



# Performance Standards and Guidelines

## PURPOSE OF THE PERFORMANCE STANDARDS

The basis for the Community Housing Regulatory Authority's (the Authority's) engagement with Community Housing Providers (CHPs) is a prescribed set of Performance Standards. The Performance Standards are the statutory benchmark against which the Authority is required to:

- a. assess applications for registration as a Class I: Social Landlord; and
- b. monitor the ongoing performance of the CHP as a Class I: Social Landlord, once registered.

Our role, in registering and regulating CHPs, is to ensure that their tenants are appropriately housed. We will also work with CHPs to support the growth of a fair, efficient, and transparent community housing sector.

Schedule One of the *Housing Restructuring and Tenancy Matters (Community Housing Provider) Regulations 2014* sets out the Performance Standards. The following components of a CHP's capacity and performance will be assessed and monitored:

- › Governance
- › Management
- › Financial Viability
- › Tenancy Management
- › Property and Asset Management

The Authority recognises that CHPs do not have the same size tenancy portfolio or scope of operations or exposure to risk. Our expectations around the degree of compliance with the Performance Standards will take these factors into account i.e. our approach will be proportional to the risk factors associated with the scale and location of a providers operations.

## PRINCIPLES

The principles that the Authority will apply to itself when assessing CHPs for registration and in monitoring ongoing compliance with the Performance Standards are outlined below:

- › **Proportionality** - considering the level of risk CHPs and their tenants are exposed to, including size, scale and experience in carrying out regulated activities. This includes not being unnecessarily prescriptive about how a CHP demonstrates compliance.
- › **Accountability and Transparency** – being able to justify decisions; being open to public scrutiny.
- › **Fairness and Consistency** – impartial assessments based on fair, clear and open processes and decisions, and consistent application of information and methods.
- › **Capability** – having the people and systems necessary to operate an efficient and effective regulatory regime.



## PURPOSE OF THE GUIDELINES

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The Guidelines elaborate on each Performance Standard and provide guidance on how CHPs can demonstrate that they:

- a. have the *capacity* to meet the standards for registration; and
- b. can demonstrate on-going *compliance* with the standards after registration.

The Guidelines are to be read in conjunction with the documentation and templates provided on the Authority's website when applying for registration, reporting (annual, disclosure, and change), making complaints and appealing the Authority's decisions.

## SUPPORTING INFORMATION

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In demonstrating capacity (for registration), and compliance (for on-going monitoring) with the Performance Standards, CHPs will need to provide supporting information. CHPs will not have to produce all the evidence suggested in the Guidelines, however, supporting documentation falls into two categories, as follows:

- › **Mandatory information:** this is information that the Authority must have in order to assess the capacity of the provider. It includes information on the financial viability of the organisation (audited financial accounts, etc.), as well as core policies that are essential for effective social and/or affordable rental housing provision (such as certain tenancy management policies (e.g. dealing with rent arrears, complaints management etc.), and asset management policies (e.g. effective planning for regular and responsive maintenance)).
- › **Discretionary information:** this is additional information that the CHP may decide whether or not to provide. While it is not compulsory to provide this information, it may assist the Authority in gaining a better picture of the overall viability of your organisation.

The supporting information you provide may take a wide variety of forms, and we have tried not to be prescriptive where possible. Whether a CHP has the range of information sources referred to will largely depend on the size and sophistication of the organisation and the level of risk exposure. Similarly, the complexity of the supporting documentation you provide will also be dependent on the size of your organisation and the scale of its housing activities. For example, our expectations in regard to strategic and operational planning will be different for a small social housing provider with five houses and limited aspirations for future growth than they would be for a social housing provider with 300 units operating in Auckland and seeking to expand its portfolio to 500 units within five years). Finally, please also note that the Guidelines are not exhaustive and a CHP may also wish to refer to other supporting information in demonstrating compliance with the standards.

For the most part, the supporting documentation detailed in these Guidelines refer to documentation and processes that CHPs would have in place in order to satisfy their governing bodies that they are well managed, financially viable, and that good quality housing is being provided.

To avoid duplication and increasing the reporting burden for CHPs, the Authority may accept information demonstrating compliance with the Performance Standards which has been supplied for other purposes. This could include requirements for registration as a charity, company, incorporated society or trust. Ongoing reporting documentation already prepared may in some cases be assessed as demonstrating the CHP can or does meet the Performance Standards, for example, annual returns to other agencies.

The Authority can also make an operational decision on a case-by-case basis to accept accreditation reports in full or in part as evidence to support capacity or compliance with the Performance Standards.

## PROVIDING AND ASSESSING SUPPORTING INFORMATION

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The Authority will assess supporting information submitted by the CHP against the Performance Standards, supplementing any gaps with information requests. We will endeavour to keep any requests for additional information to a minimum to avoid increasing the compliance burden on CHPs.

## TIMING AND REASONS TO REPORT

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The Guidelines envisage that a CHP will report to the Authority at specific trigger points. These are:

- › **On application** – the Regulations require that the Authority must be satisfied, on reasonable grounds, that a CHP has the capacity to meet the Performance Standards before conferring registration.
- › **Annually** – a registered CHP must, at a minimum, submit an annual report to the Authority setting out its compliance against the Performance Standards using the CHRA Annual Report template on the Authority's website, as well as provide supporting documentation (which includes the CHPs audited annual financial statements and accounts). These must be provided in the format specified by the Authority. Specific reporting contents may be the subject of the Authority directions to CHPs and must be formally notified in the *Gazette*. All registered CHPs are required by section 176(4) of the Housing Restructuring and Tenancy Matters Act 1992 to submit annual reports not more than 28 days after their annual general meeting.
- › **On the Authority's request** – the Authority can require a registered CHP to report to it at any time, and in a format specified by the Authority (under section 178 of the Housing Restructuring and Tenancy Matters Act 1992). The Authority may also undertake performance reviews, and request additional information on an ad-hoc basis from registered CHPs. In doing so, we will endeavour to avoid unnecessarily increasing the compliance burden on CHPs.
- › **Disclosure reporting and Change reporting** – occasionally an event may occur, or be likely to occur, that will trigger a report by the CHP to the Authority. This type of reporting falls into two categories, Disclosure Reporting and Change Reporting, as follows:
  - **Disclosure Reporting:** this is required in instances when the registered CHP is breaching, or is likely to breach, the eligibility criteria or the Performance Standards. When CHPs submit a Disclosure Report to the Authority their reports must also include what measures or mitigations have been taken or are planned to address any consequences arising from the failure or event. Instances of when **Disclosure reporting** is necessary include:
    - i. The CHP has failed to meet the applicable legislative, regulatory or legal requirements;
    - ii. An incident occurs causing damage, or potential damage, to the reputation of the community housing sector;
    - iii. The CHP's continued financial viability is at risk;
    - iv. There have been other significant changes to the level or kind of risk exposure the CHP faces
  - **Change reporting** is required when there have been, or the CHP becomes aware of, significant changes to the CHP's operations. These include:
    - i. The CHP has changed its legal or trading name;
    - ii. There has been a change in the composition of Board membership;
    - iii. The CHP has acquired, or is intending to acquire, new social housing stock;
    - iv. The CHP has made a change to its objects or purpose.

To make this process easier for CHPs, the Authority has developed Disclosure and Change reporting guidance and forms. These are available on the Authority's website under 'Forms and Resources'.

# Guidelines accompanying the Performance Standards

## 1. GOVERNANCE

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The purpose of the standards under this heading is to ensure that the CHP is well-governed at all times. To meet these standards, CHPs will have effective and ethical governance as well as sound business practices and strategies.

### Performance standard

- 1.1** For the purpose of ensuring that it is well-governed at all times, the registered community housing provider (the provider) -
- (a)** Has an identified group of suitably skilled people responsible for its governance.

#### Guidance

Social housing provision is a specialised area of activity. To meet this standard, the applicant will need to demonstrate that it has policies and processes to recruit and retain governing body members with the range of skills and experience required for the good governance of a CHP. While the Authority is not prescriptive on what skill sets need to be represented on governing bodies, these could usefully include sound financial management experience. Other relevant skill sets could include legal, tenant management, and property/asset management experience. The Authority recommends that CHPs also have policies and processes in place for identifying what skills may be required in the future, recruitment and retention of appropriately skilled Board members, professional development, and succession planning.

#### Mandatory documents

- › Biographies of current governing body members

#### Discretionary documents

- › Policies/procedures in respect of recruitment/retention of Board Members (Board Member induction manuals etc.). These could include policies in respect of professional development, and succession planning
- › *Skills matrix or table of current and required Board Member skills\**
- › Annual report

### Performance standard

- 1.1 (b)** Documented systems and processes that include:
- (i)** Strategic, operational, and financial planning documents operational, and financial planning documents

#### Guidance

**Strategic Plan** – The Authority is looking for evidence that the applicant has a clear strategic direction and, if housing is only one aspect of your business, where social housing sits in the wider organisational strategy. We also want to see how the applicant has identified strategic risks and opportunities linked to the provision of social housing.

**Business Plan** – The Authority is looking for a more detailed business or operational plan showing how the strategy to deliver social housing (as contained in the Strategic Plan) will be implemented, identifying key goals and milestones.

**Financial Plan/Forward Budgets** – The Authority is looking for evidence that the applicant has proactive financial plans and budgets that specify the costs associated with delivery of its services. Where organisations deliver a broader range of services than social or affordable rental housing, we also want evidence that social housing and/or affordable rental housing has been built into the planning process with forecast income/expenditure for delivering housing services, repairs and maintenance, capital upgrades etc.

Note: Exactly how comprehensive your organisation's strategic and operational plans are will be determined by the size of your organisation and the scale of its housing activities. A small organisation that has no growth aspirations beyond its current levels of housing provision, for example, may have a single document that contains both its strategic plan and its operational plan.

### Mandatory documents

- › Strategic plans
- › Business/ Operational plans
- › Financial plan/ Budget forecasts

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

### Performance standard

- 1.1 (b) Documented systems and processes that include:
- (ii) Quality and risk management plans and mitigation strategies

#### Guidance

The Authority is looking for evidence that the applicant understands and plans for risks appropriate to managing a social and/or affordable housing portfolio. This could include consideration of strategic, political, financial and operational risks.

We are also looking for evidence of quality management and a culture of continuous improvement.

### Mandatory documents

- › **Quality and risk management planning documentation**

### Discretionary documents

- › An organisational risk register

### Performance standard

- 1.1 (b) Documented systems and processes that include:
- (iii) Effective, transparent, and accountable arrangements and controls for decision making

#### Guidance

To achieve this standard the governing body will have documented policies and procedures showing how decisions are made by the governing body. This could include policies and procedures for how Board meetings are conducted and minutes taken, and associated documentation (such as Board meeting schedules). These policies and procedures may be found in your organisations employment document of governance manual. If the organisation is sufficiently large, these could also include evidence of a sub-committee structure.

### Mandatory documents

- › Decision making policies/procedures
- › Empowering Documents (Trust Deed, Constitution etc)

### Performance standard

- 1.2 The provider ensures that the Governing Body::
- (a) Has access to relevant external expertise as required.

#### Guidance

A CHP is encouraged to access external expertise as required to ensure its organisation is well governed. To do this effectively, the CHP will need to have in place policies and procedures for identifying what expertise is necessary, and for accessing this expertise as required. To this end, the CHP will be able to show that procurement policies and procedures have been followed when contracting or delegating.

### Discretionary documents

- › Policies and procedures for accessing external expertise

## Performance standard

- 1.2 The provider ensures that the Governing Body::
- (b) Complies with legislative, regulatory, and legal requirements.

### Guidance

There are a number of legislative, regulatory and legal requirements that apply to the ownership and provision of social and /or affordable rental housing and it is essential that CHPs have a good working knowledge of these. To achieve this standard, applicants will be able to demonstrate that the governing body has a record of the relevant requirements and, where necessary, policies for how these will be complied with. Legislative requirements may include (but are not limited to) the:

- › Residential Tenancies Act 1986
- › Building Act 2004
- › Building Regulations 1992
- › Building Code as set out in the Building Regulations 1992
- › Housing Improvement Regulations 1947
- › Privacy Act 1993
- › Protected Disclosures Act 2000
- › Health Act 1956
- › Housing Restructuring and Tenancy Matters Act 1992
- › Housing Restructuring and Tenancy Matters (Community Housing Providers) Regulations 2014

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

### Mandatory documents

- › Legislative compliance policies/statements

## Performance standard

- 1.3 The Governing body understands the financial status of the provider at all times

### Guidance

To enable the governing body to make informed decisions and ensure on-going viability, it is essential that the governing body is aware at all times of the financial status of the CHP. This will require regular reporting of financial status by management to the governing body, regular review of the accounts by the governing body (including specified times for undertaking such reviews), and awareness by the governing body of any risks that may impact on the CHP's financial status.

### Mandatory documents

- › Financial reporting policies/procedures

### Discretionary documents

- › Copies of Financial Reports to the Board
- › Internal audit policies/documentation

## Performance standard

- 1.4 The Provider
- (a) Acts with integrity in its business activities and maintains high standards of probity relating to its business activities

### Guidance

To achieve this standard, the CHP will have written policies and procedures to ensure it acts with integrity in all its business operations. Central to this will be the ability to show that all procurement is undertaken in a fair and transparent manner, with reference to best practice principles.

### Mandatory documents

- › Probity policies and procedures

### Discretionary documents

- › Financial controls and internal audit documentation and records
- › Audit and risk sub-committee & minutes of sub-committee meetings (if the organisation's scale warrants a separate committee)
- › Annual reporting documentation that covers probity issues
- › Procurement contracting policies and procedures

## Performance standard

### 1.4 The Provider

- (b) Establishes and administers a code of conduct for its employees and members of the governing body

#### Guidance

The applicant will have a code of conduct designed to ensure it maintains high standards of integrity. The code should include reference to:

- › Whistle blowing (Protected Disclosure Act 2000)
- › Conflict of interest: including conflict of interest forms to be completed by members of the governing body
- › Gifts and hospitality (including Koha) - forms to be completed by governing body members and staff in receipt of gifts and hospitality
- › Procurement

Preferably, the CHP should also be able to show that it regularly promotes the code of conduct (for example, through staff training sessions and/or publication of the code of conduct on the CHPs website), and that there are no significant and ongoing or repeated failures to abide by the code of conduct.

Note: the Code(s) of Conduct needs to cover both Governing Body members and staff.

### Mandatory documents

- › Code of Conduct policies and procedures

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

## Performance standard

### 1.4 The Provider

- (c) Establishes and administers a system of employment and appointment checks

#### Guidance

All staff of the CHP should be selected on the basis of relevant skills and experience. To this end, the governing body will have in place fair and transparent policies and processes in relation to the recruitment and selection of all staff. These should include:

- › Application processes and documentation
- › Reference checking

### Mandatory documents

- › Recruitment policies and procedures/HR Manual

## Performance standard

### 1.4 The Provider

- (d) Establishes and administers a system for preventing, detecting, reporting, and responding to instances of fraud, corruption, and other criminal conduct by employees and members of the governing body

#### Guidance

It is essential that any illegal activity be identified and responded to in a prompt, appropriate and effective manner. The applicant will have policies and procedures for preventing, detecting, reporting, and responding to, instances of fraud, corruption and criminal conduct. The applicants system should be consistent with good practice established by relevant anti-fraud, anti-corruption and anti-crime agencies and professional bodies in the community housing provider sector.

#### Mandatory documents

- › Fraud/criminal conduct policies and procedures.

## Performance standard

### 1.4 The Provider

- (e) Identifies and abides by relevant accounting and auditing practices

#### Guidance

To achieve this standard, the CHP will:

- › Maintain proper accounting records in accordance with New Zealand accounting standards
- › Show implementation of a documented financial management system and policies
- › Undertake annual financial audits

Financial results should be reviewed by the governing body not less than annually, or every 6 months in the case of complex organisations.

#### Mandatory documents

- › Policies and procedures that cover maintenance of accounting records, and regular financial audits.

#### Discretionary documents

- › Independent audit reports.

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

## Performance standard

### 1.4 The Provider

- (f) The provider does not bring the reputation of the CHP sector into disrepute

#### Guidance

The applicant will have in place policies and procedures for identifying any incident related to its operations that damages, or has the potential to damage, the reputation of the community housing sector.

#### Mandatory documents

- › Risk management policies that cover management of reputational risks



## 2. MANAGEMENT

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This purpose of the standards under this heading is to ensure the CHP is managed in a safe, efficient and effective manner at all times.

### Performance standard

- 2** The provider is managed in a safe, efficient, and effective manner at all times, and for that purpose the provider has documented systems and processes to ensure that –
- (a)** Appropriate accountability measures in respect of decision making, probity, and service delivery are in place and monitored

#### Guidance

The applicant will have written policies and processes in place to ensure that management of the organisation is efficient, accountable, and regularly reviewed. These policies could include clear role descriptions for key staff, and written delegations in respect of decision making and expenditure sign-off. The applicant should also have written policies and processes to ensure that regular reports are produced for the governing body on the performance of management.

### Mandatory documents

- › Documented decision making structure and reporting policies and procedures
- › Delegations policies

### Performance standard

- 2 (b)** The outcomes for tenants are appropriate, measurable, and monitored in relation to the following:
- (i)** Affordability
  - (ii)** Access to information
  - (iii)** Access to services (including a complaints process)

#### Guidance

To achieve this standard, the applicant will have written policies and procedures that are used to inform management decisions, and ensure appropriate outcomes for tenants. For example, the CHP will have policies in respect of rent-setting that take into account affordability for its core client group, and which ensure rent levels are monitored, so that they remain affordable.

In regard to access to information, and access to services, the applicant will have policies which will require regular (e.g. annual) review of the types of information provided to tenants, as well as links to appropriate support services. Again, these policies should include monitoring provisions to ensure the continued usefulness of the information and services to bringing about appropriate outcomes for tenants.

### Mandatory documents

- › Rent setting policies
- › Tenant's handbook (or similar; eg, fact sheets for tenants)
- › Policies for referring tenants to appropriate support services (eg, budgeting, mental health etc.)

### Performance standard

- 2 (c)** The provider can demonstrate that Crown funding for the purchase of tenancy services is used for tenancy services

#### Guidance

A key aspect of the Government's housing reforms is to gain better visibility of the true cost of providing social housing. Once registered, CHP's can demonstrate compliance with this standard by accounting separately for receipt of IRRS funding for the provision of tenancy services either in the Income Statement, or the accompanying notes to the financial statements.

## Mandatory documents

### Performance standard

- 2 (d)** There is an appropriate management structure, and systems, policies and procedures are in place to ensure that –
- (i)** The operational needs of the business can be met; and,
  - (ii)** Intended outcomes of its business can be achieved

#### Guidance

The applicant has a documented management structure that shows key roles and responsibilities, and which are appropriate to the scale of the organisation.

## Mandatory documents

- › Organisation Chart
- › Role Descriptions of Managers and Staff Responsible for Housing

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

## 3. FINANCIAL VIABILITY

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This section considers the ability of an applicant to continue to achieve its operating objectives and fulfil its mission over the long term. The applicant must demonstrate it will remain financially viable and solvent at all times while it is registered with the Authority.

### Performance standard

- 3** The provider demonstrates financial viability and solvency at all times, and for that purpose the provider has documented systems and processes to ensure that –
- (a)** There is a viable capital structure.
  - (b)** Appropriate financial performance is maintained

#### Guidance

To demonstrate a viable capital structure, the applicant will need to show, to the satisfaction of the Authority:

- › Solvency, and on-going profitability
- › Sufficient capital resources to be able to absorb unexpected losses (for example, damage to properties), and to manage adverse shocks, so that it can meet its commitments.

In order to ensure that appropriate financial performance is maintained over the long-term, the applicant will need to demonstrate:

- › Policies and procedures that demonstrate how it will monitor and manage financial performance to achieve its business goals, which will be monitored and managed for short, medium and long term viability. While the Authority does not wish to be prescriptive, for guidance purposes, we would consider short-term to be 0-5 years, medium-term to be 6-10 years, and long-term to be 11+ years.

In addition, there will be no significant, ongoing, or repeated instances of inappropriate financial performance, or failure to achieve business goals due to inappropriate financial performance.

### Mandatory documents

- › Audited Financial Accounts including – Profit & Loss Statement, Cash Flow Statement and Balance Sheet for last three years (or if operating for more than one year but less than 3 years, accounts for that period); or
- › 12-36 months cash flow forecast for the social housing business (for applicants with no or 1 year or less social housing experience)
- › Debt financing arrangements (if applicable)
- › Budget/Forecasts (make acceptable allowance for the costs of running the housing service that factor in rental income, tenancy management costs, and repairs and maintenance)
- › Financial policies and procedures

### Performance standard

- 3** The provider demonstrates financial viability and solvency at all times, and for that purpose the provider has documented systems and processes to ensure that –
- (c)** Financial risk exposure is managed

#### Guidance

The applicant will identify financial risks, and can demonstrate effective management and mitigation of those risks in its planning documents. As part of its prudent management of risk exposure the applicant will be able to demonstrate that it has adequate insurance coverage proportionate to its risk exposure.

### Mandatory documents

- › Risk Management Policies and Risk Assessment (showing consideration of financial risks)
- › Copies of insurance schedules

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

## 4. TENANCY MANAGEMENT

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This section ensures that an applicant applies effective and strong tenancy management principles and complies with legal requirements applying to tenancy management.

### Performance standard

- 4** The provider has documented systems and processes to ensure that –
- (a)** The provider complies with all relevant legislative requirements (including the Residential Tenancies Act 1986)

#### Guidance

To provide effective tenancy management, the CHP will maintain a record of the relevant legislation, regulations and other legal requirements with which it is required to comply. All interaction with tenants should be managed in accordance with any legal or legislative requirements that may include, but is not limited to, the:

- › Housing Restructuring and Tenancy Matters Act 1992
- › Housing Restructuring and Tenancy Matters (Community Housing Providers) Regulations 2014
- › Building Act 2004
- › Building Regulations 1992
- › Residential Tenancies Act 1986
- › Privacy Act 1993
- › Protected Disclosures Act 2000

The applicant will also have, as part of its documented internal audit system, regular assessments of its compliance with relevant legislation.

### Mandatory documents

- › Legislative compliance policies/statements, which include awareness of the requirements of the Residential Tenancies Act, 1986, in the tenancy management process

### Discretionary documents

- › Audit reports that reference legislative compliance

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

## Performance standard

- 4** The provider has documented systems and processes to ensure that –
- (b)** The tenancy management process is transparent and responsive

### Guidance

There are a number of aspects of CHPs performance that make up transparent and responsive tenancy management, as follows:

#### **The tenancy management process is transparent and well communicated to tenants**

- › This includes the provision of written information to tenants outlining their rights and responsibilities.

#### **Housing is allocated on the basis of need**

- › The applicant will have policies and procedures to ensure that all properties across its portfolio are allocated fairly and transparently, and that social housing tenancies are allocated on the basis of need.

#### **There are provisions for hardship and arrears management processes that are fair and transparent**

- › The applicant will have policies and processes in respect of:
  - Supporting tenants experiencing financial hardship, including arrears management
  - Referring tenants to budgeting advice services
  - Ensuring that ending tenancies is a last resort.

#### **Maintaining accurate records of tenancy history**

- › The applicant will collect tenancy information necessary for the effective provision of social housing. This could include information on occupancy dates, complaints, arrears, damage to property etc.

#### **Managing and addressing complaints and appeals relating to the provision of housing**

- › The applicant will have a documented policy and procedure for managing complaints and appeals and can demonstrate the prompt implementation of any corrective actions arising from complaints or appeals.

#### **Customer satisfaction and the overall quality of housing services is measured and maintained**

- › The applicant will be able to demonstrate regular engagement with tenants, and measure tenant satisfaction (for example, through a regular survey of tenants).

Note: It is common for CHPs to have all of the above policies contained in a single document, such as a Tenancy Management Manual.

### Mandatory documents

- › A copy of your Tenant Handbook or information provided to tenants (this should include information on tenant rights and responsibilities, rent arrears, confidentiality of information, contact details to report an emergency, how to request repairs, expected response times for repairs, etc.)
- › A copy of your allocations and lettings policy
- › A copy of your rent arrears and hardship policy
- › A copy of your policy or procedure for seeking feedback from tenants on its services and how this information is used to measure tenant outcomes
- › A copy of your tenant participation policy
- › A copy of your complaints and appeals policies, procedures and documentation and information on how tenants are made aware of these
- › A copy of the tenancy agreement that your organisation uses

### Performance standard

- 4 The provider has documented systems and processes to ensure that –
- (c) Confidentiality of all tenancy information is maintained

#### Guidance

The applicant will have documented systems and processes that will ensure that all personal information will remain confidential. To this end, the applicant will comply with the Privacy Act 1993 (the Privacy Act) and will ensure that it has policies and procedures:

- › To collect, enable access, store, use, disclose and correct “personal information” (as defined in the Privacy Act) obtained during the course of providing social housing.
- › Encourage refraining from any practice that would breach the Information Privacy Principles and exception’s (“IPPS”) contained in the Privacy Act.

#### Mandatory documents

- › A copy of your confidentiality policies (compliant with the Privacy Act 1993)

## 5. PROPERTY AND ASSET MANAGEMENT

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This section ensures that an applicant applies effective asset management principles, addressing changing housing needs.

### Performance standard

- 5 The provider manages its community housing assets in a manner that ensures properties are suitable, and for that purpose the provider has documented systems and processes to ensure that –
- (a) Changing housing needs are determined and plans for asset acquisitions, disposals, and reconfigurations to respond to those in need are in place.

#### Guidance

One of the key benefits of social housing provision by CHPs is that they possess a strong awareness of demand for social housing within their areas of operation. To meet this standard, applicants will be able to demonstrate that they have included this awareness in their planning for future property acquisitions, disposals and reconfigurations. Factors CHPs will need to consider when planning their portfolios include location of properties, size (number of bedrooms), and amenities for their particular client group.

#### Mandatory documents

- › A copy of documentation providing evidence of how the you plan for property acquisitions, disposals, and reconfigurations (this could be included in the strategic plan or an Asset Management Strategy)

### Performance standard

- 5 The provider manages its community housing assets in a manner that ensures properties are suitable, and for that purpose the provider has documented systems and processes to ensure that –
- (b) Relevant property condition standards are set, measured and met on an on-going basis.

#### Guidance

To meet this standard the applicant will have documented policies and procedures in respect of property condition standards and amenities that it applies across its whole portfolio. Again, it is not the intention of the Authority to be prescriptive as to what property condition and amenity standards are used. However, applicants may find it useful to reference existing best practice standards. For example, applicants could include Universal Design principles or similar (BRANZ also provides a number of design standards publications on its website), as well as applicable legislation, such as the Health Act 1956, and the Building Regulations 1992.

To ensure that these standards are applied to all properties in its portfolio, the CHP will maintain an accurate and current list of the properties it owns and manages. This should include a record of amenity level and modifications made to individual properties. The CHP will also have in place a programme of inspection and upgrade of properties that ensures all properties are maintained to its documented (and an appropriate) standard and never below the Residential Tenancies Act 1986 standard.

Property inspection reports will be completed by the CHP at the start, during and the end of each tenancy.

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

### Mandatory documents

- › A Property/Asset Management Manual/Handbook or documented policies and procedures relating to the repair and maintenance of properties that shows how you identify different categories of repairs, and systems to monitor the quality of repairs.
- › A current list of the properties owned/managed by the applicant (including amenity level and modifications made to the property).

### Performance standard

- 5** The provider manages its community housing assets in a manner that ensures properties are suitable, and for that purpose the provider has documented systems and processes to ensure that –
- (c)** Cyclical and life-cycle maintenance to maintain property conditions is planned and undertaken in a timely manner

### Guidance

The applicant will have a management plan for each property it owns or manages, and documented plans and adequate budget provision for:

- › Routine inspections (at least six monthly)
- › Responsive repairs and maintenance
- › Scheduled (cyclical) repairs and maintenance
- › Capital upgrades

Maintenance will be undertaken by suitably qualified (and where applicable licensed) trades people.

### Mandatory documents

- › Copies of policies and procedures on maintenance including type of repairs and standards for response times etc. & quality assurance processes
- › Copies of policies and procedures for planned and cyclical maintenance including schedules of planned maintenance, replacements etc.
- › Policies and process to demonstrate planning/budgeting for capital upgrades
- › Policies and procedures for ensuring maintenance undertaken by suitably qualified trades people.

### Discretionary documents

- › Forms in respect of inspections, and/or regular or responsive maintenance requests.

## Performance standard

- 5** The provider manages its community housing assets in a manner that ensures properties are suitable, and for that purpose the provider has documented systems and processes to ensure that –
- (d)** The provider complies with all relevant legislative requirements (including, but not limited to, the Building Act 2004, the Building Regulations 1992, and the Residential Tenancies Act 1986)

### Guidance

To achieve this standard, there will be evidence that the applicant has a record of relevant legislation, and is aware of legislative requirements that may include but are not limited to:

- › Housing Restructuring and Tenancy Matters Act 1992
- › Housing Restructuring and Tenancy Matters (Community Housing Providers) Regulations 2014
- › Building Act 2004
- › Building Regulations 1992
- › Residential Tenancies Act 1986
- › Privacy Act 1993
- › Protected Disclosures Act 2000
- › Building Code as set out in the Building Regulations 1992
- › Licensed Building Practitioners Amendment Rules 2008
- › Licensed Building Practitioners Rules 2007
- › Health Act 1956

\*See the *Glossary of Terms* section at the end of the document for further details on what this documentation could include.

### Mandatory documents

- › Legislative compliance policies/statements or evidence of understanding of the relevance of legislation with compliance built into organisational processes

# Glossary of Terms

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**Affordable rental housing:** is allocated to low-moderate income households:

- › who have minimum beneficial interest in property;
- › who face barriers to accessing or sustaining suitable housing in the mainstream housing market;
- › on a basis consistent with the provisions of the Human Rights Act 1993; and
- › on the basis of household size.

**CHRA Annual report:** CHP reports, submitted annually as required by section 176 of the Housing Restructuring and Tenancy Matters Act (“the Act”), not more than 28 days after the CHP’s annual general meeting. This is required as part of the CHPs on-going monitoring requirements. This information is specified in the CHRA Annual Report Template.

**Application documentation:** submission of documentation as part of the registration process, any changes to the information submitted as part of the registration process will need to be submitted as part of the CHRA Annual Reporting process.

**As required reporting:** submission of reports at any time as required by the Authority as defined by section 175 (1)(b) of the Act.

**Change reporting:** means reporting to the Authority changes that have occurred, such as to the CHP’s legal name, contact details, constitution or membership of the CHP’s governing body.

**Community housing provider:** under the Act, means a housing CHP (other than HNZ or the Corporation) that has as one of its objects, the provision of one or both of the following housing:

- a. social rental housing
- b. affordable rental housing.

**Council-controlled organisation:** an entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons,—

- i. control, directly or indirectly, of 50% or more of the votes at any meeting of the members or governing body of the entity; or
- ii. the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity. [See section 6 of the Local Government Act 2002 for the complete definition.]

**Disclosure reporting:** means reporting to the Authority where Performance Standards have not been met or are in danger of not being met.

**Financial documentation:** this includes:

- › Financial accounts
- › Cash flow forecast for social housing business
- › Debt financing arrangements and covenants (if applicable)
- › The most up-to-date management accounts for the year to date
- › A copy of the most up-to-date budget
- › Financial policies and procedures
- › Financial plan

- › Controls
- › Audited financial report
- › Financial viability measures data
- › Financial performance report
- › Financial viability measures and data
- › Financial performance report
- › Insurance cover

**Governing Body Documentation:** this includes the:

- › Signed and dated constitution or other empowering document
- › Terms of reference
- › Manual
- › Roles and responsibilities
- › Code of conduct
- › Schedule of delegations
- › Authority and responsibility levels
- › Decision making processes
- › Constitution
- › Appointment and induction processes
- › Required skills and expertise
- › Meeting minutes

**Planning Documentation:** this includes the:

- › Annual plan
- › Strategic plan
- › Operational plan
- › Business plan
- › Business continuity plan

**Quality and Risk Management Documentation:** this includes the:

- › Quality model
- › Performance monitoring and/or assessment
- › Service charter
- › Risk mitigation strategies
- › Quality and risk management:
  - system
  - plans
  - register
  - goals
  - objectives and scope
  - roles and responsibilities
  - authority
  - resources

**Social rental housing:** is a subset of affordable housing that caters to those who face multiple barriers to accessing and sustaining appropriate housing, including the following types of households:

- › high needs individuals (such as category A and B applicants on the MSD waiting list, and other people requiring subsidised and supported housing);
- › those receiving or needing some form of income support/housing affordability assistance; and/or
- › households who would benefit from tenure stability and/or better quality housing but cannot easily achieve these in the private market.