

**Cartrefi
Cymunedol
Cymru** | **Community
Housing
Cymru**



New to the Board:

Acting in the best interests of your organisation

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THIS AFTERNOON'S OBJECTIVES



The focus of this bite-size will be on the roles and responsibilities of new board members

- What does 'acting in the best interests of the organisation really mean?
- How to provide constructive challenge
- What do you need to help you perform well?

UNDERSTANDING GOVERNANCE

Governance: the system by which organisations are directed and controlled.

Boards members are responsible for the governance of their organisation and must understand the full scope of their responsibilities. They should:

- have sufficient time and resources to meet their responsibilities;
- provide constructive challenge, strategic guidance, offer specialist advice and hold management to account;
- ensure that (with support from the company secretary) they have the right policies, processes, information, to function effectively and efficiently.



PERFORMANCE STANDARDS...A FLAVOUR

Governance arrangements should establish and maintain clear roles, responsibilities and accountabilities for the board, chair and chief executive.

- Ensure appropriate probity arrangements are in place
- Comply with governing documents including adopting, and complying with, an appropriate code of governance
- Adhere to all relevant law
- Have effective systems and controls to monitor and accurately report delivery of [your] plans
- Demonstrate how the board assures itself of current performance, including tenant satisfaction, and drives continuous improvement
- Monitor, report on and comply with all covenants



Compliance - is it for us, or is it to meet the demands of others?

LEGAL & 'FIDUCIARY' DUTIES



**Acting in the best interests
of the Association**

- Policy makers & planners - providing clear strategic leadership & monitoring performance
- Ensuring compliance - with objects, purposes and values and relevant regulation, laws
- Ensuring the financial strength, solvency and good performance
- Appointing, remunerating and appraising the Chief Executive and other senior officers
- Setting and maintaining a framework of delegation and internal control
- Managing significant risk to the Association - financial or otherwise.
- Acting as Ambassadors and managing the Association's reputation

CHC'S CODE OF GOVERNANCE

Seven principles for good governance:

1. Organisational Purpose
2. Leadership
3. Integrity
4. Decision-making, Risk & Control
5. Board Effectiveness
6. Diversity
7. Openness & Accountability



RISK AND RESULTS BASED GOVERNANCE

The “Approval Syndrome”

Carver, J 1997



- Just reacting & no *challenge*
- Sheer volume, low-level issues & short term bias
- Reviewing, re-hashing, redoing

CONSTRUCTIVE CHALLENGE



Asking the 'right' questions

- Set Criteria For Success
- Feel Uncomfortable
- Celebrate

Form or Content?

- Decision Information
- Monitoring Information
- Incidental Information

REFLECTIONS



- What do we need in order to help us constructively hold management to account and to manage strategic risks?
- What proportion of board time do we think should be spent on financial performance management versus other matters of strategic importance?
- What do we need to do to ensure we have the right balance between focussing on immediate issues and long-term success?
- How can we assess and measure the impact of our decisions on our staff, stakeholders and customers?

Vision of Good Governance



SOME USEFUL DOCUMENTS

- Regulatory Framework for Housing Associations Registered in Wales
- Housing Association Circular RSL 005/10
- Housing Association Circular RSL 02/15
- The Right Stuff: Improving Housing Association Governance in Wales
- WG Sector Risks and Regulatory Expectations
- CHC Code of Governance
- FRC Guidance on Board Effectiveness
- ICSA Guidance note: Matters reserved for the board of trustees
- WG Lessons learnt report: CCHA

