



Homes &
Communities
Agency

The Social Housing Regulator

HCA Regulatory Judgement on New Charter Housing Trust Limited – LH4265

**New Charter Homes Limited - H4266
AKSA Housing Association Limited – LH3917
Gedling Homes - L4532**

March 2014

HCA Regulatory Judgement: New Charter Housing Trust Limited – LH4265

The provider

New Charter Housing Trust group (the group) was established in March 2000. The group operates in five local authorities, and owns and manages around 18,600 homes.

The group's registered providers are:

- New Charter Housing Trust Limited (NCHT), the non-stock holding parent. It provides strategic direction and central services to the other members of the group.
- New Charter Homes Limited (NCH), which owns and manages around 14,600 properties transferred from Tameside Metropolitan Borough Council in March 2000.
- Aksa Housing Association Limited (Aksa), which owns and manages around 720 homes in Oldham, Bury, Manchester and Tameside.
- Gedling Homes (Gedling), which is based in Nottinghamshire and was established to receive the transfer of Gedling Borough Council's housing stock in November 2008. The association owns and manages around 3,300 homes.

The group also has four unregistered subsidiaries; New Charter Building Company Limited provides maintenance and repairs services, Threshold Housing Project Limited provides supported housing services, Cavendish Development Limited acts as the development agency for the group and Great Neighbourhoods is a charity which provides grants to the community.

In the year to March 2013, the group had a consolidated turnover of £96.9m and employed 939 staff.

The group's core business is the provision of general needs and supported housing. Its main strategic focus is improving neighbourhoods, developing homes and improving how it meets customer expectations in delivering its services.

NCHT is a lead investment partner with the Homes and Communities Agency and is a member of the JVnorth development consortium. NCHT expects to deliver 317 new homes for rent within the 2011-15 Affordable Homes Programme.

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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.

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Regulatory Judgement

The Regulator's assessment of NCHT's governance has been upgraded.

Since our previous regulatory judgement, published in May 2013, NCHT has taken positive action to improve its governance arrangements in order to ensure capable leadership and control and support continued compliance with regulatory requirements.

The group has completed a review of its governance arrangements and has implemented a succession plan which facilitates continual board renewal thereby increasing the opportunity for effective board scrutiny and challenge. The group is now fully compliant with the provision in its code of governance which specifies that the maximum period of office for board members is nine years. A new chair was externally recruited in late 2013.

NCHT has also made transparent disclosures about compliance with its chosen code of governance and board member remuneration.

Based on our contact with NCHT, and information it has provided to us, we now have sufficient assurance that the group has taken effective action to strengthen its governance arrangements and ensure that the independence of the board is not compromised by the potential for insufficient challenge to long-standing practices.

The regulator's assessment of NCHT's compliance with the viability element of the governance and financial viability standard is unchanged. Based on evidence gained from contact with the executive and a review of the latest financial forecasts, annual accounts and quarterly survey the regulator has assurance that the financial plans are consistent with, and support, the financial strategy of the provider. The provider 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.