



Homes &  
Communities  
Agency

The Social Housing Regulator

# HCA Regulatory Judgement on Heantun Housing Association Limited – L1669

February 2014

Archived

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## The provider

Heantun Housing Association Limited (Heantun) owns and manages about 850 general needs homes, 340 supported and sheltered homes and 30 shared ownership/rent to homebuy homes. A high proportion of its stock is in the form of supported housing and the provider has significant experience of working with a disparate client base including older people, young people, ex-offenders, people with learning difficulties and people with mental health issues.

Heantun is based in Bilston, which is located just outside Wolverhampton. The majority of the provider's properties are in Wolverhampton, but it is also active in Walsall, Dudley, Sandwell, Cannock and South Staffordshire.

Heantun has two unregistered subsidiaries undertaking non-social housing activities. These are Heantun Care (HCHA) and New Bilston. The main areas of operation for HCHA include nursing care for older people, community based respite care and care services, and nursery care. New Bilston is focused on supporting social regeneration of Bilston and its surrounding area.

Heantun's turnover for 2012/13 was £13.9m and it employs about 230 staff.

Heantun is a member of the Spectrum Development Consortium which is an approved development partner of the Homes and Communities Agency. Heantun expects to deliver 29 new affordable homes as part of the 2011-15 Affordable Homes Programme.

## Regulatory Ratings\*

- **Properly Governed: G2**

The provider meets the requirements on governance set out in the Governance and Financial Viability Standard, but needs to improve some aspects of its governance arrangements to support continued compliance.

- **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

This regulatory judgement downgrades our previous published assessment of Heantun's governance.

Based on evidence gained from contact with the board and executive and a review of board papers and other published documentation, the regulator has concluded that Heantun's governance arrangements are adequate but that it needs to improve some aspects of governance to maintain compliance.

Heantun has failed to address the requirements of the Value for Money standard in a timely and transparent way. This, in turn, has raised some regulatory concern about the effectiveness of aspects of its internal controls. Heantun needs to improve the way that it demonstrates it is meeting the requirements of the Value for Money standard to support continued compliance.

The Value for Money standard sets a specific expectation that providers' self-assessments should enable stakeholders to understand the return on assets measured against the organisation's objectives; set out the absolute and comparative costs of delivering specific services; and evidence the value for money gains that have and will be made and how these have and will be realised over time.

We have concluded that Heantun has not published a robust self-assessment which sets out in a way that is transparent and accessible to stakeholders how it is achieving value for money in delivering its purpose and objectives. This means the regulator has only limited assurance that Heantun is delivering a comprehensive and strategic approach to achieving value for money in meeting its organisational objectives.

The regulator's assessment of Heantun's compliance with the viability element of the governance and financial viability standard is unchanged. The regulator is, however, currently engaging with the provider, and any change in Heantun's existing viability assessment will be reflected in a new narrative judgement.