

Good morning everyone.

And welcome to this year's Governance Conference.

When I spoke at my first Conference as Chief Executive of Community Housing Cymru almost three and a half years ago, I said that my aspiration was that the "housing association sector should be recognised as the best governed organisations in Wales".

Truthfully my ambition was rather bigger, there was and is no reason why housing associations in Wales should not be the organisations with the best governance across the whole of the United Kingdom and beyond.

And I think our conference this week will mark another milestone on the

journey towards governance excellence. Later this morning, the Regulatory Board for Wales will launch the findings and recommendation of their Governance Review “The right stuff”. I’m sure that review will acknowledge the improvement in governance across the sector since the Regulator last looked at the issue in 2013, while outlining some recommendations of where work is still needed.

Of course, that last Governance Review also set the backdrop for Community Housing Cymru to launch our first Code of Governance for housing associations in Wales in 2014. And today we start a

period of 8 weeks consultation on our all-new Code.

I want to say more about the Code of Governance later.

But given the scale of the challenges we face and the huge ambition of housing associations for the next twenty years and beyond – now more than ever, we have to get things right.

**2017 – a year like no other.**

The last 12 months have been a whirlwind for the social housing sector in Wales and beyond.

First and foremost the terrible tragedy at Grenfell Tower raised questions about attitudes to social housing and

tenants. And of course, what role might poor governance have played?

In Wales, a wide-ranging Public Accounts Committee inquiry into the regulation of our sector cleared the path for legislation to reinstate our position in as independent, private sector organisations. It also speeded the decision to allow payment of board members if associations choose to do so.

In return, the politicians were very clear that housing associations needed to be open and transparent in all that they do.

2017 was also the year in which Community Housing Cymru, conducted over 500 conversations with those

working in and with an interest in the housing association in Wales.

Those 500 conversations formed the basis of Housing Horizons. Our 20 year ambition and vision for housing associations in Wales.

Our ambition is clear – By 2036 we want a Wales in which good housing is a basic right for all.

You told us that housing associations will build 75,000 homes in the next 20 years.

The vast majority of those homes will be for social rent. There is no confusion in Wales about our mission and purpose.

You told us that by 2020, all of the new homes that housing associations build will be near zero carbon standards, and your aspiration is that by 2036 all of our homes will reach that same standard.

By 2036, 95p in every £ spent by housing associations in Wales will be invested in Wales with local suppliers and companies.

Your vision is one in which communities in Wales will be better connected, more resilient and sustainable.

When we launched Housing Horizons last year, we called for a comprehensive review of housing policy in Wales to create the

environment to allow you to deliver on this ambition.

We've had positive discussions with Welsh Government and we expect to see progress on this soon.

Any review could see big changes in the way we invest in and build new homes in Wales and this will need to be at the forefront of board member's minds as you formulate your organisations strategy for the coming years.

Big ambitions require strong leadership. Good governance is where the magic in organisations begins.

**And that is where our Code of Governance comes in.**

In 2015, our Code of Governance was process heavy. It was prescriptive but arguably needed at that time, as practice in some organisations needed to be built from the foundations up.

It was useful for the regulator who essentially has a checklist against which to check compliance but it was rigid and encouraged a one size fits all approach.

I remember that when I formally launched our Code at the Conference in 2015, I was adamant that it would be a living and breathing document which would evolve and develop with the sector. And today we are in a position to launch a very different Code.



It stands as testament to how far the sector has come, and that the regulator and other stakeholders such as lenders and investors in the sector have been supportive of the approach we are taking in this new role.

We are no longer talking about process but culture. No longer prescribing a checklist but a set of principles that organisations and boards will interpret and adopt in the best way to fit the purpose and mission of their particular organisation.

Built on 7 principles –

- Organisational Purpose
- Leadership
- Integrity
- Decision making, risk and control

- Board effectiveness
- Diversity
- And last but no means least
- Openness and accountability

The code reflects our position as independent, private organisations with a diverse set of stakeholders ranging from tenants, customers and service users, our partners in central and local government, employees, investors and the communities in which we operate.

It poses a challenge for boards and leadership teams who will need to think more clearly and strategically about mission, purpose and structure. It will also challenge the regulator as the judgement of good governance will

be focussed on outcomes and culture and not solely compliance.

While we have already had considerable input into this process from our members and others, today marks the start of an 8 week consultation period ending on May 4<sup>th</sup>.

Let us hear your views and we will launch the final version of this code formally at our Leadership Conference in the middle of June.

## **HQN**

In parallel with the launch of our new Code, I'm also delighted and excited to be able to announce a new partnership between Community Housing Cymru and the Housing Quality Network.

(HQN)

HQNs Chief Executive, Alistair McIntosh is closing our conference tomorrow and many of you will know Keith Edwards who is the lead HQN associate in Wales.

Purely devising a new Code of Governance is not enough. We know as your trade body, we need to provide the practical support to enable you to bring the Code to life in your own organisation.

Building on your views about the support you need, we are developing a comprehensive package for both Chairs and board members. That package will include elements such as managing relationships between the executive and boards, the role of Chair and Chief

Executive, succession planning and managing difficult board members.

You also told us that traditional delivery methods won't do and our new partnership allows us to take a dynamic, flexible approach and will include an online learning element.

The 1<sup>st</sup> module will be launched formally at our HR and Learning and Development Conference in May, with more content to follow across the year.

### **Exciting time.**

I can't think of a more exciting time to be a board member at a housing association. Part of organisations who

are currently building almost all the new affordable housing in Wales. Part of organisations who make a tangible difference to people's lives across Wales every day.

And part of organisations who have been clear about their huge ambition for the next twenty years and have the potential to achieve that ambition.

The evolution of our Code of Governance is demonstrative of a sector which aspires to be the best it can be. Which understands the responsibility it has as major investors in the Welsh economy and as providers of a public service.

We are in a time of huge uncertainty and challenge. But in a time when

housing associations in Wales can make a bigger difference than ever before. I look forward to working with you all as we strive to make Wales a place where good housing is a basic right for all.