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# Getting Governance Right ...a guide through Board Assurance

Gordon Perry





# Who am I? – Gordon Perry

## My experience of customer and regulation

- 40 years' experience in Housing
- Retired 18 months ago as CEO of Accent Group
- Worked in Local Govt. in the North and London, Civil Service, ALMO, Housing Association and Private Sectors
- Governing Board Member of the CIH
- Board Member of Trafford Housing Trust and Broadacres Housing Association
- Member of HCA Provider Panel, Audit Commission and TSA
- Board member of ARK Consultancy and Regulation Geek!
- Worked with several HAs in Wales on Regulatory Compliance
- ARK colleague Kieran Colgan works mainly in Wales.



# The Boards role in Leadership of Regulatory 'Assurance' of 'Compliance'

- **Welsh Government Housing Regulation Regulatory Framework** is key, is the Guide, and the Exam Paper
- **CHC Code of Governance** '*Good Governance is fundamental to the success of all organisations*'
- '*Our members are custodians of housing on behalf of people in Wales*'
- **Wales is leading the way** for other UK nations on **Housing Standards...**
- Scotland is pretty clear too...as for England ...
- Deregulation began after the 2010 election and the 'bonfire of the standards and closing of the Audit Commission and TSA.
- The Grenfell disaster led to the English Green paper...



# The English Social Housing Green Paper

## ...has 5 aims



Ministry of Housing,  
Communities &  
Local Government

A new deal for  
social housing

1. Tackling stigma and celebrating thriving communities
2. Expanding supply and supporting home ownership
3. Effective resolution of complaints
4. Empowering residents and Strengthening the Regulator
5. Ensuring homes are safe and decent.



# Welsh Government



Llywodraeth Cymru  
Welsh Government

## Housing Regulation leads

- 2011 Regulatory Framework revised in May 2017 *‘in response to a more challenging environment’* ...a month before Grenfell
- Aims for *‘well governed financially robust TSLs providing high quality and improving landlord services to tenants...’*
- Risk based co-regulatory approach continues
- Tenants remain at the heart of regulation with improved accountability and transparency to tenants and stakeholders
- New Performance Standards - with a stronger focus on decision making
- New requirement for Annual Statement of Compliance with Performance Standards
- Increased focus on good governance and board assurance...



# Key Features of The Regulatory Framework

- Performance Standards (Clear & Measurable)
- Self Evaluation - BOARD ASSURANCE
- Annual Statement of Compliance - BOARD ASSURANCE
- Meeting Performance Standards and Capacity to Improve - BOARD ASSURANCE
- Regulatory Judgements - impact on strategy and reputation
- On going Regulatory Assurance and Oversight - Continuous Assessment - BOARD ASSURANCE is not just for Christmas!
- Regulatory Powers - if you get this wrong !

**BOARD ASSURANCE on all is ESSENTIAL**





# The 10 Welsh Government Performance standards



1. Effective **leadership** with clear & ambitious vision
2. Effective & appropriate **tenant involvement** & high quality and improving services
3. Effective & robust **risk assessment & management**
4. Evidence of **self evaluation** & statement of compliance
5. **Track record** of responding positively to new challenges and performance issues
6. Delivering **Value for Money** in all areas of the business
7. **Compliance** with regulatory & statutory requirements & guidance
8. **Financial plan** which supports the business plan delivery
9. Effective management of **treasury** which consistently ensures **liquidity**
10. Clear understanding of **liabilities and asset performance**.



# Grenfell disaster kick start the increased debate across



- Press and public focus has been on Tower Block
- **Keeping all residents safe and secure is a landlords key responsibility**
- **Listening to and learning** from our tenants and leaseholders is too
- The **Hackitt Review** recommendations - New Building Regulations and Dedicated Building Managers and increased professionalism of Housing Management - especially for high rise buildings...some positive response on cladding but limited broad action
- **Robust Asset Management Strategy** gets greater priority and scrutiny at last!
- It's not just about building new homes...as some HAs thought it was...**its about being a GREAT LANDLORD** too!



# H&S Compliance is not just about

fire safety!

Landlord  
gas safety

Fire  
alarms

Warden call  
system

Communal  
areas

Electrical  
Installations

Automatic  
Door Entry

Powered  
gates system

Passenger  
lift

Sewage  
pump  
systems

Stair lifts

Lightening  
conductors

Chimney  
/ Flues

Man safe  
systems

Specialist adaptors – hoists  
etc

Asbestos conditions  
inspection



Automatic  
opening vents

Dry  
Risers

Legionella

Work  
equipment

Communal  
heating

Portable fire  
fighting equipment

Digital TV &  
CCTV

Portable  
Appliances

Emergency  
lighting

Ground source  
heat pump

PV



# BRAVE NEW WORLD

ALDOUS HUXLEY



or

# BACK TO THE FUTURE





# Regulatory Compliance

...it's also not just about



- Get **ASSURANCE** on the things that matter...
- **Customer Consultation** and **Involvement** is vital - give it priority because it works - not just because the regulatory standards tells you to do it
- Active Asset Management Matters - it's essential for **business success**
- Health and Safety **Compliance** of all assets and components is essential
- **Benchmarking** Performance is essential - to drive improved performance, a key challenge for executives
- **VFM** is increasingly on the agenda
- **Collaborative procurement** makes sense as does collaborative contracts
- Strengthen compliance, service delivery, customer experience and customer involvement
- GET ASSURANCE on all these issues...



# Code of Governance

- An essential and great read for all Board Members ...it's practical and helpful -
- **AN ADVERTISEMENT WARNING...!**
- Designed as a tool for continuous improvement - so use it
- *'Compliance with the law is an integral part of good governance'*
- Boards should discuss the codes 7 principles and recommended practice and consider how they will apply them in their org.
- **Transparency** is important so publish your compliance with it together with the Welsh Housing Quality Standards in your Annual Report.



# The 7 Principles of Good Governance

1. **Organisational Purpose** - *and ensure effective delivery*
2. **Leadership** - *strategically in line with the org. aims and values*
3. **Integrity** - *adopting appropriate values and culture*
4. **Decision Making, Risk and Control** - *informed rigorous & timely*
5. **Board Effectiveness** - *balance of skills, experience, knowledge*
6. **Diversity** - *to support effective decision making across the org.*
7. **Openness and Accountability** - *transparent and accountable.*





# The Board Member Role

## ...as summarised in the Governance Code

- To be committed to their organisations cause
- To help the organisation deliver its purpose most effectively
- To understand their roles and legal responsibilities
- ...'to have read (understood and comply with) governing documents'





# Governing well also means...

- Being absolutely clear about your business strategy - **what's on and what's off strategy**...and defining your risk appetite
- **Knowing & Involving your customers**, listening and learning from them
- Business planning in the real world - not the dream world!
- **Knowing and managing you risks and opportunities...and leadership**
- **Testing and regularly reviewing your risk appetite and tolerance** - making it real and embedding risk management into your organisation...and **clarity of leadership**
- **Listening to and resolving complaints well** - strategically and operationally
- **Demonstrating Regulatory Compliance** to your own governance structures and the Housing Regulator -

... being a **GREAT** landlord at a time when Housing has become more risky.



# Risk Management matters!

- **It's the Boards job** - not just Audit and Assurance Committee
- **Get clear reports** of key audit and risk issues escalated
- The board should own and define its **Risk Appetite and Risk tolerance** - have you got **SMART measures**?
- Do you have a '**golden thread**' between your BP and Risk Map
- **Stress Testing** the plan - focus on key risks and key combinations
- How good are your '**controls**' - challenge Executive on them
- Seek **evidence** and **assurance** - two key words to use!
- **Keep risk management alive** - its not just for Christmas!
- **Don't get lost** in detail but get the detail delegated!
- **DATA quality and integrity** is a growing risk as is **Cyber Crime**.



# My top tips for Board Members

- Constructively **challenge**
- Ask the 'stupid **question**' - as there is no such thing!
- Be **tenacious**...follow things through
- Follow up on your previous questions - demand **SMART** answers
- Seek **timescales** for delivery and drive progress
- Seek '**assurance**' on compliance issues especially
- Ask 'how do we know? and 'have we **validated** this data?'
- Seek **external advice** when you need it
- **Minutes** matter - 'if its not written down it didn't happen'
- Manage **relationships** well - with advisors and regulators
- **Honesty is the best policy!**



# What about the future?





BUILD  
MORE  
SOCIAL











**Building commercially...**

for rent for sale and shared ownership



## Compliance

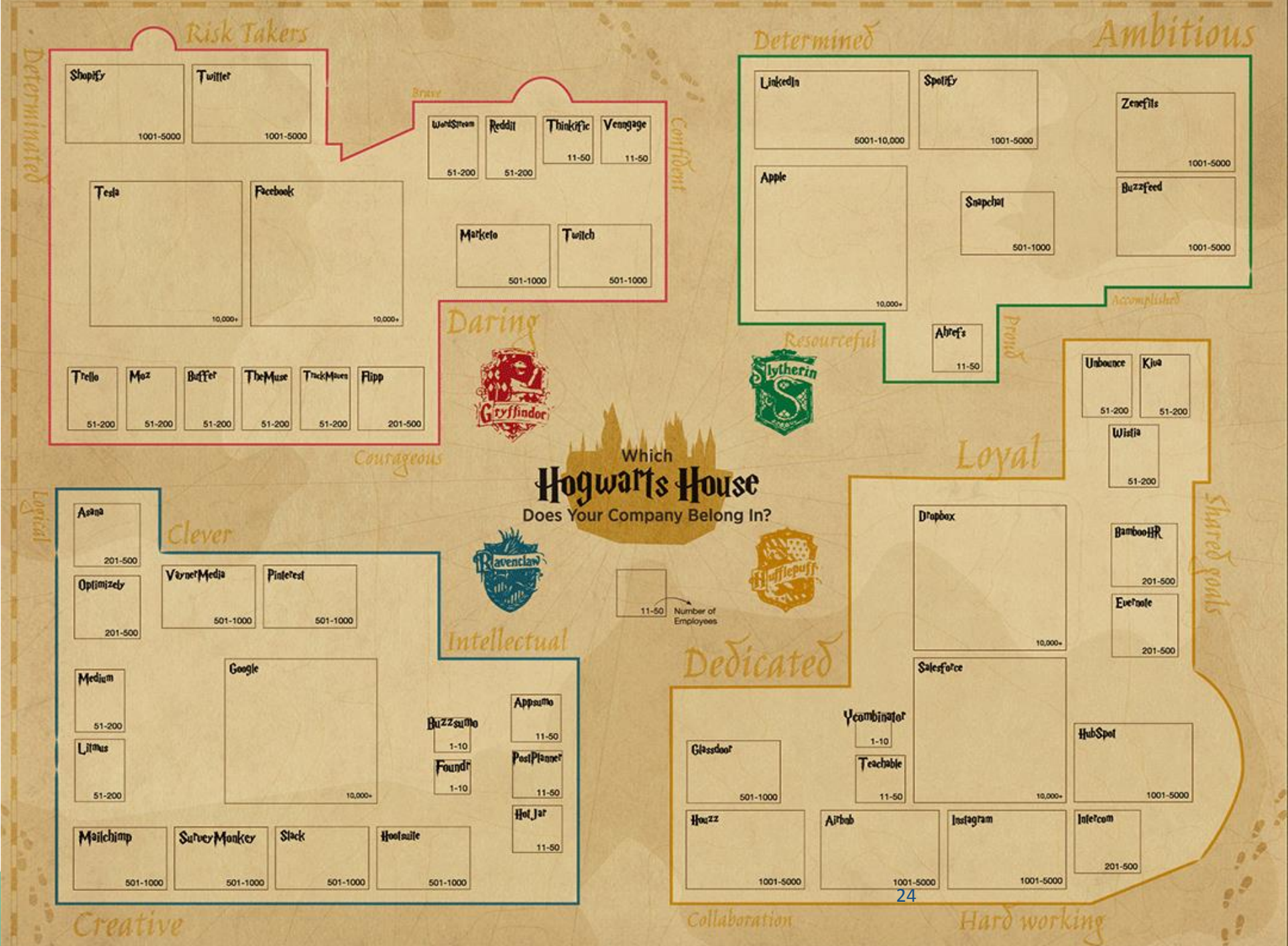


## Customers



and Culture...







Questions now or later...

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**Diolch**  
**Thank You**

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