PlaceShapers
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Holding onto optimism during extreme times of pressure

Monday 13 February 2023

Introduction

Heather Thomas, Chief Executive at Sapphire Independent Housing and Chair of the Board at Croydon Churches Housing Association, was the guest speaker for the session. Heather reflected on the current challenges facing Boards from sector-specific concerns, through to broader pressures from across the UK and abroad – we are facing challenging times. She discussed how organisations can respond to these pressures in a way that maintains optimism, particularly by remembering that at its best, social housing creates safe secure good quality homes for individuals, families and communities.

Understanding the pressures on Boards

Heather noted that Board members are facing many (sometimes conflicting) challenges on several fronts. At the sector level, there is an increased expectation on Boards to focus on health and safety especially since Grenfell, damp and mould since the death of Awaab Ishak as well as stock condition generally. Responding to the raft of legislation on building and fire safety on top of other legislative changes such as the new Social Housing Bill and regulatory reforms; all whilst Boards are facing affordability issues given the below cost of living rent increases to be applied.

The effects of nationwide challenges such as inflation, the impact of Brexit, the lack of economic growth, the cost-of-living emergency and social polarisation is also evident. Residents' wellbeing has also been

deteriorating as a result of the pandemic, with long covid affecting both residents and staff. Political instability is also hitting the sector – there have been 6 Housing Ministers in less than a year and 23 Housing Ministers since 2000.

Global events are impacting; the earthquake in Turkey and Syria and wars in Ukraine and elsewhere are impacting residents, while the speed of climate change is requiring Boards to consider decarbonisation and how to reach net carbon zero.

How do Boards manage these risks when the Regulator notes in the Sector Risk Profile that many of these things are crystallising? It is increasingly prevalent that Board members are expected to navigate all of these economic, social and environmental factors and retain resilience. With Boards taking on greater responsibility for a larger range of issues, there's an increased expectation for Boards to be more involved and at a deeper level, meanwhile, becoming more accountable to residents, stakeholders and the communities served.

Heather spoke of her own experience of increased regulation also, with OFSTED becoming involved in regulating under-18 care leavers in temporary accommodation. This is all happening while Boards and housing associations are working remotely and in a hybrid fashion making it more difficult for organisations and Boards to maintain their connection with one of the most important stakeholders – their residents.

Heather reflected that 'it feels a little like Boards are under siege', there is a danger that the Board may become another level of management. Do we need to rethink governance arrangements? Despite the NHF Code (of Governance) 2020 is there still a need to rethink? Do Boards need permission to acknowledge that things are difficult, to identify the reality of the challenges faced and who are these noted to?

Sometimes all of this can be overwhelming either as CEO or a Board member, but it does feel like scale of the challenges are very difficult, increased and often conflicting – how do we get to place where we are more optimistic at this difficult time? Whose role is it to hold onto the Vision and Purpose, the optimism, the story, to remind those involved of the long-term benefits that the organisation can and will bring?

Who is responsible for maintaining optimism?

The Board is not solely responsible for maintaining optimism within the organisation, responsibility is shared with the executive and staff. However, as leaders of the organisation, the responsibility does fall mainly on the Board. This was particularly interesting for attendees who hold separate roles as an executive and on the Board of different organisations.

The Board can maintain optimism by keeping the Purpose and Vision of the organisation at the forefront of decision-making, but the Board can also feel most responsible when things do not go to plan.

How can Boards maintain and project optimism?

The discussion posed a series of challenges and discussed several ways for Boards to stay optimistic during difficult times:

1. **Prioritise and look at the bigger picture**

   ■ It was agreed that at the moment, there is an unusual amount of pressure on Boards so it is important to be realistic about what can be achieved. Boards can use a strategy day or forum to rethink their priorities – back to basics of Vision and Purpose. One organisation has accepted that, for the time being, it needs to sacrifice its goal of 80% customer satisfaction to focus on more pressing concerns.

   ■ It is also important to appreciate that all goals can be achieved in the long-term. No goals are being "abandoned" and the Board has not "failed" – it is just a question of what to prioritise for the time being.

   ■ Prioritising can be hard given pressures from Regulators, but it is necessary. In deciding what to prioritise, organisations can go back to their Purpose and Values. This can provide a structure for decision-making and also inspire optimism, by remembering what the organisation does achieve.

   ■ It is important to think long-term. Looking back and remembering historic achievements can remind Boards that current challenges are only temporary. Looking forwards, Board members can prioritise and make decisions by focusing on their legacy and what they want to handover to future Boards members.

- Boards may fear criticism for prioritising. However, decisions based on values and goals can be justified to other stakeholders. Boards can be confident and combat criticism by pointing to the long-term ends of their decisions. They just need to be clear as to why and the communicate clearly, with confidence.

2. **Collaborate both within and outside the sector**

- The housing sector works very well when it collaborates. The Manchester housing partnership which came together to create a protocol for tackling damp and mould after the death of Awaab Ishak was cited as a good example of this.

- It is also important to collaborate with and learn from other sectors. One attendee emphasised that other sectors should not be seen as 'alien', noting that they were surprised how many for-profit businesses focus on their values to guide their decision-making. It was recommended that attendees take a look at the *Better Boards* podcast. The podcast covers a range of sectors, not specifically housing, but it provides a range of useful insights and analysis. Found here: https://better-boards.com/podcast-series/.

- Attendees also emphasised the importance of collaborating with strategic partner organisations. Partners tend to be realistic and understand the pressures on organisations and Boards. Building a strong relationship with partner organisations can help pass message on to residents.

- It is also important to collaborate within the organisation and share responsibility with other teams, residents and communities. For example, organisations can carry out drop in sessions with residents and use residents as a mechanism to highlight concerns and identify / confirm priorities. Fundamentally, it was agreed that good collaboration can be fruitful and positive.

3. **Rethink governance**

- It can sometimes feel like things are done to Boards rather than Boards being proactive stakeholders. Organisations should think creatively about their governance structures to build accountability, connections and trust within the organisation, particularly given its long-term stake in the community. Organisations may consider the recommendations of ICSA: The Governance Institute and Julia Unwin

at Civil Society. Some governance structures are holdovers from the past and may need a rethink to face modern challenges. One attendee also spoke about formalising the role of Senior Independent Director. It was highlighted that organisations should create a governance structure that works best for its specific situation and goals (including its own risk appetite) ensuring it is fit for purpose.

- Attendees also discussed the approach to governance. Using the example of long Board packs, attendees considered how Boards should think about their way of working and whether it is adding value. How much of this is, is organisations making it hard(er) for themselves? Exec teams might complain to same extent as Chairs and Board Members as to level of documentation that needs to be produced to feed the governance machine. This goes back to focusing on the role of the Board (in terms of strategy, risk and assurance) and considering how working methods contribute to and support that role.

4. **Build a strong team**

- Attendees also spoke about the need to build a strong team on the Board. Organisations invest heavily in team-building and training for the executive but this is also important at Board level. It is important for Board members to have a human connection with each other, particularly in times of hybrid working and challenge – to build those relationships and create that leadership and optimism collectively.

5. **Appreciate that some challenges are opportunities in disguise**

- Boards can rethink some negatives as positives. For example, addressing concerns raised in in-trays can allow Boards to connect with residents and lead to better co-regulation. This could work towards achieving the Better Social Housing Review recommendation that 'front line staff' work with residents on deciding a maintenance service.

- Similarly, the increased output of reports and advice from the Regulator and Ombudsman can be helpful. Regulators provide useful insight and guidance on steps to take, how best to survive, which Boards can use to determine their priorities.

6. **Measure your organisation's impact**

■ Focusing on your organisation's impact can encourage optimism. In particular, measuring impact can give Boards a boost. Heather suggested using the HACT measures to put a figure to the impact the organisation was having once or twice a year, to reinforce the value of the work the Board is doing another positive message.

7. **Recognise that appreciating challenges is not being pessimistic**

■ It is important not to ignore problems. To do so would create a disconnect from staff and residents who are struggling. Boards should appreciate the challenges and think about how to address them. Recognising that there are challenges also means that organisations should not be embarrassed about the problems.

HACT
NED Network

Register for our next session

What does it mean to be resident-led?

Monday 27 February: 16:00 - 17:00

We will be joined by NED Network member Hattie Llewelyn-Davies from Eastlight Community Homes and her colleague Michelle Baker a Board member, tenant and chair of the Customer Involvement Committee to share their thoughts and experience including their All In Programme.

Speakers: Hattie Llewelyn-Davies, Chair, Eastlight Community Homes and Michelle Baker a Board member, tenant and chair of the Customer Involvement Committee

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