Learning from AHBRA's first statutory investigation

AHBRA completed its first statutory investigation into the Peter McVerry Trust in 2024. The report of the appointed inspectors was published in December 2024.

Following the conclusion of the investigation, AHBRA commissioned an external Lessons Learned Review to consider how the investigation had been conducted from end to end.

The purpose of the review was to identify what worked well, where AHBRA's approach could be strengthened and how the experience should inform future regulatory practice. The review was conducted by an external consultant and included stakeholder interviews and a review of relevant documentation.

The review considered the investigation process itself, from the initial Notifiable Event through to publication of the inspectors' report and subsequent regulatory action in December 2024. It did not consider AHBRA's monitoring of the Peter McVerry Trust following completion of the investigation.

What the Lessons Learned Review found

The review recorded universal agreement among stakeholders that the decision to undertake the investigation was necessary and justified.

It also identified strengths in AHBRA's approach, including the management of immediate risks and the use of internal and external expertise. The review identified a number of areas where AHBRA could strengthen its approach to future investigations and made recommendations covering the purpose and triggers for investigations, investigation design and reporting, coordination with other public bodies, Board assurance and the use of AHBRA's statutory tools.

The review also identified areas where AHBRA's wider internal and sectoral communications could be strengthened.

AHBRA has begun implementing those recommendations.

Learning for the wider sector

The Lessons Learned Review recommended that AHBRA use the experience of its first statutory investigation to provide practical learning for the wider sector.

In considering that recommendation, AHBRA has reflected on the findings of the investigation and on the wider experience gained through its regulatory work. We have identified a number of areas that may be useful for AHBs to consider in the context of their own governance, financial management and organisational arrangements.

These are not additional regulatory requirements. Their relevance will vary depending on the size, activities, risks, growth and complexity of individual AHBs.

Board oversight and assurance

Boards should consider whether they receive sufficient and timely information to understand what is happening within the organisation and to provide effective oversight and challenge.

The level and form of assurance will vary depending on the size and complexity of the AHB. The important question is whether the Board has enough information to understand significant issues, ask the right questions and satisfy itself that appropriate action is being taken.

Boards should also periodically consider whether their collective skills and experience remain appropriate to the organisation's activities, risks and future plans, particularly where an AHB is growing or becoming more complex.

Financial, asset and governance information

Reliable financial, asset and governance information supports effective oversight and decision-making.

The nature and sophistication of these arrangements should be proportionate to the organisation. Boards should have sufficient visibility of the organisation's assets, liabilities and significant funding arrangements, including any restrictions attaching to particular funds.

Where an AHB operates across different services, funding arrangements or programmes, there should also be sufficient clarity about how funding, assets and responsibilities sit across the organisation.

An AHB should maintain information and records so that the AHB knows what was decided, who was responsible, what risks were understood and whether actions were followed through.

Growth and organisational capacity

Where an AHB is growing significantly, its governance, finance, staffing, compliance, asset management and other organisational capacity need to develop alongside that growth.

The gap between ambition and capability can be significant. Growth plans need to be supported by the people, systems, financial capacity and oversight required to deliver them sustainably.

This applies regardless of how growth is delivered. AHBs developing homes directly need appropriate oversight of development, financial and delivery risks. AHBs growing through acquisitions or turnkey delivery also need to consider whether their financial, asset-management, tenancy-management and organisational capacity can absorb that growth effectively.

The same principle applies where an organisation becomes more complex through different services, funding arrangements or operating models.

Identifying problems early

An important feature of effective governance is whether emerging problems become visible early enough for the organisation to act.

That can involve quite practical questions. If costs are rising, a project is slipping, a contractor is experiencing difficulty, financial pressures are emerging or an important assumption has changed:

- who knows about it;
- when does senior management know;
- when does the Board know; and
- what happens next?

The precise arrangements will differ between AHBs, but significant issues should not have to become major problems before they reach the appropriate level within the organisation.

Larger, growing or more complex AHBs may also find it useful to consider how the organisation would respond to events or circumstances that could place it under significant financial or operational pressure.

Open information and early engagement

Open information-sharing between Boards, executives and senior management supports informed decision-making and effective governance.

The same principle applies to engagement with AHBRA. Where a significant issue is emerging, early and open engagement can help AHBRA understand the circumstances and consider an appropriate and proportionate response. Early engagement gives more options; late engagement generally gives everyone fewer.

Questions AHB Boards may wish to consider

AHBs may find it useful to ask:

- Does the Board receive the information and assurance it needs to understand what is happening in the organisation?
- Are significant or emerging issues reaching the right people, including the Board where appropriate, early enough?
- Do the Board's skills and experience remain appropriate to the organisation's current activities and future plans?

- Do financial, asset and governance records give the organisation itself a clear picture of its position and support effective decision-making?
- Where the organisation is growing, are its people, systems and governance keeping pace?
- If the organisation is becoming more complex, is it clear how funding, assets, responsibilities and risks fit together?
- If a significant problem began to emerge, would the organisation identify it early enough to act?

What AHBRA is taking from the review

AHBRA has begun implementing the recommendations of the Lessons Learned Review.

The first completed change is a revised Investigation Policy, which provides greater clarity on the purpose of a statutory investigation and the factors that may inform whether one is necessary.

Investigations are fact-finding exercises undertaken under the Housing (Regulation of Approved Housing Bodies) Act 2019. Any decision to investigate will continue to be made on a case-by-case basis.

The review also made recommendations about the design and management of future investigations, including investigation triggers, reporting arrangements, inspector models, communication, coordination with other regulators and public bodies, Board assurance and the range of statutory tools available to AHBRA.

Some recommendations have already been implemented. Others are being progressed or considered through AHBRA's wider regulatory, policy and legislative work.

This includes:

- strengthening arrangements for appropriate information-sharing and coordination with other regulators and public bodies;
- developing practical learning for the sector from AHBRA's regulatory experience;
- continuing targeted engagement with AHBs where scale, growth or organisational complexity warrant greater regulatory attention;
- considering how Board effectiveness and assurance can be demonstrated through AHBRA's regulatory processes; and
- considering the proportionate and effective use of AHBRA's existing and future statutory tools.

What is coming in 2027

During 2027, AHBRA plans to provide clearer guidance, more targeted learning and further opportunities for direct engagement with the sector.

This will include:

Refreshed Standards guidance — clearer, practical guidance to help AHBs and their Boards understand and apply the Standards.

Practical learning — learning across governance, financial management and property and asset management, informed by AHBRA's regulatory experience.

AHBRA events and direct engagement — opportunities for AHBs and their Boards to hear from AHBRA, ask questions and provide feedback.

Further details on timing and participation will be shared with the sector as they are confirmed.

Continuing to learn from regulatory experience

AHBRA is committed to being an effective, proportionate and transparent regulator. We will continue to apply the lessons from our first statutory investigation and from our wider regulatory experience.

We also encourage AHBs to consider what that learning may mean for their own organisation, in a way that is proportionate to their size, activities and complexity.

Related information

AHBRA Investigation Policy

AHBRA Investigations Frequently Asked Questions