

**An tÚdarás Rialála Comhlachtaí
Tithíochta Ceadaithe**

Approved Housing Bodies
Regulatory Authority



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Draft Standards for AHBs

October 2021

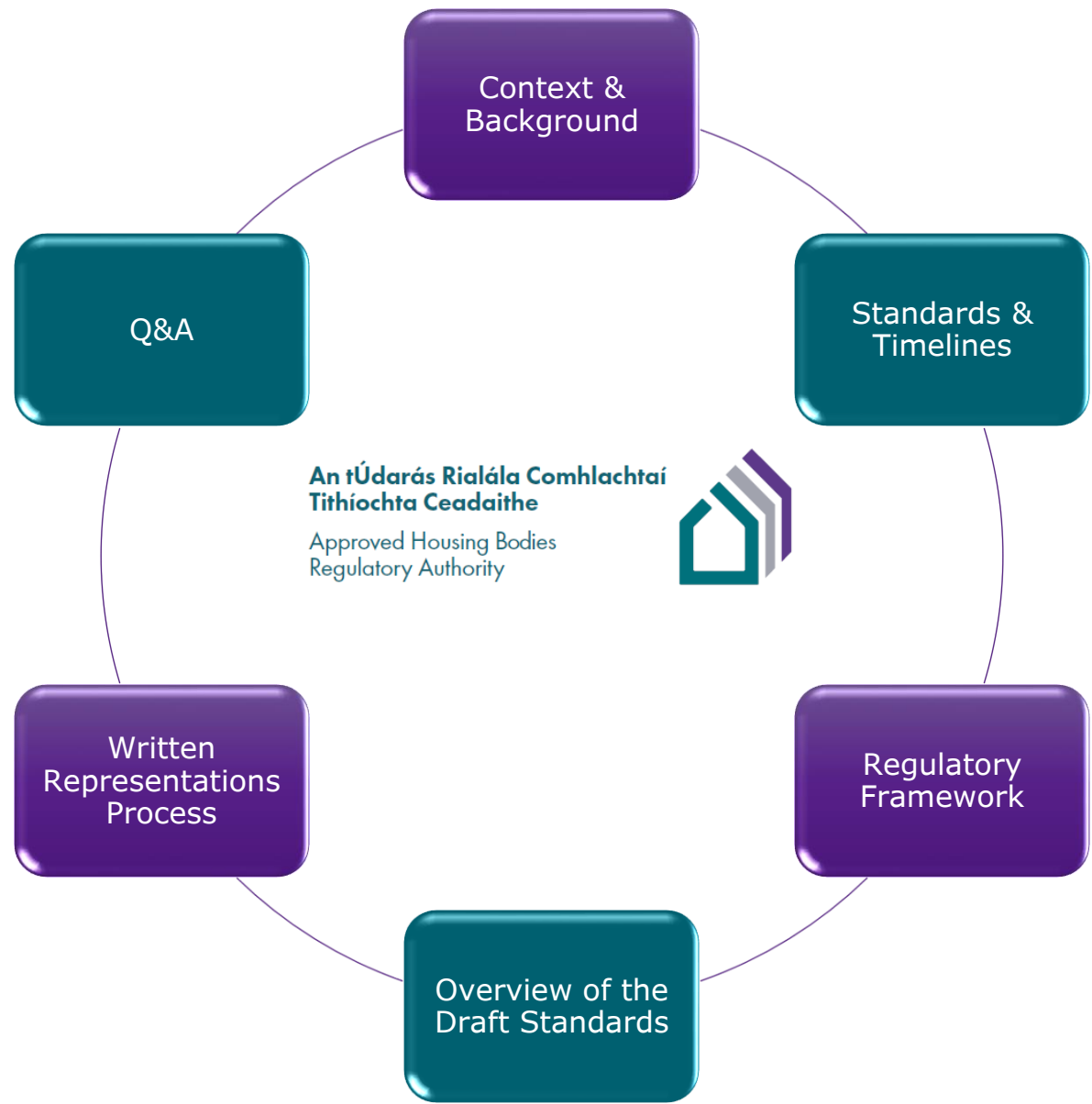
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Objectives of Today's Session



Approved Housing Bodies Regulatory Authority



- ✓ Legislation: Housing (Approved Housing Bodies) Act 2019
- ✓ Approved Housing Bodies Regulatory Authority established 1st February 2021
- ✓ Chair & Board Appointed – 11th February 2021
- ✓ 1st Board Meeting – 25th February 2021
- ✓ Powers and functions to be introduced on a phased basis
- ✓ Commencement of Section 37 of the Housing (Regulation of Approved Housing Bodies) Act 2019 – 1st July 2021
- ✓ Strategic Statement submitted to the Minister – August 2021
- ✓ Publication of Draft Standards – 1st October 2021



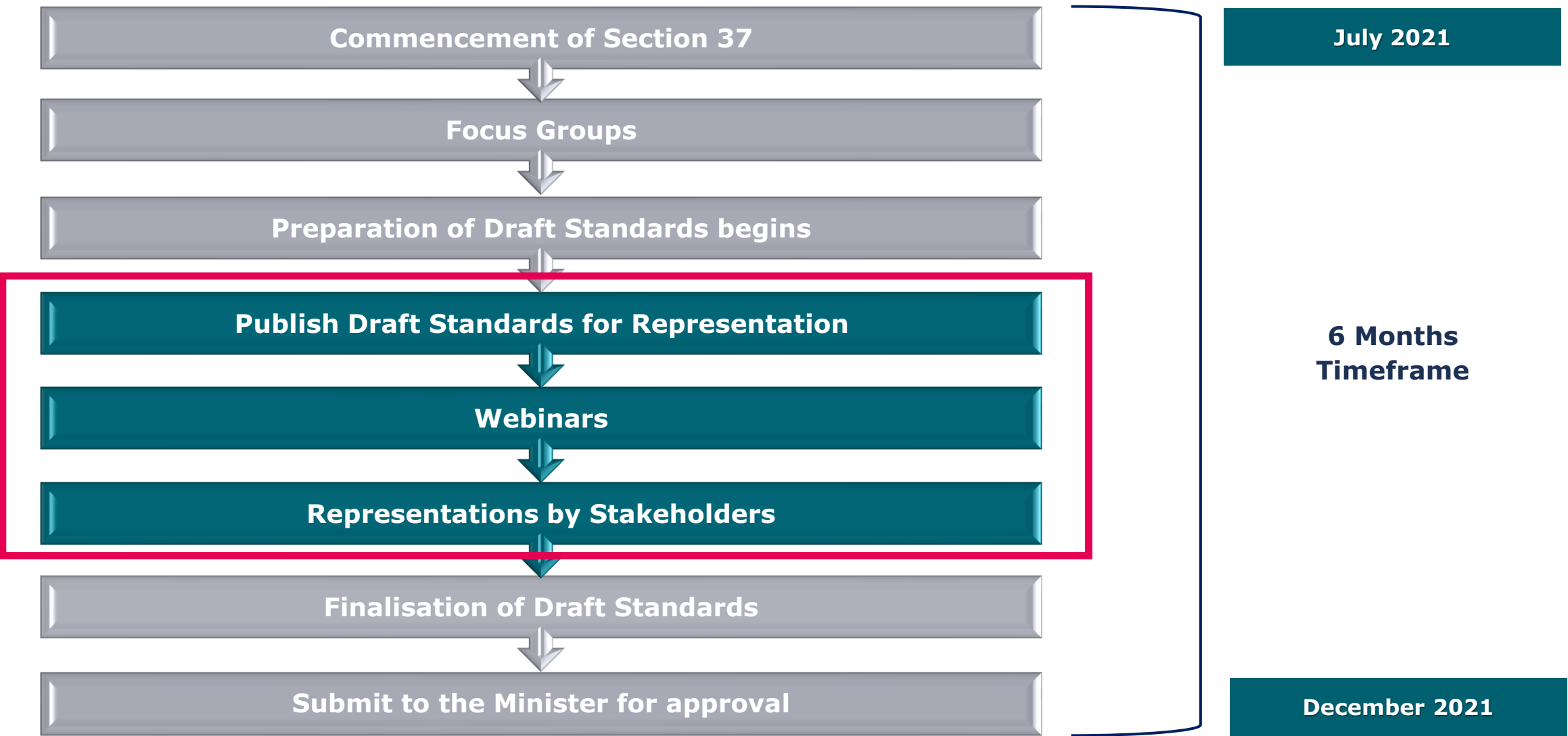
The **Housing (Regulation of Approved Housing Bodies) Act 2019** provides for the regulation of Approved Housing Bodies (AHBs) for the purposes of protecting housing assets provided or managed by such bodies.

It seeks to support stronger governance, financial management and reporting, property and asset management, and tenancy management by AHBs, with a focus on safeguarding investment being made in the delivery of social housing by AHBs. **Central to this**, is the establishment of the Approved Housing Bodies Regulatory Authority.



- ❑ The Standards will provide for the governance, financial management and financial reporting and property, asset and tenancy management of AHBs
- ❑ Section 37 of the Housing (Regulation of Approved Housing Bodies) Act 2019 provides for the drafting of standards.
- ❑ It requires that AHBRA submit draft standards to the Minister within **6 months**

Important Timelines





Risk Based Regulation

AHBRA will implement risk-based regulation focusing on AHBs who are identified with higher levels of risk. This ensures using our resources appropriately and effectively



Proportional

The sector is diverse, and consideration is required for the nature, scale and complexity of the activities of each category of AHBs.

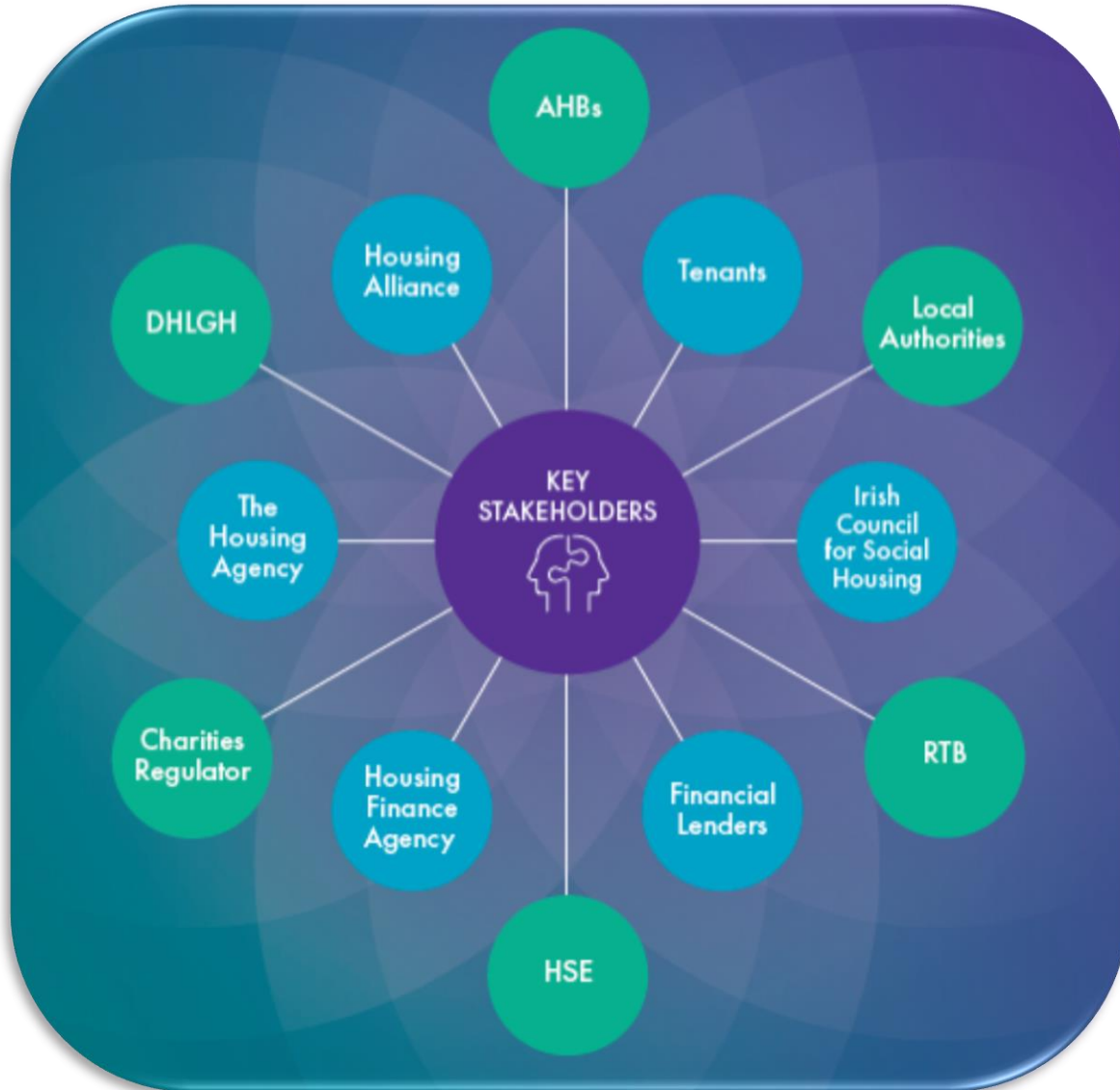


Outcome Based

AHBRA has proposed adopting performance or outcome-based standards, versus the prescriptive approach adopted under voluntary regulation

Performance based standards focus on the desired, measurable outcomes. The emphasis will be on AHBs providing evidence and assurances, demonstrating how they meet those outcomes.

Stakeholder engagement in drafting standards



As part of the Standards drafting process AHBRA is conducting a series of communications to ensure engagement with key stakeholders and the AHB Sector

- ❑ AHB Focus Groups (August)
 - Finance
 - Governance
 - Property & tenancy management
- ❑ Engagement meetings with key stakeholders
 - DHLGH
 - Housing Finance Agency
 - ICSH/Housing Alliance
 - Housing Agency
 - HSE
 - Local Authorities
 - Charities Regulator
- ❑ Educational Webinars (October)
- ❑ Representations (October)

A phased approach



Regulatory Framework



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Draft Standard 1:

Governance



Context

- Good governance is essential to the effective operation of all AHBs.
- Ensuring an AHB is well-governed is the responsibility of the Board.
- Successful Boards fully understand the nature and scale of the opportunities and risks that their organisations face and how to deliver on their agreed strategy and objectives.
- Effective Boards communicate in an open and transparent manner with key stakeholders and are committed to promoting and maintaining high ethical standards.



Outcomes

1. AHBs comply with all relevant legal, regulatory, and statutory requirements
2. An effective Board
3. Be accountable to tenants, the Regulator, and other key stakeholders
4. Act with honesty and integrity and in the best interests of the AHB
5. Manage risk effectively



Outcome 1 – AHBs comply with all relevant legal, regulatory and statutory requirements

AHBs must demonstrate:

- They operate in line with the organisation's constitution;
- All relevant statutory and compliance obligations are identified and there are effective procedures for monitoring and reporting on compliance; and
- Timely communication with the Regulator and any other relevant parties, of significant breaches or sanctions relating to its legal, regulatory, and statutory requirements.



Draft Standard 1 – Governance

Outcome 2 – An effective Board

AHBs must demonstrate:

- Strong leadership and clear strategic direction, in line with their organisational purpose;
- Decisions are made based on good quality, accurate and timely information;
- Effective oversight of activities and monitoring of progress against stated objectives by the Board;
- Clear roles and responsibilities for Board members and staff (where applicable);
- Relevant skills, expertise and knowledge; and
- Board renewal and succession planning.



Outcome 3 – Be accountable to tenants, the Regulator, and other key stakeholders

AHBs must demonstrate:

- Openness and transparency;
- Provision of good quality, timely, and appropriate information relating to the organisation's performance; and
- Equal and collective responsibility and accountability for the decisions of the Board and that the Board operates on a one member, one vote basis.



Outcome 4 – Act with honesty and integrity and in the best interests of the AHB

AHBs must demonstrate:

- Honesty and integrity at all times;
- Adherence to their code of conduct;
- Documented, appropriate and transparent management of any group structures, related party(s) and/or third-party relationships;
- Clear accountability and responsibility relating to any group structures, related party(s) and/or third-party relationships;
- Conflicts of interests are appropriately managed; and
- Members act independently and place the organisation's interests above any private, personal, or professional interest.



Draft Standard 1 – Governance

Outcome 5 – Manage risk effectively

AHBs must demonstrate:

- Understanding of the work of the AHB and the environment in which it operates;
- An effective and proportionate approach to risk management;
- An appropriate system of internal control;
- Appropriate internal and external audit; and
- Risk is dealt with effectively and the AHB has the appropriate assurance frameworks.

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Draft Standard 2:

Financial Management & Financial Reporting



Context

- Outlines the requirements for financial management, controls, reporting, governance and monitoring practices, which are appropriate to size, scale, development plans and debt profiles.
- AHBs should strive to ensure effective, efficient and economic use of their resources.
- The consideration of Value for Money is fundamental in achieving optimal value from all resources and assets.



Outcomes

1. Resources are managed effectively to ensure financial viability
2. Effective financial governance framework
3. Appropriate financial management, cashflow and treasury management
4. Effective systems for reporting and monitoring financial performance
5. Robust and prudent financial risk framework



Outcome 1 – Resources are managed effectively to ensure financial viability

AHBs must demonstrate:

- Generation of sufficient income to meet operational payments and debt commitments as they fall due, while maintaining service levels;
- Sustainable cash flows and sufficient liquidity to meet expected future obligations;
- Effective management and monitoring of financial resources and risks;
- Reliable and up-to-date information on the condition of all properties; and
- Adequate financial resources to meet investment requirements of maintenance and capital expenditure obligations as they fall due.



Outcome 2 – Effective financial governance framework

AHBs must demonstrate:

- AHBs comply with all relevant legal, regulatory, and statutory requirements;
- Robust and effective financial controls, including processes and procedures by which resources are directed (used), monitored and measured (reported);
- Integrity of financial management and reporting, with appropriate procedures for monitoring and evaluating accuracy of financial data;
- Effective internal control systems are in place;
- Appropriate internal and external audit plan(s);
- A full understanding of all aspects of the organisation's financial plan, providing a platform for informed decision-making;
- Effective governance, reporting and oversight arrangements in place for group structures and related parties;
- Appropriate financial governance relating to Third party relationships and contractual obligations; and
- All relevant statutory and compliance obligations are identified and there are effective procedures for monitoring and reporting on compliance.



Outcome 3 – Appropriate financial management, cashflow and treasury management

AHBs must demonstrate:

- Effective financial management to ensure sufficient funds are available to fund expected expenditures;
- Management of housing income in a timely manner, including arrears, bad debts and voids;
- Annual Budgets which are aligned to and monitored against the overall objectives of the organisation;
- Access to sufficient cash and liquidity, as required;
- Financial forecasts are based on appropriate and reasonable assumptions and information;
- Evaluation of the impact of current and potential future funding arrangements on financial viability, liquidity and risk, including reporting and monitoring; and
- Compliance against all funder covenants is identified and there are effective procedures for monitoring and reporting.



Outcome 4 – Effective systems for reporting and monitoring financial performance

AHBs must demonstrate:

- Proper keeping of accounts which accurately reflect the organisation's financial position;
- Compliance with all relevant statutory, legal, accounting, regulatory and financial requirements;
- Externally audited annual financial statements;
- Accurate and up-to-date records of its assets and liabilities are held and maintained, particularly those liabilities relating to social housing assets;
- Transparent financial management and reporting on the housing element of the business;
- Regular monitoring of financial performance by setting a range of key financial indicators and reporting progress against these; and
- Compliance against all contractual obligations, as required by Third party funding arrangements, are identified, with effective procedures for monitoring and reporting.



Outcome 5 – Robust and prudent financial risk framework

AHBs must demonstrate:

- Financial risks are assessed, managed and reviewed regularly to ensure the long-term protection of social housing assets;
- Responsibility for the management of risk is defined and clearly understood;
- Regular monitoring of financial risks, with appropriate testing and mechanisms to mitigate risks, where possible;
- An understanding and management of the likely impact on current and future financial viability and sustainability before taking on new liabilities; and
- Assessment of capacity to take on new business and development opportunities.

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Draft Standard 3:

Property and Asset Management

Draft Standard 3 – Property and Asset Management



Context

- The purpose of the Property and Asset Management Standard is to ensure AHBs manage their stock efficiently and effectively.
- Seeks to ensure that AHB housing assets, and public funding in these assets, are protected in order that those properties will continue to meet current and future housing needs.
- All AHBs have a statutory obligation to keep tenant's homes in good repair, which aims to deliver tenant safety, well-being and satisfaction.
- AHBs should ensure that they have appropriate mechanisms in place to fund and deliver an effective and efficient repairs and maintenance function.



Outcomes

1. AHBs comply with all relevant legal, regulatory, and statutory requirements
2. AHBs protect their housing assets by delivering an effective asset management programme
3. AHBs provide a cost-effective repairs and maintenance programme that meets the needs of tenants

Draft Standard 3 – Property and Asset Management



Outcome 1 – AHBs comply with all relevant legal, regulatory, and statutory requirements

AHBs must demonstrate:

- All homes meet the applicable existing legal, regulatory, statutory and compliance obligations relating to safety, quality and energy efficiency;
- All relevant legal, regulatory, statutory and compliance obligations are identified and there are effective procedures for monitoring and reporting on compliance; and
- Risks to the Health & Safety of their tenants and staff are identified and managed appropriately.

Draft Standard 3 – Property and Asset Management



Outcome 2 – AHBs protect their housing assets by delivering an effective asset management programme

AHBs must demonstrate:

- Asset management objectives and priorities are identified and delivered;
- A clearly defined approach to responsive repairs, planned or cyclical maintenance, capital works and work to void properties;
- Accurate and up-to-date records of all properties owned, leased or managed, including each property's repair and inspection history and voids;
- Reliable and up-to-date information on the condition of all properties, which is subject to external validation;
- Forecasting of future maintenance investment needs for all properties;
- Void properties are identified in overall asset management objectives;
- Adequate financial resources to fund both short-term and longer-term maintenance requirements; and
- Strategy relating to future needs regarding environment and sustainability policy obligations.

Draft Standard 3 – Property and Asset Management



Outcome 3 – AHBs provide a cost-effective repairs and maintenance programme that meets the needs of tenants

AHBs must demonstrate:

- Annual Programmes of repairs and maintenance to deliver on their asset management objectives;
- Appropriate budgets for all repairs and maintenance to be delivered are set, reported on and monitored;
- Pro-active management of void properties;
- Procurement policies and procedures that deliver value for money, including the monitoring of contractor performance;
- Performance is regularly monitored, with a range of key performance indicators for repairs, maintenance and voids, and reporting progress against these; and
- Effective and easily accessible mechanisms for receiving tenant feedback on repairs and maintenance.

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Draft Standard 4: Tenancy Management



Context

- Requires that AHBs have effective policies and procedures in place for the delivery of tenant services, ensuring AHB tenants are central to the work of the AHB, with the main objective of safeguarding tenants
- Regular communication with tenants in relation to service provision, tenant responsibilities and landlord performance will help establish an effective relationship between landlord and tenant.
- AHBRA is not responsible for regulating the relationship between an AHB and a tenant. The RTB is the public body who regulates the rental sector, including dealing with disputes between landlords and tenants.



Outcomes

1. AHBs comply with all relevant legal, regulatory, and statutory requirements
2. Homes are allocated in a fair, transparent and efficient manner, and aligned to funding obligations
3. Effective communication with tenants on all aspects of their tenancy
4. Fair and transparent rent policies in place, where rents are charged and collected in an accurate and efficient manner
5. An AHB's complaints process is clear and easily accessible
6. Tenant engagement regarding the future delivery of tenant services is encouraged and facilitated
7. AHBs understand tenant satisfaction through monitoring and reporting on the performance of service delivery



Outcome 1 – AHBs comply with all relevant legal, regulatory, and statutory requirements

AHBs must demonstrate:

- AHBs meet the appropriate existing legal, regulatory, statutory and compliance obligations relating to the management of tenancies; and
- All relevant legal, regulatory, statutory and compliance obligations are identified and there are effective procedures for monitoring and reporting on compliance.



Outcome 2 – Homes are allocated in a fair, transparent and efficient manner, and aligned with funding obligations

AHBs must demonstrate:

- Effective procedures for the identification of vacancies within existing housing stock and the availability of newly completed homes;
- Efficient procedures for seeking timely nominations when filling vacant properties, making best use of available homes;
- Clear and accessible allocations policies and procedures that are fair, transparent and consistently applied; and
- A nominations and allocations process is aligned to funding obligations.



Outcome 3 – Effective communication with tenants on all aspects of their tenancy

AHBs must demonstrate:

- A clear approach to communication and the provision of support for tenants;
- Provision of pre-tenancy information and support for all tenants based on their needs;
- Tenant-related services and information are easily accessible to tenants;
- A range of communication methods available, which cater for the diverse needs of tenants; and
- Communication of performance on the delivery of services to tenants in an easy-to-understand manner.



Outcome 4 – Fair and transparent rent policies in place, where rents are charged and collected in an accurate and efficient manner

AHBs must demonstrate:

- Tenants receive clear information on policies and procedures relating to rent setting, reviews and collection methods;
- Accurate monitoring, measurement and reporting on rent collection and related income; and
- Effective management of rental arrears to maximise income received.



Outcome 5 – An AHB’s complaints process is clear and easily accessible

AHBs must demonstrate:

- Clear and easily accessible complaints procedure for tenants and service users;
- Complaint’s procedure, which is fair, transparent and consistent; and
- An appropriate system for monitoring and reporting complaints and outcomes.



Outcome 6 – Tenant engagement regarding the delivery of tenant services in encouraged and facilitated

AHBs must demonstrate:

- They actively seek feedback from tenants and provide regular opportunities for tenants to engage with the AHB on service provision;
- Consultation with tenants when developing policies that impact on any aspect of tenant services;
- Clear communication to tenants on how they can influence current and future service delivery;
and
- Consultation with tenants on approaches for improving the communities they live in.



Outcome 7 – AHBs understand tenant satisfaction through monitoring and reporting on the performance of service delivery

AHBs must demonstrate:

- Regular monitoring of a range of key performance indicators and reporting of progress against these;
- Effective procedures to ensure performance reporting information is accurate and reliable;
- Regular communication on performance with tenants; and
- Appropriate mechanisms are in place for tenant feedback on performance.



- AHBs and key stakeholders are invited to make representations in writing to AHBRA on the Draft Standards until **5pm on Friday 29th October 2021**
- Representations are to be made to the following email address – communications@ahbregulator.ie
- All written representations should be submitted in either Microsoft Word or PDF format
- Email submissions should include the subject title – “Representations on Draft Standards”

Contact Details



Key contact details:

To submit a written representation on the Draft Standards, email communications@ahbregulator.ie

For general queries contact info@ahbregulator.ie

To join our mailing list contact communications@ahbregulator.ie

Website: www.ahbregulator.ie