



Regulator of
Social Housing

Regulatory Judgement on Framework Housing Association LH4184

January 2021

Publication Details

Reason for publication

Governance upgrade

Regulatory process

Stability Check and Reactive Engagement

Please see the definitions in Annex 1 for more detail

Governance

G1 (Compliant)

The provider meets our governance requirements.

Viability

V2 (Compliant)

The provider meets our viability requirements. It has the financial capacity to deal with a reasonable range of adverse scenarios but needs to manage material risks to ensure continued compliance.

Key to grades

G1 / V1 Compliant

G2 / V2 Compliant

G3 / V3 Non-compliant and intensive regulatory engagement.

G4 / V4 Non-compliant, serious failures leading to either intensive regulatory engagement or the use of enforcement powers.

Provider Details

Origins

Framework Housing Association (Framework) was formed in 2001, following the merger of two charities, Macedon Trust and Nottingham Help the Homeless Association. A registered charity and company limited by guarantee, Framework is a specialist provider delivering a range of community-based support services to both its own tenants and other members of the communities in which it operates. The provision of social housing forms an integral part of the overall business. All of Framework's social housing stock is supported housing.

Registered Entities

Framework is the only registered entity.

Unregistered Entities

There are no unregistered entities.

Geographic Spread and Scale

As at 31 March 2020, Framework had 1,249 units. The majority of Framework's stock is in the East Midlands, with a small number of units in Yorkshire.

Staffing and Turnover

From the financial statements for the year ended 31st March 2020, Framework employed 927 full-time equivalent members of staff. Turnover was £45m.

Development

Framework has a development programme of 90 units by 2022, focused on further provision of supported housing in its current area of operation.

Regulatory Judgement

This regulatory judgement upgrades our previous published assessment of Framework's governance. Based on the evidence gained from a Stability Check and Reactive Engagement, the regulator now has assurance that Framework's governance arrangements are sufficient to maintain compliance with regulatory requirements.

In September 2019, following its first In Depth Assessment, the regulator's assessment of Framework's governance was a G2 judgement confirming that it met the governance requirements of the Governance and Financial Viability Standard but needed to improve some aspects of its governance arrangements to support continued compliance. We concluded that board reporting on risk and performance required strengthening. In addition, the completion of Framework's stock condition survey was required to inform business planning assumptions about future major repairs investment.

Following improvements in reporting mechanisms, Framework has now demonstrated that the board has effective oversight of the risks associated with the delivery of its strategy, including key performance indicators. The stock condition survey is now fully complete enabling Framework to make informed decisions about the future maintenance of its assets.

The regulator's assessment of Framework's compliance with the financial viability element of the Governance and Financial Viability Standard is unchanged at V2. Framework's financial plans are consistent with, and support, its financial strategy. It has an adequately funded business plan, sufficient security and is forecast to continue to meet its financial covenants.

As a result of its business model, Framework operates within low margins on support activities and the lack of certainty around contracts for its services means that finances have to be carefully managed at all times. Framework's stress testing has demonstrated that it has the financial capacity to deal with a reasonable range of exposures, but it needs to continue to manage the risks associated with the funding of its support activities, including an element of reliance on grants from statutory and charitable sources.

Annex 1: Definitions of Regulatory Processes

In Depth Assessment (IDA)

An IDA is a bespoke assessment of a provider's viability and governance, including its approach to value for money. It involves on-site work and considers in detail a provider's ability to meet its financial obligations and the effectiveness of its governance structures and processes.

Stability Checks

Based primarily on information supplied through regulatory returns, a Stability Check is an annual review of a provider's financial position and its latest business plan. The review is focused on determining if there is evidence to indicate a provider's current judgements merit reconsideration.

Reactive Engagement

Reactive engagement is unplanned work which is triggered by new information or a developing situation which may have implications for a provider's current regulatory judgement.

Stability Checks and Reactive Engagement

In some cases, we will publish narrative regulatory judgements which combine evidence gained from both Stability Checks and Reactive Engagement.

Further Information

For further details about these processes, please see 'Regulating the Standards' on <https://www.gov.uk/rsh>.