

Sanctuary (Scotland) Housing Association Ltd

4 April 2012

This Regulation Plan sets out the engagement we will have with Sanctuary (Scotland) Housing Association Ltd (Sanctuary Scotland) during the financial year 2012/2013. Our regulatory framework explains more about our assessments and the purpose of this Regulation Plan.

Regulatory profile

Sanctuary Scotland became a registered social landlord (RSL) in 1998. It is a charitable subsidiary of the English registered social landlord, Sanctuary Housing Association. All of Sanctuary Scotland's staff are employed by the parent RSL, which also provides all services to it.

Sanctuary Scotland operates across nine different local authority areas but the majority of its stock is in Glasgow and in Dundee. It currently owns and manages around 2,575 housing units and provides a factoring service to approximately 483 houses. It has grown through new build development and stock transfers and has undertaken substantial regeneration work in the areas where stock was transferred to it. Its turnover to the year ending 31 March 2011 was over £10.8m million. It has one non registered subsidiary, Access Apna Ghar Housing Association Ltd.

Sanctuary Scotland is a large developer of new affordable housing in Scotland and has received significant public subsidy. It will receive further funding this year for the large development projects it has underway and planned including a large demolition and new build programme at Anderston in Glasgow to provide over 400 homes for affordable housing and shared equity and a joint development programme with Cumbernauld Housing Partnership (CHP) in North Lanarkshire (CHP is also part of the Sanctuary Group).

Sanctuary Scotland's performance in relation to lets to homeless people is in the bottom quartile.

Our engagement with Sanctuary Scotland – Medium

In light of its significant development, investment and group activities we will continue to have a medium level of engagement with Sanctuary Scotland

1. Sanctuary Scotland will send us a full set of 30 year financial projections including cashflows, sensitivity analysis and covenant calculations in quarter one of 2012/13.
2. We will meet Sanctuary Scotland during quarter two once we have reviewed this information.
3. We will review Sanctuary Scotland's progress in increasing homelessness allocations performance when we receive its 2011/12 APSR return at the beginning of June.
4. Sanctuary Scotland 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 annual accounts and external auditor's management letter;
 - loan portfolio return;
 - five year financial projections; and
 - annual performance and statistical return.

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.

Our lead officer for Sanctuary Scotland 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.