

# **Covid-19 Questionnaire: Key Findings from the AHB sector**

November 2020

The Regulation Office issued an online Covid-19 questionnaire to the AHB Sector. The purpose of the questionnaire was to gather the opinions of the Boards and the Executive of AHBs regarding the medium to long term impacts of Covid-19.

AHBs were encouraged to participate and submit their opinions in October 2020.

This paper consolidates those findings and seeks to provide an insight into the potential impacts on AHB's operations, tenants, governance, liquidity, fundraising, financials, performance management and growth targets.

## 1. Summary & Overview

The questionnaire was released on 23<sup>rd</sup> September 2020 with participants asked to respond by 21<sup>st</sup> October 2020. The Covid-19 questionnaire covered a number of key areas including, impacts on operations, governance, finance, and performance and the mitigating actions that were implemented. Finally, the questionnaire focused on key considerations of Boards, with a focus on top risks facing AHBs.

Some high-level findings from the questionnaire:

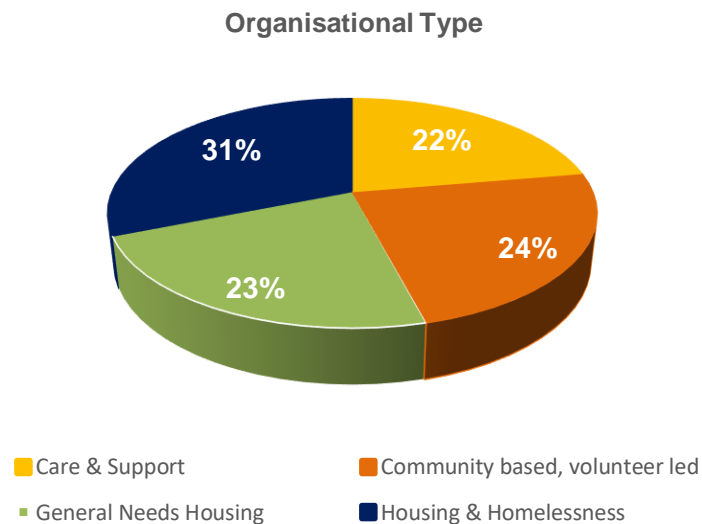
- 99% of respondents indicated that the organisation was '*satisfied it was able to effectively manage its tenants and tenancies during Covid-19*'
- An average of three Board meetings were held between March and August
- 85% of large AHBs reported that they implemented business continuity plans
- The importance of quality and consistent communication was a key theme from respondents
- AHBs reported significant changes to their communication methods between staff, tenants, board members and contractors
- Nearly 50% of respondents from care and support organisations indicated a reliance on another organisation during the emergency period. Supports that were highlighted included the HSE, local authorities and parent entities
- Impact on income and expenditure significantly varied between growth AHBs, care and support AHBs and smaller AHBs
- 63% of all AHBs stated that health and safety was their highest risk
- 68% of care and support AHBs reported that fundraising and revenue funding was at considerable risk

## 2. Questionnaire respondents and split

The breakdown of the 149 AHBs who submitted a detailed response to the questionnaire is outlined below, alongside the total number of AHBs and percentage of respondents.

Tier	No. AHB responded	%	AHBs signed up to VRC	% Respondents
Tier 1	93	62%	204	46%
Tier 2	36	24%	60	60%
Tier 3	20	13%	22	91%
<b>Totals</b>	<b>149</b>	<b>100%</b>	<b>286</b>	<b>52%</b>

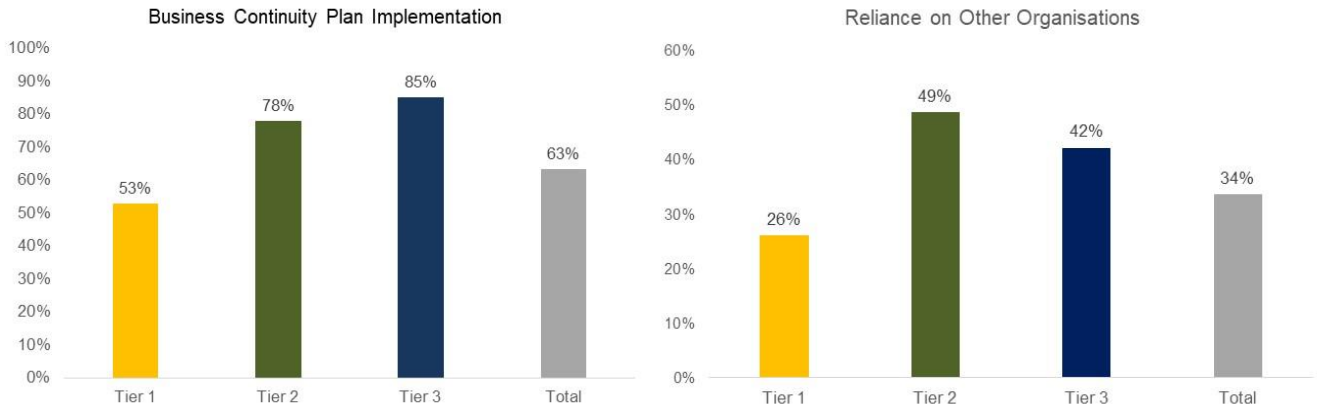
### Split by organisational type:



Based on 149 responses and split by organisation, the responses to the questionnaire can be considered as a strong representative sample of the diversity of organisations operating in the AHB Sector.

## 3. Operational Impacts and Mitigating Actions

Based on 149 responses, 85% of Tier 3 organisations executed upon their business continuity plans, with just 53% of Tier 1 reporting that business continuity was implemented. Respondents provided mixed responses to reliance on other organisations during the height of the pandemic. Those organisations that indicated a reliance on other organisations, indicated the HSE, related parties/parent entities, and local authorities, as being the top three key resources.



Organisations providing support		Common Supports Provided	
HSE	31%	Supporting residents	24%
Related Party/Parent Entity	29%	Tenant Management	20%
Local Authority	12%	Advise on Guidelines	18%

**99%** of respondents indicated that *'the organisation was satisfied it was able to effectively manage its tenants and tenancies during Covid-19'*. Additionally, respondents provided common themes when answering *'please provide an overview of the organisation's tenant communications and safety management during Covid-19'*. These are highlighted below:

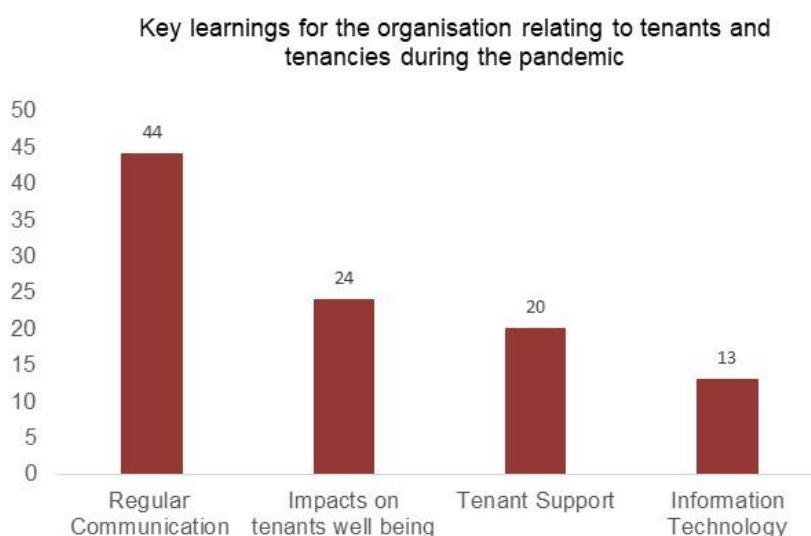
### Tenant Communications and Safety: Common themes

Communication	<ul style="list-style-type: none"> <li>• Mixture phone/video calls and the introduction of text alert systems</li> <li>• Designated emergency contacts</li> <li>• Increased utilisation of social media, websites, WhatsApp, leaflets and newsletters</li> <li>• Enhanced use of electronic communication platforms, including Zoom</li> <li>• Expansion of information technology</li> <li>• Education guidelines</li> </ul>
Safety Management	<ul style="list-style-type: none"> <li>• Providing staff and tenants with PPE equipment</li> <li>• Staff training</li> <li>• Implementation of safety protocols and measures</li> <li>• Changes to maintenance and repair programs</li> </ul>

	<ul style="list-style-type: none"> <li>• Enabled Cocooning</li> </ul>
Tenants	<ul style="list-style-type: none"> <li>• Staff visits to tenant's homes suspended</li> <li>• Updating tenants in relation to safety/restriction measures</li> <li>• Supporting elderly and high-risk tenants to cocoon, including providing services such as delivery of groceries and medical prescriptions</li> <li>• Tenant training and communication on Covid-19 guidelines</li> <li>• Tenant Liaison Officers</li> </ul>

### Key learnings relating to Tenants

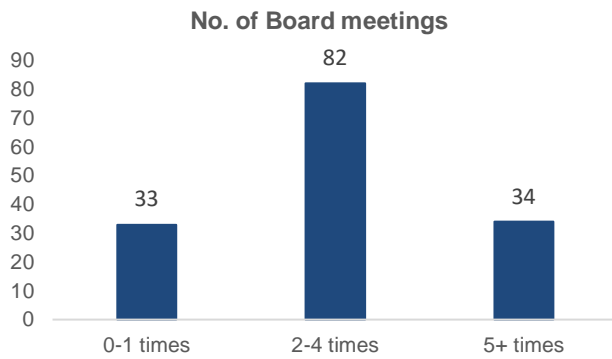
Respondents stated that key learnings relating to tenants and tenancies during the pandemic, were predominantly in the areas of communication and the benefits of IT to communicate with tenants remotely. AHBs reported that tenants had responded well to the significant changes and highlighted how tenants supported one another. However, the impact on tenant well-being, the impact of social isolation, and the vulnerability of tenants was also a strong theme in this area.



## 4. Impacts on Governance

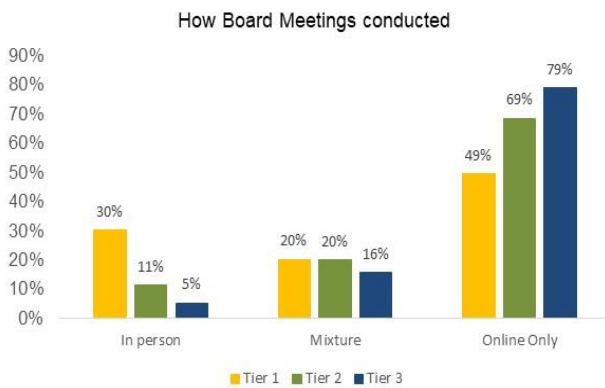
The responses to the questionnaire revealed that the majority of AHBs continued to meet regularly during the emergency period. The average number of Board meetings held was three between March and August, with many organisations meeting in excess of that average. However, six AHBs reported they did not meet at all.

The table below provides an outline of Board meetings and split by Tier.



Tier	Avg no. of Board Meeting
Tier 1	3
Tier 2	3
Tier 3	4
<b>Average</b>	<b>3</b>

AHB’s responses demonstrated their significant ability to adapt to changing communication requirements. The majority of respondents indicated that they had adopted electronic programs to conduct meetings including Zoom, MS Teams and teleconferencing facilities. A number of AHBs indicated they combined electronic with in-person meetings. Additionally, a few respondents indicated holding meetings in parks to ensure social distancing guidelines were met.



**58%** of AHBs conducted all their meetings electronically via Zoom, MS Teams or teleconferencing

**22%** of AHBs conducted all their meetings in person most confirmed they adhered to COVID-19 guidelines

**20%** of AHBs conducted their meetings through a combination of online tools and meeting in person

Further insight was provided by respondents, when outlining their approach to Governance during Covid-19 and key lessons learnt. Key areas that respondents frequently referenced were:

## Common areas of Governance Focus

Communication	AHBs indicated that frequent and adaptable communication was imperative, indicating governance was enhanced when the Board was communicating regularly and sharing documents
Safety	AHBs reported they adapted their governance approach to consider mitigating health risks and ensure the safety of their staff, Board members and tenants
Service Delivery	A large number of respondents indicated that they prioritised the continuation of their services and concentrated on how to adapt their operations to ensure business continuity and service delivery
Risk Management	A common response was the active review of risk and risk considerations. A number of respondents indicated updating controls and information technology
Governance	Many respondents indicated that they created Covid-19 focused sub-committees/task forces. These committee structures provided frequent updates to Boards on issues arising

## Governance Lessons

A number of common themes emerged from respondents relating to the question - 'What key lessons did the Board learn about the organisation's governance during the pandemic'. They are captured in the diagram below

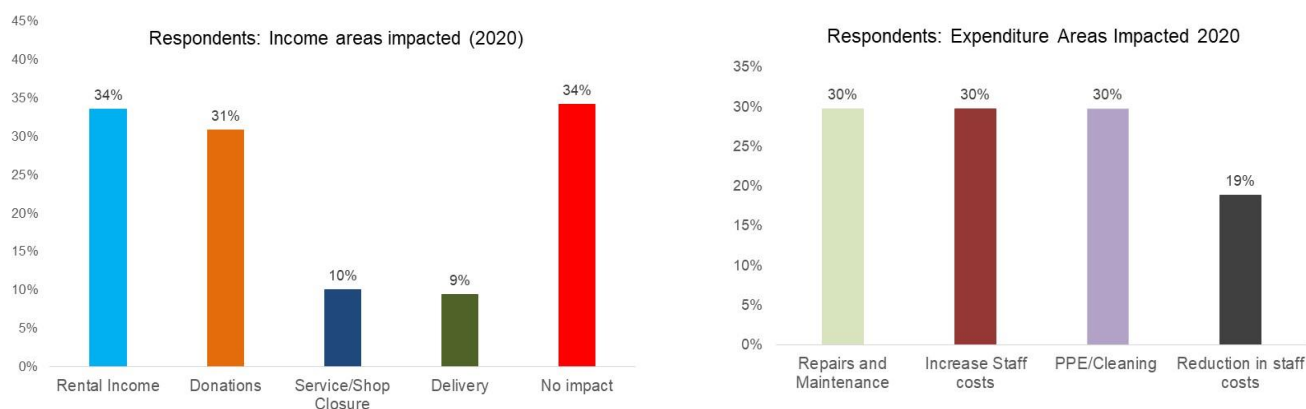


## 5. Impacts on Finance

Of the 149 respondent organisations there was a mixed response relating to the impact of Covid-19 on 2020 financials. The questionnaire and responses highlighted the significant differences in the delivery models and hence impact on income and expenditure in 2020.

### Impact on Income and Expenditure 2020

The charts below highlight the highest percentage areas that respondents indicated that impacted income and expenditure in 2020.



Large and growth AHBs responded that income was negatively impacted with specific areas highlighted as rental income, delays in housing delivery, and fundraising/donations.

However, care and support AHBs (mainly Tier 2) responded that donations/fundraising was the area of highest concern followed by rental income and delays in delivery. 41 smaller AHBs (44%) responded there would be no impact on income. The remaining organisations stated that donations, rental income, and service/shop closures had a high impact on income.

#### Tier 3: Top 3 Impacts on Income 2020

Rental Income	75%
Delay in delivery	40%
Fundraising/Donations	15%

#### Tier 2: Top 3 Impacts on Income 2020

Fundraising/Donations	42%
Rental Income	39%
No Impact	22%

#### Tier 3: Top 3 Impacts on expenditure 2020<sup>1</sup>

Reduction in Repairs & Maintenance	75%
Reduction in Staff Costs	50%
Reduction in operating expenses	25%

#### Tier 2: Top 3 Impacts on expenditure 2020

Increase in Staff Costs	50%
Increased PPE/Cleaning Expenditure	36%
Reduction in Repairs & Maintenance	29%

<sup>1</sup> % based on those responding Yes



**Tier 1: Top 3 Impacts on Income 2020**

No Impact	44%
Fundraising/Donations	30%
Rental Income	22%

**Tier 1: Top 3 Impacts on expenditure 2020**

Increased PPE/Cleaning Expenditure	34%
Increase in Staff Costs	32%
Reduction in Repairs & Maintenance	24%

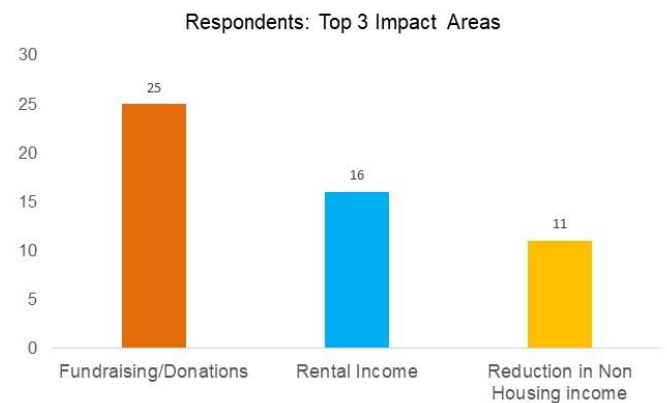
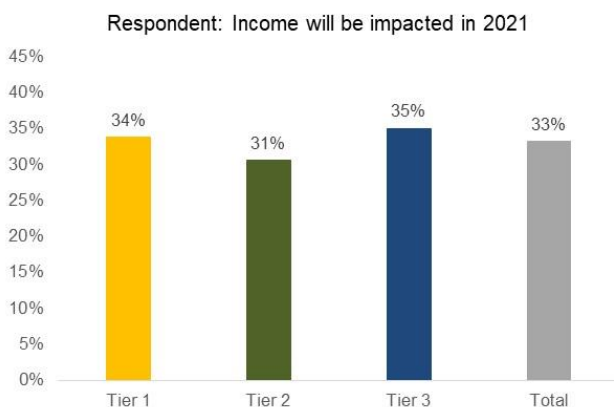
**Impact on Income and Expenditure 2021**

Concerns highlighted were across a number of key areas for the year 2021. These included material reductions in fundraising opportunities, impacts on rents, and a range of non-housing income which organisations anticipate will materialise.

Respondents provided increased clarity on concerns and key focus areas relating to both income and expenditure in 2021. Whilst only a small percentage of respondents reported that they had completed their financial budget for 2021, a third of all respondents indicated they anticipated an impact on income, with concerns specifically relating to fundraising/donations and rental income. Importantly, alongside a reduction in income, respondents reported an increase in expenditure, including staffing costs, PPE, and repairs and maintenance.

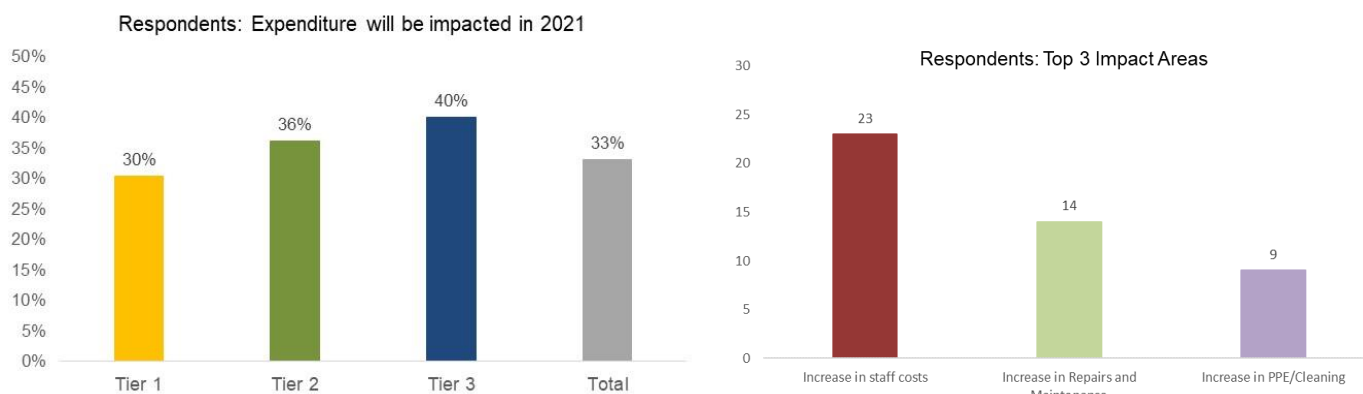
**Income 2021**

An average of 33% of all respondents indicated they anticipated an impact on income. The below charts highlight the highest percentage areas that respondents indicated that had the potential to impact income in 2021



## Expenditure 2021

An average of 33% of all respondents indicated they anticipated an impact on expenditure. The below charts highlight the highest percentage areas that respondents indicated that had the potential to impact expenditure in 2021



## Cashflow/Liquidity

A small number of AHBs stated that they had experienced cashflow or liquidity issues, just 5% of respondent's population, this corresponds to five Tier 1, two Tier 2 and one Tier 3.

## 6. Impacts on Performance

Respondents all indicated a significant change to housing management practices as a result of the pandemic. Common themes emerged from organisation's approach to housing management as a result of Covid-19. These included moves to essential/emergency maintenance only, reduced repairs programs, significant changes to protocols and procedures to ensure safety for employees, trades, and tenants. Respondents indicated increases in voids, delays and/or suspension in allocations, and anticipated backlogs in repairs and maintenance programs.

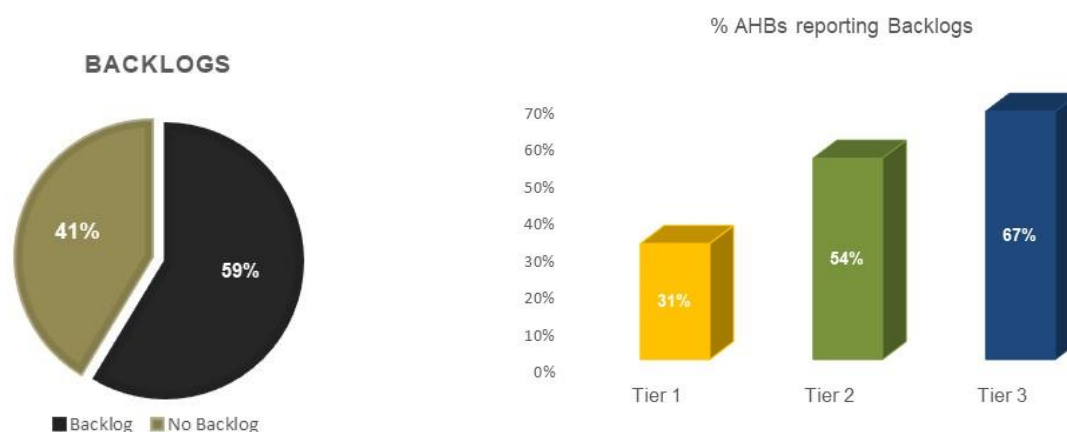
Again, the responses to the questionnaire highlighted significant differences in the delivery models with 45% of smaller AHBs responding that the pandemic had limited impact on their repairs, whereas larger organisations stated that pandemic had a substantial impact on repairs.

## Changes to Performance Management

Rank	Housing Performance Impacted by Covid-19
1	Move to Essential/Emergency repairs only
2	Substantive changes to Health & Safety protocols and procedures
3	Reduced repairs and maintenance
4	Delays in allocations
5	Increase in voids

### Actions taken to address backlogs

Respondents indicated differing outcomes as a result of changes to essential repairs/emergency maintenance only, with 59% of respondents indicating the measure adopted would result in a backlog. Conversely 41% of respondents indicated no backlog. Detailed analysis indicates that the majority of respondents reporting no backlog was predominantly from smaller AHBs.



75% of AHBs reporting a backlog stated that rescheduling of repairs and maintenance programs was the primary way of addressing significant backlogs. Additionally, organisations highlighted increasing maintenance budgets and outsourcing work to external contractors to address this matter.

## 7. Risk Management

Respondents provided a comprehensive cross-section of potential and actual risks facing their organisations. Respondents provided specific risks facing their organisations in relation to key objectives and deliverables. It is notable that the risks align to the delivery models of the organisations, their reliance on fundraising, revenue funding and future growth.

There are substantial differences in the types of risks identified within categories, including types of financial risk. Larger and growth organisations identified liquidity, cash and growth as impacting on their financials. However, the financial risk of care & support organisations tended to be towards fundraising and revenue funding. Similarly, health and safety risks are different for each organisation.

The table below breaks out the Top Five Risks identified by Boards by Tier

Tier 3 AHBs – Top Five Risks identified		
Rank	Risk	%
1	Health & Safety	67%
2	Impact on Financials	61%
3	Delay in growth/delivery housing	56%
4	Impact on Service Delivery	50%
5	Staffing	44%

Tier 2 AHBs – Top Five Risks identified		
Rank	Risk	%
1	Impact on Fundraising/Funding	68%
2	Staffing	65%
3	Health & Safety	62%
4	Rental Income	53%
5	Service Delivery	44%

Tier 1 AHBs – Top Five Risks identified		
Rank	Risk	%
1	Health & Safety	63%
2	Rental Income	51%

3	Impact on Fundraising/Funding	49%
4	Staffing	48%
5	Service Delivery	30%

## 8. Conclusion

The findings of the Covid-19 questionnaire indicate that the pandemic has had and continues to have a significant impact on objectives, delivery mechanisms, health & safety, and financials of Approved Housing Bodies.

A number of organisations have been significantly impacted by the pandemic, reducing their ability to deliver services. However, many have shown extraordinary resilience with AHBs reviewing how they deliver their housing services. Many AHBs with a reliance on fundraising indicated a significant threat to their financial sustainability. The medium to long-term challenges facing AHBs has been well documented by organisations and captured in this paper.

The Regulation Office will continue to work with all stakeholders to ensure AHBs are viable and that they have the ability to deliver their services in a safe and sustainable manner in the short, medium, and long-term.