

Governance & Performance

Tier 1 & 2 Approved Housing Bodies

Cork: 2nd April 2019

Kilkenny: 3rd April 2019

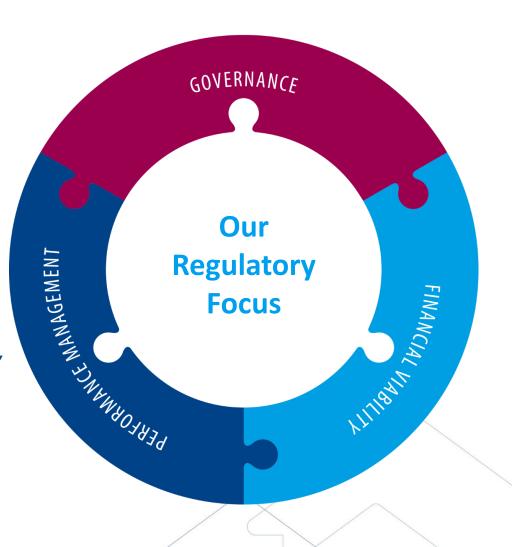
Galway: 30th April 2019

Susanna Lyons
Head Of Regulation

Regulatory Focus



Our mission is to protect AHB assets and safeguard the interests of their current and future tenants by regulating for a well governed, well managed and financially viable sector.



Role of Regulation



- Provide Assurance to Tenants, Boards, Government & Potential investors & the AHB Sector
- Demonstrate a stable and well-regulated Sector
- Safeguard tenants and public investments
- Facilitate investment in Social Housing by growing confidence in the Sector
- Contribute to the overall sustainability of the Sector

What do we look for...



- ✓ Good Governance
 - Fully functioning Boards
 - Skills, expertise & diversity
 - Strategic direction & oversight
 - Risk Management
- √ Financial Management
 - Financial Viability
 - Strategic & Business Planning
 - Detailed Financials & Forecasting
- ✓ Performance Management
 - People
 - Property
 - o Performance



Regulatory Framework

Evolution of Regulation



Voluntary Regulatory Code: July 2013

• iRC & Regulation Office established: Feb 2014

• Financial Standard: July 2015

• Funding Eligibility: Circular 15/2016

Governance Standard: Dec 2017

Performance Standard: Dec 2018



Funding is linked to Regulation



Circular 15/2016

'From 1 January 2017, in addition to the requirement to have signed up to the Code, those AHBs that are able to demonstrate commitment to and engagement with both the VRC and the Financial Standard and Assessment Framework, having undergone a satisfactory assessment as part of the annual assessment process by the Regulation Office will be considered eligible for funding under the above schemes'

Local Authority oversight is crucial....Commissioning V Regulation

Regulatory Framework: VRC +



Proportionate

Transparent

Risk Based

Comply or Explain

Financial Standard

Financial Viability

- Surplus/Deficit
- Liquidity
- Cashflow

L-T Viability

- Strategy
- · Business Planning
- Annual Financial Return
- 30-year Extrapolated Financials
- Stress Testing & Mitigations
- Key Financial Ratios
- · Asset Management
- Risk Management

Governance Standard

Fully Functioning Board

Oversight, Direction & Control

Strategy/Leadership

Outcomes Focused

Transparency

Skills, Expertise & Diversity

Financial Governance & Risk Management

ISSUED: NOV 2017

Performance Standard

- People
 - Tenant Policies
 - Allocations
 - Income Mgmt.
 - Communication
- Property
 - Voids
 - H&S
 - Sinking Fund
 - Stock Condition Surveys
 - Repairs & Maintenance
 - · Asset Mgmt.
- Performance
 - KPI
 - VFM
 - Management & Maintenance Costs
 - Planning & Oversight

ISSUED: DEC 2018

ISSUED: JULY 2015

The Standards

Today's Focus: Governance & Performance

Governance

The Code Requirements



- Functioning Board
- At least 5 members, none serving more than 2 X 5 years
- AGM
- No employee acting as Chair
- No material interest
- Finance Committee*
- Financial Statements

- Min 4 meeting per year
- Clarity on Roles & Responsibilities
- Collective Responsibility
- Policies
- Resident in the state
- Comply with existing legal & compliance requirements
- Annual Reports

Governance Standard - Dec '17



- Ensuring that Boards provide effective leadership and direction to deliver good outcomes
- 2. Providing clarity around roles and responsibilities in governance structures and arrangements
- 3. Building and strengthening Board effectiveness
- 4. Conducting affairs with honesty and integrity, and with a commitment to openness and accountability
- 5. Ensuring effective financial and risk management
- 6. Complying with legal and statutory requirements



What does it all mean?



- Understanding your organisation
- Governance
 - Robust Discussion
 - Clear Objectives Short & Long Term
 - Skills, expertise & composition
- Evidence of Collective Decision Making
- Policies who is responsible for what, when, where, membership, conflict
- Reporting capabilities
- Transparency, accountability & Consistency
- Understanding your Risks what are they?
- Understanding legal & compliance obligations







Outcomes Strategy









Performance

Performance Standard



- Purpose to define and set a standard for essential service performance
- Captures the arrangements for the
 - Tenancy management
 - Housing management
 - Asset management
 - Other tenant facing services



Performance Standard



It all about:



PEOPLE



PROPERTY



PERFORMANCE

Its key to remember...



- AHBs are subject to existing legislative, statutory and compliance requirements.
- It is the primary responsibility of the Board and/or Staff to identify, understand and comply with these statutory obligations.
- Use the Standard as roadmap to success

Overview



PEOPLE	PROPERTY	PERFORMANCE
Policies	Health & Safety	Performance Management Indicators
Income Management	Repairs & Maintenance	Value for Money
Communication	Void Management	Management & Maintenance Costs
Allocations & Lettings	Stock Condition Surveys	Integrated Operational & Financial Planning
	Sinking Fund Provision	
	Asset Register	
	Asset Management	

People



- Tenant and Housing management
- Safeguard the tenant and their home
- Services to the Tenant
- Roles and Responsibilities
 - Landlord
 - Tenant
- Communication
- Tenant Satisfaction



Property



- Ongoing safety and compliance of homes
- Protect Homes (Asset Management)

- Maintaining homes in good condition
- Managing Void properties
- Understanding condition Stock Condition Survey's
- Ensuring Sinking Fund provision is adequate



Asset Register

Performance Indicators

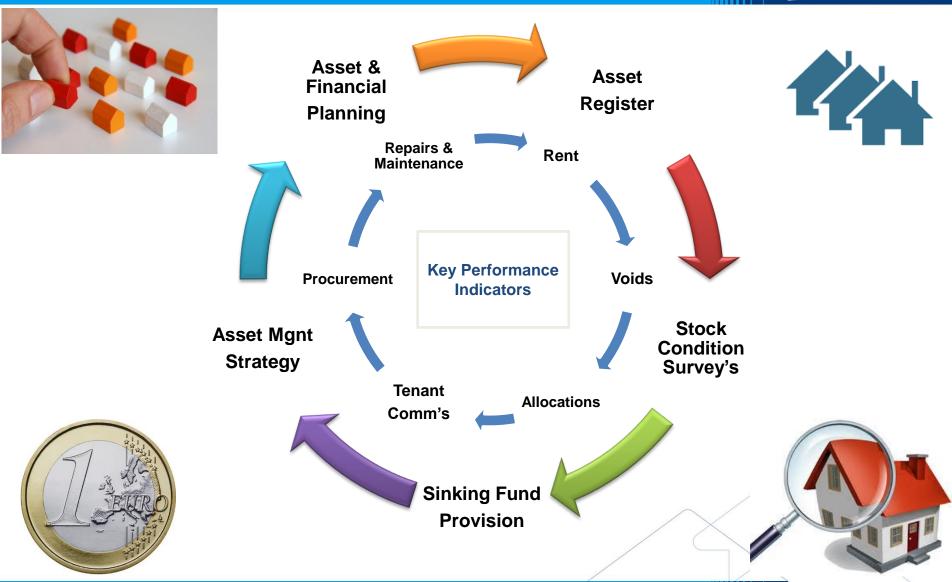


- No. of Voids
- Length of Voids
- No. of Tenancies in Arrears
- How much rent expected V collected
- Cost of Repairs/Maintenance/Services
- Value for Money
- Do we have enough money to survive?



Holistic Asset Management





Key Takeaways:



- ☐ Ensure meeting Legal & Compliance Obligations
- Safeguard Tenants
- Protect & maintain Homes
- Plan for the future
- Complete Stock Condition Survey
- Ensure Sinking Fund adequate
- Keep doing what you are doing
- ☐ Inform us if you have a breach/sanction/fine

Overall – Governance & Performance

What we look for:



- ✓ Organisations with clearly defined Goals & Objectives
- ✓ Fully functioning Boards with strong governance
- ✓ Clear & evidenced collective decision making
- ✓ Organisations understand their Risks
- ✓ Tenants & Homes are at the heart of decision making.
- ✓ Clear plans for the repairs, maintenance and long-term management of homes
- ✓ Financially Viable

Key Takeaways:



- ☐ AHBs are expected to have:
 - Strong disciplined Governance
 - Established Objectives & evidenced decisioning
 - Strong Tenant & Asset Performance Management
- ☐ Regulation is expected to:
 - Ensure the sector is well managed, well governed and financially viable
 - Provide Regulatory Framework which supports confidence in the sector for key stakeholders
 - Ensure long term sustainability of the Sector

Questions & Answers Session

THANK YOU



E: regulation@housingagency.ie Ph. 01 656 4170

www.housingagency.ie/regulation