

Community Housing Cymru

Code of Governance 2021

Explanatory note

Background

The CHC Code of Governance was first published in 2018. A review of the Code was conducted in early 2021, and an updated version was published in May 2021.

The Code is based on the Charity Code of Governance, with some elements altered to reflect the specific nature of the Housing Association sector in Wales. It sets out principles and recommended practice for good governance, and is deliberately aspirational. It is designed to be a tool for continuous improvement towards the highest standards.

For simplicity, the Code refers to 'tenants' in the text, but it applies equally to residents, leaseholders and others to whom members provide services.

Rationale for the 2021 review

There were three key reasons for this review.

1. When the 2018 Code of Governance was published, CHC made a commitment to undertake a review after three years.
2. Welsh Government also conducted a review of the Regulatory Framework for Housing Associations registered in Wales in 2021.
3. The Charity Code of Governance, on which this Code is based, had been revised in December 2020.

As a result, CHC launched a review in January 2021 which considered the following points:

- How well the Code was working in practice;
- Whether there were improvements that could be made to ensure it more effectively supported good Governance; and
- To reflect areas needed to be strengthened based on the current context.

Purpose of this document

This explanatory note highlights the changes that have been made to the 2018 CHC Code of Governance in order to create an updated version for 2021.

Review methodology

This was not a 'root and branch' review. There were a wide range of pressures on housing associations in early 2021 as a result of the Covid-19 pandemic. In addition, members had told CHC that the Code was working well – but still bedding in. Members felt that the focus on culture and behaviours was positive and helpful, and there was no strong push from the sector for major change. Consequently, this was a light touch review. It drew on members' experience of working with the Code since 2018, and on the revisions made to the Charity Governance code in 2020.

As far as possible the revised Code continues to follow the Charity Code and changes were not made for reasons of style or drafting. Terminology has been altered, however, to reflect the differences between CHC members and general charities.

Changes were made as a result of meetings of the steering group and the consultation with members, which reflected broad sector consensus and provided material additions to the Code. We have not gone as far as making wholesale changes to the code or any redesign of the main principles; these have been noted, and will be taken into account at the next, more substantive, review.

We are very grateful to all of those people who gave their time to provide input to this review. This included members of the Regulation and Governance, Chief Executives, HA Chairs and Vice Chairs and Finance Strategic Delivery Groups; the Welsh Government's Regulatory Advisory Group; HA Board members and members of the Welsh Government Regulation team.

In particular, we would like to thank Tim Blanch, Consultant, and the members of the Code of Governance Steering Group for this review:

Code of Governance Review 2021 Steering Group

Alan Brunt	Chief Executive	Bron Afon
Ruth Glazzard	Chair, Governance & Audit Committee and Board Member	Coastal Housing
Tom Broadhead	Director of Business Improvement/Company Secretary	Melin Homes
Claire Payne	Governance Officer	Merthyr Valley Homes
Joanna Fairley	Head of Governance and Compliance/ R&G SDG Vice Chair	Newport City Homes
Helen White	Chief Executive	Taff Housing
Jon Huish	Chair	Trivallis
Nia Roblins	Company Secretary	United Welsh
Claire McDougall	Governance Manager	Wales and West Housing Association

Updates to the CHC Code of Governance – May 2021

Integrity and Equality, Diversity & Inclusion

A major revision of these two sections of the Charity Governance Code was issued in 2020. These revisions have been adopted in full in the new CHC Code. Changes have been made in the language used to reflect the existing CHC Code: 'charity' has been replaced by 'organisation', 'trustee' replaced by 'board member' and 'beneficiaries' replaced by 'tenants'.

Changes made after consultation with the steering group and membership

Tenants

The importance of tenants was given greater emphasis. The expression '*those we serve*' was replaced in the new version by '*tenants*' in most of the Code.

Principle 1 Organisational purpose

Rationale. "Partners" was added to the sentence

1.5.3 A new clause has been added on partnership working to make the distinction between partnership working, and mergers and group structures.

1.5.5 A new clause has been added on "*environmental sustainability and carbon footprint*".

Principle 2 Leadership

Rationale. A reference to "*culture and behaviours*" has been added

Principle 3 Integrity

Rationale. A phrase on the "*risk of discrimination or exclusion*" has been added to the last sentence

3.5 A reference to "*diversity of thought and background*" has been added to this clause.

3.8.5 A new clause on dealing with conflicts of interest where staff are full board members has been added.

Principle 4 Decision making, risk and control

Principle. A paragraph on the "*needs and safety of current and future tenants*" has been added to the principle

4.6.4 A reference to "*social value*" has been added to the clause

4.6.5 A new clause on the board having "*insight into staff views*" has been added

Principle 6 Equality Diversity and Inclusion

6.3 A new clause on "*hearing and responding to the needs of communities*" has been added.

6.5.1 A sentence on understanding the organisation's "*starting point*" has been added.

6.7.3 A new clause on "*workforce policies and practices*" has been added

Principle 7 Openness and accountability

7.1 A sentence has been added on tenants and other stakeholders being "*heard and responded to*"

7.4 "*tenants and other*" has been added before stakeholders.

7.4.3 “*tenants and other*” has been added before stakeholders

For further information on the updated CHC Code of Governance, please contact Laura Courtney, Policy & External Affairs Manager on Laura-Courtney@CHCymru.org.uk