



Regulator of
Social Housing

Saxon Weald (L4299) Regulatory Judgement

25 September 2024

Our Judgement

	Grade/Judgement	Change	Date of assessment
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	September 2024
Governance	G1 Our judgement is that the landlord meets our governance requirements.	Assessed and unchanged	September 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	Assessed and unchanged	September 2024

Grade/Judgement	Change	Date of assessment
ensure continued compliance.		

Reason for publication

We are publishing a regulatory judgement for Saxon Weald following an inspection completed in September 2024.

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

Prior to this regulatory judgement, the governance and financial viability grades for Saxon Weald were last updated in December 2023 following a stability check, to confirm grades of G1 and V2. 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 how Saxon Weald is delivering the outcomes of the consumer standards and improvement is needed, specifically in relation to outcomes in the Safety and Quality Standard and the Transparency, Influence and Accountability Standard. Based on this assessment, we have concluded a C2 grade for Saxon Weald.

Our judgement is that Saxon Weald meets our governance requirements. Saxon Weald has provided evidence to demonstrate the effectiveness of its governance arrangements and that it continues to effectively manage the risks of its activities, allowing it to deliver its strategic objectives. Based on this assessment, we have concluded a G1 grade for Saxon Weald.

Our judgement is that Saxon Weald meets our financial viability requirements and has the financial capacity to deal with a reasonable range of adverse scenarios, but it does need to manage material risks to ensure continued compliance. Based on this assessment, we have concluded a V2 grade for Saxon Weald.

How we reached our judgement

We carried out an inspection of Saxon Weald to assess how well it is delivering the outcomes of the consumer standards and meeting our governance and financial

viability requirements, 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, a tenant task and finish group and the customer experience committee, spoke to tenants, held meetings with Saxon Weald including with its non-executive directors, and reviewed a wide range of documents provided by Saxon Weald.

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

Summary of findings

Consumer – C2

September 2024

During the inspection Saxon Weald provided evidence-based assurance that it has appropriate systems to ensure the health and safety of its tenants in their homes and associated communal areas. Saxon Weald demonstrated that it has a good understanding of its compliance with landlord health and safety requirements. Saxon Weald monitors compliance with legally required health and safety assessments as part of its asset management strategy and uses external assurance to review processes and support its own in-house internal audit reviews. Saxon Weald evidenced improvements it had delivered in response to recommendations from these.

Outcomes across the majority of key areas of health and safety are good and performance is actively monitored by the board. Saxon Weald's fire risk assessment programme has identified a number of fire safety remedial actions, a proportion of which are overdue, including some high-risk actions. An action plan is in place to reduce the backlog and Saxon Weald have sought external expertise to assess for mitigations which have not been required. Saxon Weald are prioritising actions according to tenant vulnerability. We have seen evidence of steady progress being made to address the backlog and will continue to seek assurance through our ongoing engagement.

We found evidence of weaknesses in Saxon Weald's understanding of the condition of its homes at an individual property level. At the time of our inspection an exercise was underway to increase the proportion of physical stock condition surveys bringing this up to 100% over the next two years and maintaining this in future through a rolling five-year programme.

Saxon Weald demonstrated that it uses information from a range of sources, including from its repairs and replacement work to inform its understanding of the quality and safety of its tenants' homes and to make decisions on future investment to maintain and improve homes. Through our ongoing engagement with Saxon Weald, it will be expected to evidence progress in this area to provide assurance that it has an accurate, up to date and evidenced understanding of the condition of its homes.

We found weaknesses in the provision of an effective, efficient and timely repairs and maintenance service, which Saxon Weald is taking steps to resolve. Saxon Weald has identified a number of improvements, using feedback from Tenant Satisfaction Measures, complaints and reviewing performance information. These include making changes to its repairs services to improve efficiency and increasing capacity to address its repairs backlog. We have assurance that there are appropriate plans in place to deliver the improvements and we saw evidence that this is starting to be reflected in improved performance.

In relation to the Neighbourhood and Community Standard, we gained assurance that Saxon Weald works in partnership with relevant organisations to deter and tackle anti-social behaviour, including hate incidents, in neighbourhoods where it provides social housing. Saxon Weald continues to strengthen its approach, including acting on feedback from tenants, and has evidenced this with recent changes to its recording systems and staff training.

In relation to the Tenancy Standard, our inspection found evidence that Saxon Weald's approach to lettings and allocations is transparent, and that measures are in place to ensure terms of tenancy are appropriate and meet the needs of tenants. There are a range of initiatives in place to support tenancy sustainment including helping tenants to access financial support.

In relation to the Transparency, Influence and Accountability Standard, we gained assurance that Saxon Weald treats its tenants with fairness and respect, and that it has a range of processes in place to support this. We found weaknesses in Saxon Weald's understanding of its tenants, and a need to broaden the range of information it holds about its tenants. This will facilitate greater tailoring of services to tenant need, provide greater insight into satisfaction data for different groups, and strengthen existing tenant engagement arrangements. We will continue to seek assurance from Saxon Weald that sufficient progress is being made in this area through our ongoing engagement.

We saw evidence that tenants have a wide range of meaningful opportunities to influence and scrutinise Saxon Weald's strategies, policies and services. There are clear arrangements in place through which Saxon Weald hears from tenants. These

opportunities have directly influenced how services are delivered to improve outcomes for tenants, including repairs and complaints. Tenant engagement is well structured, from a local level through to board level, and well supported by Saxon Weald staff.

We have assurance that Saxon Weald is making improvements to ensure complaints are addressed fairly, effectively and promptly, and that it is taking a tenant focussed approach to improving satisfaction levels. Saxon Weald's performance on complaints handling is improving and we saw evidence that it regularly reviews performance information, complaints and wider customer feedback and uses this to improve the experience and outcomes for tenants.

Governance – G1

September 2024

Based on the evidence gained from the inspection, there is assurance that Saxon Weald's governance arrangements enable it to effectively manage its risks and adequately control the organisation to deliver its objectives. We saw evidence of board challenge on performance against strategic objectives and consideration of risk appetite in strategic decision making.

Saxon Weald provided appropriate assurance that its board proactively reviews its approach to delivering against its purpose and regularly considers alternative options to ensure it is achieving value for money in making best use of resources.

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

Continuing governance improvement is evidenced through annual effectiveness reviews and in-depth periodic external governance reviews. The most recent external governance review took place in May 2023 and Saxon Weald has implemented its recommendations.

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

Saxon Weald has a risk management and control framework that aligns to its strategic risks. There is evidence of robust discussion and board challenge of the controls and assurance on strategic risks and of risks being managed effectively,

such as damp and mould and repairs performance. Our inspection found that overall Saxon Weald's risk management is effective and it takes action to make improvements when needed.

There is evidence that Saxon Weald's board actively seeks and gains an appropriate level of assurance across a range of areas. There is evidence of how this assurance has been used to make improvements including through the recent review of Saxon Weald's repairs service and corresponding improvement plan.

Board ownership of stress testing, mitigation strategies and wider governance over risks through regular and structured review of golden rules is evident. Reporting to Saxon Weald's board provides sufficient detail to ensure effective oversight.

Viability – V2

September 2024

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

Saxon Weald has increased its investment into existing homes, mainly driven by the energy efficiency and fire safety works to its homes, which is putting pressure on its financial performance. Saxon Weald is also developing new homes and has plans to dispose of some homes that are uneconomic to improve, when they become empty. This means Saxon Weald needs to manage risks associated with the housing market. Saxon Weald's business plan includes efficiency savings which if not achieved could also impact on its financial position. When set in the context of current economic pressures, this reduces Saxon Weald's capacity to respond to adverse events.

Background to the judgement

About the landlord

Saxon Weald is a Community Benefit Society formed as the result of a transfer of homes from Horsham District Council in 2000.

Saxon Weald is the only RSH registered entity in its group and is a non-profit provider of social housing. Saxon Weald has two unregistered subsidiaries, Saxon

Weald Capital plc and Weald Property Development Limited. To date, Weald Property Development Limited remains dormant.

Saxon Weald owns and manages around 6,900 social housing homes across East and West Sussex and Hampshire, with the majority of stock being in the Horsham district. It plans to develop around 340 properties over the next five years.

Saxon Weald employs the full-time equivalent of 259 staff and its turnover for the year ended 31 March 2024 was £56.8m.

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](#).

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](#).