



Housing Corporation Assessment

Weaver Vale Housing Trust
L4341

Date of publication: September 2008

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, however exposures exist which make it vulnerable to deterioration

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. Our risk based approach also results in low levels of regulatory engagement with some associations, for whom the information provided in this assessment could necessarily be in less detail. We increasingly rely on associations' self assessment.

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

Weaver Vale Housing Trust (Weaver Vale) was established to receive a whole stock transfer from Vale Royal Borough Council in July 2002.

Weaver Vale converted to charitable status in 2004 and following this, Weaver Horizons was established as a specialist vehicle to undertake commercial activity. This is an unregistered subsidiary trading company and currently the majority of its work involves carrying out a range of works for Vale Royal Borough Council.

There has been a fall in stock numbers since transfer, reflecting the loss of properties sold under the Right to Buy initiative. Weaver Vale currently owns 6,100 homes, the majority of which are family units and of traditional construction. Three quarters of the stock is located in the Northwich and Winsford areas and the remainder in the surrounding rural areas. Approximately one third of the stock is for older people or those with support needs.

It is the main provider of social housing in the central Cheshire region. The region is one of the most economically successful in the North West and is characterised by high property values and a lack of social housing. Around four fifths of all properties in Vale Royal are owner occupied and there is high demand for rented properties. There are however pockets of deprivation: two neighbourhoods in the association's area of operation (West Winsford and Leftwich, Rudheath and Witton) are ranked within the 10% most multiply deprived areas nationally.

Due to local government reorganisation, from April 2009, its main operating area will fall within the newly created unitary authority to be known as West Cheshire and Chester Council.

In keeping with Cheshire generally, the proportion of black and minority ethnic BME population in Vale Royal is very low, at around 2.7% of the borough's population (2001 census). More recently the high level of service industry in south Cheshire has attracted an increasing number of residents from Eastern Europe.

Weaver Vale's vision is "transforming neighbourhoods, homes and services to improve the quality of life of our customers" and its core values are fairness, openness, respect, enthusiasm, collaboration, commitment and customer focus.

It is participating in the JV North development consortium which will develop a modest programme of new properties during 2008/09.

Viable – Regulatory Code part 1

The association meets the expectations set out in the Regulatory Code in terms of financial viability, however exposures exist which make it vulnerable to deterioration

Housing Corporation Assessment

Our assessment of Weaver Vale's viability has not changed from the previous year and is that the association is operating with adequate financial recourse to financial resources to meet their current and future business and financial commitments. Weaver Vale has now successfully completed the post transfer improvement programme on time, under budget and with high levels of customer satisfaction. It will also achieve compliance with the

Decent Homes Standard (DHS) and is operating within the expectations of the rent influencing regime.

Results for 2006/07 were much better than predicted, with the deficit for the year £4.4m less than budget. An operating surplus was generated in 2007/08, a year earlier than the previous forecast, although the association does not expect to reach break even point until 2013/14. In 2007/08 responsive repair cost fell by 7% compared to the previous year. The actual out turn for the direct labour organisation is better than budget. Management costs per unit however, are increasing due to rising salaries and additional resources invested into improving performance.

An external update of the stock condition survey was carried out in early 2008 and its results were included in the current business plan without any significant impact on key financial indicators.

As the improvement programme is now complete, Weaver Vale is now considering development opportunities. The association's financial forecasts include £1m development costs with £220k Social Housing Grant (SHG). The latest business plan has been updated to include schemes with a total cost of £7.1m and SHG of £2.3m. This will include shared ownership sales of £2.3m. There are 32 new shared ownership units and a delay on the sale of these properties would increase borrowing in the short term. Although there are inherent risks within shared ownership sales, forecast sales are spread over three years and demand for housing in the local area is strong.

The financial position for Weaver Vale continues to improve although some exposures remain. It will need to continue to manage debt carefully in the short to medium term as it approaches peak debt, particularly in respect of development and shared ownership sales.

Properly Governed – Regulatory Code part 2

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

Housing Corporation Assessment

The Weaver Vale board currently comprises of fifteen members including five tenants, five independents and five local authority nominees. It is supported by a sub-committee structure that includes operations, finance, audit and assurance sub-committees.

The board comprises individuals with a suitable range of skills, experience and knowledge. There is a regular review of the performance of the board through a robust appraisal system and any areas identified for improvement are addressed through specific training programmes. Members also participate in two awaydays every year to review and formulate strategy. Committee restructuring, improved performance monitoring framework and a strong audit emphasis has strengthened control and resulted in a good balance of strategic and operational performance. These factors all contribute to our conclusion that Weaver Vale has effective governance arrangements in place.

Whilst the board is satisfied the current governance structure is fit for purpose and compliant, it has recently commissioned an external review of governance arrangements. The aim of the review is to reflect on progress to date and to ensure they have effective and efficient governance arrangements in place for the future. This will help them deliver their aspirations in the post improvement programme era. The review has

recently been completed and Weaver Vale is currently considering its findings.

It has a comprehensive risk management strategy, supplemented by numerous risk maps, that is well monitored by both the board and a very effective audit and assurance sub-committee.

Weaver Vale has a well established comprehensive resident involvement policy and residents are involved in the running of the business in a number of ways. Its resident involvement statement sets out how customers can become involved and includes estate walkabouts, video diary tents, residents associations and the tenant consultative committee. This committee meets monthly with senior officers and inputs into future revisions in the involvement statement. Its approach to resident involvement is well resourced and it continues to complete annual impact assessments.

The board's self assessment statement of compliance with the Regulatory Code indicates that it is generally compliant. We consider this to be a robust self analysis of the organisations performance and is consistent with our judgement.

Within Weaver Vale, equality and diversity forms an integral part of the vision of the organisation. It has a comprehensive and overarching equality and diversity strategy (EDS) and action plan in place. In December 2007 it approved a new Disability Equality Scheme, which is now appended to the EDS and integrated into the action plan. Equality and diversity is addressed in every board report and its commitment in this area is reinforced by a six monthly review of progress against the EDS. Weaver Vale is proactive in addressing the changing nature of the communities where it operates as demonstrated by its participation in the Cheshire Engagement for Empowerment project and its work in exploring the impact of new and emerging communities on the demand for affordable housing.

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

Weaver Vale has an experienced senior management team which has a good working relationship with its board. A new corporate plan is currently being produced for the period 2009/12, which will deliver its vision for the next three years and reflect its move into the post improvement era. Strategic and operational control is well maintained through an operational and service development plan (OSDP) which is closely integrated with the corporate plan.

The OSDP sets out plans for all future service delivery provision throughout the organisation, reflects customer priorities and promotes continuous improvement. Performance has improved and is continuing to improve and the association's latest information demonstrates this. For 2007 Performance Indicators, the vast majority were in either of the top two quartiles (although DHS and repairs were both within the lower quartile). However, more recent figures show noticeable improvements on repairs with significant efficiency gains and increased tenant satisfaction levels. A general improvement in overall performance can be attributed to a strengthened performance management culture for staff, allied to improved bench marking and target setting. Customer satisfaction levels are close to national averages.

Weaver Vale was inspected by the Audit Commission in December 2005 and assessed as

providing a fair one star service with uncertain prospects for improvement. It responded well and the subsequent inspection action plan was signed off as complete in July 2007. Key outcomes have been improvements in service delivery and performance monitoring, a strengthened approach to equality and diversity and improved delivery of the maintenance service to tenants.

Weaver Vale has been very proactive in addressing inspectors' comments on prospects for improvement. There is now an agreed framework setting out its approach to continuous improvement, which includes customer involvement and the OSDP provides an overarching process for coordinating and monitoring corporate priorities and all work on service delivery and service development.

Having delivered its pre stock transfer promises in June 2007 on time and within budget, it has continued the delivery of their improvement programme. By the end of 2008, it is estimated 94% of their properties will comply with DHS and by 2010 it will be fully compliant. Its asset management strategy is currently being updated to reflect new stock condition information and the ongoing development of neighbourhood working

Weaver Vale has established effective partnerships with local stakeholders. It is an active member of the Local Strategic Partnership with Vale Royal Borough Council and the Cheshire Housing Alliance (a body of local associations which reviews and influences policy on local housing needs in Cheshire). From April 2009, Cheshire County Council will split into two new unitary authorities and Weaver Vale has already started to build a relationship with the newly created shadow West Cheshire and Chester Council.

Development with Housing Corporation funding

The association has not received development funding in the past year.

Housing Corporation Assessment

Weaver Vale now has a development strategy in place for 2008/12 and for the 2008/11 programme has chosen to work with the JV North consortium.

Weaver Vale will be considered for future allocations through the partnership, subject to meeting agreed targets, having sufficient capacity and a programme of schemes that meet regional priorities and offer good value for money.

Sources of information and regulatory activity

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

- Audited annual accounts, including the internal controls assurance statement
- External auditors' management letter
- Annual self-assessment of compliance with the Regulatory Code
- Five year financial forecast
- Performance indicators
- Regulatory and statistical return
- Annual efficiency statement

In addition to the above, the following specific activities were carried out for Weaver Vale:

- Meetings with senior management team: April 2007, March 2008 and May 2008.
- Attendance at board meeting: March 2008
- Annual Viability Review: January 2008
- Inspection action plan sign off: July 2007.

Additional information about the association can be accessed on the Housing Corporation and other websites and may include:

- Performance indicator information (www.housingpis.co.uk)
- Inspection report (www.housingcorp.gov.uk for Housing Corporation reports or www.audit-commission.gov.uk for Audit Commission reports)
- Extracts from the Public Register (www.housingcorp.gov.uk/server/show/nav.489)
- Rent information and other key facts and figures (www.rsrsurvey.co.uk and www.dataspring.org.uk)