

BCHA Annual Governance Statement

For the year ending 31 March 2021

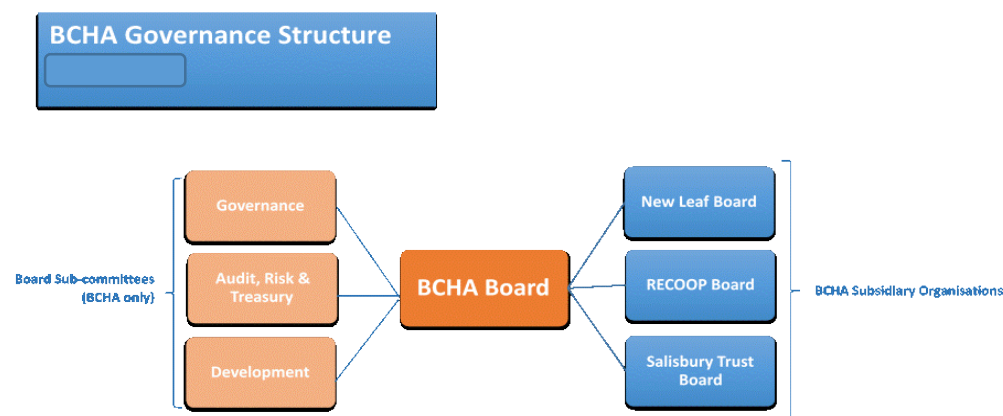
About BCHA

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 Executive Team (ET) 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 has 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 set of policies and 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 for the year ending 2020/21:

	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 [2015 version] <ul style="list-style-type: none">• The BCHA Board considers it fully complies with this Code• It has adopted the revised 2020 version of the Code and seeks to be fully compliant for the 2021-22 reporting 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 resolved to make the New Leaf Company dormant from 1 April 2021 until a review of the company's business model is undertaken in the future

In addition, each year the following also take place:

- The Board reviews its own effectiveness
- The Board holds two away days to consider elements of the business strategy
- The Governance Committee reviews committee membership and board skills
- The Governance Committee reviews probity matters
- The Governance Committee develops a training plan and identifies topics for Board away days
- The Governance Committee reviews the Governance Framework and subsidiary governance
- The Audit, Risk & Treasury Committee reviews the Group Financial Regulations and strategic risks
- 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. Following its cyclical In-Depth Assessment (IDA), the **Regulator of Social Housing** revised BCHA's Regulatory grading to "G1V2" in July 2021. "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 two high level organisational reviews – procurement (green), information management (amber) in addition to specific control audits. SWAP issued a year-end report offering “*Reasonable Assurance in respect of the areas reviewed*” to the Board.
3. Our external auditors, [KPMG](#), issued unqualified accounts for the financial year 2020-21 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 2020-21.

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). Despite the coronavirus outbreak in 2020-21, governance effectiveness was maintained by use of on-line platforms to host scheduled meetings and take decisions. The Board also considered and approved an ambitious new 5-year Business Plan in the year.

Material Governance Activity – Completed and Planned

Completed Actions	Lead	Comments
Review Conduct policies/codes	Company Secretary	Completed Dec 2020
Review CEO appraisal process	Governance Committee	Completed Dec 2020
Review Board appraisal process	Governance Committee	Completed Jun 2021
Review Board member role description/service agreement	Company Secretary	Carried forward to 2021-22 as part of new Code of Gov. preparations
Conclude review of New Leaf Company governance	Board	Completed Nov 2020
Consider adoption on revised NHF Code of Governance	Board	Completed Feb 2021
Adopt new Customer Engagement Strategy	Board	Completed Feb 2021

Planned Actions	Lead	Timescale
Complete NHF Code of Governance 2020 alignment	Company Secretary	Apr 2022
Recruit to 2 planned vacancies on the Board for 2021	Board Chair	Oct 2021
Undertake Board member and Chair appraisals (two-yearly)	Board Chair & Vice Chair	Feb 2022
Adopt new Equality, Diversity & Inclusion Strategy	Board	Nov 2021
Undertake review of group governance structures	Board	Apr 2022

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