



# **Housing Corporation Assessment**

**Solon South West Housing Association**

**L0125**

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# 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

Green

**The association's performance is satisfactory. It delivers housing that meets our standards but has not met all of its targets over the past year. However, the shortfall was relatively small and was caused by circumstances outside its control. The association keeps the Corporation fully informed of problems and keeps its in-year forecasting up to date**

*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.*

**Description of the association**

Solon South West (Solon) was established in 1974 with a focus on providing housing services for homeless individuals and families. The association has continued to work with more vulnerable households, and it owns or manages a number of specialist supported housing schemes.

At March 2006 the association had a stock of 1,136 units (826 general needs and 310 hostel and temporary social housing). The majority of the association's stock is in central Bristol but it also has holdings in the local authority areas of Mendip, Forest of Dean, South Gloucestershire, West Wiltshire and Bath and North East Somerset.

Solon operates within areas of widely varying BME population, ranging from around 40% in the Easton area of Bristol, to 1.33% in the Forest of Dean. Demand for the stock is extremely high within Bristol and other areas in which Solon operates.

The association is a member of the Sovereign Partnership, which is led by Sovereign Housing Association.

Solon's mission is to deliver good quality, affordable homes and customer focused housing services in a way that satisfies the housing and social needs of its customers.

**Viable – Regulatory Code part 1****The association meets the expectations set out in the Regulatory Code in terms of financial viability****Housing Corporation Assessment**

Overall the association has a strong financial base and is well positioned to expand in a modest way over the next few years whilst continuing to invest in existing homes.

Operating margins remain low compared with others in the South West, particularly in the early years of the financial plan. However, interest cover remains strong with the current low levels of borrowings projected to increase as development activity and investment in existing stock is increased. The debt per unit will still remain low throughout the next five years despite this increased activity.

This latest profile still shows that the association is using its financial strength to fulfil its increased development aspirations (525 properties in the next five years), whilst delivering an increased investment in stock, as identified in its stock condition survey, which will enable it to meet the Decent Homes Standard (DHS) by 2010. The asset management strategy adopted by the association includes a number of asset disposals identified by means of options appraisal.

The association is committed to meet its rent restructuring targets 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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Governance is delivered through the board, an audit and finance committee and a resident participation and equal opportunities working group.

The board has recently undergone some significant changes in membership with three new recruits, including one BME member, replacing a number of resignations. There are two tenant board members. Board attendance during 2006 had declined to 61.3% but has started to improve in 2006/07 as a result of the new members.

The board introduced more formal structured appraisal arrangements in 2004, with an approach based on self-assessment of both board (team) and individual performance and competency. The first year's appraisals generated an action/improvement plan which was subsequently implemented over the course of 2005. This has led to further improvements in the quality of board reporting and meetings, the operation of the board and the overall quality of Solon's governance.

Subsequent board development work has focused on board and staff team building in 2005 and, at the beginning of 2006, agreement to develop and improve the board appraisal process by introducing 360 degree appraisals. These are currently in progress and will be completed by autumn 2006.

The 2005/06 self assessment compliance statement (SACS) indicates overall compliance with the Regulatory Code, and this is supported by clear reference to evidence. In the SACS, the association has referred to work that has been done, or is in the process of being completed, to improve performance.

The board has adopted an equalities and diversity policy and code of practice covering all aspects of equalities, including race, gender, and disability. The policy was last reviewed, updated and improved by the resident participation and equal opportunities working group, under authority delegated by the board, in August 2005. Subsequent amendments have also been made to comply with the new statutory code of practice on racial equality in employment, April 2006.

Solon consistently exceeds its target of 25% lettings to BME households; 30.3% BME lettings were achieved in 2005/06.

Solon carries out a rolling risk assessment/risk management programme, which comprises the identification of new key risks, assessment of existing controls to avoid risks materialising and proposal of new controls. A new risk assessment exercise is carried out annually to ensure the mapping of risk areas that may have developed since the original lists were compiled. Risks arising in the year are also added to the risk map where appropriate.

The residents' forum is the main method of direct resident involvement. It considers and comments on all aspects of Solon's service, including review of policies and procedures. Attendance at the forum has increased year-on-year. Increasing attendance, and developing the autonomy of the forum, continue to be important business plan targets for Solon, using a range of methods including advertising via the newsletter and other media. The forum is committed to these methods and others that facilitate access to those residents not already involved. In addition, a survey of existing residents requested details of access to e-mail, and e-mail addresses continue to be added to the tenancy database for use for consultation and involvement, as well as day-to-day communication.

It is also proposed that a residents' maintenance panel is established by autumn 2006 to add to feedback on the maintenance service and agree proposals for improvements. It is anticipated that the panel will be attended by staff from the new maintenance contractors.

Over the last year, Solon has also founded Bristol Partnership for Residents which brings together residents from several local housing associations to discuss common issues and topics and provides a residents' involvement support network.

Solon has recently completed a new residents satisfaction survey, which shows that 74% of residents are satisfied with the overall service provided by the association. This is a slight drop from 76% in 2003. The survey also reports reduced levels of satisfaction with certain aspects of the repairs service, and Solon has concluded that this is the primary cause of the reduction in overall satisfaction.

### **Properly managed – Regulatory Code part 3**

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

##### **Housing Corporation Assessment**

The executive team consists of four members covering the key areas of the association's business, including finance, development and customer services which includes asset management. The team has considerable housing experience.

Key performance indicators overall show a satisfactory level of performance. However they do show a disappointing level of performance in relation to day to day maintenance. This was extensively reported in the SACS which also outlined the measures being taken to improve the situation.

A wide range of actions and programmes have been implemented over the last year to achieve continuous improvement, or create the climate for future service improvements. These include new maintenance partnering arrangements, restructuring of the maintenance/asset management and housing services departments, publication of the new resident involvement strategy and action plan and an assessment of Solon's position in relation to the Audit Commission's key lines of enquiry.

All areas of service provision were previously programmed for review over a five-year cycle. It has been Solon's intention that these reviews should continue beyond this timeframe, with ongoing reviews, particularly of key services, and with continuing consultation and involvement ensuring the relevance of the services. This is now being encompassed within Solon's work on efficiency.

A review of finance and IT services was completed by the finance director in spring 2005, resulting in the development of a finance & IT improvement plan. The finance department has implemented a significant part of the improvement plan over the last year. Completing the recommendations of the plan remains a priority.

The chief executive is an active member of the Bristol Housing Partnership (BHP) and now represents the BHP on the Bristol Housing Strategy executive group. The customer services director and development director respectively, are also increasingly actively involved in the work of the BHP's housing management and development sub-groups. Solon staff are actively involved in working with local authorities to develop and improve lettings and allocations processes.

#### **Development with Housing Corporation funding**

**The association's performance is satisfactory. It delivers housing that meets our standards but has not met all of its targets over the past year. However, the shortfall was relatively small and was caused by circumstances outside its control. The association keeps the Corporation fully informed of problems and keeps its in-year forecasting up to date**

#### **Housing Corporation Assessment**

A disappointing programme delivery performance. The association only achieved 42% and 26% respectively of its 2005/06 start of year cash spend and completion targets of £2.1m and 50 units. The association did however keep the Housing Corporation fully informed of the slippages throughout the year.

The association is a member of the Sovereign Partnership, which is led by Sovereign Housing Association and the cash spend and completion shortfalls were made up by the Sovereign Partnership. The partnership achieved 95% and 133% respectively, of its 2005/06 start of year cash spend and completion targets of £18.9m and 400 units and over the period 2004/06, it achieved 97% and 113% respectively, of its 2004/06 start of period cash spend and completion targets of £38.2m and 1,016 units.

Solon's development strategy, and bids in Bristol for 2006/08 reflected the city council's priorities for investment in regeneration/neighbourhood renewal areas, black and minority ethnic (BME) housing, and a need for housing for vulnerable single homeless people. Bids in South Gloucestershire also reflected the council's priorities, including the re-financing of properties previously acquired without grant.

Solon received allocations totalling £4.0m (92 units) in the 2006/08 bidding round, via the Sovereign Partnership. It will continue to be considered for allocations via the partnership route in the future, provided schemes meet regional priorities, offer value for money and are deliverable.

## 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. In addition to the above, the following specific activities were carried out for Solon South West Housing Association:

- Meeting with executive team in September 2006

3. 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))