



Homes &
Communities
Agency

The Social Housing Regulator

HCA Regulatory Judgement on Pierhead Housing Association Limited – L1001

May 2014

HCA Regulatory Judgement: Pierhead Housing Association Limited – L1001

The provider

Pierhead Housing Association Limited (Pierhead) is a non-charitable Industrial and Provident Society. It is based in Liverpool city centre and owns and manages approximately 1,800 homes in Liverpool, Sefton and Wirral. Pierhead has no subsidiaries. It employs around 41 full time equivalent staff and had a total turnover of £7.5m in the year to 31st March 2013.

Pierhead's core business is the provision of general needs housing with approximately 80% of its stock comprised of general needs properties. It also owns homes for students and key workers in Liverpool, supported housing, shared ownership homes and commercial units. Its current strategic focus is to improve efficiency and service delivery and to manage the impact of welfare reform.

Pierhead has a 90 unit development programme and is a member of the Magenta Living development partnership, which is an investment partner with the Homes and Communities Agency.

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: Pierhead Housing Association Limited – L1001

Regulatory Judgement

This regulatory judgement upgrades the regulator's previous published assessment of Pierhead's governance.

Based on evidence gained from contact with the board and executive and a review of key documentation the regulator has concluded that Pierhead's governance arrangements are now adequate.

Since our previous regulatory judgement, published in March 2013, Pierhead has taken positive action to improve its governance arrangements. It has redefined its vision, mission and objectives and produced a new five-year strategic business plan and supporting financial plan. It has developed and implemented a new risk management framework to support delivery.

Following an externally facilitated governance review, Pierhead has been working through recommendations to improve identified weaknesses and ensure compliance with its chosen governance code. The board skill mix required to deliver its business objectives was clarified and documented. This led to significant changes to membership which have strengthened the board. An appropriate succession plan is now in place. Pierhead has also devised and implemented an improved board appraisal system and now has a relevant training and development plan which aims to strengthen board skills further. A revised committee structure provides strong links through to the delivery of business objectives.

Pierhead has dealt with presenting staffing concerns. The executive team has now been stabilised and has adequate capacity. Some executive posts are filled on an interim basis pending the outcome of an ongoing review to consider Pierhead's options for future status, organisational form and governance arrangements. The purpose of the review is to achieve the most effective platform to deliver the association's newly articulated aims.

The regulator's assessment of Pierhead'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.