



Department for
Communities

An Roinn
Pobal

Department for
Commonities

Regulatory Framework

Ark Housing Association – Regulatory Judgement

Report 2020/21



Introduction

The Department for Communities (DfC) is the Regulatory Authority for Registered Housing Associations (RHAs) in Northern Ireland. Housing Regulation Branch within DfC undertakes this Regulation activity on behalf of the Department and we seek to protect the interests of tenants, homeless people and others who use the services provided by RHAs. To ensure this is achieved, RHAs must provide us with the necessary information on a regular basis to demonstrate how the Regulatory Framework Standards are being achieved.

RHA Background

Founded in 1987, Ark Housing Association (Ark Housing) provides social rented accommodation. It currently owns and manages 537 houses, bungalows and apartments across Northern Ireland. At present, it operates primarily in Belfast and County Down but also has a presence in Belcoo, Portrush, Lisburn, Moira and Bangor. Ark Housing provides a wide range of specialist homes and services to meet the needs of families, older persons and single person households. Its supported accommodation comprises of residential care, sheltered housing, frail elderly and dementia care, self-contained apartments for those suffering ill mental health and temporary accommodation for homeless families.

Regulatory Approach

Through our risk-based and proportionate approach to regulating RHAs, we focus our attention on the important risks and key aspects of an RHA's performance. This includes having different levels of engagement depending on the RHA's risk and performance profile.

When we refer to risk, we are referring to the risk to the interests of tenants and other service users. This may not always be the same as an RHA's own detailed assessment

of the operational risks it faces. This judgement is completed in accordance with the risk based approach to Regulation introduced in April 2017.

Overall Opinion

Regulatory Judgement:

Ark Housing

1 – Meets the requirements

Based on a review of the evidence submitted by the RHA, Housing Regulation Branch has determined that Ark Housing has demonstrated that it meets the Regulatory Standards.

Assessment Findings

Outcome of Governance Standard - MET

Governance Standard 1:

“Social housing providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner”.

Findings:

During the 2020/21 year, Ark Housing:

- Had a Code of Governance in place that is compliant with the National Housing Federation’s (NHF) Code of Governance published in 2020. The code focuses on the organisation’s missions and values, strategy and delivery, board effectiveness and control and assurance;
- Had an accompanying Governance Manual which clearly defines the roles of the Board members, the Chair, Vice-Chair, committee chairs and Company Secretary;

- Had a process in place detailing appropriate delegated limits of authority for expenditure and payment approval. The Board of Ark Housing review these delegated limits periodically;
- Had a Board Code of Conduct in place that was last reviewed in 2019;
- Reviewed membership of all committees of the Board in June 2020, with each committee officially appointing and re-appointing its members. Ark Housing recruited three new board members in August 2020 and provided induction training for them. Other board training was conducted throughout the year through a series of online conferences and seminars;
- Carried out an annual board effectiveness review, which was finalised in May 2021. Ark Housing also conducted an appraisal process for the individual board members and the association's committees which raised no issues of concern;
- Developed a board member induction programme in September 2020 with sections on governance, roles of the board, the structure of the organisation and accessing information. An overview of finance, development and maintenance, as well as housing and community was included within this programme;
- Had a corporate strategy in place that runs to 2022 and has provided evidence of strategic annual business planning in this reporting year. These documents feed into the mission, values and objectives of the organisation with procedures in place to ensure appropriate, timely and accurate reporting in relation to the strategic and business plans; and
- Provided accurate and timely statutory and regulatory returns to the Regulator throughout the year.

Evaluation:

Ark Housing has demonstrated that it has effective governance arrangements in place that deliver its aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner.

Governance Standard 2:

“Social housing providers shall adopt a robust approach to the assessment and management of risk and demonstrate informed and transparent decision-making processes”.

Findings:

During the 2020/21 year, Ark Housing:

- Reviewed its Corporate and Strategic Risk Policy in November 2020 to help the organisation identify and evaluate risks. Risks to the association’s strategic and business objectives are assessed against internal and external changes as well as to changes within the UK Housing Sector;
- Had risk registers in place which looked at measures for identifying, assessing, managing and controlling risk. Risk registers are regularly updated and scrutinised by the Audit, Compliance and Risk Committee and presented to the Board for its review;
- Adopted new risk monitoring and reporting software;
- Had an external audit function in place provided by GMCG Belfast, who were appointed in June 2020. ASM, appointed in May 2020, provided the internal audit function. Internal and external auditors report to the Audit, Compliance and Risk Committee with the committee in turn reporting to the Board.
- All internal audit reviews undertaken during the reporting period have resulted in a ‘*Satisfactory*’ assurance opinion being issued. An unqualified audit opinion has also been received; and
- Had an internal audit strategy covering the period 2020-2023. This contains clear guidelines on reporting processes, follow up activities and quality assurance procedures. The strategy appears to provide adequate coverage of the key business areas within the organisation;

Evaluation:

Ark Housing adopts a robust approach to the assessment and management of risk. It also demonstrated effective decision-making processes, which allows for informed and transparent decisions to be made.

Overall Governance Standard comments:

Ark Housing has demonstrated that it has effective governance arrangements in place that deliver its aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner.

Ark Housing adopts a robust approach to the assessment and management of risk. In addition, it has an effective decision-making process in place which allows informed and transparent decisions to be made.

Outcome of Finance Standard - MET

Finance Standard 1:

“Social housing providers shall manage their resources effectively to ensure financial viability is maintained in the short, medium and longer term.”

Findings:

- Evidence has been provided to demonstrate that Ark Housing has effective controls and procedures in place to ensure security of assets and the proper use of funds;
- There is appropriate financial reporting to management and the Board;
- The Board is provided with sufficient information to monitor and report on the delivery of objectives; and
- The risks to delivery of financial plans are identified and effectively managed with: regular reporting of Key Performance Indicators (KPIs) and variances against budget; stress testing of forecasts and financial covenants; maintenance of a risk register and action plan to mitigate risks; and a treasury management policy with short term cash forecasting to ensure liquidity.

Recommendations:

- The financial statements received an unqualified audit opinion, however, we recommend that the movement in the Tenants' Fund is reported in operating costs in accordance with the Housing Association Guide and Housing SORP 2018.
- Material differences were identified between the Statement of Financial Position/Balance Sheet in the long term forecasts and actual outcome. We recommend consideration is given to in-year revisions of the forecast to reflect the actual year end outcome or the preparation of forecasts after the year end.

Evaluation:

Ark Housing has demonstrated that it manages its resources effectively to ensure financial viability is maintained in the short, medium and longer term.

Finance Standard 2:

“Social housing providers shall articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting their organisation’s objectives”

Findings

- Ark Housing has undertaken a robust assessment of all its assets and resources. Performance management and scrutiny functions are effective at driving and delivering improved value for money performance;
- A self-assessment of the organisation’s value for money performance has been completed in a transparent and accessible format; and
- The Value for Money statement contains key elements of a thorough value for money assessment, namely: specific value for money priorities; assessment of 2020/21 performance; encompasses functions across the entire business; and considers social value as well as financial performance.

Evaluation

Ark Housing has articulated and delivered a comprehensive and strategic approach to achieving value for money in meeting the organisation’s objectives.

Overall Finance Standard Comments:

Ark Housing has demonstrated that it manages its resources effectively to ensure financial viability is maintained in the short, medium and longer term. Ark Housing has also articulated and delivered a comprehensive and strategic approach to achieving value for money in meeting the organisation’s objectives.

Outcome of Consumer Standard - MET

Consumer Standard 1:

“Social housing providers manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord’s decisions at a level they feel comfortable with”

Findings

During the 2020/21 year, Ark Housing:

- Developed an annual tenant participation action plan, which aligned to its overall Tenant Participation Strategy. The plan aimed to engage communities, develop service excellence and focus on customer satisfaction;
- Created a range of KPIs directly linked to tenant engagement that are regularly reviewed by the Senior Management Team, the Performance and Investment Committee and the Board;
- Continued to implement its five-year Tenant Participation Strategy, covering 2017 to 2022, which highlights the levels of participation available within the organisation. Tenants can be involved in information and communication events, group structures, formal based tenant groups or within the organisation’s governance structure. Ark Housing provides a summary of the key aspects of the various roles, the influence that tenants will have, the time commitment required and the benefits to the tenant and the organisation;
- Established a tenant forum and worked with it to identify two key areas of the association’s service that could be subject to scrutiny. The forum has been involved in the development of an action plan and proposals for taking forward the recommendations contained within it;
- Worked in conjunction with its tenant forum to develop and implement a 3 year customer service strategy to enhance participation and communication

throughout the organisation and also create links and partnerships with other organisations and the wider community;

- Had an up-to-date website with a range of relevant and informative leaflets and publications for its tenants. The website contains an interactive version of the tenant handbook, which provides a summary of key issues and policies relating to tenancy. The website has a range of accessibility features to assist users in accessing the online publications;
- Carried out a tenant satisfaction survey which was published online and within its annual report. The survey showed good levels of satisfaction across key areas such as home quality, repairs and maintenance, value for money, affordability, engagement and security. A summary action plan has been developed to address areas where satisfaction requires engagement and improvement.

Evaluation

Ark Housing has managed its businesses so that tenants and other customers find it easy to participate in and influence decisions at a level they feel comfortable with.

Consumer Standard 2

“Social housing providers shall provide ‘Decent Homes’ standard accommodation with good service quality choices appropriate to the diverse needs of their tenants”

Findings:

During the 2020/21 year, Ark Housing:

- Had a number of key performance indicators in place relating to repairs and maintenance. All maintenance KPIs have met and exceeded departmental targets and are reported to tenants through the annual report and other publications;
- Continued its membership of HouseMark and aligned its tenant satisfaction survey against the HouseMark STAR survey. Ark Housing was benchmarked in the 1st or 2nd quartile for both NI and UK Housing Associations of its size;

- Had a range of policies and procedures in place for maintenance and property management that are under regular review;
- Developed 59 new general needs homes bringing its total stock to 537 and completed 14 minor adaptations. Ark Housing reported that all its homes met the 'Decent Homes Standard';
- Undertook an exercise to meet with its tenants to discuss and deliver information in relation to service charges. These events took place in March 2021;
- Continued its rolling stock condition surveys. The most recent survey was conducted on 31 March 2021 covering 16% the association's stock. The information within the survey includes up-to-date information on the association's assets, its location and its lifespan, which provides a significant source of information to help manage the association's finances;
- Had plans in place for the redevelopment, refurbishment or disposal of Voids;
- Achieved statutory compliance in most areas by March 2021. Ark Housing cited Covid-19 access issues as the cause for the outstanding checks which included one oil fired boiler service and 63 electrical system checks. Ark Housing confirmed that the oil fired boiler service was subsequently completed in April 2021. In a follow up exercise Ark Housing confirmed that 59 of the outstanding checks on electrical systems had been completed with an action plan in place to address the remaining 4 ; and
- Had a range of Joint Management Agreements (JMA) in place with Threshold Services to provide support housing for people with mental health issues. A JMA is also in place with the charity 'Inspire Wellbeing' to help provide supported housing and care services for older persons.

Evaluation:

Ark Housing has demonstrated that it provides 'Decent Homes' standard accommodation with good service quality choices appropriate to the diverse needs of tenants.

Consumer Standard 3:

"Social housing providers shall concentrate their efforts to support vibrant communities that encourages tenant opportunities and promotes well-being"

Findings:

During the 2020/2021 year, Ark Housing:

- Completed more than 17,000 welfare calls and worked in partnership to provide food parcels and activity packs to those in need within the community;
- Facilitated a number of face-to-face and virtual activities including the provision of Easter eggs and hampers for homeless families, Christmas dinners at its homeless and sheltered schemes, online cookery programmes and the provision of 400 activity packs for children;
- Engaged with West Belfast Partnership and supported its environmental awards;
- Worked with a range of local foodbanks and community groups in the provision of 1,040 food parcels and meals for homeless families;
- Engaged with Portaferry Men's Shed and a local bistro in the provision of hot meals for tenants in March 2021;
- Supplied bird feeding kits to sheltered tenants;
- Was successful in achieving funding from the Supporting People Provider Investment Fund for the installation of Wi-Fi and digital training for residents at its Roseville scheme; and
- Had an anti-social behaviour (ASB) policy in place that was last approved in March 2021. In the reporting year Ark Housing addressed 90% of its reported

ASB cases which helped ensure that tenants feel safe in their homes. 92% of tenant surveys noted that ASB was not an issue in their areas.

Evaluation

Ark Housing has illustrated how it contributes to supporting vibrant communities, encouraging tenant opportunities and promoting well-being.

Overall Consumer Standard Comments:

Ark Housing has managed its business so that tenants and other customers find it easy to participate and influence decisions at a level they feel comfortable with.

Ark Housing has demonstrated that it provides 'Decent Homes' standard accommodation with good service quality choices appropriate to the diverse needs of its tenants.

Ark Housing has illustrated how it contributes to supporting vibrant communities, encouraging tenant opportunities and promoting well-being.

Overall Comments

Ark Housing demonstrates that it meets the required Regulatory Standards. No further engagement is required at this time.

Anticipated Level of Engagement for 2021/22:

Level 1 – Where following submission of the Regulatory Standards Annual Return (RSAR) and required financial information, we are content there is sufficient assurance and little additional contact is required unless other matters arise.