



# **Housing Corporation Assessment**

**Axiom Housing Association  
L0395**

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# Housing Corporation Assessment

The 'traffic light' system used below illustrates our overall assessment of the association's compliance with the Regulatory Code and Development performance. A green symbol indicates no material concerns about performance, the association is either complying with the Regulatory Code or taking sufficient steps to comply with the Code within a reasonable timescale; an amber symbol indicates some material concerns about performance, resulting in Corporation action above the minimum; a red symbol indicates serious concerns about performance.

## **VIABLE**

Measuring compliance with the Regulatory Code part 1

Green

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

## **PROPERLY GOVERNED**

Measuring compliance with the Regulatory Code part 2

Green

**The governing body, supported by appropriate governance and executive arrangements, maintains satisfactory control of the organisation.**

## **PROPERLY MANAGED**

Measuring compliance with the Regulatory Code part 3

Green

**The association generally meets the standard expected given the context in which it works and the available resources.**

## **DEVELOPMENT**

Development with Housing Corporation funding

Green

**The association's performance is satisfactory. It delivers housing that meets our standards but has not met all of its targets over the past year. However, the shortfall was relatively small and was caused by circumstances outside its control. The association keeps the Corporation fully informed of problems and keeps its in-year forecasting up to date.**

*In preparing this assessment the Corporation has placed reliance on the completeness and accuracy of information supplied to us 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.*

*The assessment has been compiled to assist the Housing Corporation in its statutory duty of regulation of Registered Social Landlords. Our assessment makes clear to the association's board the conclusions we have reached regarding the association's compliance with the Regulatory Code and its suitability to receive public funding. The Corporation 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**

Axiom Housing Association (Axiom) was formed in 1967 and registered with the Housing Corporation in 1975. It is an Industrial and Provident Act Society with charitable rules. It provides just over 1,700 homes in seven local authority areas in Cambridgeshire and Lincolnshire. The largest concentration of this provision is in Peterborough where the association is based.

Most of Axiom's housing provision is general needs (1,500 homes) including 360 sheltered housing homes for the elderly. Axiom also provides 205 supported housing units including three foyers; a single homeless hostel; a young teenage mother and baby unit; housing for vulnerable asylum seekers; schemes for people with physical and learning disabilities; and mental health problems. In addition, Axiom provides a range of floating support services for asylum seekers and refugees, young people in their first tenancies and former homeless people.

Axiom also manages the New Haven night shelter in Peterborough through The Haven (Peterborough) Ltd, a wholly owned unregistered subsidiary.

Axiom's main area of operation is Peterborough where there is a black and minority ethnic (BME) population of around 13%. Demand for the association's services is generally strong although it has some sheltered bed-sit accommodation which is harder to let. The association is reviewing all of its sheltered schemes as part of developing strategies to deal with low demand.

Axiom's mission statement is to 'provide affordable housing solutions for people and their communities'. The current business plan covers the period 2005/2010 and sets out six key objectives which are:

- to provide first class customer services;
- to maintain and improve housing stock and other assets to a high standard of repair for the benefit of current and future tenants, and to ensure its property portfolio is compatible with present customer needs and future requirements;
- to enhance the quality of life for customers;
- to increase the supply of housing;
- to develop a range of new housing related services; and
- to achieve excellence in management, governance and efficiency throughout the organisation.

Axiom plans to continue to grow with business plan targets of 250 units over the next three years, including both general needs and supported housing, in Lincolnshire and Cambridgeshire. The association's development objectives will be concentrating on brown field sites; regeneration projects; and the provision of social housing in rural communities. To support its growth aspirations, the association has recently formed a development partnership with the Longhurst Group, which is a Housing Corporation investment partner.

**Viable** – Regulatory Code part 1

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

**Housing Corporation Assessment**

Axiom has a good recent financial track record and the forecast financial position indicates continued strengthening performance.

Turnover is forecast to increase as a result of the development programme coupled with increases in revenue through rent restructuring. The association's current rents comply with the government's rent restructuring guidelines. General needs properties are at target rent and the association forecasts use of the positive tolerance level allowed. Supported housing rents should conform with rent restructuring by April 2007 using the negative tolerance allowed.

The association is assuming a moderate level of grant support for its development programme. However, Axiom has sufficient asset cover to provide security for any additional loans required to support its planned development activities and adequate interest cover to service the increased levels of debt anticipated throughout the forecast period.

Axiom holds low levels of working capital, due to its treasury management policy. The association has a rolling loan facility secured on existing stock that effectively acts as an overdraft on immediate call.

Forecast maintenance expenditure is linked to a property condition database. The association's current financial forecasts include provision for ongoing investment in the form of major repairs and improvement expenditure. A full stock condition survey was carried out in 1998 and a 10% sample has been independently verified each year since. In addition 20% of the entire stock is surveyed in house each year. Axiom's current housing stock is 100% compliant with the Decent Homes Standard.

**Properly Governed** – Regulatory Code part 2

**The governing body, supported by appropriate governance and executive arrangements, maintains satisfactory control of the organisation.**

**Housing Corporation Assessment**

Axiom has a board comprising 12 members. Members have an appropriate range of skills and experience which has been strengthened through new recruitment. The board is supported by audit and remuneration committees.

Through the board recruitment exercise the board has been successful in achieving a more diverse membership with the appointment of another independent member from a BME background. Additionally, tenant representation has been strengthened with the appointment of three tenant members following elections from the newly created

tenants' conference in October 2005.

The board follows sector good practice by undertaking regular reviews of its effectiveness, skills and experience, and also carries out individual self-appraisals to identify training needs both individually and collectively.

In June 2005 the board provided a satisfactory assessment of compliance with the Regulatory Code. However, the quality of this could be further improved by providing references to the association's action plans for continuous improvement; including appropriate details of outcomes and results. We will be monitoring progress as part of our regulatory engagement.

The association has confirmed compliance with our involvement policy for the housing association sector. The board approved a new involvement strategy in 2004 to further reinforce commitment to customer involvement. This included recruitment of a project manager to raise awareness and to actively engage tenants, and has resulted in more formalised structures for tenant election to the board. Funding has also been provided in the budget to support new tenant participation initiatives.

The board approved an updated equality and diversity strategy with action plans in April 2004 with revised policies and strategies that are in line with Regulatory Code requirements and current good practice. In May 2005 we carried out a desk top review of race equality and found that overall the association is generally meeting the standards required although we made some recommendations to ensure the association is fully compliant. We will be monitoring progress through the association's self assessment compliance statement. New equality and diversity targets for 2005/06 were agreed by the board in May 2005 with annual targets to be established by the board each year.

Axiom maintains a risk map where perceived business risks are classified and scored on the probability and impact to the association, along with the controls that are or need to be in place to mitigate the risks. The risk map is subject to annual review as part of an integrated business planning approach. We consider that the association has a satisfactory risk management framework in place.

**Properly managed** – Regulatory Code part 3

**The association generally meets the standard expected given the context in which it works and the available resources.**

**Housing Corporation Assessment**

Axiom has an experienced senior management team, who work openly and co-operatively with the Housing Corporation.

We carried out an assessment of performance indicators for Axiom for the period to March 2005. All key housing management indicators compare favourably with national averages and demonstrate performance improvement since the previous year with the exception of rent collected. Repairs performance is strong and is within the

first quartile of national performance in all categories of repair. Services to tenants have been enhanced with the setting up of an appointments system.

A STATUS survey was carried out in May 2003. The outcome of which confirmed high levels of satisfaction, with both satisfaction overall and with participation within the first quartile. The association is currently carrying out its 2006 survey.

The association is committed to striving for continuous improvement. There is a five-year best value review process in place and a framework established for involving staff, tenants and representatives of other associations. The association also has a performance improvement officer, who leads on best value and efficiency and effectiveness.

Axiom has confirmed full compliance with Housing Corporation requirements in respect of tenancy management and anti-social behaviour.

Recently, the association has implemented a joint choice based lettings service working with Peterborough City Council and other associations in the city. The association also has choice based letting arrangements in place with East Cambridgeshire District Council.

#### **Development – Delivering the Approved Development Programme**

**The association's performance is satisfactory. It delivers housing that meets our standards but has not met all of its targets over the past year. However, the shortfall was relatively small and was caused by circumstances outside its control. The association keeps the Corporation fully informed of problems and keeps its in-year forecasting up to date.**

#### **Housing Corporation Assessment**

Axiom received £1.3m in allocation for 2004/06. In 2004/05 the association met its allocation limit of £857k but only achieved spend of £22k against an expenditure target of £1.17m. This was because two schemes were terminated due to reasons outside the association's control. This also affected the completions target with delivery of 37 units against a target of 47.

In 2005/06 the association received £467k in allocation and was given an expenditure target of £959k which has been met in full. Communication and forecasting was poor in 2004/05 but has improved over the last year with the association providing regular programme updates.

For Housing Corporation funded development for 2006/08 the association has joined the partnering consortium headed by Longhurst Group and Nottingham Community Housing Association. As such it will continue to be considered for funding on schemes which meet regional priorities, are deliverable, offer value for money and are deliverable.

### **Sources of information and regulatory activity**

1. The following information is generally received from all associations and is reviewed by the Corporation for each association:

- Audited annual accounts;
- External auditors' management letter;
- Annual self-assessment of compliance with the Regulatory Code;
- Internal controls assurance statement;
- Business plans;
- Financial returns;
- Performance indicators;
- Regulatory and statistical return; and
- Annual efficiency statement.

2. In addition to the above, the following specific regulatory plan activities were carried out for Axiom Housing Association:

- Equality and diversity review (May 2005); and
- Contact with executive team.

3. Additional information about the association can be accessed through the "Resources" section of the Housing Corporation website and may include:

- Performance Indicator information ([www.housingpis.co.uk](http://www.housingpis.co.uk) )
- Inspection report ([www.housingcorp.gov.uk/resources/inspection.htm](http://www.housingcorp.gov.uk/resources/inspection.htm) for Housing Corporation reports or [www.auditcommission.gov.uk](http://www.auditcommission.gov.uk) for Audit Commission reports)
- Extracts from the Public Register ([www.housingcorp.gov.uk/resources/register/select.htm](http://www.housingcorp.gov.uk/resources/register/select.htm))
- Rent information and other key facts and figures ([www.rsrsurvey.co.uk](http://www.rsrsurvey.co.uk) and [www.dataspring.org.uk](http://www.dataspring.org.uk))