

**Tenant Services Authority
Regulatory Judgement**

**Christian Action (Enfield) Housing
Association Ltd (LH0676)**

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Tenant Services Authority Regulatory Judgement

The Tenant Services Authority (TSA) has prepared this report to set out its overall assessment of the association's compliance with the regulatory framework for registered social landlords (RSLs). These requirements are set out in the Regulatory Code and Guidance established by the Housing Corporation which will remain in place until new standards are determined by TSA.

The report sets out the TSA's view as to whether the organisation is:

- **VIABLE**
- **PROPERLY GOVERNED**
- **PROPERLY MANAGED**

In preparing this report the TSA has placed reliance on the completeness and accuracy of information supplied to us, and prior to 1 December 2008, to the Housing Corporation, 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.

The TSA is the Regulator of Social Housing. This report has been compiled to assist the TSA in its statutory duty of regulation of Registered Social Landlords. Our report makes clear to the association's board the conclusions we have reached regarding the association's compliance with the Regulatory Code.

The TSA 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

Christian Action (Enfield) Housing Association, (Christian Action) was founded in 1966 by a group of individuals and Enfield businessmen linked to local churches. The association was established as a vehicle for social action, responding to the needs of local homeless people. It was registered with the Housing Corporation in 1975.

Christian Action operates predominantly in the London boroughs of Enfield, Barnet, Haringey and Waltham Forest in north and east London. Following the transfer of homes from Southgate Churches and Wood Green Housing Association in December 2007, Christian Action owns or manages some 1,300 homes in these boroughs. As well as providing general needs housing, including housing for single homeless people and a foyer for young people, the association also provides a range of housing options for older people. The association owns and manages a number of projects providing supported housing including refuges for women fleeing domestic violence. It provides a play project for families living in temporary accommodation who are, in the main from newly arrived and refugee communities.

The boroughs in which the association works all have high demand for affordable housing and have ethnically diverse populations – around a third of the population being from a range of ethnic minorities. Christian Action works alongside specialist black and minority ethnic housing associations such as North London Muslim Housing Association in developing new homes.

The association's mission statement explains that 'motivated by Christian and social concern, we aim to create places where people want to live. We invest in high quality housing, support and services that are affordable and accessible to those in housing need.'

Viable – Regulatory Code part 1

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

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For the financial year ending 31 March 2008, Christian Action made an overall surplus of £470,000. This was in keeping with its forecast for the year. The surplus reflected the impact of the transfer of engagements from Southgate Churches and Wood Green Housing Association in November 2007 and its activities are included in the future forecasts.

Christian Action continues to plan for an active development programme as part of the North River Alliance consortium, a Homes and Community Agency investment partnership. Its long term 30-year financial forecast is based on the assumption of a continuous development programme of 25 general needs rented homes per annum. This level of development activity is within the financial capabilities of the association and it has sufficient funds available to manage its existing committed development

programme.

The association remains on target to meet the Government's requirements on rent restructuring by 2012.

The impact of meeting DHS over the next two years depresses the EBITDA MRI interest cover ratio, which the TSA uses to assess associations' ability to meet interest payments and which eliminates the impact of different accounting treatments for works to existing properties. This is anticipated to recover thereafter in the latest forecast. This view is supported by the fact that throughout the latest forecast the association's cash flow from operations is able to cover its debt servicing payments with adequate headroom, bar a marginal dip in the current financial year.

However Christian Action assumes that it will continue to operate over the medium term within relatively low operating margins, compared to the sector as a whole. Hence it is aware that it must ensure tight management of its cash flows to maintain its financial viability.

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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Christian Action is governed by a 15 member board which has two sub-committees, for housing and community services, and for property services. The board has three tenant board members.

Christian Action has an effective board, comprising people with a range of skills appropriate for an association with its business objectives. Recent recruitment has enabled the association to increase the level of supported housing, finance and treasury management skills on the board. Relationships between the board and management are good and mutually supportive.

The board holds an annual strategy day in the summer and has a budget and operational planning meeting in February of each year. It sets targets for the association which are monitored by the board and senior management team on an ongoing basis. The association has adopted a structured approach to risk management. Action plans related to key risks are monitored constantly and reported quarterly to the board. The risk map is fully reviewed on an annual basis. We believe this should be a robust enough process to identify risks as they arise.

Christian Action's commitment to equality and diversity is championed by an equality and diversity working group, which has reviewed the association's equal opportunities policy and has provided training for staff and contractors on aspects of the revised policy. Action plans are in place for race, gender and disability equality and the association is working towards introducing action plans for other equalities strands. The board continues to make progress against its target of improving its own diversity to reflect the communities in which it works. The association has established a disability advisory panel to monitor progress against the action plan.

The panel includes disabled tenants and service users and a nominated board member.

The board's self assessment statement of the association's compliance with the Regulatory Code for the year 2008 provides evidence of the association's continuing commitment to improve its services to its tenants and to establishing effective methods for tenant involvement in the governance and management of the association.

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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Christian Action benefits from experienced and knowledgeable staff working throughout the organisation.

In the Audit Commission's Inspection Report, published in August 2007, the association's housing management service was assessed as providing a good service with promising prospects for improvement. Christian Action agreed an action plan in December 2007 in response to the recommendations made. The Housing Corporation confirmed that it was satisfied that the association successfully completed all the planned actions in July 2008.

The association's performance indicators show a decline in recent years for both tenants satisfaction with the overall service (from 76% in 2006 to 72% in 2008) and in their opportunities to participate (from 54% in 2006 to 53% in 2008) placing the association in the bottom quartile nationally, although the figures are similar to the association's London peers. The association has recently made improvements to the way it tests satisfaction levels and has introduced more systematic monitoring of performance against service standards.

The association's average re-let times are in the top quartile at 23 days. Currently 94% of the association's homes meet the DHS and the association is confident that it will achieve full compliance by 2010.

The association has become a full member of a benchmarking organisation in order to enhance comparison of its performance with similar associations. The association continues to implement the actions resulting from its benchmarking exercise and has identified areas for improvement, such as access to the repairs service and the collection of rent arrears.

Christian Action is working effectively with the London Borough of Enfield. This is demonstrated by the association's involvement as a member of the Enfield Strategic Partnership which brings statutory organisations such as the council, the health service and the police, together with the business, voluntary and community sectors. The partnership has supported several schemes including major improvements to street lighting, the environmental, and initiatives to improve training and employment prospects. The association is also in partnership with the London

Borough of Enfield to provide solutions for the future provision of social housing, including supporting the establishment of an arms length management organisation (ALMO).

Christian Action is an active member of the Safer and Stronger Communities Board, the local crime and disorder reduction partnership, which is a multi-agency partnership addressing crime, hate crime and anti social behaviour in Enfield. The association has also established a neighbourhood warden service to support residents experiencing problems with anti-social behaviour.

Sources of information and regulatory activity

The following information is generally received from all associations and is reviewed by the TSA (and prior to 1 December 2008, the Housing 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
- Financial forecasts
- Performance indicators
- Regulatory and Statistical Return

In addition to the above, the following specific activities were carried out for Christian Action:

- Inspection action plan review and completion (July 2008)
- Annual Financial Health Check based on 30-year capacity model (December 2008)

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

- Performance indicator information (www.housingcorp.gov.uk)
- Inspection reports (www.audit-commission.gov.uk)
- Extracts from the Public Register (www.tenantservicesauthority.org)
- Rent information and other key facts and figures (www.rsrsurvey.co.uk and www.dataspring.org.uk)