

Holding Up the Governance Mirror



Llywodraeth Cymru
Welsh Government

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Governance Conference 2017

What is the State of HA Governance in Wales?

- Last comprehensive review 2013
 - Mixed picture “mediocrity and a lack of alacrity”, “on a journey”
 - Recommendations largely around governance processes eg appraisals, Code of Governance
<http://gov.wales/docs/caecd/research/130912-sector-study-governance-housing-associations-registered-wales-summary-en.pdf>
- “The ultimate aim for housing associations is to become the best governed group of organisations in Wales.” Stuart Ropke 2015
- How’s that going?
 - Regulation soundings - Still a mixed picture – clear progress, in particular around processes and frameworks for good governance, but more to do
 - We need hard evidence

What Needs to Change?

Governance Progress Report

- RBW priority for 2017/18
- We all need a clearer picture – regulator, sector, key stakeholders
- Collaborative approach via a steering group to scope and support the development of the review – as for VFM review
- Outcome
 - Hard evidence as to the current state of governance in Wales
 - Clarity on sector's governance priorities and concerns and on what needs to change
 - Evidence base for
 - Work of the regulator
 - Work of the sector eg Code of Governance review, governance offer

Learning from Governance Gone Wrong

- Riskier, more uncertain, environment
- Complex cases – lessons learned
- Regulation response to “problems”
 - Support not punishment
 - Board’s job to sort out, not ours
 - Focus on what really matters
 - Steadying the partners
 - Conscious of wider sector implications
 - Decisive action where needed

What Does Go Wrong?

- **Governance**

- Anything else is a symptom not a cause

English experience - “With Benefit of Hindsight”

<https://www.gov.uk/government/publications/with-the-benefit-of-hindsight-learning-from-problem-cases-volume-4>

- Weak governance
- Ambition not matched by skills
- Lack of attention to detail eg compliance

Board Quality Critical

- Lack of grip
- Lack of Challenge
- Lack of the right kind of challenge
- Unhealthy relationships
- Poor Chair

What Worries the Regulator

**Real examples but
naming no names**

Worrying Boards

- The Complacent Board
- The Cosy Board
- The Passive Board
- The Compliant Board
- The Sycophantic Board
- The Inexperienced Board
- The Dignitary Board
- The Self Congratulatory Board
- The Inward Looking, Isolated Board
- The Belligerent Board

Worrying Boards

- The Optimistic Board
- The Split Board
- The “Representative”/ Multi Hatted Board
- The” Whole is so much less than the sum of its parts” Board
- The “In Denial” Board
- The “Rabbits in the Headlights” Board

Worrying Senior Staff

- Lack the right skills – and don't know it
- No demonstration or understanding of leadership
- Stale/ Out of touch
- Deluded – Hubris/Arrogance
- Infallible/ Godhead figures
- Lack of Team Work

Quality of Relationships Critical

- Chair/ CEO relationship - professional, challenging, supportive, balanced
- CEO/ Senior Team – leadership, responsibility
- Senior Team – collaborative, professional, objective, strategic, collective responsibility
- Senior Team/ Board – respectful, challenging, open
- Within the Board – factions/ elite/ experts

Warning Signs – things may be going wrong

- Feels disorganised and chaotic
 - Not on top of performance or compliance
 - Poor information to board – too much, too little
 - New initiatives appear from nowhere
 - Changing mind
 - Can't reach a decision
 - Massive agendas/ very long meetings/ very frequent meetings
 - Lack of team work
- Feels rigidly managed and controlled – including managing the regulator
- Issues with Board / Senior Staff – skills, relationships, approach to challenge
- Confrontational with Regulator – in denial
- Low Turnover - Everyone been around for very long time – Board, Senior Team, advisers eg audit
- High turnover – Board/ Senior Team

Warning Signs - continued

- Never seen out and about
- Too much complexity
- Plethora of ever changing new ideas
- Lack of grip on risks
- Lack of focus on core business/ housekeeping
- Inappropriate views of service users
- Deference
- Board unaware of regulator concerns
- Unclear on purpose
- Development fixation
- Little/ no horizon scanning



**Could this
be YOU?**

Questions?