



Regulator of  
Social Housing

Decision

# **Lincolnshire Housing Partnership Limited (4877) - Regulatory Judgement: 30 October 2024**

Updated 30 October 2024

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**Applies to England**

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# Our Judgement

	<b>Grade/Judgement</b>	<b>Change</b>	<b>Date of assessment</b>
Consumer	C2 Our judgement is that there are some weaknesses in the landlord delivering the outcomes of the consumer standards and improvement is needed.	First grading	October 2024
Governance	G1 Our judgement is that the provider meets our governance requirements.	Assessed and Unchanged	October 2024
Viability	V2 Our judgement is that the landlord 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.	Assessed and Unchanged	October 2024

## Reason for publication

We are publishing a regulatory judgement for Lincolnshire Housing Partnership Limited (LHP) following an inspection completed in October 2024.

This regulatory inspection confirms a consumer grade of C2, a governance grading of G1, and a financial viability grading of V2.

Prior to this regulatory judgement, the governance and financial viability gradings for LHP were last updated in December 2023, following a stability check to confirm a G1 grade for governance and a V2 grade for financial viability. This is the first time we have issued a consumer grade in relation to this landlord

## **Summary of the decision**

From the evidence and assurance gained during the inspection, it is our judgement that there are some weaknesses in LHP's delivery of the outcomes of the consumer standards and improvement is needed, specifically in relation to the outcomes in our Safety and Quality Standard and Transparency, Influence and Accountability Standard. Based on this assessment we have concluded a C2 grade for LHP.

Our judgement is that LHP meets our governance requirements. The board and leadership team have the skills and capacity to deliver LHP's charitable and strategic objectives. It has managed the risks associated with its activities and has performance reporting frameworks in place. Based on this assessment, we have concluded a G1 grade for LHP.

Our judgement is that LHP meets our financial viability requirements, has access to sufficient liquidity and continues to forecast covenant compliance with reasonable headroom. In the short term, LHP's forecast financial performance is weakened by its expected level of investment in existing homes. LHP has the financial capacity to deal with a reasonable range of adverse scenarios. Based on this assessment, we have concluded a V2 grade for LHP.

## **How we reached our judgement**

We carried out an inspection of LHP to assess how well it is delivering the outcomes of the consumer standards and meeting our governance and viability standards, as part of our planned regulatory inspection programme. During the inspection, we considered all four of the consumer standards: Neighbourhood and Community Standard, Safety and Quality Standard, Tenancy Standard, and the Transparency, Influence and Accountability Standard.

During the inspection we observed a board meeting, held meetings with LHP including with its non-executive directors, observed and spoke with LHP's tenants involved in scrutiny and wider engagement activities, and reviewed a wide range of documents provided by LHP.

Our regulatory judgement is based on all of the relevant information we obtained during the inspection as well as analysis of information received from LHP through its regulatory returns and other regulatory engagement activity.

# Summary of findings

## Consumer – C2 – October 2024

During the inspection LHP provided evidence-based assurance that it collects sufficient information on the current condition of its homes through physical stock condition surveys. LHP also has arrangements in place to update and manage this information including through its damp, mould and condensation work, responsive and programmed repairs, and through engagement with frontline housing staff.

LHP has demonstrated it is providing an accessible repairs service to tenants but there are weaknesses in the efficiency and timeliness of its service provision. A repairs transformation programme is in place to address this and LHP needs to also strengthen the reporting of service outcomes to evidence that improvements are being made. LHP's board is supporting and monitoring the delivery of the transformation programme which is at an early stage.

During the inspection LHP provided evidence-based assurance that it has appropriate systems in place to ensure the health and safety of its tenants in their homes and associated communal areas. LHP evidenced it monitors its compliance with landlord health and safety requirements. The board has oversight of and is managing the risks identified by its compliance information and other sources of information, however there are weaknesses in LHP's approach. LHP is aware of areas for improvement, which includes improving the consistency and coverage of information provided to the board.

In relation to the Neighbourhood and Community Standard, we gained assurance that LHP is working in partnership with relevant organisations to deter and tackle anti-social behaviour and hate incidents in the neighbourhoods where it provides social housing. It has consulted with tenants on the arrangements in place and offers them a range of ways in which to report anti-social behaviour and hate crime incidents.

LHP has demonstrated that, in line with the Tenancy Standard, it has arrangements in place to ensure properties are let in a fair and transparent way. These include working with appropriate third parties to allocate homes according to individual needs. We saw evidence of LHP ensuring tenants are supported in sustaining their tenancies and, where relevant, property characteristics are considered against customer requirements and vulnerabilities during the allocations process.

We saw evidence that LHP has arrangements in place to handle tenant complaints. When tenants make complaints LHP has shown it has made service improvements in response. The board receives updates on complaints, but this is an area where more detail could enhance the oversight and scrutiny of LHP's performance.

Through the inspection LHP has evidenced delivery of the outcomes of the consumer standards in relation to the Transparency, Influence and Accountability Standard and that, where improvement is needed, plans are being put in place. LHP offers a range of opportunities for tenants to influence and scrutinise its strategies, policies and services. Arrangements are in place for LHP to seek tenant views and there is evidence that tenant feedback has directly impacted service delivery.

LHP acknowledges that there is further work to do in how it communicates with and uses the information it holds about its tenants. LHP holds limited information about the diverse needs of its tenants and improvement is needed in LHP's approach to consider tenant's diverse needs in the design and delivery of services and that the information LHP holds is used to support the delivery of fair and equitable outcomes.

LHP is strengthening the quality and consistency of performance reporting to board to ensure it has sufficient oversight of outcomes for tenants.

## **Governance – G1 – October 2024**

Based on evidence gained through the inspection, there is assurance that LHP's governance arrangements enable it to effectively manage its risk and adequately control the organisation, allowing it to deliver its objectives.

LHP's board has a clearly articulated corporate plan, business plan and associated strategies which have recently been reviewed and updated. There are arrangements in place for reporting on strategic delivery, oversight of its financial risks and an awareness of the areas it needs to improve to fully deliver the outcomes required by the consumer standards.

An appropriate risk management and control framework aligned with the activities of the organisation is in place. LHP's board actively seeks and gains appropriate levels of assurance across a range of areas. We saw evidence of board challenge on performance against their strategic objectives and consideration of risks in its decision making. Some areas of improvement relating to board reporting have been identified but we do not consider these to impact on the grading decision as we saw evidence that existing reporting provides effective board oversight of key risks.

Board ownership of stress testing, mitigation strategies and wider governance over risks through regular and structured review of golden rules is evident. Stress testing demonstrates that LHP can manage a reasonable range of risks should they crystallise. Reporting to board on stress testing and mitigation strategies provides sufficient detail for the board to ensure oversight, although presentation of mitigations to board could be further improved.

LHP provided evidence that it has established and maintains clear roles, responsibilities and accountabilities within its leadership and governance structure. There is evidence that the relationship between its board and committees is working in line with its delegations to strengthen assurance in key areas of risk and compliance.

Board member skills, experience and knowledge are aligned to the activities of the organisation and there is a structured approach to developing and appraising skills to support succession planning. We have seen evidence of this through our board observation, meetings with executive and non-executive directors, as well as reviewing relevant documents, including minutes of meetings.

## **Viability – V2 – October 2024**

Based on the evidence gained through the inspection we have concluded that there is appropriate assurance that LHP's financial plans are consistent with, and support, its financial strategy. LHP has appropriately evidenced that it has an adequately funded business plan, sufficient security in place to support its financial plans, and LHP is forecast to continue to meet its financial covenants under a wide range of adverse scenarios. LHP's board has effective oversight of covenant compliance with regular reporting on place on actual and forecast covenant compliance.

LHP continues to meet our viability requirements and has financial capacity to deal with adverse scenarios. Its recent financial performance indicates it has delivered a sustainable financial position throughout a period of economic uncertainty, and it continues to forecast generating a positive operating margin. However, in the short term LHP plans to continue significant investment in its current homes and this will mean its capacity to respond to a wide range of financial risks is reduced and will need to be managed.

## **Background to the judgement**

## About the landlord

Lincolnshire Housing Partnership Limited (LHP) is a charitable community benefit society, and stockholding parent of the group.

LHP is the RSH registered parent in the group, which includes three unregistered entities, Boston Mayflower Finance PLC, Speedwell Homes Limited and Humber Homes Limited.

LHP operates across seven local authority areas across the east coast of Lincolnshire and owns around 11,600 social housing homes.

At 31 March 2024, the group employed 388 full-time equivalent staff. Group turnover for the year ended 31 March 2023 was £62m.

## Our role and regulatory approach

We regulate for a viable, efficient, and well governed social housing sector able to deliver quality homes and services for current and future tenants.

We regulate at the landlord level to drive improvement in how landlords operate. By landlord we mean a registered provider of social housing. These can either be local authorities, or private registered providers (other organisations registered with us such as non-profit housing associations, co-operatives, or profit-making organisations).

We set standards which state outcomes that landlords must deliver. The outcomes of our standards include both the required outcomes and specific expectations we set. Where we find there are significant failures in landlords which we consider to be material to the landlord's delivery of those outcomes, we hold them to account. Ultimately this provides protection for tenants' homes and services and achieves better outcomes for current and future tenants. It also contributes to a sustainable sector which can attract strong investment.

We have a different role for regulating local authorities than for other landlords. This is because we have a narrower role for local authorities and the Governance and Financial Viability Standard, and Value for Money Standard do not apply. Further detail on which standards apply to different landlords can be found on our [standards page](https://www.gov.uk/government/collections/regulatory-standards-for-landlords) (<https://www.gov.uk/government/collections/regulatory-standards-for-landlords>).

We assess the performance of landlords through inspections and by reviewing data that landlords are required to submit to us. In Depth Assessments (IDAs) were one of our previous assessment processes, which are now replaced by our new inspections programme from 1 April



2024. We also respond where there is an issue or a potential issue that may be material to a landlord's delivery of the outcomes of our standards. We publish regulatory judgements that describe our view of landlords' performance with our standards. We also publish grades for landlords with more than 1,000 social housing homes.

The Housing Ombudsman deals with individual complaints. When individual complaints are referred to us, we investigate if we consider that the issue may be material to a landlord's delivery of the outcomes of our standards.

For more information about our approach to regulation, please see [Regulating the standards \(https://www.gov.uk/government/collections/how-we-regulate\)](https://www.gov.uk/government/collections/how-we-regulate).

## Further information

- [Regulating the standards \(https://www.gov.uk/government/collections/how-we-regulate\)](https://www.gov.uk/government/collections/how-we-regulate)
- [Regulatory standards for landlords \(https://www.gov.uk/government/collections/regulatory-standards-for-landlords\)](https://www.gov.uk/government/collections/regulatory-standards-for-landlords)