

DECISION

Committee:

**Board of Management of Sanctuary
Scotland Housing Association Limited**



Date:

15/06/2021

Agenda Item:

15

Report from:

Head of Financial Reporting

Title: Loan Portfolio Return 2020/2021

Executive Summary: The purpose of this report is to approve the loan portfolio return for the 2020/2021 financial year.

1. Introduction

1.1 This report seeks approval of the annual loan portfolio return for Sanctuary Scotland Housing Association Limited (Sanctuary Scotland Housing Association).

2. Strategic context

2.1 The Scottish Housing Regulator (the SHR) requires the annual submission of this return, which gives details of active loans as at the end of the financial year. The SHR uses this information to inform their view about the risks and future financial viability of each registered provider. This information also feeds into the annual regulatory assessment which determines the level and type of engagement the SHR has with Sanctuary Scotland Housing Association.

3. Analysis

3.1 The SHR requires the return to be approved by the Board of Management and signed by the Chairperson and Director - Sanctuary Scotland. The required return date is normally 30 June; however, this year the SHR has extended the deadline to 31 August. That said,

forms will be submitted online to the SHR as soon as approved by the Board of Management.

- 3.2 The form reflects the loan portfolio as it stood at 31 March 2021, reflecting the cash position of the loans, net of premiums and actual interest rates agreed with lenders, rather than the International Financial Reporting Standards (IFRS) accounting treatment for loans, as requested by the SHR.

4. Appraisal

4.1 Risk management

- 4.1.1 RM 4 Governance; Board of Management approval is required before the return is submitted to the SHR.

- 4.1.2 RM 8 Legislative / Regulatory/political; the loan portfolio return is a requirement of the SHR.

4.2 Value for Money

- 4.2.1 The SHR uses the loan portfolio return to help inform their view about the risks and future financial viability of Sanctuary Scotland Housing Association.

4.3 Corporate Strategy

- 4.3.1 Advance - The return feeds into the annual regulatory assessment which determines the level and type of engagement the SHR has with Sanctuary Scotland Housing Association.

4.4 Customer and/or Employee considerations

- 4.4.1 There is no direct impact on customers or employees from this report.

5. Recommendation

- 5.1 The Board of Management is asked to approve the loan portfolio return.