

Minutes of the National Oversight and Audit Commission (NOAC) meeting
Tuesday 28th June 2016

Venue: RTB Offices, O'Connell Bridge House, D'Olier Street, Dublin 2

Attended by:

Members John Buckley
 Tara Buckley
 Connie Hanniffy
 Paul Lemass
 Pdraig McNally
 Martina Moloney
 Micheál Nolan
 Colleen Savage

Secretariat Maurice Coughlan
 Sheila McMahan
 Declan Grehan

Guest: Pat Fitzpatrick of the Housing Agency

Apologies Pat McLoughlin, Chair
 Kevin Baneham
 Henry Upton

In the absence of Pat McLoughlin, the Chairman, it was agreed that John Buckley would chair the meeting.

Minutes of meeting of 31/05/2016 and matters arising

The minutes were agreed subject to a minor amendment on page 2 and a revision to the text on the next thematic study that is to be circulated to the members.

Colleen Savage spoke to a draft paper that she prepared in the context of chapter 9 of the *Action Programme for Effective Local Government* and on the need to look at customer service from the perspective of the customer rather than from that of the local authorities. It was agreed that the existing Customer Survey sub-group should meet to discuss the issues contained in Collen's draft paper and develop a scoping document for consideration. Tara Buckley volunteered to join this sub-group, which was agreed. As the 2015 performance indicator dealing with groups associated with the Public Participation Network, which has been selected for validation this year, may be relevant, Martina Moloney undertook to feed into the Customer Survey sub-group in relation to the indicator outturn and validation exercise.

The members were of the view that a dedicated meeting to decide the next area for thematic review will be required when the scoping is completed.

Discussion with Pat Fitzpatrick, Head of Approved Housing Body (AHB) Regulation re the VFM Report

Pat Fitzpatrick was invited to discuss the recent LGAS VFM Unit Report No. 29 on the oversight role of local authorities in the provision of social housing by AHBs from his perspective as the interim Regulator. He advised the meeting that he has been in the role as Head of AHB Regulation at the Housing Agency for 3 months. He welcomed some of the recommendations in the report such as the register of mortgages, tracking of voids and issuing of annual loan balance statements. Guidance around co-ordination of the recommendation that local authorities should facilitate the takeover of poorly managed AHB units would be helpful. He acknowledged that there are governance issues in the sector and advised the meeting that the statutory regulatory framework, which is imminent, should address some of the issues around governance and regulation of AHB accounts. Implementation of the VFM report is mainly for the local authorities, AHBs and the Department of the Environment, Community and Local Government (D/ECLG) with the involvement of the Regulator on some aspects.

219 AHBs are signed up to the Voluntary Regulatory Code (VRC) representing over 90% of the AHB stock and they have been doing some follow-up work in relation to the other AHBs. They have found that some of the AHBs had been wound up, some had plans to transfer their stock to another AHB, and others do not propose to allocate limited resources to participating in the code until it is an unavoidable mandatory requirement. Pat Fitzpatrick advised that the VRC has informed and guided the development of the statutory framework so that high standards of regulation can be achieved.

During the discussion, Pat Fitzpatrick clarified that the AHB Regulator has no power over rent setting. The level of rent depends on the scheme, e.g. in the Capital Assistance Scheme AHBs can charge an economic rent and a weekly rent of €70/€80 would not be uncommon. The Regulator's only power is to de-list an AHB for failure to comply with the VRC. If an AHB is de-listed, it also brings into question their status as a charity. Regarding the issue of voids in the AHB housing stock, he advised that void tracking is for the local authorities who have nomination and allocation rights. Data on number and length of voids is part of the annual return from AHBs and the Regulator can comment on performance management in this area and can issue an engagement plan to query how the AHB will address its voids. He explained that under the newer funding mechanisms, AHBs have 3 months to find a nominee or payment on a void property will be discontinued. Pat Fitzpatrick will talk to the secretariat about what, if any, information on the location of AHB units and voids they might be able to provide to NOAC.

The statutory provisions which should go through the Oireachtas before the end of 2016 and come into force in 2017 will include performance management, the submission of annual accounts to local authorities and the transfer of an AHB's stock to another AHB in certain circumstances.

In the discussion after Pat Fitzpatrick's departure, members commented on the lightness of the regulation and the difficulty of the local authority role given that it has to be carried out at arm's length. The extent to which local authorities are maximising the voluntary housing resource and overseeing the AHBs is within NOAC's remit and it would be a concern if the authorities are not adequately monitoring how the AHB housing stock is being used. When the statutory regulation is in place, it was agreed that NOAC should then consider whether a suitable performance indicator should be put in place and will in the meantime review whatever data Pat Fitzpatrick can provide.

LEOs – Update

Connie Hanniffy advised the meeting that the LEO sub-group had decided on a recommendation of two additional performance indicators for LEOs, subject to further consideration as to whether they are workable and suitable. The sub-group had concluded that they should not proceed with a thematic review of LEO activities at this stage and should let things settle until at least 2017. In relation to the suggested indicators, there was discussion of economic drivers having to be the focus, whether the relevant voucher scheme was likely to continue to be funded by the Department of Communications, Energy and Natural Resources and of the importance of any indicator measuring the performance of the LEO and not that of the businesses that were assisted by the LEOs. Martina Moloney stated that the Performance Indicator sub-group would need to look at the suggested indicators and see what could be done in respect of the report on 2016 activity and report back to the members. In relation to the thematic review, it was agreed that the operation of the revised Service Level Agreement would have to be looked at by NOAC because it has a specific statutory function to do so. The members agreed that consultancy services would be needed to scope any wider a study that might be initiated further to that.

Financial Performance sub-group – update

The secretariat referred to the meeting of the Financial Performance Sub-Group on 31 May 2016 to consider the next area of financial performance for review and to the data on the 2015 unfunded balances obtained from the LGAS and subsequently circulated. There was a brief discussion as to whether the larger unfunded balances indicated a higher level of risk. The next step is for the group to meet with Richard Murphy of the LGAS to provide clarification on the figures and this was arranged for Wednesday 6th July 2016. In relation to the Land Aggregation Scheme mentioned as a potential future area for examination, Maurice Coughlan undertook to circulate a 2013 report by the Comptroller and Auditor General on the scheme.

Performance Indicators – update

Martina Moloney informed the meeting that the Performance Indicator sub-group met prior to the NOAC meeting and that the LGMA had advised of some delays/difficulties in data being inputted to the new eReturns system which had led to an extension of the input date to 7 July 2016. She advised the meeting of the 6 indicators and 6 local authorities that had been

selected for in-depth validation and verification by the sub-group. An additional NOAC member will be required so as to carry out the validation visits in pairs and Paul Lemass volunteered for this role. The target is to carry out these visits in late July/early August.

Housing Studies – update

Paul Lemass updated the members with regard to the meeting of the Housing Sub-Group on 23 June 2016 to consider the draft report of the study into performance of functions under the private rented sector regulations. Due to continuing issues with the quality of the data provided by the local authorities, the group had decided that the draft report excluding conclusions and recommendations should be issued to Chief Executives, with a document pointing out inconsistencies between the data supplied to NOAC and to the D/ECLG, providing a final opportunity to explain/clarify their data/position. When replies are received, the group will distil the key findings for discussion with the focus group. John Buckley raised the possibility of NOAC seeking a dedicated Liaison Officer within the local authorities to take responsibility for ensuring that data being supplied to NOAC is accurate. It was agreed that this would be included in the agenda for the next NOAC meeting.

Next Meeting

The next scheduled NOAC meeting is on 9 August at 10.00 a.m.