

Sanctuary (Scotland) Housing Association Ltd

28 March 2013

This Regulation Plan sets out the engagement we will have with Sanctuary (Scotland) Housing Association Ltd (Sanctuary Scotland) during the financial year 2013/2014. 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 2,550 homes and provides a factoring service to approximately 488 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 2012 was £9.5 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 plans to continue to grow through its development activities including housing for social rent and low cost home ownership. It has a joint development programme with Cumbernauld Housing Partnership (CHP) in North Lanarkshire and is supporting the delivery of Tenants First's Donside project (CHP and Tenants First are also part of the Sanctuary Group).

We have reviewed Sanctuary Scotland's financial returns and need to engage with it to get an update on its business plan including financial projections and its plans to manage the welfare reform changes including the impact on income, costs and assumptions for arrears and bad debts.

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. By 30 June 2013 Sanctuary Scotland will send us:
 - its latest business plan and full 30 year projections, consisting of income and expenditure statement, balance sheet and cashflows, plus sensitivity analysis and covenant calculations and results; and
 - its plans to manage welfare reform including the impact on income, costs and assumptions for arrears and bad debts.

2. We will meet Sanctuary Scotland during quarter two of 2013/14 once we have reviewed this information.
3. 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 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.