



Homes &
Communities
Agency

The Social Housing Regulator

June 2017

HCA Regulatory Judgement on Curo Group (Albion) Limited - LH4336

Including the following registered entity:

Curo Places Limited – LH4209

Publication Details

Reason for publication

Governance upgrade

Regulatory process

In Depth Assessment

Please see the definitions in Annex 1 for more detail

Governance

G1 (Compliant)

The provider meets our governance requirements.

Viability

V1 (Compliant)

The provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.

Key to grades

G1 / V1 Compliant

G2 / V2 Compliant

G3 / V3 Non-compliant and intensive regulatory engagement.

G4 / V4 Non-compliant, serious failures leading to either intensive regulatory engagement or the use of enforcement powers.

Provider Details

Origins

Curo Group (Albion) Limited is a non-charitable, non-asset holding registered parent company of a group which includes four legal entities.

Registered Entities

Curo has one registered subsidiary, Curo Places Limited, a charitable Co-operative and Community Benefit Society that was set up in 1999 following the transfer of housing stock from Bath and North East Somerset Council.

Unregistered Entities

The group's other active subsidiaries are Curo Choice Limited, which carries out care and support functions, Curo Enterprise Limited, which was established in 2012 and carries out commercial activities including the development of housing for sale and Curo Market Rented Services Limited which manages the group's market rented homes.

Geographic Spread and Scale

Curo owns approximately 13,000 homes and operates in the cities of Bath and Bristol and the surrounding area. Its stock comprises predominantly general needs units but it also has 1,800 sheltered homes and 160 supported housing units including 90 care units.

Staffing and Turnover

The group had a turnover of £97.9m in the year to 31 March 2017 and employed 438 full-time equivalent staff in that year.

Development

As at 31 March 2017 Curo had a development programme of 1,581 properties over the course of the next five years of which 50% were for rent (social and Affordable), 34% for market sale and the remainder for low cost home ownership and market rent.

Regulatory Judgement

This judgement upgrades the regulator's previous assessment of Curo's governance published in November 2016.

This upgrade is based on evidence gained from an In Depth Assessment which has given the regulator assurance that Curo is now meeting the requirements on governance set out in the Governance and Financial Viability Standard.

Curo's governance judgement was downgraded to G2 in May 2016 due to a lack of assurance around the effectiveness of its governance arrangements. Curo responded positively and had already commissioned external consultants to review its arrangements and agreed recommendations to strengthen regulatory compliance. The regulator now has assurance that improvements have been implemented and that, as a result, the board is providing effective control and leadership of the business. Curo has changed its governance structure and renewed its membership. This has included the appointment of a new chair. Board members' skills and experience are now aligned to the activities and risks of the organisation. The roles and responsibilities of the board, its committees and the executive are clearly defined. Through the IDA we have seen evidence of these governance arrangements and relationships operating effectively.

The regulator's assessment of Curo's compliance with the financial viability element of the Governance and Financial Viability Standard is unchanged. Based on evidence gained from the IDA, the regulator has assurance that Curo's financial plans are consistent with, and support, its financial strategy. The provider has an adequately funded business plan, sufficient security in place, and is forecasting to continue to meet its financial covenants under a wide range of scenarios.

Annex 1: Definitions of Regulatory Processes

In Depth Assessment (IDA)

An IDA is a bespoke assessment of a provider's viability and governance, including its approach to value for money. It involves on-site work and considers in detail a provider's ability to meet its financial obligations and the effectiveness of its governance structures and processes.

Stability Checks

Based primarily on information supplied through regulatory returns, a stability check is an annual review of a provider's financial position and its latest business plan. The review is focused on determining if there is evidence to indicate a provider's current judgements merit reconsideration.

Reactive Engagement

Reactive engagement is unplanned work which is triggered by new intelligence or a developing situation which may have implications for a provider's current regulatory judgement.

Stability Checks and Reactive Engagement

In some cases, we will publish narrative regulatory judgements which combine intelligence gained from both Stability Checks and Reactive Engagement.

Further Information

For further details about these processes, please see Regulating the Standards on <http://www.gov.uk/hca>.