



Department for

Communities

An Roinn

Pobal

Depairtment fur

Commonities

www.communities-ni.gov.uk



The Regulatory Framework for Registered Housing Associations in Northern Ireland

March 2024



© Crown Copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence visit:

www.nationalarchives.gov.uk/doc/open-government-licence/version/3/

or email: psi@nationalarchives.gsi.gov.uk

Where we have identified any third-party copyright information you will need to obtain permission from the copyright-holders concerned.

Any enquiries regarding this document should be sent to us at:

Housing Regulation Branch, Department for Communities

Causeway Exchange | 1-7 Bedford Street | Belfast | BT2 7EG

hagovernance@communities-ni.gov.uk

This publication is also available to download from our website at: www.communities-ni.gov.uk

Contents

1. Introduction	4
2. What is Regulation	5
3. Overall Approach	6
4. Components of the Regulatory Framework	9
5. Regulatory Standards	10
6. Regulatory Assessment	11
7. Regulatory Judgements	13
8. Regulatory Engagement	14
9. Additional Guidance	17
Appendix A - Regulatory Standards	18
Appendix B - Levels of Regulatory Engagement	25
Appendix C - Statutory Powers	29

1. Introduction



- 1.1. This Regulatory Framework applies to all Registered Housing Associations (RHAs) registered and regulated within Northern Ireland under Article 4 (1) (c) of The Housing (Northern Ireland) Order 1992.
- 1.2. The Order gives powers to the Department for Communities (DfC) to establish and maintain a register of housing associations and to exercise supervision and control over RHAs. The Housing Regulation Branch within DfC undertakes regulatory activity on behalf of the Department.
- 1.3. The requirements which DfC expect RHAs to comply with are set out in this regulatory framework and include a set of regulatory standards.
- 1.4. DfC may also from time-to-time issue additional documents which may specify further requirements that RHAs must comply with or provide guidance which is advisory in nature to help RHAs understand what the Regulator is looking for when seeking assurance on compliance with regulatory standards.
- 1.5. This Framework document has been updated in 2024 following an independent high-level review of the Regulatory Framework by Deloitte and Campbell Tickell to assess its ongoing effectiveness and relevance.

2. What is Regulation?



2.1 RHAs provide a range of housing options including rented accommodation and specialised accommodation to support different housing needs. RHAs are currently the main developers of new social housing for rent in Northern Ireland.

2.2 The purpose of regulation and therefore of the Regulatory Framework is to protect the interests of tenants, homeless people and people who use the services provided by RHAs. The key objectives of the Regulator are to:

- Create a social housing sector that is viable, efficient, well governed, and able to deliver homes to meet a range of needs;

- Ensure social housing tenants are protected and provided with opportunities to be involved with their RHA;
- Monitor, assess and report on the performance of RHAs in relation to housing activities; and
- Monitor RHAs' financial well-being, standards of governance and quality of homes and services to tenants; and where appropriate increase the level of engagement with them to ensure regulatory standards are met.

2.3 A set of regulatory standards provide detail on the outcomes RHAs are expected to deliver and can be found in **Appendix A**.

3. Overall Approach



3.1 This Regulatory Framework recognises the primacy of RHA boards in leading and governing their organisations and discharging their responsibility to ensure that regulatory standards are met. The Framework is built on three key principles, described below.

The three key principles of the Regulatory Framework

3.2 **Co-regulation.** Our co-regulatory approach recognises the primacy of boards in managing their organisations, meeting their responsibilities to stakeholders, including tenants, and in ensuring compliance with all regulatory requirements. The Regulator's responsibility is to seek assurance about RHAs' compliance with the regulatory standards as part of regulatory engagement.

3.3 Effective co-regulation depends on a constructive relationship between the Regulator and RHAs, based on openness and honesty about any risks and challenges facing individual providers and how they will be addressed. It is therefore expected that when RHAs identify any matters which

may materially impact on regulatory compliance, they raise these promptly and transparently with the Regulator.

3.4 **Tenant engagement.** The Regulator expects that tenants should be provided with opportunities to participate in and influence decisions that affect their homes and services and that RHAs recognise and demonstrate that they are ultimately accountable to their tenants.

3.5 **Risk-based regulation.** The Regulator applies a risk-based approach to ensure that regulatory engagement is proportionate and effective. The level of regulatory engagement with individual RHAs will be determined by factors including their current regulatory rating, their risk and performance profiles, and other regulatory intelligence. More information about how we consider risk is provided at 3.8 - 3.11 below.

3.6 By applying these principles in our approach to regulation, we aim to:

- Use our powers in a proportionate and fair way, to secure improvement and/or to protect the interests of tenants; prioritise how we use our resources and appropriately target regulatory

activity, focusing our attention on the most significant risks and issues for the sector and individual RHAs;

- Use our discretion and knowledge to ensure we apply the right degree of scrutiny and analysis to achieve the level of assurance and targeted improvement we expect to see;
- Give RHAs the opportunity to self-improve where we have identified problems (unless immediate regulatory action is needed); and
- Help to ensure an orderly transition that protects tenants' interests if an RHA is failing.

3.7 To ensure that the sector benefits from the insight that we derive through our regulatory engagement, we will also:

- Publish accessible information to encourage better comparison, performance management, public accountability and to drive improvement; and
- Highlight innovation and best practice in achieving positive outcomes.

Identification and assessment of risk

3.8 Applying a risk-based approach to regulation means we aim to identify the risks most likely to impact on our regulatory objectives. These risks could result in poor outcomes for tenants and service users, stock quality and investment failures, poor financial management and poor governance.

3.9 We use our understanding of the risk profile of individual RHAs to help inform the regulatory judgements we make, which in turn inform the level of regulatory engagement applied. To understand the risk profile of individual RHAs, we consider a range of factors which may include:

- The **scale and nature of the RHA** including the number, quality and age of its homes, tenancies, and turnover;
- The RHA's **performance as a landlord**, including our confidence in the board and senior management team and its track record in handling challenging issues and making difficult decisions;

- The **financial profile and performance** of the RHA and its ability to absorb volatility and change; this includes the level of expenditure on non-landlord services and activities, the stability of funding streams and the RHA's reliance on that funding, including public and private sources;
- Levels of compliance with **building safety requirements**;
- **Organisational complexity**, including the use of subsidiaries and dependence on these, legal status, and governance arrangements;
- The RHA's current regulatory status and its **track record** in dealing with the issues we have raised through our regulatory engagement; and
- Any significant **adverse audit outcomes**, for example from DfC development inspections.

3.10 We will continue to develop how we use risk assessment to tailor our engagement with individual RHAs, in line with our intention to be proportionate in our regulatory activity.

3.11 We will also identify sector-wide risks and aim to publish a Sector Risk Profile at least every two years.

Stakeholder Reference Group

3.12 We have established a Stakeholder Reference Group (SRG), which has membership drawn from the sector and sector-wide organisations, to help inform our approach to regulation. The group includes expertise and experience in the fields of social housing, regulation, and tenant participation. It is convened periodically and as required, to act as a sounding board for us on a range of matters including revisions to this Framework.

4. Components of the Regulatory Framework



4.1 The key components of the Regulatory Framework are:

- Regulatory Standards
- Regulatory Assessment
- Regulatory Judgements
- Regulatory Engagement

4.2 Each of these is explained in more detail in the sections below.

5. Regulatory Standards



- 5.1 There are three regulatory standards which are applicable to all RHAs. The detailed standards, desired outcomes and expectations are set out in **Appendix A** and summarised below.
- **Governance Standard.** Effective governance arrangements must be in place that deliver outcomes for tenants in an accountable manner and ensure both the robust management of risk and informed, transparent decision-making by the board.
 - **Finance Standard.** Managing resources effectively to ensure financial viability is maintained in the short, medium, and long term, including a strategic approach to achieving value for money.
 - **Consumer Standard.** Ensuring good quality, decent homes and services that meet diverse needs, enable tenants to participate in and influence landlords' decisions, and support vibrant communities.
- 5.2 It is for each RHA to demonstrate how it meets the standards, based on its local context and individual circumstances. The boards of RHAs are responsible for ensuring compliance with the regulatory standards within their own organisations and are publicly accountable to their tenants, service users, funders, and other stakeholders for the governance decisions they make.
- 5.3 For the avoidance of doubt, the Consumer Standard outcomes apply to all RHAs. Where any RHA is of the opinion that aspects of the desired outcomes and expectations are not applicable to the scope of their organisation, it should explain this clearly in its submissions to the Regulator. Where appropriate, a degree of flexibility may be applied by the Regulator in this regard.

6. Regulatory Assessment



- 6.1 Each RHA will undergo a regulatory assessment by the Regulator. To support this process, RHAs are required to complete a Regulatory Standard Annual Return (RSAR) which provides the Regulator with information and evidence to show how they have met the regulatory standards, and which must be approved by the RHA board prior to submission. There is a supporting Technical Advice Note which RHAs should refer to when completing the RSAR. The RSAR includes a template for RHAs to provide supporting information and further evidence of compliance against each of the regulatory standards, including identifying where any actions are needed to achieve full compliance.
- 6.2 Additional information is also requested by the Regulator on a quarterly basis throughout the year to support the assessment against the Financial Standard.
- 6.3 If, after assessing the RSAR, it is felt that additional information is required, we will request this from the RHA and decide whether any further engagement is needed to complete our assessment of regulatory compliance.
- 6.4 We may also use information from other sources to inform our regulatory assessment, including the following (note this list is not exclusive):
- Past or current engagements with the RHA, inspections, and follow-up improvement work;
 - Whistleblowing and fraud cases;
 - Patterns of notifiable events;
 - The RHA's external and internal auditors;
 - The RHA's website and published information;
 - Complaints, including reports from the Northern Ireland Public Services Ombudsman;
 - Development inspections;
 - Other regulator and partner scrutiny bodies, for example the Regulation and Quality and Improvement Authority (RQIA), or the Northern Ireland Housing Executive (NIHE).
- 6.5 It should also be noted that failure to provide information and/or the submission of late, incomplete, or inaccurate information could be indicative of a poor control environment and may be interpreted as non-compliance with the standards.

6.6 We may also engage with RHAs outside the usual cycle of assessment, where there has been a failure, or risk of failure, to meet regulatory standards. The level and nature of further assurance sought would be informed by the scale of the issue or concern identified.

Responsibilities of RHAs

6.7 RHAs must notify us immediately if there is, or is likely to be, a failure to achieve the regulatory standards or a breach of the board's own code of conduct. The RHA is responsible for taking action to bring the

organisation back to full compliance with the relevant standard(s) and for ensuring that its actions protect the interests of the organisation and its tenants. There is a separate Housing Regulation Advice Note on **Notifiable Events** that can be found on the DfC website.

6.8 We also expect RHAs' auditors to consider a significant failure by the RHA to meet the regulatory standards or any significant breach of the RHA's own code of conduct as of material significance. Such failings should be notified to us by the RHA in line with the above guidance.

7. Regulatory Judgements



7.1 Regulatory judgements are an expression of the Regulator's official opinion on each RHA's performance against the

regulatory standards. The regulatory judgement includes an overall rating, which will be one of the following.

Regulatory Rating	Compliant?	Definition
1	Compliant	Meets regulatory standards.
2	Compliant	Largely meets regulatory standards but needs to improve in some areas to ensure continued compliance.
3	Non - compliant	Does not meet the regulatory standards but is working with the Regulator to improve its position.
4	Non - compliant	Does not meet regulatory standards due to issues of serious concern and is subject to significant engagement with the Regulator.

7.2 Each regulatory judgement is issued to the relevant RHA and a published version is made available on the DfC website. Alongside this, the Regulator publishes a key performance report (KPR) for each RHA for the reporting year, providing data (supplied by the RHA) about core aspects of performance.

7.3 The regulatory judgement conveys the extent to which the Regulator has determined that the RHA is meeting the requirements of the regulatory standards. A narrative is included in each judgement report which highlights any issues of concern that may need to be addressed by the RHA and whether further action will be required.

8. Regulatory Engagement



8.1 In most cases, the regulatory rating and our overall assessment of risk will determine the level of regulatory engagement required for each RHA. The table below summarises the different

levels of engagement which the Regulator may adopt, on the whole corresponding with the relevant regulatory rating.

Appendix B provides more detail on the levels of regulatory engagement.

Regulatory Rating	Level of Regulatory Engagement
1	This is the minimum level of engagement to which all RHAs are subject. It involves routine regulatory engagement through the submission of the Regulatory Standard Annual Return (RSAR), any requested supporting information, financial returns, and attendance at board and other relevant meetings. There is likely to be minimal further interaction with the RHA required, unless there are any significant changes in circumstances or risk profile prior to the next RSAR submission.
2	We will increase regulatory engagement where there is the need for the RHA to strengthen compliance with regulatory standards. This may involve increased liaison and/or requests for further assurance on the actions being taken to address the specific areas of concern, which go beyond the information available within the RSAR.
3	This level of regulatory engagement involves the Regulator working more closely with the RHA to address more significant and systemic gaps in compliance with regulatory standards. This would include the development of an improvement plan to address all concerns raised which underly the regulatory rating of 3 (Amber/Non-Compliant).
4	This level is likely to involve the use of statutory powers, usually because there has been a failure to make necessary improvements following lower levels of engagement.

Responding to significant events and notifications

8.2 There are other circumstances beyond the established cycle of regulatory assessment which may cause us to increase the level of regulatory

engagement (potentially beyond the level indicated by the current regulatory rating) or seek additional assurance from an RHA. In some instances, this engagement may result in a revised regulatory rating.

8.3 Examples of such circumstances include:

- Concerns raised with us by tenants about significant performance failures.
- Concerns raised with us by others (for example, whistleblowing and serious allegations).
- Notifiable events – material events which an RHA is required to inform us about.
- Concerns raised by another Regulator, such as the Charity Commission for NI.
- Concerns raised by other organisations, for example, NIHE or the NI Public Services Ombudsman (NIPSO).

Note this list is not exhaustive nor restricted, and we may intervene in light of other concerns identified.

8.4 A decision to increase regulatory engagement may not necessarily mean that the RHA has shortcomings in its performance, governance, or financial management. There may also be occasions when we need to have a higher level of engagement, for example, when a RHA is newly registered or has decided to follow a new business strategy which changes its risk profile, such as a merger with another RHA.

Whistleblowing

8.5 When a person such as a member of staff or a board member of a RHA believes there has been improper conduct within the RHA, they should be able to report concerns of improper conduct in confidence to an appropriate person within the RHA in keeping with the RHA's whistleblowing policy. It is also possible to raise concerns directly with us by contacting **Housing Regulation Branch**. RHAs are required to notify the Regulator of any whistleblowing allegations in keeping with our **Notifiable Events Advice Note**.

Complaints

8.6 It is important to stress that we do not deal with individual service-related complaints about RHAs. This type of complaint should be progressed through the individual RHA's complaints process in the first instance, and then the Northern Ireland Public Services Ombudsman (www.nipso.org.uk) if resolution is not satisfactorily achieved. The Ombudsman can inform the Regulator of any concerns or systemic issues it may have identified within an RHA, or the whole sector, and we will consider what action we need to take in response.

Auditors

8.7 An auditor may disclose information to us (and express an opinion on it) where they have reasonable cause to believe that the information is likely to be relevant to the delivery of any of our regulatory functions.

9. Additional Guidance



- 9.1 The DfC may publish **Housing Regulation Advice Notes** and other documents on its website from time to time, which are additional and separate to this Regulatory Framework document. These may or may not fall within the regulatory remit of Housing Regulation Branch.
- 9.2 The Advice Notes or other documents may serve the following various functions:
- Specifying further requirements that RHAs will need to comply with on a specific topic, for example, guidance on events that must be notified to the Regulator.
 - Setting out rules and procedures that RHAs must comply with to meet the conditions for receipt of capital grant from the Northern Ireland Housing Executive (Development Programme Group).
 - Providing guidance which is advisory in nature to amplify the regulatory standards and help RHAs understand what the Regulator is looking for when seeking assurance on compliance with the standards.
- 9.3 It will be made clear in each published document which of these various functions it serves, the extent of compliance required, and which part of the Department regulates compliance.
- 9.4 Compliance with the conditions for receipt of capital grant rules and procedures is subject to an inspection programme which is separate to the Regulatory Framework. However, the Regulator's annual risk assessment of each RHA may take account of any significant adverse findings, recommendations and inspection ratings issued.

Regulatory Standards

GOVERNANCE STANDARD - A focus on risk

This will consider effective governance arrangements that deliver outcomes for tenants in an accountable manner. It will focus on the assessment of risk and ensure robust risk management processes are in place.

GOVERNANCE STANDARD 1

Registered Housing Associations (RHAs) shall ensure there are effective governance arrangements in place that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent, and accountable manner.

Desired Outcomes	Expectations
The RHA shall: • Adhere to all relevant legislation. • Comply with governing documents and all regulatory requirements. • Have an effective and appropriately skilled, knowledgeable, and diverse board. • Conduct its affairs with honesty and integrity. • Operate in an open, transparent, and accountable manner to tenants, the Regulator, and other stakeholders.	The RHA shall: • Adopt and comply with an appropriate code of governance. Governance arrangements should establish and maintain clear roles, responsibilities, and accountabilities for their board, chair and chief executive and ensure appropriate probity arrangements are in place. RHAs should assess the effectiveness of their governance arrangements at least once a year. • Ensure that board members and senior officers understand their respective roles and working relationships are constructive and effective. • Provide tenants, service users and other partners with appropriate information on the organisation, its services, and performance. • Ensure an appropriate strategic planning framework is in place that facilitates effective delivery of the board's strategic priorities.

• Ensure the board sets clear strategic direction focused on achieving its core purpose. • Ensure the board makes decisions based on good quality information and advice.	• Ensure that the board receives appropriate, accurate and timely information and advice from staff, and where necessary, from expert independent advisers to support robust decision-making and oversight. • Communicate in a timely manner with the Regulator on material issues that relate to non-compliance with the standards. • Provide accurate and timely returns to the Regulator in a form determined by the Regulator.
--	--

GOVERNANCE STANDARD 2

RHAs shall adopt a robust approach to the assessment and management of risk and demonstrate informed and transparent decision-making processes.

Desired Outcomes	Expectations
The RHA shall: • Ensure effective risk management arrangements are in place which support delivery of strategic objectives and safeguard social housing assets, tenants' and taxpayers' interests, and the reputation of the sector. • Proactively manage the risks and costs associated with responding to climate and environmental change. • Fully understand and manage the risks posed by any subsidiaries to the RHA, its tenants, and its assets.	The RHA shall: • Ensure that there is an appropriate risk management and internal controls assurance framework in place. • Ensure that the effectiveness of its risk management and internal controls assurance framework is regularly reviewed. • Ensure that internal and external audit functions are independent, robust, and proportionate. • Maintain up to date business continuity and disaster recovery plans. • Understand the implications of responding to climate and environmental change for their plans and investment needs and formulate an effective strategic response. • Have effective systems in place to provide the RHA's board with timely assurance on the performance of subsidiaries and control of risks associated with operating them.

FINANCIAL STANDARD - A focus on protection of assets and public funds

This will consider mechanisms in place to manage resources; to ensure financial viability now and well into the future. It will focus on strategic plans to achieve value for money.

FINANCIAL STANDARD 1

RHAs shall manage their resources effectively to ensure financial viability is maintained in the short, medium, and longer term.

Desired Outcomes	Expectations
The RHA shall: • Develop financial plans to support the organisation's strategy and purpose and effectively identify and manage risks to the delivery of these plans. • Ensure social housing assets are protected, proper use of public and private funds, and that there is always access to sufficient liquidity. • Ensure all financial reporting requirements are met, ensuring legislation is complied with and all relevant accounting standards are adhered to.	The RHA shall: • Ensure a robust and prudent business planning and control framework is in place which includes: - appropriate and accurate financial reporting to management and the board including the delivery of financial plans. - long-term financial forecasts, based on appropriate and reasonable assumptions. - a full understanding of assets and liabilities. - detailed and robust stress testing to consider the financial implications of key risks and combinations of risks for the delivery of plans and financial viability. - appropriate mitigation plans in response to insight arising from stress testing. - monitoring and reporting to the board to ensure compliance with funders' financial covenants. • Ensure the board fully understands the implications of its treasury management strategy, that it is in the RHA's best interests and associated risks are understood.

FINANCIAL STANDARD 2

RHAs shall articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting their organisation's objectives.

Desired Outcomes	Expectations
The RHA shall: • Have a robust understanding of its costs, assets, and allocation of resources. • Take a structured approach to decisions about how to utilise resources to deliver objectives and improve value for money.	The RHA shall: • Undertake a robust annual self- assessment of its assets and cost base against service delivery outcomes and understand how the RHA compares with other organisations on these measures. • Articulate its approach to resource allocation and improving value for money as part of this self-assessment. • Have performance management and scrutiny functions which are effective at driving and delivering improved value for money and performance. • Annually publish its value for money self-assessment in a transparent and accessible format.

CONSUMER STANDARD - A focus on tenants

This concerns tenant participation, the provision of good quality homes and services that meet the diverse needs of tenants, and support for initiatives that create vibrant communities for all residents.

CONSUMER STANDARD 1

RHAs shall manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.

Desired Outcomes	Expectations
The RHA shall: - Take a strategic approach to tenant participation in the development and review of housing and related services, and in response to service failure. - Have due regard to the tenant participation strategy for Northern Ireland. - Ensure that tenants and other service users understand and are supported to take up the opportunities available to them to participate. - Provide information which enables all tenants to hold the organisation to account.	The RHA shall: - Regularly seek views from a diverse range of tenants and be responsive to and consider their views. - Offer tenants a menu of participation activities so they have choices about how to participate formally and informally. - Provide opportunities for tenants to scrutinise the services they receive, and decisions made by the RHA that affect them. - Provide training and support to tenants to enable them to develop the skills needed for participation. - Provide appropriate training to staff to enable them to appropriately encourage and promote participation as an integral part of the organisation's activities. - Publish information which enables tenants to hold the organisation to account for delivering services to appropriate standards, including an annual performance report. - Develop an understanding of the diverse information and communication needs of tenants and reflect this understanding in the format, style, and content of published material.

CONSUMER STANDARD 2

RHAs shall provide good quality accommodation and services with choices appropriate to the diverse needs of their tenants.

Desired Outcomes	Expectations
The RHA shall: • Meet, as a minimum, the Decent Homes standard. • Fully meet all landlord health and safety requirements across all RHA homes. • Ensure that homes are allocated in a fair and transparent way. • Ensure housing services and options are provided to a good standard and meet the diverse needs of tenants. • Ensure there is equality of access to services. • Ensure an effective complaints process is in place which is readily available to tenants.	The RHA shall: • Establish annual targets and plans to deliver and improve landlord services, including repairs and maintenance, against which performance will be monitored. • Measure and report to the board on tenant satisfaction and complaints. • Ensure that accurate and up to date stock condition data informs investment plans for its homes and compliance with the Decent Homes Standard. • Ensure that landlord services and improvements to homes are delivered in a way that is fair, accessible, and meets the diverse needs of tenants. • Consider the needs of people with disabilities and of adults at risk in the context of access to services. • Ensure plans are in place to develop the skills, knowledge, and competency of its workforce.

CONSUMER STANDARD 3

RHAs shall support the building of vibrant communities that encourage tenant opportunities and promote well-being.

Desired Outcomes	Expectations
The RHA shall: • Encourage, enable and/or participate in initiatives which support the communities within which they work. • Work effectively in partnership with other agencies to contribute to: - keeping neighbourhoods and communal areas clean & safe. - promoting well-being. - tackling anti-social behaviour.	The RHA shall: • Establish and monitor annual targets and plans to: - enable, encourage and/or participate in community engagement activity. - In partnership with other agencies, improve neighbourhoods and tackle anti-social behaviour.

APPENDIX B

Levels of Regulatory Engagement

Regulatory Rating	What?	Why?	How?
1 Compliant - meets regulatory standards	The minimum level of engagement given that regulatory standards are met.	To obtain a satisfactory level of assurance of compliance with the regulatory standards. To update the Regulator's risk assessment of a RHA.	• Routine regulatory engagement through the provision of the Regulatory Standard Annual Return (RSAR), financial returns and attendance at board and other relevant meetings. • Requests for supporting information to clarify information provided in the RSAR or financial returns. • Minimal further interaction with Regulator unless there is any significant change in circumstances prior to the next RSAR submission which requires information or assurance to assist the Regulator's risk assessment of each RHA.

Regulatory Rating	What?	Why?	How?
2 Compliant – largely meets regulatory standards	An increased level regulatory engagement where there is the need for the RHA to strengthen compliance with regulatory standards in a specific area.	To obtain a satisfactory level of assurance of compliance with the regulatory standards and the actions being taken to strengthen the areas of concern/non-compliance. To update the Regulator’s risk assessment of a RHA.	In addition to the routine RSAR and financial returns process: • Provision of a targeted action plan to address deficiencies and recommendations. • Periodic in-year monitoring of progress to update the Regulator on effective implementation of recommendations and any changes in circumstances. • This may also involve increased liaison and/or requests for further assurance on the actions being taken to address the specific areas of concern and which go beyond the information available within the RSAR and could include interviews with staff/board.

Regulatory Rating	What?	Why?	How?
3 Non-compliant - does not meet regulatory standards but working to improve its position	This level of engagement involves the Regulator working more closely with the RHA to address more significant and systemic gaps in compliance with regulatory standards. These gaps have the potential to significantly impact tenants, assets, or viability of the RHA.	• To bring about the significant changes needed to achieve compliance with regulatory standards. • To maintain a regular and ongoing understanding of the RHA's risk profile. • To address the failure of the RHA to make necessary improvements identified following Level 2 engagement. • To investigate any significant self-referral where a RHA has concerns over its own governance or the receipt of a significant whistleblowing allegation.	In addition to the routine RSAR and financial returns process: • Provision of a wide range of further documentation to assess the areas of non-compliance under review. • Interviews with staff and board members and attendance at board meetings • Provision of a comprehensive action plan to address all deficiencies and recommendations. • Periodic in-year monitoring of progress to update the Regulator on effective implementation of recommendations and any changes in circumstances.

Regulatory Rating	What?	Why?	How?
4 Non- compliant - does not meet regulatory standards due to issues of serious concern	This level of engagement is likely to involve the use of statutory powers	• To address the failure of a RHA to make necessary improvements identified following Level 3 engagement. • To address a major failing by a RHA which meets the conditions of a statutory inquiry as set out in Article 23 of the Housing (NI) Order 1992.	• Option to commission a formal statutory inquiry by an independent person. • Provision of a comprehensive action plan to address all deficiencies and recommendations. • Frequent in-year monitoring of progress to update the Regulator on effective implementation of recommendations. • Use of statutory powers, (see Appendix C).

APPENDIX C

Statutory Powers

It is always expected that RHAs will act voluntarily to address any matters of concern identified through regulation. If this is not the case, the Department for Communities has powers, following due process, to take or require appropriate action to be taken. These powers are set out in the **Housing (NI) Order 1992**.

It is anticipated that these powers will be used infrequently. However, they exist as a further safeguard to the interests of tenants and others. The circumstances in which regulatory and enforcement powers would be used depend on the matter(s) in question. The response will always be tailored to the specific situation and circumstances to get the best outcome for tenants and other stakeholders.

The Department's powers include, but are not limited to:

- Conducting a statutory inquiry into the affairs of an RHA.
- The removal of any member of the board, or any officer, agent, or employee of the association.
- The suspension of such a person for up to 6 months, pending a determination of whether they should be removed.
- Making an order to any bank or other person who holds money or securities on behalf of the RHA not to part with the money or securities without the approval of the Department.
- A restriction on the transactions which may be entered into, or the nature or amount of the payments which may be made, in the administration of the RHA without the approval of the Department.
- Requiring the accounts and balance sheet of the RHA concerned, or such of them as the Department may specify, to be audited by an auditor appointed by the Department.
- The transfer of land belonging to an RHA, or any part of that land.
- Establishing criteria for registration and ensuring that these criteria continue to be met by RHAs.

Available in alternative formats.

© Crown Copyright 2024



Department for
Communities
www.communities-ni.gov.uk

An Roinn
Pobal

Depairtment fur
Commonities