

Milnbank Housing Association Ltd

Regulatory Status: Compliant (Under Review)

We have identified information that means we are reviewing the regulatory status for Milnbank Housing Association Ltd (Milnbank). We will update the regulatory status as soon as this review is complete.

Why we are engaging with Milnbank

We are engaging with Milnbank about its **governance** and **financial management**.

COVID-19 has significantly impacted the services provided by social landlords in 2020 and will continue to influence how services are provided in 2021. We will continue to monitor, assess and report upon how each landlord is responding and we will keep our regulatory engagement under review so that we can continue to respond to the challenges of COVID-19.

Since 2017, we have been engaging with Milnbank regarding its governance and financial management. Milnbank has undertaken a range of actions including carrying out a review of compliance with Regulatory Standards and putting in place a Governance and Financial Management Review Action Plan (Action Plan). Milnbank has kept us up to date with progress in addressing the matters identified in its Action Plan and has advised us that all actions have now been completed.

Following the development of Milnbank's Business Plan we are engaging with it to gain assurance about its approach to financial planning and asset management. We have set out the assurances we need from Milnbank and are currently considering its response.

We are also seeking assurance from Milnbank regarding its compliance with regulatory guidance on Notifiable Events and its handling of specific payments and benefits issues. We have written to Milnbank to set out the assurances we require.

Milnbank has told us that 9 out of 15 of its governing body members have served for more than nine years. The Regulatory Standards of Governance and Financial Management (the Regulatory Standards) require landlords to formally and actively plan to ensure orderly succession of governing body places to ensure the sustainability of the governing body. Milnbank has developed a management committee Succession Planning Strategy to address regulatory requirements.

What Milnbank must do

In order to allow us to complete our review of its regulatory status Milnbank must:

- provide us with assurance about its approach to financial planning and asset management; and

- provide us with assurance about its compliance with regulatory guidance on Notifiable Events and its handling of payments and benefits issues.

Milnbank must also:

- provide us with updates on the implementation of its Succession Planning Strategy relating to management committee members when requested;
- send us by 30 September 2021:
 - 30 year financial projections that reflect the impact of the new asset management strategy, 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; and
 - the report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance.

What we will do

We will:

- consider Milnbank's response to the issues we have raised regarding its financial planning and asset management;
- consider Milnbank's responses to the issues we have raised regarding its compliance with regulatory guidance on Notifiable Events and its handling of payments and benefits issues;
- review the information Milnbank provides regarding implementation of its management committee Succession Planning Strategy and engage as necessary;
- review and provide feedback on the financial projections; and
- update Milnbank's regulatory status when we have completed our inquiries.

Regulatory returns

Milnbank 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.



[Read more about Milbank >](#)

Our lead officer for Milnbank Housing Association Ltd is:

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