

Ark Housing Association Ltd

Regulatory Status: Compliant

Why we are engaging with Ark Housing Association Ltd (Ark)

We are engaging with Ark about its **financial management** and **service quality**.

Ark has told us it has plans to develop new homes for social rent and needs to obtain new private finance during 2022/23 to support this.

To assess the risk to social landlord services we have reviewed and compared the 2020/21 service quality performance of all social landlords to identify the weakest performing landlords. For our review we excluded the indicators where COVID-19 had the most significant impact on services. We will engage with Ark about tenant satisfaction and complaints.

What Ark must do

Ark must:

- send us by 30 April 2022:
 - an update on the borrowing requirement for 2022/23;
 - its latest projected monthly cash flows for the 12 months to 31 March 2023;
- send us by 30 June 2022:
 - its approved business plan and updated risk register;
 - 30 year financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
 - a comparison of projected financial loan covenants against current covenant requirements;
 - financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resulting covenant calculations with the actual current covenant requirements;
 - the report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance; and
 - evidence of how it demonstrates affordability for its tenants;
- provide us with the information we require about its service quality.

What we will do

We will:

- review the cash flow projections and liaise with Ark as necessary;
- review the business plan and financial projections;
- meet with Ark's senior staff to discuss the business plan, the financial information and any risks to the organisation;
- engage with Ark about the information it provides about its service quality; and

- update our published engagement plan in light of any material change to our planned engagement with Ark.

Regulatory returns

Ark 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.

It should also notify us of any material changes to its Annual Assurance Statement, and any tenant and resident safety matter which has been reported to or is being investigated by the Health and Safety Executive or reports from regulatory or statutory authorities or insurance providers, relating to safety concerns.

Our lead officer for Ark Housing Association Ltd is:

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