

BCHA Annual Governance Statement

For the year ending 31 March 2020

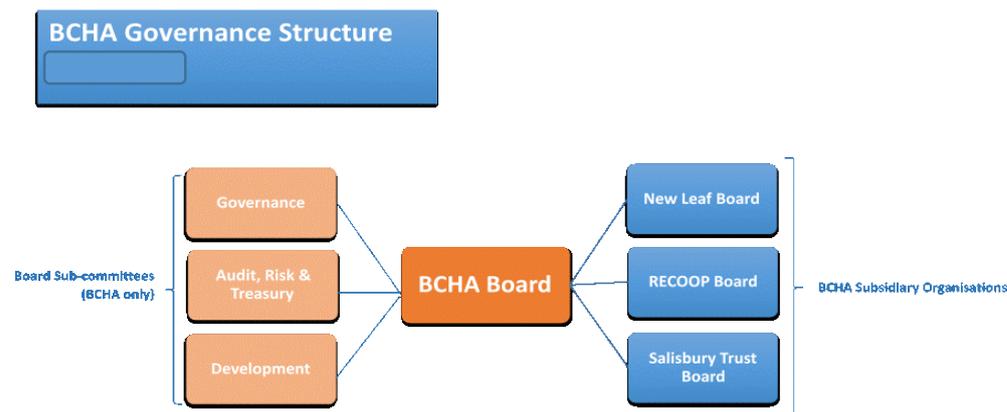
About BCHA

BCHA is a registered provider of social housing working across southern England managing approximately 1300 homes for individuals and families in housing or social need. Our services include being a landlord as well as providing support, health and employability services to those in our homes and the wider community.

BCHA is led by a Board which comprises 12 members. Whilst serving in a voluntary, non-executive capacity, Board members possess a balance of skills and experience from public and private sectors. The Senior Leadership Team (SLT) comprises the Chief Executive, 4 Directors and 1 Head of Service.

BCHA is the Parent organisation for three smaller subsidiaries – The New Leaf Company (a social enterprise company) and Recoop and Salisbury Trust for the Homeless (two charitable companies) – each entity with its own board.

BCHA's Board delegates detailed scrutiny in key areas of its business to three sub-committees.



Corporate Governance

Corporate Governance is the system by which organisations are directed and controlled (Cadbury Committee, 1992). Successful organisations are ones which are governed well and the cornerstone of effective governance is an effective board. BCHA is committed to high standards of governance and seeks to ensure this through:

- Full compliance with the Regulator of Social Housing's Governance & Financial Viability Standard (which we are obliged to adhere to as BCHA is a Registered Provider of Social Housing). <https://www.gov.uk/guidance/regulatory-standards>
- Full compliance with the National Housing Federation Code of Governance, voluntarily adopted, which is common to many social landlords (and which our subsidiaries have adopted too). <https://www.housing.org.uk/resource-library/browse/code-of-governance/>
- A single Business Planning, Risk and Internal Control Framework, an internal quality mechanism, enabling BCHA to work effectively across 17 business effectiveness principles.

Governance Framework

We have developed a Governance Framework, a comprehensive document containing a wide range of procedures that aims to create a consistent approach to Governance across the Group. The Governance Framework enables each entity in the Group to establish governance processes which are relevant to each organisation's circumstances. The objectives of this Framework include:

- Aligning processes with organisational constitutions
- Translating the principles of the Code of Governance into formalised and transparent processes
- Ensuring compliance with group-wide regulatory standards

Internal Self-Assessment

We have undertaken the following internal governance-related reviews during 2019/20:

	Governance & Financial Viability Standard Self Assessment <ul style="list-style-type: none">• The BCHA Board considers it fully complies with this standard
	Code of Governance Self Assessment <ul style="list-style-type: none">• The BCHA Board considers it fully complies with the Code• It has identified some actions to ensure or strengthen compliance for next year
	Annual Review of Internal Controls <ul style="list-style-type: none">• The BCHA Board has reviewed its Business Planning, Risk and Internal Control Framework and considers this effective• Of the 17 principles in the Framework, 8 are rated as "strong" assurance, 7 are rated as "moderate to strong" and 2 are rated as "moderate" assurance
	Board's Review of Group Structure <ul style="list-style-type: none">• The Board regularly reviews the financial performance of its three subsidiaries• The Board has spent time in 2019/20 considering the operations and governance of The New Leaf Company although these considerations are ongoing into 2020/21

In addition, each year the following also take place:

- Board reviews its own effectiveness (In 2019/20, through the individual appraisal process)
- Board holds two strategic away days (A new 5-year Business Plan was adopted in May 2020)
- Governance Committee reviews committee membership and board skills
- Governance Committee reviews probity matters in-year
- Governance Committee develops a training plan and identifies topics for Board away days
- Governance Committee reviews the Governance Framework and subsidiary governance
- Audit, Risk & Treasury Committee reviews the Group Financial Regulations
- All Boards and Committees review their Terms of Reference

External Assessment

There were three forms of external assurance concerning governance quality in the reporting year:

1. The **Regulator of Social Housing** published BCHA's Regulatory grading at "G1V1" in January 2020. "G1" is a governance grading and is the highest on a scale of four. <https://www.gov.uk/government/publications/regulatory-judgement-bournemouth-churches-housing-association-limited--2>

2. As part of our annual Internal Audit Plan, the **South West Audit Partnership** (SWAP LLP) undertook a number of high level organisational reviews – governance (green), risk management (green), financial management (green) and people/asset management (amber). Implementation of recommendations is monitored by the Audit, Risk & Treasury Committee and all but 2 of the 13 agreed actions had been implemented by the financial year end.
3. Our external auditors, **KPMG**, issued unqualified accounts for the financial year 2019-20 with operational issues raised in its Management Letter (which has been reviewed by the Audit, Risk & Treasury Committee with management actions agreed).

Fitness for Purpose

Both internal and external assessments confirm effective governance arrangements in place within the Group and statements to this effect have been included in the audited accounts for 2019-20.

We have evidenced good value for money in governance arrangements by better utilising board member expertise to support officers through “Task & Finish Groups” (which report back to the Board after having explored single issues). Owing to the coronavirus outbreak at the end of the financial year (and ongoing into 2020), governance effectiveness has been maintained through use of on-line platforms to host meetings and take virtual decisions.

Material Governance Activity – Completed and Planned

Completed Actions	Lead	Comments
Complete recommendations from 2019 Internal Audit on Governance	Company Secretary	Completed and signed off by Internal Auditors April 2020
Conduct Appraisals round for Board Members and Chair	BCHA Chair	Completed Feb 2020 and Reported to Board
Rule change regarding Vice Chair to strengthen compliance with Code of Governance	Company Secretary	Approved by AGM September 2019
Review of Governance of Safeguarding	Director Homelessness, Health & Wellbeing	New policy introduced. Completed February 2020
Review of Board Performance Reporting	Company Secretary	Completed February 2020
Board-led review of Business Plan (inc staff engagement)	Chief Executive	New Plan agreed, including stress testing, May 2020

Planned Actions	Lead	Timescale
Review Conduct policies/codes	Company Secretary	Jan 2021
Review CEO appraisal process	Governance Committee	Jan 2021
Review Board appraisal process	Governance Committee	Mar 2021
Review Board member role description/service agreement	Company Secretary	Mar 2021
Conclude review of New Leaf Company governance	Board	Dec 2020
Consider adoption on revised NHF Code of Governance	Board	Mar 2021

We will report back on these planned actions in next year’s statement.