

BCHA Annual Governance Statement

For the year ending 31 March 2023.

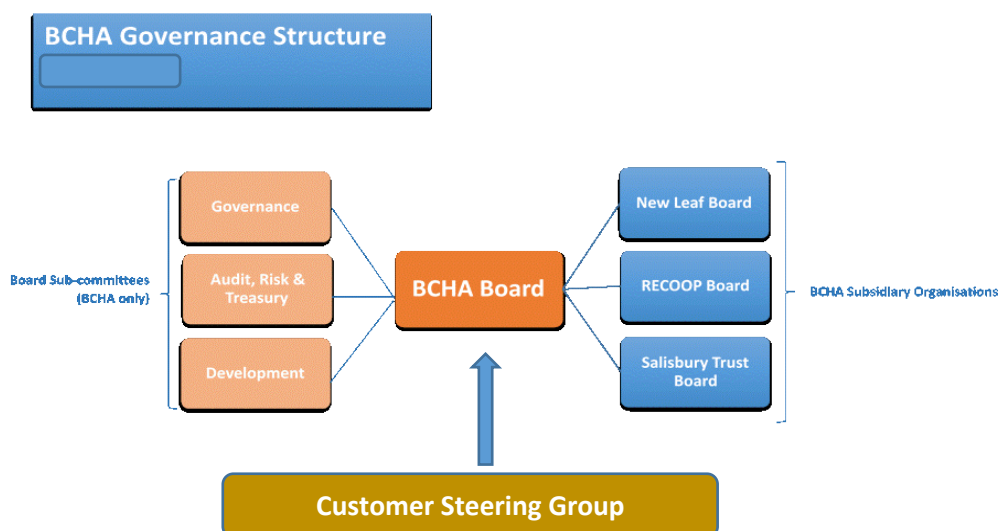
About BCHA

BCHA is a registered provider of social housing working across southern England managing approximately 1375 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, the Chief Operating Officer, 3 Directors/Assistant Directors and 1 Head of Service.

BCHA is the Parent organisation for three smaller subsidiaries – The New Leaf Company (a social enterprise company, currently dormant) and Recoop and Salisbury Trust for the Homeless (two charitable companies). Each active subsidiaries 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 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 **[draft – committees not yet reviewed]**

We have undertaken the following internal governance-related reviews for the year ending 2022/23:

	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 [2020 version] <ul style="list-style-type: none">• The BCHA Board considers it fully complies with this Code
	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 and strategic performance of its active 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. The **Regulator of Social Housing** re-affirmed BCHA's Regulatory grading to "G1V2" in January 2022. "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) issued a year-end report of audit activity offering “*Limited Assurance in respect of the areas reviewed*” in year to the Board. Actions identified in the audits are being addressed by management and monitored by the Audit, Risk & Treasury Committee.
3. Our external auditors, [Crowe UK LLP](#), issued **unqualified accounts for the financial year 2022-23 [draft – not yet issued]** 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 2022-23.

We have evidenced good value for money in governance arrangements by utilising board member expertise to support officers through “Task & Finish Groups” (which report back to the Board after having explored single issues). We also make significant use of virtual meeting technology including a cloud-hosted portal to administer meetings.

Material Governance Activity – Completed and Planned

Completed Actions	Lead	Comments
Recruit to planned vacancies on the Board for 2022/23	Board Chair	Completed, inc on-boarding
Appoint new CEO upon retirement of current incumbent	Board Chair	Completed
Establish governance structure for customers to engage directly with Board members	Director Change, Transformation & Growth	Completed

Planned Actions	Lead	Timescale
Agree and initiate strategy for Chair & Vice Chair Succession in early 2024	Governance Committee	April 2024
Agree new 5 year Business plan	Chief Executive	March 2024
Market test internal audit services for new 5 year contract	Audit Risk & Treasury Committee	Feb 2024
Consider and agree ESG commitments and reporting	Governance Committee	April 2024
Streamline quarterly performance reporting to Board	Company Secretary	March 2024

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