Irish Council for Social Housing
Working for Good Governance
Working for Good Governance
# Working for Good Governance

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Foreword

Governance comprises a number of interrelated issues which ensure the smooth running of Housing Associations.

In recent years the issue of governance has gained greater significance for a number of reasons. The Housing Association sector is increasingly using large sums of public money, and many more Housing Associations are working in a more complex and diverse environment. Therefore Housing Associations have had to ensure that they have up-to-date practices in place so that their management boards can exercise proper control of the organisation while being accountable for the service they deliver to tenants.

Often the term Governance is solely used in relation to ensuring compliance under the terms of the capital funding schemes. Although this is a significant element in contributing to good governance in Housing Associations as it focuses on specific housing operations, the achievement of good governance should be viewed in a much wider context. It is important to note that Governance should include concepts of corporate behaviour, accountability, ethics, values and clarity of purpose.

To ensure that good Governance is achieved in the Voluntary Housing Sector, the process of Governance should be also considered as an enabling issue for the sector. This enabling aspect of Governance is very much an issue for bodies such as the Department of the Environment, Heritage and Local Government and Local Authorities to ensure that there is a proper framework in place to allow Government targets and commitments to be met by the sector.

It is recommended that members of the ICSH should ensure that the principles and recommendations of the Guide on Good Governance are put into practice. This guide provides Housing Associations with a framework for good practice in achieving good governance. Many of the issues raised in the Guide are common practice amongst Housing Associations while others may have to be considered in light of the expanding and diverse nature of Housing Associations.

Good governance enhances the reputation of Housing Associations in the sector and in turn the voluntary housing sector as a whole. This will also mean better outcomes in terms of the housing services provided by Housing Associations to their tenants. This working Guide for Good Governance is part of a series of good practice guides which follows on from the First Edition of the ICSH Risk Assessment Guide on Housing Association Development which was published in January 2006. The ICSH would like to thank the Members of the Working Group for their contributions and Caren Gallagher for the compilation of the Guide.

Donal McManus
Executive Director,
Irish Council for Social Housing,
May 2008
Housing Associations with a turnover in excess of €300m per annum undertake a varied range of housing related activities. This has resulted in 20,000 homes now in management by voluntary Housing Associations with 1,700 new homes added to the housing stock in 2007 or around a quarter of the total social housing output\(^1\). The Voluntary Housing sector, due to the scale and diversity of Housing Associations, will have different Governance regimes in place which reflect their current operations. However, there are common issues in this guide which will apply to all Housing Associations, large and small, whether they have staff employed or not. Importantly, there are a significant number of Housing Associations in the voluntary housing sector who rely on voluntary Management Board Members to undertake housing functions. All Housing Associations have Management Boards which are ultimately responsible for how the organisation is governed.

The Government, in recent policy documents such as *Delivering Homes-Sustaining Communities* and the *National Agreement Towards 2016*, indicated that enhanced governance in the voluntary and co-operative housing sector is a Government objective and while the sector support this, it is important that there is a clear hierarchy in any governance framework defining what are the role and responsibilities of the DoEHLG, Local Authorities, in addition to those of Housing Associations and that these are clearly understood.

From solely a housing perspective, governance includes the task of defining roles, objectives and standards of an approved housing body whilst setting in place the funding programmes and the necessary structures which allow Housing Associations to effectively achieve their objectives. In practical terms for Housing Associations, this could mean that there are capital funding schemes in place that allow targets to be met under the social and affordable housing action plans and proper procedures to provide the technical appraisal and sanctioning of projects. It is only when these are in place will the process of Governance in the Housing Association sector be fully transparent with responsibilities clearly defined and which in turn will meet housing objectives set in place for the sector.

The ICSH can assist Housing Associations by providing a ‘Governance Review’ for any organisation wishing to evaluate their current Governance structure. Such Governance reviews can ensure that the Housing Association Governance structure will reflect the environment they are working in, including the necessary level of accountability. Remember good communication within a Housing Association is essential for achieving good Governance.

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\(^1\) Social housing output comprises social rented housing provided by the Local Authority and Voluntary and Co-operative sectors.
How to read the Guide on Good Governance

This working guide encompasses a range of different issues that are essential in ensuring that Housing Associations are well governed.

Essentially the main aspects in the guide include:

- General principles on how a Housing Association should be governed and how to apply these in practice;
- Specific housing related compliance issues including both housing development and management issues which contribute to Housing Associations being well governed;
- Other legal responsibilities that are additional to housing operations such as requirements under company law which are essential; and
- Guidance notes which promote good practice.

It is important that people who read the guide have a full understanding of all the issues that contribute to good Governance. For the purpose of this guide, we are focusing on the broad definition of Governance which encompasses issues beyond the narrow focus of the role of management boards or indeed compliance issues in relation to housing management. It must be remembered that any Governance framework should be about enabling Housing Associations to meet their housing objectives and not simply about control of their activities.

Hopefully, the questions that are frequently asked about governance issues by Housing Associations will be answered in this guide and Housing Associations will progressively continue to adopt principles and practices which will ensure that they are, and continue to be, governed to the highest possible standard. It would be anticipated that this guide will help to progress the discussion on governance in the voluntary housing sector.

Over time, procedures in relation to good governance may change as the size and complexity of the sector evolves. For example, this may change when there are amendments to the capital funding schemes, including intended direct access to the Housing Finance Agency, changes to company law and new legislation on charities. Governance structures may also be modified in the advent of new types of Housing Associations located over a county or a region including a group structure. This Guide is an attempt to draw together all the relevant issues at present which affect the Governance of Housing Associations. In appendix one, there is a matrix which effectively acts as a checklist to assess how an organisation is governed. It is important that Governance can be measured and it is hoped that this Guide will allow Housing Associations to both evaluate current Governance structures whilst allowing for continuous improvement.
How to apply the Guide on Good Governance

It is clear that although this document will provide a framework for Housing Associations to ensure good Governance, it is important that organisations clearly appreciate the context in which they are operating and devise a governance structure accordingly:-

• For instance, a community based Housing Association operating in a local area may have different governance processes in place compared to larger Housing Associations operating in a number of areas across the country providing a range of housing services.

• From an early stage in the development of a Housing Association, it is important that the Management Board evaluate what its’ Governance requirements are before they sign up to them.

• It is essential that Housing Associations do not perceive governance simply as an administrative exercise but realise the benefits that accrue to the tenants that Housing Associations serve.

The purpose of the guide should be to ensure that there is a commitment by ICSH Members to continuous improvement in the service they deliver to tenants and the processes they undertake for good governance. This Guide is primarily targeted at Management Board Members but much of the information will be of relevance to staff in Housing Associations especially those who have devolved responsibility from the Management Board.

Disclaimer
The information in this guide is for general guidance only. Given the changing nature of legislation, rules and regulations there may be omissions or errors in information contained in it. Accordingly the information in this guide is provided with the understanding that the authors and publishers are not herein engaged in rendering professional advice and services.

While we have made every attempt to ensure that the information contained in this guide has been obtained from reliable sources the ICSH is not responsible for any errors or omissions, or for the results obtained from the use of this information. Housing Associations should always seek appropriate advice (legal, technical or other) in relation to the duties they undertake.
ICSH Working Group on Good Governance

In 2006 the ICSH Management Board established a Governance working group under the auspices of the Development and Management Sub-Committee. The following members of the ICSH Management Board (named below) were appointed to assist the Secretariat in preparing various drafts of the Guide. Members of the Working Group include ICSH elected board members with a range of interests and expertise in the voluntary Housing Association sector.

An underlying objective of the Working Guide on Good Governance is to promote a greater understanding and awareness of the Governance requirements for Housing Associations amongst public bodies, other parts of the community and voluntary sector and the private sector.

The terms of reference of the Working Group included:

- Discussing and prioritising the main issues which relate to Governance in Housing Associations;
- Developing and promoting a clear understanding of the process of Governance for Housing Associations;
- Prepare a working guide on Good Governance for the ICSH Development and Management Sub-Committee and Management Board which would be adopted and recommended to ICSH Members to promote good practice.

Members of the Working Group:

John Burke, Tullamore Housing Association

Patricia Cleary, HAIL (Housing Association for Integrated Living)

John Hannigan, Respond! Housing Association

Justin O’Brien, Circle Voluntary Housing Association

Brian O Gorman, Clúid Housing Association

\(^2\) Muireann Morris, former Chief Executive of Sonas Housing Association also participated on the Working Group in 2006
Clarifying Governance, Compliance and Performance

Although these issues are interlinked and both the terms compliance and performance contribute to good governance, they alone will not achieve good governance. Both of these issues will be examined separately in this working guide.

**Definition of Governance for the purpose of the ICSH guide**

**Definition of Governance**
The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation.

**What is Good Governance?**

Good Governance covers:
- How well the Management Board and senior officials work together (where there are paid staff); and
- How the Housing Association works with tenants, employees, members and other stakeholders to ensure that the Association is well run and accountable and meets its objectives.
Bodies ensuring Compliance for Housing Associations

While Governance comprises wider concepts such as ethics and clarity, Housing Associations have to ensure that, in turn, they are compliant with various obligations that allow them to operate, particularly their housing activities, successfully.

As part of the process of good Governance, Housing Associations have to ensure that they are compliant with a number of statutory requirements. These include a number of different activities where in turn there are a number of statutory bodies which oversee compliance.

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<th>Area of compliance</th>
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<td>• Companies Registration Office (CRO)</td>
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<td>• Department of Environment, Heritage and Local Government (Voluntary &amp; Co-operative housing grants section-Ballina, Co Mayo)</td>
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<td>Charitable Status</td>
<td>• Revenue Commissioners (Charities Section)</td>
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<td>• Commissioner for Charitable Donations and Bequests for Ireland</td>
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<td>Conditions of the mortgage agreement</td>
<td>• Local housing authority</td>
</tr>
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<td>Terms of the capital funding schemes</td>
<td>• Local housing authority</td>
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<td>The rental housing regulations (1993)</td>
<td>• Local housing authority</td>
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<td>• Health and Safety Authority</td>
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<td>Employment Law</td>
<td>• Employment Rights Authority</td>
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<td></td>
<td>• Equality Authority</td>
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<td>• Labour Relations Commission</td>
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Performance Standards
Developing performance standards is part of the process of how a Housing Association can assess, on an ongoing basis, how it is delivering its services to tenants. This is particularly important in the housing management area where management boards can assess elements of the housing management service and evaluate how the organisation is performing. (See Housing Association Performance Management - HAPM). Housing Associations may adopt performance standards in a whole range of other areas such as the performance of contractors, the functioning of the Management Board itself and in special needs projects focusing on the quality of the on-site services provided to tenants.
General Housing Governance Issues for Housing Associations

This section deals with various governance requirements that Housing Associations have to comply with, as Approved Bodies, or those organisations seeking to become Approved Housing Bodies, as set down in regulations by the DoEHLG.

Prior to establishment as a Housing Association certain organisations who will be considered for Approved Status must be either:-

- Limited Companies formed by guarantee of their Members and not having a shareholding, registered under the Companies Acts, 1963-2006;

- Societies registered under the Industrial & Provident Societies Acts, 1893-1978; or

- Trusts incorporated under the Charities Acts

They must also:

- Have as primary objects the relief of housing needs, or poverty or hardship or the welfare of Travellers and the provision and management of housing;

- Have in its Memorandum of Association or registered rules as the case may be, provisions prohibiting the distribution of any surplus, profit bonus or dividend to members and requiring that the assets of the body be applied solely towards its objects and;

- Have received Approved Status from the Minister of the Environment, Heritage and Local Government.

Currently there are a range of issues the DoEHLG has specified in its Memorandum VHU 2/02 and there are a number of tests or checks for a body to become approved by the DoEHLG to apply for capital funding and importantly to ensure that there is ongoing compliance with the terms of Approved Status.

These are for Housing Associations that have received Approved Status and in order to ensure that they retain Approved Status have to comply with the following conditions:

- Each approved Housing Association must have a properly functioning governing body, or board of directors or trustees, which is directly responsible for the commissioning of housing projects and services, the ownership, management and maintenance of dwellings let and compliance with all relevant statutory regulations.
The governing body or Management Board of directors or trustees of an Approved Housing Body shall have not less than five individuals each of whom shall be ordinarily resident within the jurisdiction of the state.

No individual may be elected or appointed as directors or trustees or senior employee of an approved housing body, or retain such a position, where he or she has any material interest of significance in relation to the income or any other benefit derived from any commercial contract or other arrangements for the construction of houses for the approved housing body or in the supply of goods and services to the Approved Housing Body.

Approved Housing Bodies must ensure that adequate financial accounting and control procedures are adopted to monitor capital income and expenditure in respect of the development of housing projects and thereafter in respect of the control and accountability for ongoing current income (including amounts of rental income and other revenue and expenditure of each project undertaken).

Details of the audited income and expenditure accounts and balance sheet of an Approved Housing Body shall be provided on request to the Department or any Local Authority holding a mortgage or any other charge in respect of an Approved Housing Body's dwellings or issuing other forms of subsidy, allowances or grants to the body.

The voluntary and co-operative housing grants section of the DoEHLG and the relevant Local Authorities should be advised immediately by an Approved Housing Body of any change in its name, objects or legal constitution, on cancellation of its legal registration status or of a change in the address of its registered office or in the current name of the address of its secretary and on request provide the names and addresses of all its current directors or trustees3.

Organisations engaged in commercial or other risk taking activities should furnish information on the nature of the management structure and control procedures for the proposed housing projects. Approved Housing Bodies may not be controlled or be a subsidiary of another organisation.

Approved Housing Bodies may not engage in any other risk taking activities which may adversely affect the financial solvency of their housing activities.

3 It is important that Housing Associations also contact the CRO (Companies Registration Office) and the Revenue Commissioners. For Housing Associations who have used the ICSH standard Memorandum and Articles, Board Members cannot receive payments as Board Members.
Stakeholders with an interest in the Governance of Housing Associations

The following parties can influence how Housing Associations are governed and seek to ensure compliance from a housing perspective.

**Housing Association tenants**
Although tenants may not have a strong direct role in the governing aspects of a Housing Association (as usually tenants would not comprise more than a quarter of the Management Board under the standard ICSH Memorandum and Articles of Association if this was ever applied) the delivery of services to tenants is the reason why Housing Associations are established and provide services.

**Local Authorities**
Local Authorities have a particular role in ensuring that Housing Associations comply with terms of the capital funding schemes. This includes both development and housing management aspects. The Local Authority designated officer should be the person responsible for overseeing this process.

**Department of Environment, Heritage and Local Government (DoEHLG)**
The DoEHLG has a specific role in relation to issuing Housing Associations Approved Status and to ensuring ongoing compliance with the terms of Approved Status.

**Local Authority Elected Members**
Elected members also have a role in that they adopt the terms and conditions of the capital funding schemes under which Housing Associations operate. Elected Members can approve the transfer of Local Authority low-cost (subsidised sites) and approve transfer of Local Authority stock to Housing Associations and agreeing the raising of loans for Housing Association activity including Local Authorities raising loans from the Housing Finance Agency.

**Developer/Builder**
Developers have, and will continue to develop, partnerships particularly as part of Part V requirements. In order to work in partnership with Housing Associations, developers will seek to ensure that a Housing Association adopts proper standards.

**Financial Institutions**
Housing Associations can approach private financial institutions to advance funding, particularly under the capital assistance scheme, in order to meet a 5% shortfall in capital funding, where required. Providing reassurance of a well governed Housing Association will offer confidence to private lenders who wish to advance any additional capital funding.
Stakeholders with an interest in the Governance of Housing Associations (Cont.)

**Health Service Executive (HSE)**
The HSE provides revenue funding to a number of Housing Associations for services particularly in supported housing projects for the homeless, elderly and people with disabilities. The Housing Association usually enters into a service level agreement with the HSE under certain conditions in relation to how the funding is to be used and under what conditions. Generally Housing Associations who receive revenue funding are deemed to be bodies under Section 39 of the 2004 Health Act, previously known as section 65 grants, where services were deemed to be ancillary or similar to that of the health board / HSE.

**Family Members, Friends and Advocates**
In addition to a number of parents and friends groups being involved in setting up housing associations, particularly in the area of people with disabilities, family members, friends and advocates have a strong interest in ensuring that the service provided is of a good standard and the tenant has a good quality of life.

**Donors and Sponsors**
Housing Associations receive a range of supports, including financial support, from a variety of donors. Some donors may provide support for a certain activity or programme and therefore it would be important for the Housing Association to demonstrate that any supports provided would have been used towards the objective intended.
Responsibilities of Management Boards in relation to Governance

The ultimate responsibility for Governance in a Housing Association lies with the Management Board, whether this is a smaller community based Housing Association, a special needs Housing Association or a larger Housing Association. The key role of the Board is to determine strategic direction and align policies to achieve this. This will be influenced by its’ vision or mission as an organisation. Where staff are employed by Housing Associations, the implementation of the Boards’ policies may be delegated to staff. Board members in smaller organisations with no staff may undertake management functions but where this occurs, the respective roles need to be made clear so there are no ‘grey’ areas or confusion.

In summary the Housing Associations’ Management Boards should consider the following:

• The purpose of the Board being to determine strategy, direct and control the affairs of an organisation relating to its vision and mission including delivering services to tenants.

• Management Boards should have a range skills and experiences that reflect the nature of the organisation as well the services that are provided.

• All Board members should ensure that they have taken collective responsibility for its decisions.

• Managements Boards should preferably have seven Board Members due to diverse nature of their activities with a minimum of five and not more than 12 members for optimum decision making.

• It is important to remember that Governance is not necessarily about the Management Board doing everything but ensuring things are done.

• Management Boards should always act in the interests of the Association
## Key Principles of Governance and their Application for Housing Associations

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<th>Principle</th>
<th>Rationale</th>
<th>How it could be applied for Housing Associations</th>
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| Accountability & Transparency | Housing Associations are accountable to a number of bodies, including funding bodies and individuals such as tenants | - Have a statement for Board Members on who and what areas they are accountable for;  
- Have a clear statement/policy on what information is confidential and what information they cannot and will not disclose;  
- Adopt clear procedures on processing complaints and appeals procedures from tenants. |
| Renewal of Management Boards  | To ensure succession planning for the Management Board                    | - Identify skills required for management board                                       
- Utilise a range of methods for recruiting new members to the Board                   
- Ensure term of appointments for Board Members are in line with the organisations’ constitution;  
- Have a clear policy on how membership of the Association is organised as distinct from Board Members;  
- Develop an appropriate gender balance for the composition of their Management Board;  
- The Board should carry out a basic review of its’ own performance on at least a biennial basis. |
| Clarity of roles              | There is a clarity of the role and responsibilities of the organisation’s Board Members, any delegated sub-committees and staff employed and any volunteers | - Associations should have an agreement which sets out their obligations as Board Members e.g. time commitment required etc;  
- The Board should agree what, if any, operational aspects Board Members may undertake and which are undertaken by employed staff if any;  
- Any sub-committee of Housing Associations should be given clear written delegated responsibilities and reporting mechanisms and should be reviewed at least every two years. |
## Key Principles of Governance and their Application for Housing Associations (Cont.)

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<th>Principle</th>
<th>Rationale</th>
<th>How it could be applied for Housing Associations</th>
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| **Conduct** | Ensure that Board Members are acting in the best interests of the Association | • Any conflict of interest by a Board Member should be minuted and persons should remove themselves from any discussion and voting decision on the matter;  
• Where a conflict of interest occurs on a consistent basis which affects the effectiveness of the Board, the Board Member has the option to resign;  
• Board decisions should be based wherever possible on full agendas and documents sent in advance of meetings, preferably at least one week. |
| **High standards** | Ensure that the standards of performance, service delivery and compliance are in place to ensure the Association remains effective | • Time should be made on an annual basis to review both its current operational activities and how the Board is functioning;  
• Adopt written policies and procedures;  
• Larger associations may have dedicated sub committees to execute elements of their work. |
| **Probity** | The need to ensure openness particularly where financial matters may conflict with decisions | • Significant value of gifts or hospitality should not be accepted by members of the Board.  
• The Management Board should decide on an appropriate level for gifts and hospitality.  
• Gifts/hospitality should be recorded and minuted except for small gifts like free diaries, calendars etc. and a policy adopted on value/type of gifts to accept. A limit of €150 is recommended;  
• Housing Associations should have a clear procedure for dealing with information referred to it by an individual concerning how the Association is run. This information should be recorded. |
Options for Recruiting Board Members

Renewing Management Boards is essential for achieving good Governance. Although it is important that Housing Associations rely on the contribution of experienced Board Members, new Board Members can provide a new challenge for Housing Associations policies and practices.

**General issues to consider in recruiting new management Board Members include:-**

- Agreement by Boards on succession planning arrangements to ensure the long-term viability of the organisation;
- Consideration of the diverse range of skills required to meet the objects of the Association.

**Methods of identifying potential Board Members. The more common methods include:-**

- Using contacts of existing Board Members;
- Promoting Housing Association activity within the various related activities in the communities that the Housing Association operates in;
- Advertising in relevant publications;
- Using BoardMatch Ireland;
- Contacting the ICSH; and
- A combination of these methods.

**Profile of skills and competencies for identifying Board Members**

The range of skills and competencies should depend on the various housing activities that a Housing Association is undertaking, and is intending to undertake, in different areas. For example, a community based Housing Association providing special needs housing in a local area will identify the need for Board Members who may be different to those Housing Associations who have a significant construction development programme and housing stock to manage.

Overall it is important to ensure there is a balance of Board Members in the Housing Association who have a genuine commitment and loyalty to the values of the organisation as well as Board members who have a specific expertise in relation to the specific activities of the Housing Association.
The skills and experience of potential Board Members could comprise those interested people:-

- With direct knowledge of the communities and people being housed by the association;
- Experience of developing and managing housing projects;
- General business and financial skills;
- Specialist skills acquired in the health and social care sector and in legal affairs; and
- Knowledge, experience and contacts within which the Housing Association operates.

NB There is no single solution to what a Board should comprise but it would be important to adopt a ‘pick and mix’ approach to ensure that the Board profile would relate to the objects of the association.

All Board Members should ensure that they are fully aware of their legal responsibilities and are committed to the values of the organisation. The legal responsibilities of Board Members are no different to Companies limited by shares.
Who makes the best Board Members?
Contrary to popular belief busy people make the best Board Members. Such people are likely to be the best source of current practice and because of time constraints are less likely to waste time. Busy people are also best placed to open more opportunities for a Housing Association.

Reviewing Board Membership
Each year membership of the Board should be reviewed. The needs of the organization and the environment in which we work constantly changes and as a result new roles emerge on Boards. To search out particular skills means that Board members know why they are on the Board.

The Job of being a Board Member
Board membership is a serious business, it is a ‘job’ and needs to be structured as such. The chair needs to be resolute in determining the membership of a Board Member who is not contributing, or worse still, is negatively effecting the conduct of board business, there is no place for sentiments such as “they’re doing it voluntarily so we cannot expect too much”.

Retaining Board Members
Keeping good Board Members is a key priority for any Housing Association. This is best accomplished by making the experience of membership rewarding. Good administration is essential, ensuring that members receive papers at least a week in advance and ensuring that it is an exception if items not included in the papers are raised at meetings.

Sources of Board Members
There are people who are willing to volunteer - it is a matter of taking time and effort to entice them and persuading them that they can make a valuable contribution. Organisations such as ‘Board Match’ have provided a very useful system for introducing prospective new members. People who have an interest in the built environment or in the area of special need that the organization works in are more likely to want to join boards of Housing Associations. Such members will have no difficulty in following and contributing to discussion and making informed decisions.

Staff and Board – their respective roles
Staff and board perform separate duties keeping this distinction is key to good governance. Housing Associations require boards to oversee their operation, the same individuals cannot both carry out the day to day work and assess and monitor the work of the association.
## Compliance Issues linked to Governance - Housing Development Process

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<th>Issue</th>
<th>Current requirements</th>
<th>Impact for Housing Association</th>
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<tr>
<td>Planning and assessing need for a housing project</td>
<td>There is definite housing need and land has proper planning status such as land identified is zoned as part of the city or county development plan.</td>
<td>Ensure Local Authority designated officer is contacted and housing need clearly determined. Early consultation with the HSE where support services are identified.</td>
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<tr>
<td>Commissioning and use of consultants</td>
<td>Housing Association to comply with the procurement guidelines on commissioning consultants including those for EU public procurement where required as well as the new Government Forms of Contract.</td>
<td>Design teams to be appointed in accordance with the new forms of contract. The Government Standard Conditions of Engagement for Construction Consultants are to be used. Competition is based on quality and price; lump sum fixed price contract for well defined services.</td>
</tr>
<tr>
<td>Capital funding application</td>
<td>Application made to Local Authority where the project is being developed.</td>
<td>New process will require Housing Association to complete information at various key stages such as appraisal, cost plan and design submission and tender evaluation.</td>
</tr>
<tr>
<td>Tendering process</td>
<td>Housing Associations have to comply with public procurement guidelines and where these different guidelines apply for the different value of projects.</td>
<td>Tendering process will be dependent on the type of procurement used and thus may comprise different timescales. A tender evaluation process should be provided by the Housing Association.</td>
</tr>
<tr>
<td>Stage payments</td>
<td>Proper certified claims as to the valuation of work completed, submitted by the Employers Representative (replacing the architect) on behalf of Housing Association, to the Local Authority for payment.</td>
<td>Ensure that stage payments are to be sent directly by the Local Authority to the Housing Associations’ own bank account. This process should be established before the claim for the first payment.</td>
</tr>
<tr>
<td>Handover of completed homes</td>
<td>Housing Association (consultant) ensures that housing project complies with planning permission &amp; building regulations.</td>
<td>The Housing Association is fully aware of the taking in charge process and the responsibilities of the Housing Association.</td>
</tr>
</tbody>
</table>

*Contact the ICSH for further information and guidance on key processes required.*
Compliance Issues linked to Governance - Housing Management

<table>
<thead>
<tr>
<th>Issue</th>
<th>Impact for Housing Association</th>
</tr>
</thead>
</table>
| **Allocations** | • All tenants should be provided with tenancy agreements (except where licences are provided and deemed appropriate) before signing up as tenants.  
• Housing Associations should provide relevant details of prospective tenants to the Local Authority such as income and current housing status.  
• Housing Associations should have a clear written agreement with tenants where they intend to utilise financial contributions as part of the 25% allocations in the capital assistance scheme. Housing Associations should also seek legal advice.  
• All Housing Associations should adopt a letting policy statement.  
**The standard letting policy statement should comprise:**  
• Type of housing service being provided by the Association.  
• Priority for allocating housing units.  
• Ability of the Housing Association to deal with types of nominations and referrals.  
• Housing Associations should comply with the terms of the respective DoEHLG capital funding schemes. |
| **Rents** | **Rent Determination** - Housing Associations should clearly indicate to tenants in their rent books their weekly / monthly:  
• Rental (accommodation) charges  
• Service charges  
• Any additional care or support charges  
**Rent Collection** – Housing Associations should adopt a policy for rent collection and determine the most effective method of rent collection e.g. Door to door, Direct Debit, An Post.  
**Rent Arrears Control** – Housing Associations should have policies and procedures in place for dealing with rent arrears in order to minimise the level of arrears incurred by the Association  
**Capital Assistance Scheme (CAS)** – primarily caters for special needs groups such as the elderly, homeless and people with disabilities  
• Economic rents in the region of €68 and €73⁵ should be charged to cover housing management and maintenance costs and for servicing any additional loans and shortfall in capital funding limits.  
• Tenants should be advised that assistance with the payment of their rent can be found through RAS which has maximum subvention levels of €55 and €60 per week.  
• Housing Associations should undertake to review their rent levels at a periodic interval, such as on an annual basis.  
• Any changes to rent levels should be communicated immediately to the relevant Local Authority for the purposes of RAS calculation. |

⁵ These figures are ICSH recommended rent levels for Category one and Category two units built under CAS.
Compliance Issues linked to Governance - Housing Management (Cont.)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Impact for Housing Association</th>
</tr>
</thead>
</table>
| **Rents (Cont.)**            | **Capital Loan and Subsidy Scheme (LSS)** – primarily caters for low income families  
  • Rents should be calculated according to DoEHLG memorandum VHU 2/02.  
  • Tenants will be required by the Association to demonstrate proof of income every year. This is a Local Authority requirement.                                                                                                                                                                                                 |
| **Repairs and Maintenance**  | Housing Associations will advise tenants of responsibilities and rights of the landlord and tenant including a schedule of repairs  
  **Repairs** - As part of best practice Housing Associations should record, prioritise and categorise repairs and monitor their execution in relation to timescales and quality.  
  **Maintenance** - Housing Associations should ensure provision for reserves to meet future cyclical and other maintenance costs.                                                                                                                                                                                      |
| **General Estate Management**| • Housing Associations should have an anti-social behaviour policy which recognises the responsibility of the Housing Association to tenants to promote the peaceful enjoyment of dwellings.  
  • Legislative powers should be used where necessary in taking proactive action against anti-social behaviour as a last resort.                                                                                                                                                                                                                             |
| **Accounts**                 | • The audited income and expenditure accounts and balance sheet of an Approved Housing Body shall be provided on request to a Local Authority holding a mortgage charge.  
  • In order to ensure financial accountability Housing Associations should be able to demonstrate funding received towards:  
    - Capital costs;  
    - Management and maintenance; and  
    - Support services costs                                                                                                                                                                                                                                                                                          |
| **Insurance**                | • Housing Associations must ensure there is an adequate insurance policy to cover loss or damage to dwellings due to fire, flood and property related risks.  
  • The Housing Association should ensure that the Local Authority is named as an interested party for the duration of period of the mortgage (e.g. 30 Years).  
  • The Housing Association should supply details to the Local Authority of the insurance company, policy number, type of cover and amount insured.  
  • Housing Associations should use the ICSH Group Insurance Scheme through BHP and Eagle Star which is a facility available to all ICSH Members.  
  • Insurance requirements in addition to property include employers liability and public liability.                                                                                                                                                                                                                      |

6 Maintenance costs should comprise two-thirds of total budget allocation for repairs and maintenance and response repairs should comprise one-third.
### Housing Management: Landlord - Tenant Agreements

<table>
<thead>
<tr>
<th>Type of Agreement</th>
<th>Purpose and structure of Agreement</th>
<th>How and when to be applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenancy Agreement</td>
<td>Agreement on the terms and conditions for occupancy of tenants and responsibilities of tenants. Generally roll over monthly tenancies.</td>
<td>Most commonly used agreement in the voluntary housing sector that individuals would sign up before becoming a tenant(^7). Agreement includes four week notice to quit period(^8).</td>
</tr>
<tr>
<td>Licence Agreement</td>
<td>An agreement or licence to reflect the more temporary nature of the housing service provided by the Housing Association. Will include conditions of occupancy including payment and various rights and responsibilities. The temporary agreement may be nightly or weekly.</td>
<td>Mostly used in short term or transitional accommodation or where the intention is not to provide a long-term housing solution.</td>
</tr>
<tr>
<td>Service Level Agreement</td>
<td>Usually an agreement with a statutory authority whereby the Housing Association agrees to provide an agreed level of services to tenants under certain terms and conditions. Commonly used between voluntary Housing Associations and the HSE.</td>
<td>Prior to a service being provided an agreement would be drawn up, agreed and signed by both parties.</td>
</tr>
<tr>
<td>Joint Management Agreement</td>
<td>An agreement where often the Housing Association owns the property and a care provider provides service to tenants on the same site with responsibilities of each party outlined.</td>
<td>Prior to establishing the support services the agreement would be drawn up between both parties which include defining responsibilities for housing management repairs and maintenance.</td>
</tr>
<tr>
<td>Agreement for Financial Contributions</td>
<td>To allow older people who may not qualify for social housing to be housed whereby they pay an agreed financial contribution. Repayments can be made on a sliding scale.</td>
<td>Used in situations under the capital assistance scheme for the 25% allocations that the Housing Association can undertake. Legal advice should always be sought.</td>
</tr>
</tbody>
</table>

\(^7\) In cases for some special needs tenants it is important to clarify who will sign the tenancy agreement.

\(^8\) The ICSH have a standard Tenancy Agreement available to Members.
Customer Care and Tenants

Accommodating tenants is the main reason Housing Associations function. In addition to providing good quality housing in an attractive environment, Housing Associations may wish to communicate the quality of service they provide in a more direct manner. (Where possible NALA – National Adult Literacy Standards, should be used for tenant publications). As Housing Associations have evolved and expanded a wide range of initiatives have been used to demonstrate this and examples of these are given below.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants Handbook</td>
<td>An important reference point compiled into one document to explain what many of the clauses the tenancy agreement mean. It can provide useful information on key contact points and procedures that come into force when emergencies occur. It can explain, in less formal language than in the tenancy agreement, the responsibilities of the Housing Association as landlord for example repairs, behaviour, rent collection payment methods etc. The tenants handbook has proved to be very useful for new tenants as well as providing other information such as local contact points.</td>
</tr>
<tr>
<td>Pre tenancy information meetings</td>
<td>Meetings that a Housing Association organises before the sign up of any tenants. They can vary in duration although the purpose is consistent in ensuring that tenants can meet with Housing Association representatives to discuss and clarify issues in relation to taking up the offer of tenancy. These pre tenancy meetings can assist in building up trust and developing the relationship between landlord and tenant (and advocate where applicable).</td>
</tr>
<tr>
<td>Tenants Charter</td>
<td>A more formal commitment by the Housing Association as landlord focused on ensuring the tenants’ rights are met particularly in relation to their tenancy agreement. This can include the requirement under the Rental Housing Regulations on housing standards and rights in relation to rent books. Housing Associations should be clear on the body responsible for compliance.</td>
</tr>
<tr>
<td>Customer Care and / or Standards</td>
<td>This is a commitment given by the Housing Association as landlord to provide certain services or undertake activities in a certain timescale and or standard. This could include timescales for repairs and maintenance functions, responding to queries or providing information. A Housing Association can publish this and use indicators to demonstrate its performance on a regular basis. Before undertaking to adhere to specific customer care standards, organisations should be sure that they have the necessary resources to implement the commitments given to tenants.</td>
</tr>
<tr>
<td>Tenant Meetings</td>
<td>This is a frequently used method for providing one-to-one communication with tenants on a range of activities relating to their housing project and the services that are provided as well activities in the local community.</td>
</tr>
</tbody>
</table>
## Finance and related Issues for Housing Associations

<table>
<thead>
<tr>
<th>Issue</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreeing and drawing down loans by Voluntary Housing Associations</td>
<td>For any Housing Association wishing to undertake any borrowings this should be recorded in the minutes of the relevant Management Board meetings where it was agreed to do so. In the case of the capital funding mortgage loan it is important that two Management Board Members sign on behalf of the Housing Association.</td>
</tr>
<tr>
<td>Appointment of auditor</td>
<td>It is the function of the Annual General Meeting to appoint the auditor on an annual basis. However, this would usually be assisted through the recommendation of the Management Board who would have undertaken an assessment of a number of auditors over a period of time.</td>
</tr>
<tr>
<td>Payment and signatories of cheques for payments</td>
<td>The signatories for cheques should be agreed by the Board. It is good practice to have co-signatories on cheques. Where staff are employed, the senior officer may be delegated powers to authorise payment of cheques up to a certain level. This should also be agreed by the Board. Housing Associations may also have a policy on what time period they seek invoices to be paid.</td>
</tr>
<tr>
<td>Donations</td>
<td>Situation where members of the public or organisations provide financial assistance to the work of the Association. Could also be in the form of legacies bequeathed to the Association. The Association should always seek legal advice especially where there are terms and conditions included whether this may surround activities concerned or publicity.</td>
</tr>
<tr>
<td>Fundraising Collections</td>
<td>The Association will be aware of all the requirements that are and will be in place for organisations actively undertaking street and other fundraising activities⁹.</td>
</tr>
</tbody>
</table>

⁹At the time of writing, the Charities Bill 2007 is going through the Dáil. Housing Associations will have to comply with the new Act when it is passed.
## Finance and related Issues for Housing Associations (cont.)

<table>
<thead>
<tr>
<th><strong>Issue</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procurement of supplies and services</strong></td>
<td>This could include office supplies or services as well as the commissioning of consultants. It is important both to demonstrate value for money as well as transparency in the procurement process therefore Housing Associations should follow guidelines set down by the Department of Finance.</td>
</tr>
<tr>
<td><strong>Less than €5,000</strong></td>
<td>In value to be purchased on the basis of verbal quotes from one or more competitive suppliers. Best practice would be to obtain three verbal quotes to ensure value for money.</td>
</tr>
<tr>
<td><strong>Between €5,000 and to €50,000</strong></td>
<td>Might be awarded on the basis of response to specifications sent by fax or email to at least three suppliers or service providers.</td>
</tr>
</tbody>
</table>
| **Over €50,000 and up to the value of EU thresholds** | Two approaches can be used. 
(a) Direct Invitation (without advertising), a process of direct invitation to tender may be used. This may involve:
Invitation to firms deemed appropriately qualified for a particular project
When direct invitations are used, firms from which tenders are sought should be a good representative sample of all potential bidders in the market concerned. At least five firms should normally be invited to submit tenders. 
OR 
(b) Advertising in OJEU should normally be advertised as part of a formal tendering process. Publication on the e-tenders website generally meets national advertising and publicity requirements.
Any member of a Housing Association with associations to a supplier of a consultancy firm must declare the nature of such interest and this would be recorded. It is important that people involved in the decision making process would declare any interest they have and remove themselves. |
| **An up to date tax clearance certificate must be supplied by any successful supplier.** |
| **Provision of annual sinking fund**[^10] | A percentage of the rental income of a housing associations should be set aside on a regular basis for the longer term replacement / repair of major items in the accommodation. |
| **Payment of VAT** | Housing Associations are liable for paying VAT on goods and services at 21.5% as well on construction contracts of 13.5%. Payment of VAT is not included where training services are provided. |

[^10]: The ICSH can advise on specific sinking fund provision based on the type of housing project.
**Housing Association Employer Responsibilities**

<table>
<thead>
<tr>
<th><strong>Area of Activity</strong></th>
<th><strong>Impact for Housing Association</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Safety</td>
<td>As an employer, a Housing Association is required to prepare a safety statement for the workplace which should be reviewed regularly at least on an annual basis. The Housing Association is responsible for appointing a competent person for health and safety aspects of the construction phase.</td>
</tr>
<tr>
<td>Freedom of Information</td>
<td>Housing Associations generally do not come under the remit of the 1997 and 2003 Freedom of Information Acts as they are not named bodies. However, where a Housing Association provides services to a public body such as a Local Authority or the HSE, the records held by the Housing Association would by subject to the FOI Act.</td>
</tr>
<tr>
<td>Data Protection</td>
<td>Housing Associations keep personal information on their tenants and housing applicants and come under the remit of the Data Protection Acts of 1988 and 2003.</td>
</tr>
<tr>
<td>Food Regulations</td>
<td>In some supported housing projects such as for older people, the homeless and people with disabilities with on-site communal facilities, meals are prepared and since 2006 organisations/individuals have to work to a HACCP (Hazard Analysis Critical Control Plan).</td>
</tr>
<tr>
<td>Employment Responsibilities</td>
<td>Housing Associations should make themselves familiar with the relevant, maternity and adoptive leave as well as other current legislation which affects the employment of staff.</td>
</tr>
<tr>
<td>Redeeming the mortgage loan</td>
<td>Housing Associations in rare situations may, after consultation with the Local Authority, wish to repay the outstanding mortgage. The statement of the outstanding loan should be provided by the Local Authority.</td>
</tr>
</tbody>
</table>
Housing Associations should provide individuals with tenancy agreements (except where licenses are provided) before they sign up as tenants.

‘The benefits for both the tenants and the organization are very clear: the tenants have a clear understanding of their role and the role of the Housing Association as their landlord and the general public can see that the Housing Association is working closely with tenants and is following best practice’.

The Board of Roscara Housing Association felt it was important that their tenants had a full understanding of the tenancy agreement which encompassed both their responsibilities and those of the Housing Association.

At a board meeting a number of years ago, it was agreed to draft a user friendly tenancy agreement and handbook that would be suitable for people with intellectual disabilities.

In order to progress this, a specialised sub group of the Board was set up and the members prepared a draft for consideration by the Board. Once the feedback was received and the draft amended, it was ratified by the Board. The handbook was designed and printed within a small budget and a template created that could be printed as often as required.

The handbook contains a jargon free, easy to follow tenancy agreement allowing space for inserting photos, setting out the rent and services provided, what the landlord must do and what the tenant must do. It provides details of what to do if the tenant has a complaint and a contact number as well as the policy on repairs and maintenance.

‘This process and the finished product can be adapted and can work for any tenant group. It has had a very positive impact and continues to be a very effective tool in working with tenants of Roscara Housing Association’.
Governance and Compliance Issues for Housing Associations providing Special Needs Housing

Housing Associations who provide services to special needs groups such as the homeless, older people or those with disabilities often have to comply with a range of requirements from other funding bodies. At the moment there is no single Government approach to overall Governance as a number of functions are the responsibility of different statutory bodies. Housing Associations have to ensure compliance with different bodies which can include:

- **Local Housing Authorities**
  Although Housing Associations providing special needs housing have common requirements with associations dealing with primarily family housing in relation to housing development and management issues, Local Authorities are responsible for Section 10 funding in accommodating homeless persons including the provision of accommodation related services in short term / emergency accommodation.

- **Health Service Executive (HSE)**
  The HSE do provide revenue funding in care related housing projects for people with disabilities, older people and the homeless. In HSE regions there should usually be someone responsible for these different special needs groups. There may be distinct reporting requirements by the HSE in the form of service level agreements or contracts with the Housing Association. The latter may involve specific requirements on staffing levels, qualifications of staff and often specific care plans for tenants.

- **Homeless Agency (Dublin)**
  The Homeless Agency operates in the Dublin area and ensures that Housing Associations are compliant with the conditions for revenue funding that they have been provided with. It acts as an intermediary in the distribution of funding for the Local Authorities and the HSE.

Providing Special Needs Housing
The experience of Newgrove Housing Association

Newgrove Housing Association was set up in 1999 and works on the principle that everyone has the right to live as independently as possible. They provide community-based housing for people with specific housing and support needs.

Newgrove Housing Association works in partnership with RehabCare and provides accessible, appropriate housing and is the landlord. Newgrove Housing Association is the housing provider and the mortgagee on each individual property. RehabCare provides the package of care and supports to ensure that tenants can live as independently as possible. This partnership is facilitated by a joint management agreement which clearly outlines the roles and responsibilities of each party and is subject to periodic review.
Housing Associations providing options in addition to Social Rented Housing

Rental Accommodation Scheme (RAS)

RAS, introduced in 2004, was initially geared towards the transfer of recipients of rent supplement including those tenants housed under the capital assistance scheme in the voluntary housing sector. There are over 3,000 Housing Association tenants that have transferred from the HSE rent supplement to RAS administered by Local Authorities. Housing Associations should, on an annual basis, confirm to the Local Authority details of the tenant accommodated and the rent charged.

Separately some Housing Associations are involved in the management or leasing of rental housing units provided by private landlords and developers through Local Authorities. The payment should be agreed with the Local Authority to ensure the Housing Association costs are covered.

Affordable Housing for sale

A few voluntary Housing Associations provide housing for sale, usually through support from Local Authorities. Local Authorities can provide sites, the capital finance and details of the prospective owners where they have a designated waiting list for affordable housing.

Local Authorities often involve Housing Associations on an ‘agency basis’ where the Housing Association is responsible for the conditions of building contract. However, the operations of the affordable housing schemes are governed by the terms of the respective Local Authority which has to have due regard to the provisions of 2002 Housing (Miscellaneous Provisions) Act. A small number of Housing Associations have provided affordable housing as part of mixed tenure developments.

Housing Services provided in mixed tenure developments

A small number of Housing Associations, particularly in urban areas, provide housing services in mixed tenure housing developments. This may involve the Housing Associations being part of private management company or providing services to affordable homeowners. In future this may require obligations placed on them with the establishment of the new Property Services Regulatory Authority and they should be clear what responsibilities if any this may involve including any service charges and insurance requirements.

Incremental Purchase

This is a proposed new pilot scheme and details to date have not been rolled out. The scheme will be targeted at households who will purchase an initial equity stake with a mortgage and the remaining stake will be purchased over a period in predetermined instalments. The applicant would, if their income permits, have to opt for this at the point of allocation.
Guidance Notes for Housing Associations

(a) Roles of key officers in a Housing Association

The Board of the Housing Association requires some of its Members to take on special roles to help the association function effectively. The four essential executive committee (officer) posts are Chair, Vice Chair, Secretary and Treasurer. In some Housing Associations the posts of company secretary and senior official are combined. The elected officers generally have distinct responsibilities and roles in the effective running of an association. The roles while distinct are mutually supportive; officers should support their colleagues whenever possible. All honorary officers should be clear regarding the function of their role. Therefore, it is good practice to have written role descriptions.

Chairperson

The Chairperson has a strategic role to play in representing the vision and purpose of the Housing Association. The Chair should serve an agreed term in this position at which point it should be reviewed.

Key responsibilities

The Chairperson ensures that the Management Board functions properly by:

• Planning and running meetings in accordance with the Memorandum and Articles e.g. AGM;
• Ensuring matters are dealt with in an orderly, efficient manner e.g. filing annual returns;
• Reviewing governance performance; and
• Bringing impartiality and objectivity to meetings.

The Chairperson ensures the Housing Association is managed effectively by:

• Liaising with the Chief Executive (where in place) to keep an overview of the affairs of the Housing Association;
• Facilitating change and address conflict within the organisation; and
• Co-ordinating the Board to ensure responsibilities for particular aspects of management are met and specialist expertise is sought where required e.g. personnel matters or financial control.

The Chairperson represents the Housing Association and:

• Communicates the vision, objectives and purpose of the Housing Association;
• Advocates and represents the organisation at external meetings e.g. Local Authority and ICSH meetings; and
• Is aware of current issues that might affect the Housing Association.

The role of a Chairperson can be time consuming, involving work between meetings, external representation of the organisation, and work with staff. The Chairperson usually takes on direct management responsibility for the most senior staff member (the chief officer). Chairing a Housing Association requires clear diplomatic and leadership skills.

Vice-Chair

The Vice-Chair acts for the Chair when s/he is not available and undertakes assignments at the request of the Chair. To ensure continuity every Housing Association should ensure that the Chair has a deputy who can assume their responsibility and is familiar with their duties as outlined above.
**Guidance Notes for Housing Associations**  
(a) Roles of key officers in a Housing Association (Cont.)

**Company Secretary**  
Voluntary Housing Associations are legally incorporated under the Companies Acts and must have a Secretary. This person may be one of the Directors or may be a person appointed or employed who is not a member of the Board of Directors. In smaller Housing Associations the Secretary may be a voluntary member of the Board who has agreed to undertake the functions outlined below. Sharing of the Board’s responsibilities by the members may be necessary to ensure effectiveness. Larger Housing Associations may employ a part time or full time secretary if the resources are available.

The company is required to notify CRO of the name and residential address of the secretary (as it is for all directors).

**Key responsibilities**  
- Provide advice and guidance to Directors on their obligations under the Companies Articles of Association, company law and other relevant laws and regulations.  
- Act as principal legal and compliance officer.  
- Preparation of reports and minutes of the meetings.  
- Issuing of correspondence to other persons and agencies (including statutory authorities) as directed by the Board.  
- Keeping of the Housing Association’s records, including the financial accounts including the income and expenditure accounts, all bank account records, invoices and receipts. The Secretary will usually carry out this function in conjunction with the Treasurer.  
- Collaboration with the Chairperson, other Officers and Board Members in the preparation of agendas and reports for meetings.  
- Facilitation of the preparation of the Annual Audit of Accounts by the Housing Association’s professional auditor, including the supply of all financial and other records.

**Treasurer**  
The overall role of the Treasurer is to maintain an overview of the organisation’s financial status and to ensure that proper financial records and procedures are maintained. In small Housing Associations without paid staff the Treasurer may take a greater role in the day-to-day finances of the organisation. It is important to note that final responsibility for financial matters always rests with the Management Board as a whole.

**Key responsibilities**  
- Ensure that proper financial records and procedures are maintained.  
- Look after the Association finances.  
- Record income and expenditure.  
- Maintain the Association accounts.  
- Ensure that all bills are paid.  
- Keep the committee informed as to the Association’s finances.  
- Oversee the appointment of auditors.  
- Help prepare the Association accounts for auditing and the AGM.
Alice McAuliffe, Company Secretary

Dromin Athlacca Housing Association, Co Limerick

“It is important to say that every single worry [about being Company Secretary] is outweighed by the many benefits and the satisfaction that you get being an important part of the running of a housing scheme that has changed the lives of those living there”.

“Knowing that you are helping keep the Housing Association going in a fundamental way is a great feeling and I would encourage people to take on this role”.

Being company secretary is possibly one of the most important officer roles that a person can be nominated to. Alice sees her role as being the person who keeps everything in order for the Housing Association. People are often not fully aware of what they are taking on and for voluntary Board Members of a Housing Association who have come from a parish / club committee background it can be difficult to think beyond this level of responsibility. Being company secretary of a Housing Association, it is important to know that you are secretary of a housing company as well as a charity and an approved body and this means you have to have an understanding of the legalities involved and the various obligations the Housing Association has to comply with. It is so important that every person on the Board realises their responsibility to support the work of the secretary and work as a team.
**Guidance Notes for Housing Associations**

(b) Options for Sub-Committees of Housing Association Boards

In some Housing Associations where there are more diverse and complex areas of work to be undertaken, a Housing Association Management Board may decide to establish specialist sub-committees. However, it depends on the structure of the Housing Association if a sub-committee is to be established and for what reason. The role of a sub-committee should be clearly outlined to assist the Management Board and should have terms of reference agreed. Smaller, locally based Housing Associations usually do not require specialist sub-committees. Examples of different types of sub-committees include the following:-

- **Finance sub-committee**
  Monitors and reviews the financial performance of the Housing Association. It may also be linked to having a role in reviewing internal financial controls.

- **Development sub-committee**
  Monitors the progress of all housing developments that the Housing Association is undertaking and decides on which developments should be undertaken.

- **Housing Management sub-committee**
  Deals with operational issues in relation to housing management and the overseeing the performance in certain areas such as rent collection and maintenance.

- **Remuneration sub-committee**
  Approves the remuneration of senior management in the organisation including the Chief Executive or equivalent and their conditions.

- **Nominations sub-committee**
  Assists the Board in ensuring that the Management Board and sub-committees have the required skills in their work and properly provide for succession planning.

- **Human Resources sub-committee**
  This may particularly be relevant for expanding Housing Associations where new staff are being employed often for the first time.
Sub Committees of Management Boards
The experience of North and East Housing Association
Tony Gilmore – Chairperson

The Challenge
The Board of North and East were beginning to find that Board meetings were over burdened and as a result certain issues were not getting the attention they deserved. With the volume of board business, it was becoming very difficult in board meetings to prioritise what should be dealt with.

Addressing the issue
It was agreed that a strategic review of the organisation should take place and a consultant was asked to provide an independent assessment and present this to the Board Members. Along with this, Board Members were asked to participate honestly and openly in terms of how best they could bring the organisation forward. A number of recommendations were made, one of which was that a sub group focusing on development could be set up to allow more time to be devoted to progressing the development side of North and East and expanding the number of units. It was also agreed that more resources should be focused on development.

Outcomes
Whilst one of the critical issues in the strategic review was the effectiveness of the Board, through implementing the committee structure, this now reflects North and East's strategic priorities.

The sub committee deals exclusively with development issues and the minutes are taken by the development officer. The chair of the sub committee is rotated meeting by meeting and the minutes are circulated to Board Members ahead of each full Board meeting.

Impact
'The benefits of having such a committee mean that the issues within the organisation that were being eternally postponed, or received inadequate attention, now have a suitable forum'.

Guidance Notes for Housing Associations
(c) Work of HAPM and Performance Standards

What is HAPM?

HAPM stands for Housing Association Performance Management and refers to a study undertaken by the Irish Council for Social Housing in 2005 to develop a framework for measuring performance and promoting good housing management in the Housing Association sector.

The success of the first phase of the study led to a second phase of HAPM involving a larger working group of Housing Associations.

What is the purpose of HAPM?

The objective of the HAPM study is to assist Housing Associations in achieving good governance as part of ensuring they are compliant with various statutory requirements and that they also adopt performance management standards that can be assessed and used by their management boards.

The main areas of the framework that member Housing Associations agreed to measure included the following housing management functions:

- Rent Collection
- Maintenance
- Allocations / Lettings

- Repairs
- Landlord / Tenant Relations
- Vacancies / Voids

The HAPM working group have developed a framework which will assist Housing Associations and their Management Boards in overseeing the housing management performance of their association. It can also assist in demonstrating to other stakeholders the housing management standards to which a Housing Association operates.
Undertaking a Strategic Review
Moving Forward:
The next steps for Banner Housing Association
Strategic Plan 2008-2013

Eamonn Finn, Chairperson
Banner Housing Association, Co Clare

Banner Housing Association was established in 2002 (formerly Brothers of Charity Clare Housing Association) as a social housing provider for people with intellectual disabilities.

The Board of Banner Housing Association were keen to establish an identity for the Housing Association separate from that linked with the Brothers of Charity. It decided to work on a five year strategic plan for the Housing Association with the objective of strengthening the foundations of the organization as an independent company with a clear vision, mission and aims over the next five years which will meet the needs of its tenants and potential tenants.

How was the plan developed?
A governance workshop was held which Board Members and staff attended and the outcomes of this workshop provided the basis for the strategic plan. The workshop was informal but very effective. In drafting the plan, the challenge was to mark out a clear direction for the company, identify strengths and weaknesses of the company and set out clear aims and objectives, actions and targets to be achieved by 2013.

The Housing Association has a strong governing body with a wide range of skills that had a significant input into the strategic plan. The plan was adopted by the Board on 5th September 2007 and officially launched afterwards.

What are the benefits?
It is hoped that the plan will enable Banner Housing Association to increase the number and quality of homes available, improve the service available to tenants, establish financial stability and strengthen the skills of staff and directors. It provides the governing body with a ‘workplan’ for the next five years and brings focus to work of the organization as a whole.
Guidance Notes for Housing Associations
(d) Corporate Governance Issues

There are a number of issues that affect Housing Associations which may be classified as non-housing governance issues. However, they are essential for ensuring the smooth operation of the Housing Association and importantly, for compliance with statutory requirements such as company law. They include:

- Annual returns to the Companies Registration Office; and
- Periodic returns to the Revenue Commissioners in relation to charitable status.

What is the legislative basis for Housing Associations?
Housing Associations are non-profit organisations formed for the purpose of relieving housing need and the provision of management of housing. They are legally incorporated as companies limited by guarantee and not having a share capital. As a result they are subject to the full provisions of the Companies Acts from 1963 – 2006. At the time of incorporation the Housing Association must lodge a Memorandum of Association and Articles of Association.

What are the Memorandum and Articles?
The Memorandum and Articles of Association are a set of documents governing the internal and external dealings of a limited company. In effect, this is the governing document of the Housing Association which states the objects, membership and governing rules of the Association.

The Irish Council for Social Housing (ICSH) have a specially prepared standard legal constitution for registration under the Companies Acts. The wording meets the requirements for an application to the Department of the Environment, Heritage and Local Government for Approved Status under the housing legislation and the Revenue Commissioners for charitable recognition.

Following careful consideration of the contents of the Memorandum and Articles, the first subscribing members should formally adopt the legal constitution at a meeting called for this purpose.

Annual Return Filing Obligations
A Housing Association must produce audited accounts and return them to the Companies Registration Office (CRO) regardless of whether they have traded or not once at least in every year. It is the responsibility of the Management Board to ensure proper accounts are kept, audited and filed with the CRO.

It is important to note that no accounts need to be filed with a company’s first annual return post-incorporation and even non active Housing Associations must also lodge an annual return and accounts each year.

Filing an Annual Return
The annual return is a document (Form B1) setting out certain prescribed information in respect of the Housing Association. This form and the Annual Return Date (ARD) can be obtained by contacting the CRO or can be downloaded from their website (www.cro.ie).
Guidance Notes for Housing Associations
(d) Corporate Governance Issues  (Cont.)

Example
A Housing Association incorporated on 1st March 2006 – the initial ARD is 1st September 2006.
Filing deadline is 29th September 2006 and the late filing penalty becomes due on 30th September 2006.
This Housing Association’s next ARD will be 1st September 2007

When should an annual return be filed?
A new company has its first Annual Return Date six months from its date of incorporation.

What happens if the Annual return is not made?
Any company which does not file its annuals returns runs the risk of:
• Late filing Penalties
• Prosecution
• Strike Off

What other information must the Housing Association record?
The Housing Association is required by the Companies Acts to maintain records and accounts of information and activities. These are called “statutory books” and those most relevant to Housing Associations include:
• Register of members
• Register of directors and secretaries
• Minute book
• Disclosure of interest book

Charitable Status
Housing Associations can obtain charitable status. Formal recognition as a charity is given by the Revenue Commissioners and charities are eligible for exemption from certain taxes. When a Housing Association is recognised as charitable it is allocated a CHY number which means it is exempt from taxes such as income tax or DIRT. Housing Associations are not exempt from all forms of taxes.

How do we apply for charitable status?
The ICSH, as part of the legal registration process, provide advice and guidance in applying for both approved and charitable status.

In order to apply for charitable status, the Housing Association must apply to the Revenue Commissioners with:
• application form called a CHY 1 form
• copy of the Memorandum and Articles
• statement of activities, the latest financial accounts
• names and addresses of its officers.

The Charities Section have a recommended Memorandum and Articles however they also accept the Memorandum and Articles drafted by the ICSH.
**Guidance Notes for Housing Associations**

(d) Corporate Governance Issues (Cont.)

**What is required once the group receive charitable status?**
Activities reports must be submitted on request to the Revenue Commissioners. The Housing Association should provide as much detail as possible in the updated activities report. This could include detailing any efforts to secure land, consultations with the Local Authority or details of the planning application / tenders submitted. It is important at this point to advise the Revenue Commissioners of any relevant changes within the Housing Association, for example, change of director.

**Conditions attaching to exemption from Tax**

<table>
<thead>
<tr>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Memorandum and Articles Association</strong></td>
</tr>
<tr>
<td>• The income and property of the charity must be applied solely towards the promotion of its main objects as set out in its governing documents</td>
</tr>
<tr>
<td>• No Director / Trustee / Officer shall receive any remuneration or other benefit in money or moneys worth from the exempted body</td>
</tr>
<tr>
<td>• If upon winding up of the organisation, there remain any funds or property the same must be transferred to some charitable body having similar main objects, or failing that, to some other charitable body.</td>
</tr>
</tbody>
</table>

| **Financial Accounts** |
| Financial accounts and a detailed activities report must be submitted to the Revenue Commissioners within 18 months of exemption and as requested. Following this, Associations may be reviewed periodically towards ensuring that the income of that body continues to be applied for charitable purposes only. |

| **Organisational Changes** |
| The Revenue Commissioners should be notified in writing of: |
| • any change of registered address of the organization |
| • any proposed changes to the Governing instrument of the organisation |
| • winding up of the organisation |

**Review of Charities Legislation – ongoing**
The General Scheme for the Charities Regulation Bill 2006 (also called the Heads of Bill) was published by Government in March 2006. The process is ongoing and will impact on the mandatory registration, regulation and supervision of organisations that work for ‘charitable purposes’. This includes Housing Associations.
Guidance Notes for Housing Associations
(d) Corporate Governance Issues  (Cont.)

Winding up

The winding up process is detailed in the Companies Act 1963, (amended in 1990 and 1999), and can be a lengthy one for a company. If a company has ceased trading (or has never done so and will not in the future) then it should be taken off the Register of companies as soon as possible. This is extremely important for the following reasons:

• Any company, whether or not it is trading, has to file an annual return, on time, along with a set of accounts. Fees for the preparing these accounts and filling fees will still be incurred even if the company is not trading.
• Companies are written off the register only 2-3 times a year, when the register list is opened up, it closes on a specific date and the company only ceases to have filing requirements on the date of closure.
• If the necessary returns are not filed on time to the company office, the directors of a company leave themselves open to a fine of €1,905 plus late filing fees.

The winding up process entails the following:
1. A statement must be prepared detailing that the company is no longer trading, has never traded, and will not be recommencing trading.
2. A statement explaining that the company has no assets or outstanding liabilities.
3. All outstanding annual returns must be filed as well as payment of any fees or penalties.
4. A letter must be obtained from the Revenue Commissioners stating there is no objection to the winding up of the company.
5. Circulating within the locality of the registered office of the company, an advertisement of the company’s intention must be published in a daily newspaper.
Guidance Notes for Housing Associations
(e) Housing Association Membership Policy

The Housing Association is formed as a company limited by guarantee of the members and without a shareholding by registration of the required Memorandum and Articles of Association under the Companies Acts.

Housing Associations require members who are committed to the development and proper management of social housing projects and services.

The governing body (Executive Committee / Management Board) is elected by members of the Housing Association and are responsible for conducting the business affairs of a Housing Association including policy making and overseeing the management of the association which incorporates control of its finances.

A somewhat larger membership may be advisable in order to facilitate a sharing of the interest in the Association. A feature of the involvement of Housing Associations in the delivery and management of social housing is that they provide a means to achieve a broader community input, local knowledge, skills, experience and resources into the solution of housing problems.

It is important to distinguish between the ‘members’ of the Voluntary Housing Association who effectively own the association and the elected directors. In a number of situations the number of directors and members may be the same. At least seven subscribing members would be required to form the Association.

What are members for?
Members ensure that the Housing Association is working to meet its’ objectives, they are entitled to attend and vote at the Annual General Meeting which elects the Board of Management.

Promoting / encouraging new membership
Enhancing the membership of the Housing Association should be encouraged. Members can be active in contributing to and developing the future activities of the Housing Association. Housing Associations may wish to have a limit for the number of members. An individual who is a member is only entitled to one shareholding.

Obligations of members
Members of the Associations should always act in the interest of the Association and members should participate in General meetings or send apologies. Members must agree to the obligations set out in the Memorandum and Articles.

The Association must keep a Register of Members and all members must be notified of all general meetings of the Association.
Guidance Notes for Housing Associations
(f) Complaints Procedure

To ensure accountability and transparency, Housing Associations should adopt clear procedures on processing complaints and appeals procedures from individuals. It is recommended that the Management Board agree and adopt a complaints policy and procedure and agree a review date once implemented.

Housing Associations as landlords have an ongoing responsibility to comply with the Housing (Standards for Rented Houses) Regulations (1993) which state that a landlord should ensure the standards of the dwelling meet certain criteria e.g. ‘that the dwelling is in a proper state of structural repair’. Tenants can complain to Local Authorities if the Housing Association is not compliant with the regulations as Local Authorities are responsible for enforcing the regulations and offences carry penalties.

Dealing with complaints by the tenant to the Housing Association

What is a complaint?
A complaint is where an individual is unhappy about standards of service, actions or lack of action by the Housing Association.

What are the benefits of adopting a complaints procedure?
• Tenants / individuals will have an opportunity to feedback to the association;
• The Housing Association will have the opportunity to rectify mistakes and improve services; and
• It should provide a quicker resolution to complaints.

The complaints policy should be designed to clearly identify to tenants and others how they can make a complaint and provide an explanation of how a complaint will be handled by the Housing Association. It is important for tenants to be confident that any complaints they may have will be fairly and properly dealt with and will lead to service improvements where appropriate. It is also important that complaints are received in a positive manner and are used as learning opportunities.

Receiving complaints
A person can make a complaint:
• Verbally, in person or by phone; or
• In writing by fax, email, letter or by submitting a complaint form (all complaints should be recorded on a complaint form)

How would a complaints procedure work?
Stage 1:
The first line of communication is between the individual and the Housing Association. When a complaint is received, particularly by telephone, the Housing Association should try to resolve it immediately by providing the required information or taking appropriate action to the satisfaction of the individual. This should be achievable for routine complaints about repairs / rent etc. The individual should be asked whether he/she is satisfied with the response.
Guidance Notes for Housing Associations
(f) Complaints Procedure (Cont.)

Stage 2:
If the complaint cannot be sorted out immediately, the individual should receive a prompt
acknowledgement of their complaint within 10 working days, they should be advised that
they can expect a full response in a reasonable timeframe (e.g. within 20 working days) and
the name of the person they can contact about the complaint.

Stage 3:
If the complaint has not been resolved to the individual’s satisfaction, a further investigation
into the complaint should be undertaken and they should receive a written response from an
authorised person in the Housing Association.

Information about complaints should be collated from the complaint forms and reported to
the Management Board.

Good practice for Housing Associations in dealing with complaints
• Try to resolve complaints at the earliest stage.
• Ensure the individual is kept informed of progress and has a point of contact with whom
  they can liaise in relation to their complaint.
• Ensure staff / Board Members adopt the complaints procedure and are fully briefed on this.
• Ensure people from more vulnerable groups (e.g. people with dementia or people from
  minority groups) receive appropriate support to complain with someone to advocate on
  their behalf.

Dealing with a complaint from a third party
Housing Associations should have a clear procedure in dealing with information referred to
it by an individual concerning the manner in which the organisation is run. This information
should be recorded, examined to ensure its authenticity and investigated thoroughly.

What if the complaint is anonymous?
Anonymous complaints can be difficult to deal with but should not be ignored and a policy
should be put in place especially if there is a concern about the running of an Association.

A complaints policy is an important tool for a Housing Association as part of providing a good
customer service to tenants.
Guidance Notes for Housing Associations

(g) Conflicts of Interest

What is a conflict of interest?
A situation in which a Management Board Member’s personal interests, circumstances or relationships or their outside activities and interests may be perceived by others to affect their independence and objectivity.

For example a Local Authority elected member as Management Board Member of a Housing Association who as an elected member may be responsible for:

- Approving the transfer of a low-cost (subsidized) site to a Housing Association for the development of a housing project;

- Approving the drawing down of a loan by the Local Authority from the Housing Finance Agency for the purposes of providing capital funding for the Housing Association that the person is a director of; or

- Where information on new housing applicants and tenants is provided by the Housing Association.

In these situations the interest should be declared by the person involved and where appropriate remove themselves from the relevant decision making process. Where alternatively a Local Authority official in the area that the Housing Association is operating is a director of the Housing Association, the official concerned should not be involved in any relevant decisions such as with capital or revenue funding applications. It would be advisable that any existing senior official, part of the Local Authority corporate team would not be a Management Board Member of a Housing Association.

The DoEHLG in part 2.7 of the Green memorandum states that: ‘No individual may be elected or appointed as a director or trustee or senior employee of an approved housing body, or retain such a position, where he or she has any material interest in relation to the income or any other derived from any commercial contract or other arrangements for the construction of houses for the approved housing body, or in the supply of goods and services to the approved housing body’.
**Guidance Notes for Housing Associations**

(h) Recruitment of Staff

Often one of the key issues for any voluntary Housing Association, particularly those who are growing or expanding their services, is the decision to employ dedicated staff who will undertake many of the tasks that the Management Board would have undertaken previously.

**Recruitment Process**

Firstly, in order to ensure clarity in the role, the Housing Association should draw up a job specification to identify the key tasks required in the role. It is good practice to advertise the position to ensure a broader range of people are targeted. The Housing Association budget will determine how and where advertisements are undertaken.

Advertising could be undertaken in the following ways:-
- Local / regional or national newspapers;
- Relevant websites that advertise vacant posts; or
- Publications or Journals which relate to the area of work.

The ICSH can provide assistance to Housing Associations on this process although good practice should ensure:-
- The Management Board or sub-committee will have agreed the process for staff recruitment including timescale and interview process and composition of a panel who will undertake the interview.
- Written communication would be provided for all job applications including those who are successful and those who are not.
- With an agreed successful candidate being chosen through an interview process, at least two references should be sought from the applicant by the Housing Association, including that of the most recent employer.

**Employment of staff**

- The Housing Association should draw up a written contract which should include all the statutory information that an employer has to provide to an employee as well as other terms and conditions relating to the job.
- As an employer the Housing Association should provide clear guidance on who the employee is directly accountable to, for example, for a Chief Executive the direct line of responsibility will likely be the Management Board.
- Performance objectives should be in place for employees so that the Management Board will have a process in place to evaluate the employees work performance over an agreed period of time.
## Appendix (i): Summary Checklist of Governance Issues for Housing Associations

Aspects of good practice have been included throughout the document but are summarised below:

### Board Effectiveness & Operations

<table>
<thead>
<tr>
<th>Key questions</th>
<th>Action to be undertaken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the Housing Association have a Memorandum and Articles of Association?</td>
<td>✓</td>
</tr>
<tr>
<td>Are all Board Members aware of their legal responsibilities as directors?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association operate within the rules of the Memorandum and Articles?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Board meet regularly? How often?</td>
<td>✓</td>
</tr>
<tr>
<td>Is an AGM held each year in accordance with the Articles of Association or within 15 months from previous AGM?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association file annual returns on time each year to the CRO?</td>
<td>✓</td>
</tr>
<tr>
<td>Have financial accounts and an activities report been made to the Revenue Commissioners (within 18 months of receiving exemption)?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Board have a membership recruitment policy?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Board have term limits for members?</td>
<td>✓</td>
</tr>
<tr>
<td>Is the Board the appropriate size? Does it have the necessary range of skills and experience?</td>
<td>✓</td>
</tr>
<tr>
<td>Are all Board Members committed, demonstrating a good level of attendance and contribution?</td>
<td>✓</td>
</tr>
<tr>
<td>Has the Housing Association appointed an auditor?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association have statements for Board Members on confidentiality, conflict of interest, probity and accountability that have been adopted by all Board Members?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Board have a clear policy on how membership is organized?</td>
<td>✓</td>
</tr>
<tr>
<td>Is there a periodic review of the Housing Association policies and procedures?</td>
<td>✓</td>
</tr>
<tr>
<td>Has the Board carried out a performance review?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Board have a strategic plan or equivalent?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Board have a clear understanding of the Housing Association purpose, vision and objectives for the future?</td>
<td>✓</td>
</tr>
</tbody>
</table>
### Housing Development

<table>
<thead>
<tr>
<th><strong>Key questions</strong></th>
<th><strong>Action to be undertaken</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the Association demonstrated a clear housing need for all proposed development?</td>
<td>✅</td>
</tr>
<tr>
<td>Does the project contribute to meeting the strategic housing objectives of the Local Authority as set out in the Housing Action Plan?</td>
<td>✅</td>
</tr>
<tr>
<td>Is there interagency co-operation and support for the project, including capital and/or revenue funding in cases where special needs or sheltered housing is proposed?</td>
<td>✅</td>
</tr>
<tr>
<td>Has the Association determined the best procurement strategy and complied with national and EU public procurement guidelines on commissioning consultants?</td>
<td>✅</td>
</tr>
<tr>
<td>Have the new Government Forms of Construction Contracts for Public Works been used for housing projects tendered after 31st August 2007?</td>
<td>✅</td>
</tr>
<tr>
<td>Has the procurement of services and works contracts been open, objective and transparent and the best means of achieving value for money from public investment?</td>
<td>✅</td>
</tr>
<tr>
<td>Are letters of appointment issued to all consultants in use by the Association?</td>
<td>✅</td>
</tr>
<tr>
<td>Can the Housing Association satisfy the Local Authority that the procedures for the engagement of the design team, technical advisers and other professional service providers are in accordance with national and EU requirements?</td>
<td>✅</td>
</tr>
<tr>
<td>Is the Housing Association fully aware of the taking in charge process for the handover of new housing projects?</td>
<td>✅</td>
</tr>
</tbody>
</table>
Appendix (i): Summary Checklist of Governance Issues for Housing Associations (cont.)

Housing Management

<table>
<thead>
<tr>
<th>Key questions</th>
<th>Action to be undertaken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has the Housing Association adopted a letting policy statement?</td>
<td>✓</td>
</tr>
<tr>
<td>Has the Housing Association provided relevant details of prospective tenants to the Local Authority</td>
<td>✓</td>
</tr>
<tr>
<td>Have all tenants been provided with tenancy agreements / handbooks?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association have a sinking fund set in place?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association provide rent books to tenants?</td>
<td>✓</td>
</tr>
<tr>
<td>Is the Board familiar with all requirements of the 1993 Rental Housing Regulations</td>
<td>✓</td>
</tr>
<tr>
<td>Are the rental and any service charges clearly indicated to the tenant?</td>
<td>✓</td>
</tr>
<tr>
<td>Are rents reviewed periodically?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association have a policy / procedure in place for dealing with rent arrears?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association have an anti-social behaviour policy in place?</td>
<td>✓</td>
</tr>
<tr>
<td>Does the Housing Association have adequate insurance policy cover for the scheme?</td>
<td>✓</td>
</tr>
</tbody>
</table>
Appendix (ii): Glossary of Terms Used in this Guide

It is essential in using this Guide that all the terms that are included are understood especially where they are used in a certain context.

**AGM**  Annual General Meeting – this is held once a year and is when a Housing Association reports formally to its members. Essential elements of the AGM include, electing directors, reappointing company auditors, presenting and considering accounts.

**Articles of Association**  The Articles of Association set out the requirements and rules dealing with membership, election of the Board of Directors, legal powers of the Board, the Secretary, meetings, notices, keeping of proper financial accounts, auditing and filing an annual return.

**Audit**  An independent examination of the financial statements of the Association undertaken by a qualified auditor, usually on an annual basis.

**Accountability**  The process whereby a Housing Association demonstrates various requirements to all those who have a direct interest in the Housing Associations’ activities.

**Annual Return**  The process whereby Housing Associations are required to submit an annual return within a specified period as a company limited by guarantee to the companies office (CRO).

**ARD**  An Annual Return Date (ARD) is issued to every Housing Association when it is legally incorporated. On this date, the Association is legally obliged to submit its annual return.

**Approved Body and Approved Status**  An organisation becomes an Approved Body and receives Approved Status when it satisfies certain criteria set down by the DoEHLG. Section 6 of the Housing Act 1992 enables housing authorities to provide assistance to approved housing bodies in respect of the provision of housing.

**Anti-Social Behavioural Order (ASBO)**  An ASBO is an injunction taken out against individuals by An Garda Siochana who have been involved in persistent acts of Anti-Social Behaviour.

**Board of Management**  A group of people who have volunteered and been elected to control the affairs of a Housing Association. They can come from all walks of life but should have some interest or experience which relates to the work that the Housing Association does and the community it serves. It may also be called a Management Committee, Management Board, Board, or Board of Trustees.

**Board Member**  Term used for duly elected Member of the governing board of the Housing Association.

**Capital Assistance Scheme (CAS)**  Set up in 1984, a scheme which is administered by the Local Authority and provides assistance to Housing Associations towards capital costs for accommodation and to meet special needs for accommodation such as those of the elderly, disabled, homeless or similar families.
Appendix (ii): Glossary of Terms Used in this Guide (Cont.)

Capital Funding Schemes The mechanisms whereby a Housing Association applies for capital funding under the DoEHLG capital funding schemes administered by the Local Authorities.

Capital Loan and Subsidy Scheme (CLSS) DoEHLG capital funding scheme where the Housing Finance Agency provides funding for Housing Associations through Local Authorities to provide housing particularly for low income families.

Compliance Process whereby a Housing Association ensures that it satisfies the necessary legislative requirements and regulations that it operates under.

Constitution The governing instrument of the Housing Association which lays down what the Association is permitted to do and how it functions.

Code of Conduct Set of written guidelines by which the Housing Association operate under in order to clarify the role and responsibilities of Board Members.

Companies Registration Office (CRO) The CRO has a number of core functions including the incorporation of new companies and enforcement of the Companies Acts in relation to the filing obligations of Companies.

Company Limited by Guarantee and not having a share capital A situation where all the surpluses are reinvested in the company. The directors liability is limited to the amount of €1.27.

Charitable Recognition The procedure by which Housing Associations receive certain special exemption status from certain taxes because of the nature of their objects under which they operate.

Chair The person that is elected by the Management Board to lead the Management Board and ensure the business is conducted efficiently at Board Meetings and General Meetings.

Company Secretary With Housing Associations this is the person who is responsible under company law for certain functions such as facilitation of the preparation of audited accounts. And keeping and maintaining the Housing Association records.

Complaint Where an individual is unhappy or about standards of service, actions lack of action by the Housing Association.

Conflict of Interest A situation in which, for example, a Management Board Member’s personal interests, circumstances or relationships or their outside activities and interests may be perceived by others to affect their independence and objectivity. (This could also apply to Housing Association staff members involved in the supply of goods and services)
Appendix (ii): Glossary of Terms Used in this Guide (Cont.)

**Designated officer** The Local Authority appointed officer assigned to oversee the development of Housing Associations in each Local Authority including compliance issues relating to the development and management of Housing Association projects.

**DoEHLG** Department of the Environment, Heritage and Local Government is the Government Department which has responsibility for housing policy including that of voluntary housing.

**DoEHLG ‘Green’ Memorandum** A Department of Environment, Heritage and Local Government memorandum on Capital Funding Schemes for Housing Associations.

**EGM - Extraordinary General Meeting** Matters dealt with at an EGM include amending the Memorandum or Articles of Association, removing a director or winding up of the company.

**Form B1** The document (available from the Companies Registration Office) on which to make the annual return of the Housing Association.

**Gifts** Situation whereby Housing Associations are offered or given products from individuals and / or companies.

**Governance** Defines how an organisation controls its actions and is the primary means of maintaining accountability. A proper governance strategy implements systems to monitor and record what is going on, takes steps to ensure compliance with agreed policies and be able to take action where requirements have not been met.

**Handover** The point at which responsibility for the dwelling/project transfers from the building contractor to the Housing Association.

**HAPM – Housing Association Performance Management** This refers to the ICSH framework for measuring performance and promoting good housing management in the Housing Association sector.

**Hospitality** Process whereby Housing Associations are given or offered services from individuals and companies.

**Legal Registration** The process of forming a company, following the adoption of the Memorandum and Articles of Association.

**Letter of appointment** May often involve a process where a new Board Member is provided with details of their role and responsibilities as a Board Member in a Housing Association. A letter of appointment should also be provided where a professional consultant has been appointed.

**Letting policy statement** A statement that the Housing Association adopts to clearly set out the conditions under which it will offer to allocate its vacant property.
Limited Liability The directors are not personally liable for the debts of the company (although this may not extend to issues where the Board is deemed to act in a negligent manner).

Management and Maintenance Allowance The annual sum, paid by the Local Authority, to Housing Associations who manage house/apartments provided under the capital loan & rental subsidy scheme for approved applicants.

Memorandum of Association The Memorandum is part of the governing instrument of the Housing Association. It sets out the objects of the Housing Association (i.e. why the company has been set up and its purpose) and the non-profit basis on which it is formed.

Mortgage Redemption The situation where Housing Association wishes to repay the mortgage early and it should consult the Local Authority to establish what the outstanding amount of the loan to be repaid to the Local Authority. This has only happened in rare situations.

Part V Local planning authorities can require developers to provide up to 20% of their development for social and affordable housing. A housing association can be nominated to manage the social housing.

Performance standards Indicators or benchmarks which the association adopts to measure its performance in various areas such as housing management but can apply to any range of its operations such as the performance of its Board.

Probity The general term used to explain how well a Housing Association is operating including the ethics by which it operates under

Rental Accommodation Scheme (RAS) Introduced in 2004, this scheme allows for transfer of tenants receiving rent allowance from HSE to a system where assistance towards rent is provided by the Local Authority to the Housing Association on behalf of the tenant.\(^\text{11}\)

Rent Money paid to a landlord by a tenant in exchange for occupying a property.

Rent Arrears If a tenant falls behind with their rent payments they are said to be in rent arrears. Tenants who are in rent arrears would be advised to contact their landlord as soon as possible to try and sort the problem out, as being in arrears is a breach of the tenancy agreement and can lead to the tenant being evicted.

Revenue Expenditure The ongoing running costs of a housing organisation e.g. administration, insurance, repairs and maintenance

\(^{11}\) The Housing Association should confirm to the Local Authority on an annual basis the continued occupancy of the unit as well as the rent charged.
Sanctioning Funding  Each capital funding application, under whichever capital funding Scheme, has to receive finance ‘sanctioned’ from the DoEHLG.

Service (level) Agreement  An agreement where the Housing Association agrees to provide different services to tenants under certain conditions as specified in a service agreement for example with the HSE or other statutory bodies.

Service Charge  The money tenants and leaseholders pay for services such as wardens, common rooms and cleaning, lighting and maintenance of common areas.

Sinking Fund  A percentage of the rental income set aside on a regular basis for the longer term replacement/repair of major items in the accommodation (roof, central heating, windows etc.)

Special needs housing  Housing and related services provided for groups such as the elderly, people with disabilities and homeless where supports in addition to housing is provided.

Standing orders  The conditions which the Housing Association may set down, that relate to certain procedures in relation to its operations such as the running of meetings, and composition of agenda.

Tenancy Agreement  A signed contract between a landlord and a tenant. A tenancy agreement sets out what is expected of each party, and what rights each party has in the duration of the tenancy.

Tenants Handbook  Handbook often given to new tenants by a Local Authority or Housing Association. It contains useful information about the tenancy and the terms and conditions by which the tenant accepts a tenancy.

Trustees  These are the people who are responsible for governing the affairs of Approved Housing Bodies who are established as trusts generally referred in the document as Board Members.

Voluntary & Co-operative Grants Section  A section within the DoEHLG housing division with specific responsibility for Voluntary Housing Associations & housing Co-operatives. This section is based in Ballina, Co, Mayo.

Winding up  The dissolution of a company. A company may be wound up voluntarily if it cannot pay its creditors. It may also be wound up by order of the court on the petition of a creditor. In either case, relevant documents need to be sent to the Revenue Commissioners and the Companies Registration Office.
Appendix (iii): Further Information

Useful References

DoEHLG Circular VHU: 2 / 02: Capital Funding Schemes for the Provision of Rental Accommodation by Approved Housing Bodies (Voluntary and Co-operative Housing)

The Companies Acts 1963-2006


‘Company incorporation: information leaflet no. 1’ Companies Registration Office available on website www.cro.ie


‘Solid Foundations – A comprehensive good practice resource guide for community and voluntary organisations’. The Wheel

Useful Contacts

ICSH Group Insurance Scheme
BHP
Unit 7, The Courtyard
Fonthill Retail Park
Dublin 22
Tel: 01 620 2030
Fax: 01 6202040
Email: info@bhpinsurance.ie
Web: www.bhpinsurance.ie

Companies Registration Office
14 Parnell Square
Dublin 1
Tel: 01 8045200
Fax: 01 8735298
Email: info@cro.ie
Web: www.cro.ie

BoardMatch Ireland
35 Exchequer Street
Dublin 2
Tel: 01 6715005
Email info@boardmatchireland.ie
Web: www.boardmatch.ie

Labour Relations Commission
TomJohnson House
Haddington Road
Dublin 4
Tel: 01 6136700

Office of the Director of Corporate Enforcement
16 Parnell Street
Dublin 1
Tel: 01 8585800
Web: www.odce.ie

Office of the Revenue Commissioners
Charities Section
Government Offices
Nenagh
Co Tipperary
Tel: 067 634000
Fax: 067 32916
Email: charities@revenue.ie
Web: www.revenue.ie

Health and Safety Authority
The Metropolitan Building
James Joyce Street
Dublin 1
Tel:01 614 7020
Web: www.hsa.ie

National Employment Rights Authority
O’Brien Road
Carlow
Tel: 1890 808090
Web: www.employmentrights.ie
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