

## Sanctuary Scotland Housing Association Ltd

### Regulatory Status:

**We have not included a regulatory status in this box. As a result of the impact of Coronavirus (COVID-19), we postponed the publication of updated engagement plans scheduled for 31 March 2020 for all landlords other than the most critical cases. We propose to publish a regulatory status and updated engagement plans for all RSLs by the end of March 2021.**

### Why are we engaging with Sanctuary Scotland

We are engaging with Sanctuary Scotland because it is a **systemically important** landlord.

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 each year through our engagement plans. Given Sanctuary Scotland's size, turnover and level of debt we consider it to be systemically important.

In January 2020 Sanctuary Scotland submitted a proposal to Thistle Housing Association (Thistle) for a transfer of Thistle's homes to Sanctuary Scotland. Thistle decided to progress plans for a transfer to Sanctuary Scotland and subsequently asked that we direct the transfer of its assets to Sanctuary Scotland under section 67 of the Housing (Scotland) Act 2010. We have concluded that the requirements of section 67 are met in Thistle's case. We have therefore used our statutory powers under section 67 to direct Thistle to transfer all of its assets to Sanctuary Scotland by 1 March 2021. Thistle and Sanctuary Scotland will now progress the implementation of the direction and the transfer of all of Thistle's assets to Sanctuary Scotland.

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

### What Sanctuary Scotland must do

Sanctuary Scotland must:

- provide us with updates as required on the progress with our direction to Thistle to transfer its assets to Sanctuary Scotland;
- provide us with quarterly updates on progress with the commitments Sanctuary Scotland has given to Thistle's tenants and service users;
- provide us with copies of its Board and audit committee minutes as they become available; and
- 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.

## What we will do

We will:

- liaise/engage as necessary on the directed transfer of Thistle's homes, the integration of Thistle and the subsequent progress with the delivery of the commitments to tenants and other service users;
- review the minutes of the Board and audit committee meetings and liaise as necessary; and
- update our published engagement plan in light of any material change to our planned engagement with Sanctuary Scotland.

## Regulatory returns

Sanctuary 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; and
- Annual Return on the Charter.



[Read more about Sanctuary Scotland>](#)

### Our lead officer for Sanctuary Housing Association Ltd is:

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