



Homes &
Communities
Agency

The Social Housing Regulator

HCA Regulatory Judgement on Great Places Housing Group Limited - L4465

**Great Places Housing Association Limited -
L1230**

Plumlife Homes Limited - SL3224

May 2014

HCA Regulatory Judgement: Great Places Housing Group Limited – L4465

The provider

Great Places Housing Group Limited (GPHG) is the registered, non-asset holding parent of two registered providers. Great Places Housing Association (GPHA) owns around 14,000 homes and predominantly focuses on managing the group's social rented operations. Plumlife Homes (PH) owns around 2,000 properties and mainly provides management services to the residents of the group's low cost home ownership and leasehold properties. GPHG's 16,000 properties are spread over 37 northern local authority areas with concentrations of stock in Salford, Oldham, Manchester, Blackpool, Blackburn and Sheffield.

GPHG has two active unregistered subsidiaries: Cube Great Places Limited which undertakes outright sale activity and Terra Nova Developments Limited which carries out development work. In addition, the group is involved in three joint ventures.

GPHG's main strategic focus is the provision and management of a range of rental and home ownership options. It is a Homes and Communities Agency investment partner and expects to deliver 1,280 new homes within the 2011-15 Affordable Homes Programme. It had a consolidated turnover of £79.5m in the year to 31st March 2013 and employed over 550 staff.

Reason for publication: Governance upgrade

Regulatory Ratings*

- **Properly Governed: G1**

The provider meets the requirements on governance set out in the Governance and Financial Viability Standard.

- **Viable: V1**

The provider meets the requirements on viability set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively.

*The regulator's assessment on compliance with the Governance & Financial Viability Standard is expressed in gradings from G1 to G4 for governance and V1 to V4 for viability. For both viability and governance the first two grades indicate compliance with the standard. A G3 or V3 assessment indicates a level of concern with the organisation's performance that is likely to be reflected in intensive regulatory engagement. A G4 or V4 judgement indicates a failure of governance or viability to the extent that the regulator is using its statutory powers.

HCA Regulatory Judgement: Great Places Housing Group Limited – L4465

Regulatory Judgement

The regulator's assessment of GPHG's governance has been upgraded since the last published assessment in July 2013. Following a period of intensive regulatory engagement, during which meetings have been held with the chair and executive and key documentation reviewed, we now have sufficient assurance that GPHG's governance arrangements are fit to control the organisation and enable it to continue meeting its objectives.

In early 2013 GPHG's board exercised weak governance when agreeing executive contracts and severance payments to an outgoing executive. This specific matter raised the potential for wider weaknesses in the group's risk management and internal control assurance frameworks. The group engaged with the regulator in a transparent and positive way from the outset. It commissioned two independent reviews. One examined the specific episode which triggered concerns and the second was a wider governance review. With the on-going assistance of external advisors, it has now implemented recommendations from those reviews and strengthened its governance arrangements.

Following work to clarify and document skills requirements, an external, skills based recruitment process resulted in six new members, including a new chair, joining the board. A succession plan which facilitates on-going renewal and increases the opportunity for effective board scrutiny and challenge is now in place. A simplified, common board structure which leads and controls the work of all three registered providers within the group has been implemented. The committee structure has also been streamlined. The roles of the board and committees, those chairing them and executive officers, have been redefined and clarified. The role of the company secretary has been strengthened to ensure proper administration of key decision making processes.

The regulator is satisfied that GPHG has taken effective action to address governance weaknesses. It now has sufficient assurance that arrangements are adequate to maintain control and delivery of planned objectives.

The regulator's assessment of GPHG's compliance with the financial viability element of the governance and financial viability standard is unchanged. Based on evidence gained from contact with the executive and review of financial forecasts, annual accounts and quarterly surveys, the regulator has assurance that the financial plans are consistent with, and support, the financial strategy of the group. It has an adequately funded business plan, sufficient security in place and is forecast to continue to meet its financial covenants under a range of scenarios.