



Homes &
Communities
Agency

The Social Housing Regulator

HCA Regulatory Judgement on Housing Hartlepool – L4414

February 2014

Archived

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The provider

Housing Hartlepool was established in 2004 to receive a whole stock transfer from Hartlepool Borough Council. It owns and manages approximately 7,100 homes predominantly located in Hartlepool. It also has small stock concentrations in County Durham, Darlington, Stockton-on-Tees and Sunderland.

In December 2010 Housing Hartlepool became a member of the Vela Housing Group (Vela). Vela is an unregistered parent company which provides strategic direction and a range of central services to both Housing Hartlepool and Tristar Homes Limited, another registered provider.

Housing Hartlepool's primary focus is the management, maintenance and development of affordable rented housing. It is currently working on finalising a merger with the Fabrick Housing Group.

Housing Hartlepool is a member of the Spirit Partnership which is a Homes and Communities Agency development partner. Housing Hartlepool expects to deliver 134 new affordable homes as part of the 2011-15 Affordable Homes Programme. It employs around 212 full time equivalent employees and its turnover was £33m in 2012/13.

Regulatory Ratings*

- **Properly Governed: G2**

The provider meets the requirements on governance set out in the Governance and Financial Viability Standard, but needs to improve some aspects of its governance arrangements to support continued compliance.

- **Viable: V1**

The provider meets the requirements on viability set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively.

*The regulator's assessment on compliance with the Governance & Financial Viability Standard is expressed in gradings from G1 to G4 for governance and V1 to V4 for viability. For both viability and governance the first two grades indicate compliance with the standard. A G3 or V3 assessment indicates a level of concern with the organisation's performance that is likely to be reflected in intensive regulatory engagement. A G4 or V4 judgement indicates a failure of governance or viability to the extent that the regulator is using its statutory powers.

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Regulatory Judgement

This regulatory judgement downgrades our previous published assessment of Housing Hartlepool's governance.

Based on evidence gained from contact with the board and executive, a review of board papers and other published documentation, the regulator has concluded that Housing Hartlepool's governance arrangements are adequate but that it needs to improve some aspects of governance to maintain compliance.

The Value for Money standard sets a specific expectation that providers' self-assessments should enable stakeholders to understand the return on assets measured against the organisation's objectives; set out the absolute and comparative costs of delivering specific services; and evidence the value for money gains that have and will be made and how these have and will be realised over time.

Housing Hartlepool did not publish a transparent, accessible and robust self-assessment on value for money within a reasonable timescale. It is important that registered providers act in an open and transparent way, as required by the regulatory standards, and that public reporting enables stakeholders to be properly informed. Following contact from the regulator, Housing Hartlepool was able to publish a transparent self-assessment within a short timescale. This demonstrated that work to self-assess on value for money had already been undertaken. However, the failure to publish earlier has demonstrated that controls on regulatory compliance were not adequate in this instance. The regulator is seeking further assurance that controls around meeting wider core regulatory requirements are fit for purpose.

The regulator's assessment of Housing Hartlepool's compliance with the financial viability element of the governance and financial viability standard is unchanged. Based on evidence gained from contact with the executive and a review of the latest financial forecasts, annual accounts and the quarterly survey the regulator has assurance that the financial plans are consistent with, and support, the financial strategy of the provider. The provider has an adequately funded business plan, sufficient security in place and is forecast to continue to meet its financial covenants under a range of scenarios.