditors' report for 2018/19 when this is 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 scale and tenure mix, timescales for delivery and any material delays or changes to the programme.

What we will do

We will:

- liaise as necessary about the proposed transfer of engagements from Pentland;
- discuss with Cairn its progress in monitoring and delivering the promises to ANCHO's tenants;
- consider progress on ANCHO's governance improvements;
- review the auditors' report for 2018/19 and liaise as necessary; and
- review the development update in quarter three and we may contact Cairn after that about its development plans.

Regulatory returns

Cairn 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 Cairn](#)>

You can also access information about Cairn's registered subsidiary from this link.

Our lead officer for Cairn Housing Association Ltd is:

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