



North & East
Housing Association

Building & Supporting Communities

Strategy

2020-2024



Below: Emmet. St. Trim, Co. Meath



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PROFILE

North & East Housing Association is an Approved Housing Body (AHB) established in 1993 by a group of volunteers who recognised that the housing needs of communities in the North and East of Ireland were not being adequately met by the private market and local authority housing schemes. Since then, North & East has grown from a small voluntary organisation into an established housing body. We provide housing management and tenant support systems to projects in twenty-six locations across eleven local authority jurisdictions. During this period of expansion, North & East has retained a focus on communities in the northern and eastern regions and maintained its commitment to keeping tenants at the heart of its work. North & East is primarily a general needs AHB but it also provides housing services with partners that focus on housing for people with specific needs.

BUILDING ON EXPERIENCE

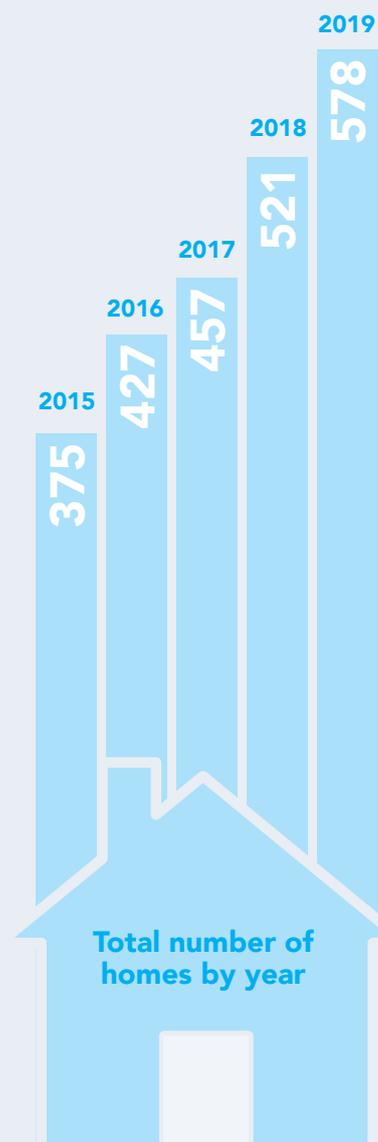
North & East's Strategic Plan 2016-2020

committed to core strategic objectives in response to the housing needs and strategy environment at the time of its preparation.

Growth

North & East set a target to increase its housing stock to 700 units by means of acquisitions, development and long-term leasing. We decided to expand our stock within the northern and eastern regions through partnerships with local authorities, developers and other voluntary bodies. We planned to implement appropriate financial models to fund this growth.

North & East's housing stock increased from 375 in 2015 to 578 in December 2019. Projects now under construction will deliver a total housing stock of around 700 by December 2020. The increased housing stock has been delivered in a wider range of locations but all within the northern and eastern regions. Projects were implemented in partnership with Local Authorities and private developers. The Housing Finance Agency (HFA) approved North & East for certified -body status, which gives it access to long-term debt on competitive terms.





Operating Model

North & East committed to implementing management and governance structures such as risk management and asset management that would support an expanded scale of activity. We committed to full compliance with regulatory requirements for AHBs.

North & East's governance and management processes meet the standards of the Voluntary Regulation Code for AHBs and feedback from the Housing Regulator suggests that it is prepared for statutory regulation in 2020. North & East has introduced risk management and asset management processes and these are being embedded in the organisation.

Tenant Engagement

North & East committed to maintaining a focus on the housing needs of tenants and to supporting strong communities. The 2016-2020 Strategy recognised the need for two-way communication between North & East and its tenants.

North & East launched a Tenant Engagement Strategy in 2019 and we commissioned a tenants' survey by an independent research company. Processes are in place to respond to tenants' concerns and to ensure a high level of transparency.

Review of 2016-2020 Strategy. The Board and Management of North & East are satisfied with delivery of the two main objectives of the 2016-2020 Strategy, which were to increase housing provision and to implement processes appropriate to that larger scale. The Housing Association has increased its housing stock by around fifty units a year during the current strategy period but this delivery will have increased to seventy units a year when the 2020 pipeline is delivered in full. North & East has invested in our management systems and recruited experienced staff in line with this growth.



Houses delivered each year

Ramparts Green, Drogheda, Co. Louth





VISION, MISSION AND VALUES

Vision

Our Vision is to provide high quality, secure and affordable housing, appropriate to the needs of families and individuals in the northern and eastern regions of Ireland. We support thriving communities through quality housing and continuing support for our tenants.

Mission

We will continue to increase our housing stock, in partnership with local authorities, in response to problems of supply and affordability in the housing market. The increased scale of activity will allow us to invest in management systems and support the sustainability of our organisation.

We will continue to focus on general housing needs but we will also seek opportunities to provide appropriate housing for older people and for people with special needs.

We will explore opportunities to work with both community-based AHBs and AHBs whose main mission is to provide care to residents.

We will continue to align our services with Government policy for Social and Affordable Housing.



Values

Tenant Centred



- We communicate with tenants in a clear and respectful way and ensure that their voice is heard throughout the organisation.
- We make our tenants aware of their rights and obligations as tenants.

Trustworthy



- We are committed to the highest standards of governance as an AHB and as a Registered Charity.
- We are careful stewards of our housing stock and are committed to high standards of accessibility and environmental sustainability.

Collaborative



- We work in partnership with Local Authorities, Government agencies, other housing associations, voluntary bodies and private developers who share our commitments and values.





POLICY, REGULATORY AND FUNDING FRAMEWORK

Social Housing Policy

The shortage of housing in Ireland and the associated problems of affordability for purchase and rental affect all segments of the housing market and are most acute in urban areas. The Government's policies to address these problems are outlined in *Rebuilding Ireland, An Action Plan for Housing and Homelessness* (2016). This Action Plan prioritises measures to reduce homelessness and to provide houses to low-income families.

When the Rebuilding Ireland strategy comes to the end of its term in 2021, it is likely that subsequent housing policies will be much more specific in addressing the housing needs of older people and others who need wrap-around support to continue to live in the community. Government policy to provide appropriate housing for older people, outlined in *Housing Options for our Ageing Population* (2019), is intended to enable people to age with confidence, security and dignity in their own homes and communities. Local Authorities promote housing schemes that allow older people to move from large family homes to smaller, more energy efficient homes convenient to services and community facilities. A limited number of housing projects have been developed that offer supported housing for older people who need certain healthcare and living supports within the complex, but who continue to live independently. However, there is not yet a clear funding framework for AHBs to develop Social Housing schemes of this nature.

Changing Regulation

Regulation of Social Housing in Ireland is making a transition from a Voluntary Regulation Code for AHBs to a requirement of compliance with the Housing Regulator's published standards for finance, governance and performance as a condition of access to funding. The Housing (Regulation of Approved Housing Bodies) Act 2019 gives powers to the Regulator of AHBs to enforce these standards. While the Housing Regulator is North & East's primary regulator, it is subject to regulation by multiple other statutory bodies such as the Residential Tenancies Board, the Charities Regulator and the Companies Registration Office.

The ownership and management of Social Housing in Ireland is distributed over a large number of AHBs with variation in governance and in housing management resources. The recent growth in Social Housing stock has been delivered by AHBs whose primary focus is on development and housing management. However, much of the legacy housing stock is managed by organisations whose primary focus is the care of residents with specific needs. A large number of community AHBs rely on volunteers for both governance and day-to-day management. One of the main objectives of Social Housing regulation is to achieve consistency in housing management within a diverse institutional environment.

The increased regulatory burden, including the need to attract new trustees with the appropriate mix of skills, is likely to encourage AHBs to consider sharing of resources or merger. Statutory housing agencies

would welcome such consolidation but they have not developed streamlined processes to facilitate mergers, even when the trustee boards have agreed them. Consolidation of AHBs has potential to improve the governance and quality of housing management for the full social housing stock and could result in debt for new developments being spread over a wider portfolio of assets but the lengthy processes make these outcomes less achievable.

Funding

Social Housing in Ireland is financed through a combination of capital and maintenance cost contributions from statutory agencies, rental income from tenants and asset contributions from charities. Most of the current phase of new social housing has been funded through schemes underwritten by the Department of Housing and land contribution from local authorities. These schemes include structures where the Department of Housing contributes up to 100% of the capital funding, subject to certain conditions on property use (Capital Assistance Scheme and Capital Loan and Subsidy Scheme). Other schemes commit the Department of Housing to make payments to AHBs, subject to certain conditions, which allow AHBs to borrow for implementation. Such Payment and Availability Agreements and Capital Advance Leasing Facilities are the main funding schemes for new general housing projects. The HFA has certified around 20 AHBs, including North & East, as eligible borrowers for long-term debt to be repaid under these schemes.

HFA has funding in place to allow it to support AHBs' current development plans on generally attractive terms. Some AHBs have also secured funding from banks and institutional investors, which reduces the sector's dependence on a single source of funding or the risk that individual AHBs may reach HFA credit limits. AHBs also believe that their high dependence on a single state-owned lender was a factor in the decision by the Central Statistics Office and Eurostat to classify borrowing by AHBs as being on-balance sheet for government accounting purposes. Alternative financing arrangements being considered or now available to AHBs include borrowing from commercial banks, borrowing from a consortium of credit unions, and AHBs borrowing from international institutional investors individually or in small groups.

Approved Housing Bodies' rapid growth in operations, over a relatively short period, has resulted in high levels of balance sheet gearing. The Housing Regulator has issued advice to AHBs that their gearing should not exceed 60% but this limit has not been enforced and many developing AHBs have gearing in excess of this level. AHBs do not have the facility to raise corporate equity and accumulated reserves from operations are modest in the context of the high level of debt. The traditional project finance approach to mobilising equity and debt for specific projects is difficult as the HFA only lends to AHBs and not to project companies. North & East's risk management framework includes review of funding structures, including the sustainability of debt service commitments. The North & East Board is satisfied that its current gearing is within risk tolerance and will continue to monitor its evolution.



STRATEGIC OBJECTIVES 2020-2024

Tenant and Housing Services

North & East will continue to place tenants at the heart of its activities and we will invest in management capacity and quality procedures to meet the needs of tenants and their communities. We will do this by:

- Embedding the housing management, asset management, risk management and tenant engagement processes introduced during the 2015-2020 Strategy.
- Further developing a customer service approach to housing services ensuring that tenants' voices are heard throughout the organisation.

Growth and Diversification

North & East will increase its portfolio of housing units owned or leased from almost 600 in 2019 to 1,100 by the end of 2024.

- Our main focus will continue to be general needs housing.
- We recognise the changing demographic profile of our residents and of the wider community so we will seek opportunities to provide housing for older people within the Government's policy *Housing Options for our Ageing Population*. That framework recognises a housing-with-care continuum extending from Housing in the Community with no specific input needed to Supportive Housing with low or with high support. North & East's skills are in housing management so we will partner with other agencies to provide wrap-around support, but within the context of housing in the community. We will deliver one housing project for Older People by the end of 2024 and seek Capital Assistance Scheme funding for this project.
- We will seek opportunities to provide housing for people with special needs. For these projects, North & East will be the housing partner with other voluntary or statutory agencies providing care services.
- We will strengthen our presence in smaller communities within the northern and eastern region taking account of local authorities' priorities. In extending our geographical reach within the region, we will seek economies of concentration so that management builds relationships within communities that are proximate to one another.
- We will seek opportunities to work in partnership with other AHBs in the region, where North & East's housing management systems and governance processes would be of benefit to smaller housing associations. If institutional arrangements are changed to support mergers of AHBs, North & East will engage proactively with other AHBs to achieve consolidation.

- We will consider opportunities to participate in Affordable Housing projects in the region, to meet the needs of people who are excluded from the housing market but are not eligible for Social Housing. *Rebuilding Ireland* committed to developing a funding model for Affordable Housing. When this model is introduced, the Board of North & East will consider its commercial sustainability before committing to a project.

Approach to Delivery

North & East will work with statutory, voluntary and private partners

- North & East recognises that appropriate housing needs to be integrated with provision of wider care for residents. We are committed to working with statutory bodies including local authorities, the Department of Housing, the Housing Agency and HSE; with other voluntary agencies (including care providers); with AHBs; and with private partners including developers and lenders.
- North & East will promote initiatives to allow tenants to transfer to more age-friendly accommodation within their community, to improve the energy performance of homes and generally to achieve high standards in all aspects of housing.
- North & East will continue to participate in governance and policy development activities such as with the Irish Council for Social Housing.

North & East will manage our resources prudently and invests in its people

- North & East will ensure that the size and skills of its management and staff are appropriate to implement this Strategy and to meet tenants' housing needs. The management team will prepare a plan to implement the Strategy and the Board will approve annual resource plans. These will be benchmarked against AHBs of comparable size and activity.
- North & East has systems in place to ensure that its assets are protected for the long term and that it manages its finances prudently. We will review the adequacy of these systems for a larger scale of activities and for more diverse housing needs.
- North & East will seek alternative sources of finance for its capital and operating needs. We will consider options such as borrowing by a pool of AHBs, raising equity at project level and new lease instruments that provide adequate funding for maintenance.



St. Agnes Court, Crumlin, D24

North & East will continue to maintain excellence standards of in governance

- North & East will build on the governance structures developed since its establishment and will comply with relevant statutory and voluntary codes for AHBs and for registered charities.
- North & East is committed to transparency in decision-making and to communicating in an accessible way with its tenants and other stakeholders. North & East will continue to develop an open and transparent relationship with the Housing Regulator.
- North & East is committed to embedding its risk management framework including regular review of its risk appetite and risk register. It will strengthen the internal audit function created in 2019.

Approval

In preparing this strategy, the Board and Management of North & East consulted tenants, staff, statutory authorities and other Social Housing providers. An external facilitator supported the process. The Board of North & East Housing Association approved this Strategy at its meeting of 3rd February 2020.



Below: Tenant Christmas Party 2018

Moving In Day, Ramparts Green, Drogheda, Co. Louth | Official Opening of Darcystown, Balrothery, Co. Dublin





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Building & Supporting Communities

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