

Briefing Notes

Should housing and asset management expertise be an essential component of a social landlord's Board?

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In partnership with

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Introduction

In this session, Gordon Perry, senior NED at Trafford Housing Trust and a Board Member at the Chartered Institute of Housing, facilitated a discussion on the need for housing management and asset management expertise on a housing association's Board. Gordon opened the discussion with a short presentation of his own thoughts on the topic.

Introduction from Gordon

Gordon stated that it is about time there is change around, giving greater priority to housing and asset management skills on each housing association Board. Why shouldn't this expertise be the most important part of a Board given that the clue is in the title? As social landlords, housing should be centre stage and we need to ask why housing management is not seen as a recognised and respected profession. An accountant is seen an essential part of the Board, you wouldn't think about not having an accountant so why not a housing professional?

Some organisations need to radically review their policy and approach to fulfil their charitable core purpose. In the drive to become more commercial, some organisations have been diverted away from the purpose they were set up to fulfil, that of the landlord function. How did we get to the position where housing associations and councils are featured on the TV and national press and referred to as "Rogue Landlords"? The response to this has been insufficient; the sector hasn't been full of apology but has on occasion tried to explain it away. We need to get rid of the defensiveness.

History of the sector

In 1974, the Housing Act was implemented and, as a result, housing associations grew significantly because they were receiving Government support from grants for the development of new homes. In the 1980's, the Conservative Government introduced initiatives such as Large Scale Voluntary Transfers and the Right to Buy, all of which were to reduce housing investment and take it out of the public sector borrowing requirement. As a result, social housing has been residualised.

In the sector's drive to "build, build, build", we have left behind the priority of helping the people that social landlords were established to help in the first place. The skill of a Board has been widened to accommodate the drive to development, but this has squeezed out the housing and asset management skills as a detriment.

Another element of change has been the size of housing associations. It appears that the smaller the organisation, the more placemaking and geographically targeted they are. They are more likely to have housing or asset management skills on the Board. As housing associations get larger and more commercially focused, those skills are squeezed out because, perhaps, it is viewed they can be covered by the executive or that it is more important to have future proofing skills such as IT or corporate customer service.

Gordon noted his research into larger housing associations and, when looking at Board membership, very few have housing professionals on the Board.

Leadership

Some executives might prefer the Board to be more strategic and not get down into the operational detail of the issues and challenges, such as repairs. The sector hasn't led on the importance of having these skills. Housing and asset management, and experience of these issues, is necessary to provide the best possible service. Has leadership failed because we don't push or welcome these skills onto the Board because they are not valued?

Conclusion

Housing and asset management skills are needed more than ever. Our history explains why we got here. The broadening of purpose has squeezed out the opportunity to prioritise housing and asset management and some executive leaders may not encourage or welcome it. For the future, we should value and require it more. Fundamentally, that is why housing associations exist, to deliver those services.

If Boards are not already concerned, they may be forced to be with the Social Housing White Paper and the consumer regulation that will flow from it. Customers will increasingly demand the expertise. The rise in the cost of living will also show demand for a fair price. Boards will have to have difficult conversations around their tenants' situations (such as, can they afford rent increases, can they heat and eat?) and some of those issues will bring the core values of

housing management back to the centre. These issues will need the experience of those skilled in the area to bring the Board together

Group discussion

The discussion question for breakout rooms was: **If housing and asset management is not a key skills component of your Board, why isn't it?** Have you already got housing management or asset management skills on your Board and, if you do not, what are you going to do about it?

Some of the central discussion themes from the breakout groups and shared were:

- Lots of attendees broadly agreed with what Gordon had said and shared they have recently recruited or already have housing management expertise on their Board. It was noted that, where organisations do not have any such expertise, even having one person would be a great improvement for many organisations.
- Social landlords are very compliant organisations and are regulator driven. The NHF code has changed its guidance as to the total number of Board Members (from 15 to 7). Is housing management a casualty of this and is it being squeezed out? We do need people to wear several hats. Rather than just filling an open vacancy because we feel we should, we must consider the need and focus on the skills rather than the numbers. It can't just be a tick box exercise.
- You do not need a large Board, just one that has the capacity and skill to make the right decisions. There is also an opportunity to look at governance and co-opted members where appropriate. You can build committees, bringing together Board Members and experts who understand what is required. There is also less competition between housing associations now so there is an opportunity for peer learning on housing and asset management.
- A minority of attendees felt there was no need specific housing management expertise on the Board. They noted that you need the right information and relevant KPI's, but question where do you draw the line when you build a skills matrix?
- Respecting expertise is important on a Board. If you as a Board Member have colleagues alongside you who can guide you in their own expertise which you do not have experience of, that can make you more effective as a Board Member.
- Recruitment can sometimes be a struggle with organisations and their Chair wanting to recruit experienced Board Members. Those who practice in housing and asset management are busy people who may not have NED experience. Boards should be open to take on a Board Member who has not been one before.

- On the same theme, executive teams sometimes do not want housing or asset management expertise on the Board because they consider the Board should only focus on strategy. It can be difficult to challenge this thought process but is important to do so. We can link this to culture – how can we drive the organisation if we do not know what is happening on the ground?
- By analogy with NHS Trusts, attendees' experience was there was a requirement for clinical expertise on NHS Trust Boards and it was seen as unsafe to do otherwise. Why not housing and asset management expertise for housing association Boards?
- We need to consider mission and purpose overall. What skillset do we need to deliver our mission over the next 5 or 10 years rather than the skills appropriate for the last 10 years? Do we have the skills for what we need going forward?

Closing thoughts

Gordon clarified that this discussion was not about arguing other skills are not needed and valued on a Board. As social landlords broaden their purpose, they need broader skills and experience. However, how can we say we do not need housing professionals on a housing association Board? A number of chief executives who do not see the need for them and Chairs want experienced Board Members. Are Chairs and CEOs sometimes more focused on getting through the papers without too much debate rather than harnessing the value from Board debates?

Gordon issued a challenge to all Board Members, particularly newer ones, and asked them to try and understand housing and asset management in their own organisation better. Ask to see the very worst stock that the organisation has, those which are the most challenging and ask to see an illustration of the biggest problems. Organisations build new homes and visit new build developments all the time, but we must ask, what are we doing to improve our existing stock. We need that type of challenge on a Board and anyone can do this, even as a non-housing professional.

Register for our next session

The connection between good inclusive behaviour in the organisation and successful tenant engagement

Monday 6 June 4 - 5pm

Join a conversation with Jenny Brown and Anne-Marie Bancroft to discuss their findings from roundtable research on the overlap between the challenges around inclusive thinking and tenant engagement.

Speakers: Jenny Brown, Chair, Longhurst and Director at Altair Ltd, and Anne-Marie Bancroft, Principal Consultant, Altair Ltd.

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