

**To all tenants and factored owners of
Thistle Housing Association Ltd**

12th November 2020

Dear Tenant / Factored Owner

Proposed transfer of Thistle Housing Association to Sanctuary Scotland Housing Association

I am writing to you about a proposal to transfer all of Thistle Housing Association's (Thistle) assets to Sanctuary Scotland Housing Association (Sanctuary Scotland).

Thistle recently wrote to you about this on 6th November 2020 and explained that Thistle's management committee is concerned that there may be a significant delay to the voluntary transfer. As a result, Thistle's management committee has asked the Scottish Housing Regulator (SHR) to consider using our statutory powers under section 67 of the Housing (Scotland) Act 2010 (the 2010 Act) to direct the transfer of all of Thistle's assets to Sanctuary Scotland.

Thistle's letter to you can be found [here](#). A copy of this letter can be provided if that would be helpful.

Before making a direction to Thistle to transfer all of its assets, SHR is required by law to consider the situation fully, including whether there has been mismanagement in Thistle's affairs, whether Thistle can provide housing services to an acceptable standard and whether the viability of Thistle is in jeopardy. SHR must also consider whether the transfer of some or all of Thistle's assets to Sanctuary Scotland would improve the management of Thistle's assets.

You may be aware that SHR has been engaging with Thistle for a considerable period of time. SHR's latest Engagement Plan for Thistle summarises our concerns and sets out the action Thistle is taking to provide assurance to us that it is addressing our concerns. The Engagement Plan can be found on SHR's website (www.housingregulator.gov.scot). A copy of the Plan can be provided if that would be helpful.

As a result of our engagement with Thistle about the major works contract, we had serious concerns about how Thistle was being managed. So we appointed a statutory manager and a number of appointees to Thistle's management committee. The appointees have provided effective leadership and supported Thistle to find a sustainable solution to its serious governance and management weaknesses.

Under section 67 of the 2010 Act, SHR can direct a transfer if, having made inquiries, we consider that certain conditions are met. After making inquiries SHR considers that:

- there has been mismanagement in Thistle's affairs;
- the viability of Thistle is in jeopardy for governance reasons;
- Thistle cannot provide housing services to an acceptable standard; and
- the transfer of all of Thistle's assets to Sanctuary Scotland will improve their management.

SHR is also mindful of the considerable length of time it has taken to identify a sustainable solution to Thistle's problems via the planned transfer to Sanctuary Scotland. We are of the view that any further delay is not in the best interests of Thistle's tenants.

SHR is required by section 67 of the 2010 Act to consult with tenants before making a direction to Thistle to transfer its assets to Sanctuary Scotland. SHR must consider tenants' views in our decision-making. The consultation process must be carried out in accordance with SHR's 'Statutory Guidance on Consultation where the Regulator is directing a transfer of assets'. A copy of this guidance can be found on our website (www.housingregulator.gov.scot) or can be provided.

We are aware that many tenants and factored owners have already been involved in consultation about the voluntary transfer of Thistle to Sanctuary Scotland. This consultation continued until the transfer ballot on 2nd November when the majority of tenants voted 'yes' to the transfer. Whilst we appreciate there was a large turnout in the ballot, and a majority yes vote, this does not remove the legal requirement upon SHR to consult on the proposal to direct a transfer.

You may be familiar with Tenants Information Service (TIS), the current Independent Tenant Adviser (ITA) for Thistle. SHR has appointed TIS to act as ITA for the consultation and to provide free, independent advice about what a directed transfer would mean for Thistle's tenants. We have decided to include Thistle's factored owners in the consultation process and TIS will provide the same service to factored owners. TIS will be in touch with you shortly to start the consultation process.

SHR will make a decision about directing a transfer of Thistle's assets once your views have been gathered and the Board of SHR has considered them. The Board will also separately take account of tenants' and factored owners' views expressed in the consultation processes leading up to the tenant ballot, and will have regard to the views of tenants expressed in the ballot. We would greatly appreciate it if you would let us know your views about the proposal that SHR makes a direction that Thistle's assets are transferred to Sanctuary Scotland.

The Board will also consider other views, including from Thistle's management committee, Thistle's lenders and investors, and Sanctuary Scotland, as well as other relevant information about Thistle.

SHR's statutory objective is to safeguard and promote the interests of tenants and those receiving a housing service from a social landlord. To all Thistle tenants, please be assured that all of SHR's actions are driven by this objective and we will make sure that your rights as a tenant are protected.

We appreciate that you may have questions about the directed transfer and as explained above, TIS will contact you soon. Meanwhile, we have attached a list of questions and answers which we hope you find useful.

Yours sincerely



Ian Brennan
Director of Regulation

Questions and Answers

I am a tenant - will I keep my home and my tenancy?

Yes. The proposed transfer does not affect your home or tenancy. If the proposal to direct the transfer of Thistle's assets proceeds your new landlord will be Sanctuary Scotland.

Why has SHR decided to consult tenants about a transfer of Thistle to Sanctuary Scotland? Tenants and residents have already given their views about a transfer, why does there need to be more consultation?

Thistle's management committee has asked SHR to consider using our statutory powers to direct the transfer of all of Thistle's assets to Sanctuary Scotland. SHR can do this under section 67 of the 2010 Act.

We are aware that there has already been significant consultation and that further consultation may be frustrating for tenants and residents who have already given their views. The majority of tenants have also voted in a ballot. However, SHR is required by the 2010 Act to consult with tenants before making a direction to Thistle to transfer its assets to Sanctuary Scotland. SHR must consider tenants' views in our decision-making process.

SHR only needs to consult tenants. Why has the consultation been extended to include factored owners?

The 2010 Act and our Guidance only require SHR to consult with tenants. However, the proposed transfer to Sanctuary Scotland will directly affect factored owners. We have therefore decided in this case that all factored owners should be given the opportunity to express their views.

What will happen to the transfer commitments made by Sanctuary Scotland under the voluntary transfer?

Sanctuary Scotland has confirmed that they remain committed to delivering the transfer and that includes through a direction to transfer Thistle's assets. Sanctuary Scotland has also confirmed that they will deliver all they have committed to in the voluntary transfer business case, as set out in the Stage 1 consultation.

How soon will the transfer happen?

The direction to transfer Thistle's assets is still just a proposal. Nothing will happen until after you have been consulted and our Board has considered your views. If the transfer proceeds, it is likely to happen early next year.

Why is SHR not conducting the consultation itself?

SHR has decided to appoint an organisation with good experience of consulting tenants to ensure that the consultation is run in the best way possible. We want to ensure that tenants and factored owners obtain the information they need and are able to express their views freely.

Why has SHR appointed TIS?

TIS are Thistle's current Independent Tenant Adviser and therefore already aware of the current situation at Thistle, the plans for the transfer of Thistle to Sanctuary Scotland and tenants' and factored owners' views on the proposed transfer. Tenants and owners are also already familiar with TIS.

TIS are the only ITA with experience of carrying out consultation about a directed transfer.

What if I don't want to be consulted?

It is important that tenants and factored owners understand why SHR is considering directing a transfer of Thistle to Sanctuary Scotland and the implications of this. While we would like to hear from as many tenants and factored owners as possible, we respect that there may be those who would prefer not to be involved.



How will TIS know how to get in touch with me?

Thistle will provide TIS with your name, address and details of whether you are a tenant or factored owner. This is the only information that will be passed to TIS.

How will my details be kept secure?

Thistle and TIS will be the Data Controllers of your personal data, as defined by the Data Protection Act 2018. They are responsible for ensuring that personal data will be kept secure and processed only for matters relating to the consultation. Thistle and TIS provide more information regarding storage and processing of your data within their privacy policies. A copy of the privacy policies can be provided if that would be helpful.

What will TIS do with my data at the end of the consultation process?

SHR's contract with TIS requires that they destroy your personal data when the consultation period is over. TIS has agreed to do this in line with their privacy policy and we will check that they have done so.

How do I get a copy of the documents referred to in the letter?

TIS will contact you soon and will be able to provide you with more information including copies of the documents referred to if that would be helpful.

