



Department for  
**Communities**

An Roinn  
**Pobal**

Department fur  
**Commonities**

# Regulatory Framework

Ark Housing Association – Regulatory Judgement

Report 2022/23



## 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

Ark Housing Association (Ark HA) is a Registered Housing Association with the Department for Communities (DfC) and Financial Conduct Authority. It is an independent not for profit organisation under the Industrial & Provident Society Act (NI) 1969 and a registered charity. It was established in 1987 as Down and Connor Housing Association to provide social and affordable homes for people in housing need and renamed Ark Housing Association in 1999. Ark HA is based in Belfast but operates across all district council areas, managing more than 710 homes. It provides general needs homes for families, a range of accommodation and support services to enable people to manage and sustain their tenancies and live independently and a floating support homeless service for families threatened with or experiencing homelessness.

## 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 Association

### 1 – Meets the requirements

Based on a review of the evidence submitted by the RHA, Housing Regulation Branch (HRB) has determined that Ark HA 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 reporting year, Ark HA:

- Continued to adhere to its Code of Governance, which is compliant with the National Housing Federation 2020 Code of Governance.
- Had a governance manual in place to support its governance code which is regularly reviewed by the Board. The manual included clearly defined roles, responsibilities and accountabilities for its board members, office holders, committees and Chief Executive, as well as delegated limits for the approval of expenditure.

- Maintained a suite of governance policies and procedures which are regularly reviewed by the Board and undertook reviews of its Fraud and Raising Concerns policies.
- Had a board members' Code of Conduct which was last reviewed by the Board in May 2021.
- Had a board member recruitment and selection policy, last reviewed by the Board in May 2020, and appointed two new board members. Membership of the Board was ended for one member due to their poor attendance at meetings, resulting in a board composed of ten individuals with tenure ranging from six months to seven years.
- Provided a comprehensive induction pack and appropriate induction training to the newly appointed board members and delivered governance training to its Board.
- Ensured that individual appraisals for board members were carried out by the Chair. The Chair's appraisal was conducted by the Vice-Chair.
- Undertook an internal board effectiveness exercise. The association advised that the skills and competencies of the Board are regularly reviewed to identify any gaps.
- Undertook an appraisal of its Chief Executive.
- Had four sub-committees supporting the Board. Each committee met regularly throughout the year and provided updates to the Board at its meetings.
- Delivered the first year of its Corporate Strategy 2022-27 and implemented the associated business plan for 2022-23. Performance against business plan objectives was reported to the Board on a quarterly basis.
- Appeared to conduct its affairs with honesty and integrity and in an open, transparent and accountable manner.

- Provided timely responses to requests for information.

### **Evaluation:**

Ark HA has demonstrated that it has effective governance arrangements 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 reporting year, Ark HA:

- Had a corporate and strategic risk register which aligned with the corporate and business plan objectives. This was regularly reviewed by the Audit, Compliance & Risk Committee and referred to the Board for final approval.
- Had an internal audit function provided by ASM Chartered Accountants, appointed on 30 May 2020 and which provided assurance over the adequacy and effectiveness of the association’s governance, risk management and internal systems of control.
- Had an internal audit strategy in place, covering the period 2020-23, which generally appears to provide good coverage of the systems across the association. We note, however, that a review of risk management is not included in the current audit strategy. We would expect risk management processes to be subject to regular review as the risk management system informs the audit strategy and plans.

- Received *Satisfactory* assurance ratings on all three internal audit reviews carried out and an overall *Satisfactory* level of assurance over the systems in place. The association advised that all recommendations made in these reviews have been implemented.
- Had an external audit function provided by GMCG Belfast, appointed on 01 June 2020 and which provided an *Unqualified* audit opinion.
- Had an Audit, Compliance & Risk Committee which met five times and comprised of five members. The Committee provided regular updates to the Board and recommended matters to it for approval, including the risk register and management accounts.
- Was subject to follow-up of two adverse rating Social Housing Development Programme inspections and one adaptation inspection from 2021/22. The DfC Housing Inspection Branch found that the association had implemented 24 of 27 recommendations raised in the three inspections which attracted adverse ratings. The remaining three recommendations have been partially implemented or were deemed ongoing at the time of the follow up. Given the nature of some of the recommendations, effective implementation of these will need to be tested and confirmed in the next full round of re-inspection which is expected to be in 2024/25.

### **Evaluation:**

Ark HA adopts a robust approach to the assessment and management of risk and demonstrates informed and transparent decision-making processes.

### **Overall Governance Standard comments:**

Ark HA 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 HA adopts a robust approach to the assessment and management of risk and demonstrates informed and transparent decision-making processes.



## 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 HA 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.
- 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.
- The financial statements for the year ended 31 March 2023 recognised a pension surplus of £82,000. While we acknowledge this amount is immaterial in the context of the financial statements, FRS 102 only permits the recognition of a surplus to the extent that an entity is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. We are content with the accounting treatment adopted based on the advice received and assurance provided by the external auditor. Consideration should be given as to whether it is prudent to recognise such an asset given significant uncertainty in relation to reduced contributions and/or a refund.

## **Evaluation:**

Ark HA 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 HA 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.
- The Value for Money statement contains key elements of a thorough value for money assessment, namely: specific value for money priorities; assessment of 2022/23 performance; encompasses functions across the entire business; and considers social value as well as financial performance.

## **Evaluation**

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

- Worked closely with its Tenants’ Forum to develop and deliver a new tenant participation strategy for 2022-27. The strategy represents a high-level declaration of the association’s commitment towards tenant participation and sets out how it intends to achieve its ultimate goal of being a recognised “Gold” standard tenant participation organisation by 2027. The current menu of involvement is available to tenants in the Tenants’ Handbook.
- Used various methods such as social media and its website to communicate with tenants on housing matters, performance, and related services. To help ensure accessibility for tenants, various handbooks, publications and information leaflets were also available in a variety of alternative formats such as braille and audio if required.
- Completed an accreditation process with Supporting Communities and achieved Upper Bronze status. As a result of this process, the association undertook a review of its Key Performance Indicators (KPI) which focus on tenant engagement and participation and revised them for 2023/24.
- Carried out a tenant satisfaction survey which showed an overall satisfaction rating of 77%. Of the 14 areas measured, three areas were identified for improvement: management of communal areas; service charge value for

money; repairs and maintenance service. In response to these results an action plan was developed in consultation with the Tenants' Forum to make improvements in these areas. Implementation of the plan was monitored by both the Senior Management Team and Tenants' Forum and reported to the Performance & Investment Committee and Board.

- Had a tenants' handbook which was available to tenants on its website and in a range of alternative formats as required.
- Worked on the development of its new website and tenant portal which have now been updated to contain a range of relevant and informative leaflets and publications for its tenants, such as the association's annual report and corporate strategy. The website also contains helpful links for tenants to allow reporting of repairs and payment of rent and contains a tenant portal "My Home Dashboard" through which tenants can access their personal tenancy information and services securely.
- Had a Tenants' Forum which met four times and played key roles in various decision-making processes including the review of the association's anti-social behaviour (ASB) policies and procedures; devising the tenant satisfaction survey questions alongside staff; monitoring implementation of the follow up action plan; and assisting with the development of the new Tenant Participation Strategy. Forum members also attended a workshop with Supporting Communities and provided feedback as part of the accreditation process.
- Encouraged tenant participation and engagement through various tenant meetings, consultations and events including a tenant information day for residents of its independent living schemes.

## Evaluation

Ark HA 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 reporting year, Ark HA:

- Reported that 100% of its occupied homes met the Decent Homes Standard.
- Had in place policies and procedures to deal with damp and mould cases, including submitting quarterly reports to the Board.
- Exceeded performance targets in each of the three response maintenance categories, completing 97% of Emergency, 85% of Urgent and 87% of Routine repairs within target times. Updates on performance against these KPIs are reported regularly to the Performance & Investment Committee and the Board and were shared with tenants via the Annual Report.
- Had a suite of property management, operational and maintenance policies and procedures in place which are reviewed regularly by the Board.
- Carried out one major and 25 minor adaptations and delivered 114 new units.
- Delivered the first year of its asset management strategy, which covers the period 2022-27, and completed stock condition surveys on 16% of its properties. Sixty percent of stock had been surveyed in the previous five years.

- Achieved 100% in its statutory obligation checks in relation to fire risk assessments and 98.89% in both gas safety checks and the fitting of carbon monoxide alarms (five of each outstanding). At the time of assessment (April 2024) the association reported that the five carbon monoxide alarms had been fitted. In relation to annual gas safety checks, the association reported that the five outstanding at year-end were due to access issues, however, four of these had since been gas-capped in accordance with policy. This was not possible in one property due to an internal gas meter which has now since been checked. Whilst certificates have now issued in relation to three of these five cases, complex access issues have resulted in the association not being able to carry out the gas safety check for the remaining two properties. The Regulator notes that, in both cases, the association has mitigated the risk by capping the gas and that work is continuing with the tenants to resolve these.
- Did not meet its target for electrical systems checks with three outstanding at 31 March 2023. The association advised that, as of March 2024, all checks have now been conducted, however follow up work for one of the checks has yet to be completed due to access issues which have led to legal action.
- Had a complaints policy in place and received 13 complaints which were all responded to within target timelines.
- Had three Joint Management Agreements (JMA) in place with (i) Threshold Services to provide supported housing services for people with mental health issues; (ii) with the charity 'Inspire Wellbeing' to help provide supported housing and care services for older persons; and (iii) with the South-Eastern Health and Social Care Trust to provide 24-hour care and support for frail elderly persons and those living with mild or moderate dementia.
- Made 153 new allocations, all of which were from the NI Common Waiting List.

## **Evaluation:**

Ark HA 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 reporting year, Ark HA:

- Delivered numerous events and activities to promote community engagement, including community clean ups, fun days and barbeques, as well as providing funding for a community kitchen in Newcastle.
- Developed relationships with various organisations and community & voluntary groups, such as a local youth club, Community Arts Partnership, Glengormley School of Music, Feile an Phobhail and Belfast Tradfest to bring cultural events to its tenants.
- Worked in partnership with several other RHAs to provide funding for community groups, organise a Help for All cost-of-living event and develop activities aimed at promoting and developing good relations across shared housing schemes.
- Won the Aisling Award for "Connected Health, Community Building" for the work of its Floating Support Services.
- Secured funding from the National Lottery and Council for the Homeless NI and a grant from Cash for Kids which enabled it to provide food vouchers during the cost-of-living crisis.

- Had an anti-social behaviour (ASB) policy in place that was last approved in March 2021. The association received 21 new cases of ASB and resolved fifteen of these (71.4%) along with four cases which had been carried over from 2021/22. Eighty-two percent of tenants believed that their neighbourhood was a safe place to live.

## **Evaluation**

Ark HA has illustrated how it contributes to supporting vibrant communities, that encourages tenant opportunities and promotes well-being.

## **Overall Consumer Standard Comments:**

Ark HA 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. Ark HA has demonstrated that it provides 'Decent Homes' standard accommodation with good service quality choices appropriate to the diverse needs of its tenants. Ark HA has illustrated how it contributes to supporting vibrant communities, that encourages tenant opportunities and promotes well-being.

## **Overall Comments**

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

### **Anticipated Level of Engagement for 2023/24:**

**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.