



# **Housing Corporation Assessment**

**Pickering & Ferens Homes**

**A4020**

**Date of publication: August 2006**

# Housing Corporation Assessment

The ‘traffic light’ system used below illustrates our overall assessment of the association’s compliance with the Regulatory Code and Development performance. A green symbol indicates no material concerns about performance, the association is either complying with the Regulatory Code or taking sufficient steps to comply with the Code within a reasonable timescale; an amber symbol indicates some material concerns about performance, resulting in Corporation action above the minimum; a red symbol indicates serious concerns about performance.

## **VIABLE**

Measuring compliance with the Regulatory Code part 1

Green

**The association meets the expectations set out in the Regulatory Code in terms of financial viability.**

## **PROPERLY GOVERNED**

Measuring compliance with the Regulatory Code part 2

Green

**The governing body, supported by appropriate governance and executive arrangements, maintains satisfactory control of the organisation.**

## **PROPERLY MANAGED**

Measuring compliance with the Regulatory Code part 3

Green

**The association generally meets the standard expected given the context in which it works and the available resources.**

## **DEVELOPMENT**

Development with Housing Corporation funding

N/A

**The association has not received Corporation funding in the past year.**

*In preparing this assessment the Corporation has placed reliance on the completeness and accuracy of information supplied to us by the association and other parties. This information was used to inform our risk based approach to regulation and to identify areas of possible non-compliance with the Regulatory Code for further investigation.*

*The assessment has been compiled to assist the Housing Corporation in its statutory duty of regulation of Registered Social Landlords. Our assessment makes clear to the association’s board the conclusions we have reached regarding the association’s compliance with the Regulatory Code and its suitability to receive public funding. The Corporation accepts no liability whatsoever for the accuracy or completeness of any information or assessment contained herein. No third party may rely on its contents, but must make its own investigations or enquiries.*

<p><b>Description of the association</b></p> <p>Pickering Homes, which originated as an almshouse in the early 1900's, was registered with the Housing Corporation in 1978. In 1992 Pickering Homes merged with Ferens Haven of Rest, becoming Pickering and Ferens Homes (P&amp;F) and was registered with the Housing Corporation. P&amp;F operates solely in the city of Kingston upon Hull, (with the exception of 15 homes which are managed in the East Riding), where it provides accommodation for older people. Apart from the local authority, it is the largest provider of accommodation for older people in the city.</p> <p>In total, P&amp;F manages approximately 1,200 homes. The vast majority of stock has been newly built since 1988. The earlier units, with the exception of some bed-sits, have been refurbished.</p> <p>P&amp;F's mission statement is 'to provide high quality homes for elderly, sick and disabled people in housing need throughout the city of Hull'.</p> <p>P&amp;F's homes fall within the boundaries of the Housing Market Renewal Pathfinder that has been established in Hull to address issues of market failure and over supply in both the public and private sector. Recent research suggests that the city's population will continue to fall year on year. P&amp;F has not been adversely affected by low demand and continues to let its homes satisfactorily.</p> <p>The 2001 census indicates that Hull has a black and minority ethnic population of just under 4%. This population is predominantly young and thus not currently, or imminently, eligible for P&amp;F's accommodation.</p>
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<p><b>Viable – Regulatory Code part 1</b></p> <p><b>The association meets the expectations set out in the Regulatory Code in terms of financial viability</b></p>
<p><b>Housing Corporation Assessment</b></p> <p>The financial condition of P&amp;F continues to be sound. The major change in the 2006 forecasts has been the increased provision for major repairs expenditure over the next five years. The forecasts now reflect the costs of the current stock condition survey. This is planned at £4m compared with last year's five year forecast of £2.3m.</p> <p>The increase in major repairs expenditure is clearly affordable from cash reserves and the cash flow generated from operations. During the five year forecast P&amp;F also plans to repay £3m of loans. Some key ratios are affected, but this does not seriously weaken the viability of the association and these key ratios remain acceptable, while some remain strong.</p> <p>The forecasts include expenditure required to meet the Decent Homes Standard (DHS) by 2010. However a significant proportion of this expenditure, £1.5m of the £4m, is back-loaded to 2010/11. This means there may be some risk that if the</p>

programme slips then DHS targets may be missed.

We consider that P&F has spare capacity in its balance sheet; it has low gearing and debt per unit and significant levels of unutilised security available for additional borrowings.

In relation to rent restructuring, average rents are currently above target rents but are forecast to be within 5% of target by 2008. This constitutes compliance with our requirement to achieve convergence by 2012.

**Properly Governed – Regulatory Code part 2**

**The governing body, supported by appropriate governance and executive arrangements, maintains satisfactory control of the organisation**

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The board currently comprises of 11 trustees, of whom eight are co-opted, two are nominated by Hull City Council, and one is a nominated resident. The board has an adequate range of skills relative to the size and nature of P&F, but will seek, over time, to strengthen expertise in the areas of private finance, banking, treasury management and law.

The board has adopted an over-arching equality and diversity strategy and action plan and has worked hard to meet the Corporation's requirements. A programme of training for both trustees and staff has also been undertaken. Targets have now been set for all areas of activity required by our Good Practice Note 4 (GPN4) and our judgement is that P&F meets our requirements in this respect.

We believe the board's 2005 self-assessment compliance statement to be a thorough analysis of compliance against the Regulatory Code. P&F has also established an action plan to ensure areas for improvement are met. Our recommendation for greater trustee participation in the compilation of the self-assessment has now been met.

P&F review risk management policies and procedures on a regular basis and internal control systems annually. The current framework appears suitable to the scale and nature of P&F.

**Properly managed – Regulatory Code part 3**

**The association generally meets the standard expected given the context in which it works and the available resources**

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P&F was a top performer within the 2004/05 national performance indicators, with top quartile performance in relation to repairs performance and income management. In 2005/06 average relet times of 17 days were reported for the supported housing

stock, which accounts for 90% of turnover. Longer average relet times were reported for the general needs stock, which represents a very small proportion of overall stock.

Service delivery to tenants remains strong. The resident satisfaction survey carried out in 2005 recorded a dip in overall satisfaction levels, and a more significant dip in satisfaction with opportunities for involvement. Although these results remain above the national average, we will take an interest in how P&F responds to this information.

P&F was inspected by the Audit Commission in February 2003. P&F satisfactorily completed an action plan to address the recommendations of the inspection report by the end of 2004.

**Development** with Housing Corporation funding

**The association has not received Corporation funding in the past year**

#### **Sources of information and regulatory activity**

1. The following information is generally received from all associations and is reviewed by the Corporation for each association:

- Audited annual accounts
- External auditors' management letter
- Annual self-assessment of compliance with the Regulatory Code
- Internal controls assurance statement
- Business plans
- Financial returns
- Performance indicators
- Regulatory and statistical return
- Annual efficiency statement

2. Additional information about the association can be accessed through the "Resources" section of the Housing Corporation website and may include:

- Performance Indicator information ([www.housingpis.co.uk](http://www.housingpis.co.uk) )
- Inspection report ([www.housingcorp.gov.uk/resources/inspection.htm](http://www.housingcorp.gov.uk/resources/inspection.htm) for Housing Corporation reports or [www.auditcommission.gov.uk](http://www.auditcommission.gov.uk) for Audit Commission reports)
- Extracts from the Public Register ([www.housingcorp.gov.uk/resources/register/select.htm](http://www.housingcorp.gov.uk/resources/register/select.htm))
- Rent information and other key facts and figures ([www.rsrsurvey.co.uk](http://www.rsrsurvey.co.uk) and [www.dataspring.org.uk](http://www.dataspring.org.uk))