



Community Housing Cymru's Code of Governance

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About the Code

Good governance is fundamental to the success of all organisations.

An organisation is best placed to achieve its ambitions and aims if it has effective governance and the right leadership structures. Skilled and capable board members will help an organisation attract resources and put them to best use. Good governance enables and supports an organisation's compliance with relevant legislation and regulation. It also promotes attitudes and a culture where everything works towards fulfilling the organisation's vision. The board leads on governance, but good governance involves the whole organisation from top to bottom.

As a sector, we owe it to tenants, stakeholders and the wider community to demonstrate exemplary leadership and governance. This Code is a practical tool to help board members achieve this.

The Code sets out the principles and recommended practice for good governance, and is deliberately aspirational; some elements of the Code will be a stretch for many organisations to achieve. This is intentional. We want the Code to be a tool for continuous improvement towards the highest standards.

For simplicity, the Code refers to 'tenants' in the text, but the Code applies equally to residents, leaseholders and others to whom members provide services.

The Code was first published in this form in 2018. It has been revised in 2021 to reflect learning within the sector and to further develop our aspirations in key areas.





Using the Code

Who the Code is for

This Code is intended for use by Community Housing Cymru members.

The Code's principles, rationale and outcomes are universal and apply equally to all organisations, whatever their size or activities.

The recommended good practice to meet these principles will vary. Governance practice can look significantly different depending upon an organisation's size, income, activities or complexity.

How it works

This Code is designed as a tool to support continuous improvement. Boards that are using this Code effectively will regularly revisit and reflect on the Code's principles.

Compliance with the law is an integral part of good governance. This Code does not attempt to set out all the legal requirements that apply to organisations and board members, but it is based on a foundation of board members' basic legal and regulatory responsibilities. The seven Code principles build on the assumption that organisations are already meeting this foundation.

The Code sets out principles and recommended practice. Each principle in the Code has a brief description, a rationale (the reasons why it is important), key outcomes (what you would expect to see if the principle were adopted) and recommended practice (what an organisation might do to implement the principle).



Apply and explain

It is important that board members discuss the Code's principles and recommended practice and make well-considered decisions about how these should be applied in their organisation.

An organisation should explain the approach it takes to applying the Code, so that it is transparent to anyone interested in its work. We call this approach 'apply and explain'. All board members are expected to meet the principles and outcomes of the Code and describe how they have achieved this. Where they are not applying some of the more detailed recommended practice, they should explain how they have met the principles and outcomes in other ways.

Organisations that adopt the Code are encouraged to publish a brief statement in their annual report explaining their use of the Code. We anticipate that this statement will be a short narrative rather than a lengthy 'audit' of policies and procedures.

This code is based on the Charity Governance Code for Larger Charities, which is issued by the Charity Governance Code steering group. It has been adapted with their kind permission to meet the needs of CHC members.

The original Charity Governance Code can be seen at www.charitygovernancecode.org

The principles

There are seven principles which make up this Code. These seven principles build on the assumption that an organisation is meeting its legal and regulatory responsibilities as a foundation.

1. Organisational purpose

The board is clear about the organisation's aims and ensures that these are being delivered effectively and sustainably.

2. Leadership

Every organisation is led by an effective board that provides strategic leadership in line with the organisation's aims and values.

3. Integrity

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the organisation's purposes. The board is aware of the significance of the public's confidence and trust in the organisation. It reflects the organisation's ethics and values in everything it does. Board members undertake their duties with this in mind.

4. Decision-making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control, risk assessment and management systems are set up and monitored. The needs and safety of the organisation's current and future tenants, and others that it serves, are placed at the heart of decision-making.

5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

6. Equality, diversity and inclusion

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's purposes.

7. Openness and accountability

The board leads the organisation in being transparent and accountable. The organisation is open in its work, unless there is good reason for it not to be.



Foundation: the board member role and context

It is the Code's starting point that all board members:

- » **are committed to their organisation's cause and have joined its board because they want to help it to deliver its purpose most effectively**
- » **recognise that meeting their organisation's stated purpose is an ongoing requirement, and understand their roles and legal responsibilities**
- » **have read their governing documents**



Principle 1. Organisational purpose

Principle

The board is clear about the organisation's aims and ensures that these are being delivered effectively and sustainably.

Rationale

Board members have a responsibility to understand the environment in which the organisation is operating, and to lead the organisation in fulfilling its purpose as effectively as possible with the resources available. To do otherwise would be failing tenants, stakeholders, partners and the wider community.

The board's core role is a focus on strategy, performance and assurance.

Key outcomes

1.1 The board has a shared understanding of, and commitment to, the organisation's purpose and can articulate this clearly.

1.2 The board can demonstrate that the organisation is effective in achieving its purpose and agreed outcomes.

Recommended practice

1.3 Determining organisational purpose

1.3.1 The board periodically reviews the organisation's purpose, and the external environment in which it works, to make sure that the organisation and its purpose stay relevant and valid.

1.3.2 The board leads the development of and agrees a strategy that aims to achieve the organisation's purpose and is clear about the desired outputs, outcomes and impacts.

1.4 Achieving the purpose

1.4.1 All board members can explain the organisation's purpose and objects.

1.4.2 The board evaluates the organisation's impact by measuring and assessing results, outputs and outcomes.

1.5 Analysing the external environment and planning for sustainability

1.5.1 The board regularly reviews the sustainability of its income sources and business models, and their impact on achieving organisational purpose in the short, medium and longer term.

1.5.2 The board considers the benefits and risks of merger or group structure if the organisation's viability is uncertain, or changes would benefit tenants and others that it serves.

1.5.3 The board considers the benefits of working in partnership with other organisations, both locally and nationally, where this will further its objectives and organisational purpose.

1.5.4 The board recognises its broader responsibilities towards communities, the Welsh language, stakeholders and wider society, and acts on them in a manner consistent with the organisation's purpose, values and available resources.

1.5.5 The board considers and acts upon the environmental sustainability and carbon footprint of its activities.



Principle 2. Leadership

Principle

Every organisation is headed by an effective board that provides strategic leadership in line with the organisation's aims and values.

Rationale

Effective leadership helps the organisation adopt an appropriate strategy for delivering its aims. It also sets the culture, behaviours and tone for the organisation, including its vision, values and reputation.

Key outcomes

2.1 The board as a whole, and board members individually, accept collective responsibility for ensuring that the organisation has a clear and relevant set of aims and an appropriate strategy for achieving them.

2.2 The board collectively sets the organisation's vision and values, and leads by example, requiring that anyone representing the organisation reflects its values positively.

2.3 The board makes sure that the organisation's values are reflected in all its work, and that the ethos and culture of the organisation underpin the delivery of all its activities.

Recommended practice

2.4 Leading the organisation

2.4.1 The board and individual board members take collective responsibility for its decisions.

2.4.2 The chair provides leadership to the board with prime responsibility for ensuring it has agreed priorities, appropriate structures, processes and a productive culture, and has board members and senior staff who are able to govern well and add value.

2.4.3 In the case of the chief executive, the board makes sure that there are proper arrangements for their appointment, supervision, support, appraisal, remuneration and, if necessary, dismissal.

2.4.4 The board's functions are formally recorded. There are role descriptions defining responsibilities for all board members that clearly differentiate those of the chair and other officer positions, and outline how these roles relate to staff.

2.4.5 Where the board has agreed to establish formally constituted subsidiary organisation/s, it is clear about the rationale, benefits and risks of these arrangements. The formal relationship between the parent and each of its subsidiaries is clearly recorded and the parent reviews, at appropriate intervals, whether these arrangements continue to best serve the organisation's purposes.



Principle 2. Leadership

2.4.6 The parent board controls the activities of all parts of the group, and satisfies itself that group members are meeting statutory and regulatory requirements, as well as ensuring that their affairs are being conducted in accordance with the overall vision of the group. The parent board understands the areas where a subsidiary could expose the group to financial or reputational risk.

2.5 Leading by example

2.5.1 The board agrees the values, consistent with the organisation's purpose, that it wishes to promote and makes sure that these values underpin all its decisions and the organisation's activities.

2.5.2 The board recognises, respects and welcomes diverse, different and, at times, conflicting board member views.

2.5.3 The board provides oversight and direction to the organisation, and support and constructive challenge to the organisation, its staff and, in particular, the chief executive.

2.5.4 The board, through its relationship with the chief executive, creates the conditions in which the staff are confident and enabled to provide the information, advice and feedback necessary to the board.

2.6 Commitment

2.6.1 All board members give sufficient time to the organisation to carry out their responsibilities effectively. This includes preparing for meetings and sitting on board committees and other governance bodies where needed. The expected time commitment is made clear to board members before nomination or appointment, and again on acceptance.





Principle 3. Integrity

Principle

The board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the organisation's purposes. The board is aware of the significance of the public's confidence and trust in the organisation. It reflects the organisation's ethics and values in everything it does. Board members undertake their duties with this in mind.

Rationale

Delivering the organisation's purposes should be at the heart of everything the board does. This is true even when a board's decision might be unpopular. Everyone who comes into contact with the organisation should be treated with dignity and respect, and feel that they are in a safe and supportive environment. The organisation's leaders should show the highest levels of personal integrity and conduct. To achieve this, board members should create a culture that supports the organisation's values, adopt behaviours and policies in line with the values and set aside any personal interests or loyalties. The board should understand and address any inappropriate power dynamics to avoid damaging the organisation's reputation, public support for its work and delivery of its aims, and to address any risk of discrimination or exclusion.

Key outcomes

- 3.1 The board safeguards and promotes the organisation's reputation by living its values and, by extension, promotes confidence in the wider sector by the public and partners.**
- 3.2 Board members and those working for or representing the organisation are seen to act with honesty, trustworthiness and care, and support its values.**
- 3.3 The board acts in the best interests of the organisation's purposes and those it serves, creating a safe, respectful and welcoming environment for those who come into contact with it.**
- 3.4 The board makes objective decisions about delivering the organisation's purposes. It is not unduly influenced by those who may have special or personal interests. This applies whether board members are elected, nominated or appointed. Collectively, the board is independent in its decision-making.**
- 3.5 No one person or group has undue power or influence in the organisation, and there is diversity of thought and experience represented. The board recognises how individual or organisational power can affect dealings with others.**



Principle 3. Integrity

Recommended practice

3.6 Upholding the organisation's values

3.6.1 The board ensures that all of its decisions and actions are consistent with the organisation's values.

3.6.2 Board members regularly check whether there are inappropriate power imbalances in the board or organisation. Where necessary, they address any potential abuse of power to uphold the organisation's purpose and values.

3.6.3 Board members adopt and follow a suitable code of conduct that reflects the organisation's values and sets out expected standards of ethics, probity and behaviour.

3.6.4 The board considers how the organisation is seen by the people and organisations who are involved in its work, and by the wider public. The board has policies and procedures to make sure that the organisation works responsibly and ethically, has regard to the proper use of power and acts in line with its own aims and values.

3.6.5 The board ensures that the organisation follows the law. It also considers following non-binding rules, codes and standards.

3.7 Ensuring the right to be safe

3.7.1 Board members understand their safeguarding responsibilities and go beyond the legal minimum to promote a culture in which everyone feels safe and respected.

3.7.2 Where appropriate:

- » the board makes sure that there are appropriate and regularly reviewed safeguarding policies and procedures
- » as part of an organisation's risk-management process, the board checks key safeguarding risks carefully and records how these are managed
- » all board members, staff, volunteers and people who work with the organisation have information or training on the safeguarding policy, so they understand it, know how to speak up and feel comfortable raising concerns.



Principle 3. Integrity

3.8 Identifying, dealing with and recording conflicts of interest/loyalty

3.8.1 The board understands how real and perceived conflicts of interests, and conflicts of loyalty, can affect an organisation's performance and reputation.

3.8.2 Board members disclose any actual or potential conflicts to the board and deal with these in line with the organisation's governing document and a regularly reviewed conflicts of interest policy.

3.8.3 Registers of interests, hospitality and gifts are kept and made available to stakeholders, in line with the organisation's agreed policy on disclosure.

3.8.4 Board members keep their independence and tell the board if they feel influenced by any interest or may be perceived as being influenced or having a conflict.

3.8.5 Where staff members serve as full board members, the board takes care to ensure that potential conflicts of interest are managed effectively.





Principle 4. Decision-making, risk and control

Principle

The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control, risk-assessment and management systems are set up and monitored.

The needs and safety of the organisation's current and future tenants, and others that it serves, are placed at the heart of decision-making.

Rationale

The board is ultimately responsible for the decisions and actions of the organisation, but it cannot and should not do everything. The board may be required by statute or the organisation's governing document to make certain decisions but, beyond this, it needs to decide which other matters it will make decisions about, and which it can and will delegate.

Board members delegate authority but not ultimate responsibility, so the board needs to implement suitable controls, assurance and reporting arrangements to make sure it oversees these delegated matters. Board members must also identify and assess risks and opportunities for the organisation, and decide how best to deal with them, including assessing whether they are manageable or worth taking.

Key outcomes

4.1 The board is clear that its main focus is on strategy, performance and assurance, rather than operational matters, and reflects this in what it delegates.

4.2 The board has a sound decision-making and monitoring framework which helps the organisation deliver its purpose. It is aware of the range of financial and non-financial risks it needs to monitor and manage.

4.3 The board promotes a culture of sound management of resources but also understands that being over-cautious and risk averse can itself be a risk and hinder innovation.

4.4 Where aspects of the board's role are delegated to committees, staff or contractors, the board keeps responsibility and oversight.

Recommended practice

4.5 Delegation and control

4.5.1 The board regularly reviews which matters are reserved to the board and which can be delegated. It collectively exercises the powers of delegation to senior managers, committees or individual board members, staff or volunteers.



Principle 4. Decision-making, risk and control

4.5.2 The board puts in place a clear framework of delegation including financial regulations, standing orders, terms of reference of the board and its committees, and procedures for dealing with decisions between meetings. Systems are in place to monitor and oversee how delegations are exercised.

4.5.3 The board makes sure that its committees have suitable terms of reference and membership and that:

- » the terms of reference are reviewed regularly
- » the committee membership has the appropriate skills, is refreshed regularly and does not rely too much on particular people

4.5.4 When the organisation is using third party suppliers and contractors, it aims to ensure that any work is carried out in line with its values, particularly when it is being directly provided to tenants and others that it serves.

4.5.5 The board regularly reviews the organisation's key policies and procedures to ensure that they continue to support, and are adequate for, the delivery of the organisation's aims.

4.6 Managing and monitoring organisational performance

4.6.1 Working with senior management, the board ensures that operational and financial plans are in line with the organisation's purpose, agreed strategic aims and available resources.

4.6.2 The board regularly monitors performance using a consistent framework and checks performance against delivery of the organisation's strategic aims, operational and financial plans. It has structures in place to hold staff to account and support them in meeting these goals.

4.6.3 The board agrees with senior management what information is needed to assess delivery against agreed plans, outcomes and timescales. Information should be timely, relevant, accurate and provided in an easy to understand format.

4.6.4 The board regularly considers how the organisation can improve its services, provide value for money and deliver social value.

4.6.5 The board has access to insight into the views of staff so that their opinions and needs are understood.



Principle 4. Decision-making, risk and control

4.6.6 The board regularly considers feedback from tenants on the organisation's services, and makes sure that the needs of tenants shape the design and improvement of services.

4.7 Actively managing risks

4.7.1 The board retains overall responsibility for risk management and discusses and decides the level of risk it is prepared to accept for specific and combined risks.

4.7.2 The board regularly reviews the organisation's specific significant risks and the cumulative effect of these risks. It makes plans to mitigate and manage these risks appropriately, and gains assurance that these plans are working.

4.7.3 The board puts in place and regularly reviews the organisation's process for identifying, prioritising, escalating and managing risks and, where applicable, the organisation's system of internal controls to manage these risks. The board reviews the effectiveness of the organisation's approach to risk at least every year.

4.7.4 The board describes the organisation's approach to risk in its annual report and in line with regulatory requirements.

4.8 Appointing auditors and audits

4.8.1 The board agrees and oversees an effective process for appointing and reviewing external and internal auditors, taking advice from the audit committee.

4.8.2 The board appoints an audit committee with relevant skills and experience including at least three board members. The chair of the audit committee must not be the chair of the board or an employee of the organisation.

4.8.3 The board, or audit committee, has the opportunity to meet the auditors without employees of the organisation present at least once a year.

4.8.4 Arrangements are in place for a body, such as the audit committee, to consider concerns raised in confidence about alleged improprieties, misconduct or wrongdoing. This includes concerns raised by whistle blowing. Arrangements are also in place for appropriate and independent investigation and follow-up action.



Principle 5. Board effectiveness

Principle

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

Rationale

The board has a key impact on whether an organisation thrives. The tone the board sets through its leadership, behaviour, culture and overall performance is critical to the organisation's success. It is important to have a rigorous approach to board member recruitment, performance and development, and to the board's conduct. In an effective team, board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics.

Key outcomes

5.1 The board's culture, behaviours and processes help it to be effective; this includes accepting and resolving challenges or different views.

5.2 All board members have appropriate skills and knowledge of the organisation and can give enough time to be effective in their role.

5.3 The chair enables the board to work as an effective team by developing strong working relationships between members of the board and creates a culture where differences are aired and resolved.

5.4 The board takes decisions collectively and confidently. Once decisions are made the board unites behind them and accepts them as binding.

Recommended practice

5.5 Working as an effective team

5.5.1 The board meets as often as it needs to be effective.

5.5.2 The chair, working with board members and staff, plans the board's programme of work and its

meetings, making sure board members have the necessary information, time and space to explore key issues and reach well-considered decisions, so that board time is well-used.

5.5.3 Board members regularly discuss the board's effectiveness and its ability to work together as a team, including individuals' motivations and expectations about behaviours. Board members take time to understand each other's motivations to build trust within the board, and the chair asks for feedback on how to create an environment where board members can constructively challenge each other.

5.5.4 Where significant differences of opinion arise, board members take time to consider the range of perspectives and explore alternative outcomes, respecting alternative views and the value of compromise in board discussions.

5.5.5 The board collectively receives specialist in-house or external governance advice and support. The board can access independent professional advice, such as legal or financial advice, at the organisation's expense, if needed for the board to discharge its duties.



Principle 5. Board effectiveness

5.6 Reviewing the board's composition

5.6.1 The board has, and regularly considers, the mix of skills, knowledge and experience it needs to govern, lead and deliver the organisation's purpose effectively. It reflects this mix in its board member appointments, balancing the need for continuity with the need to refresh the board.

5.6.2 The board is big enough that the organisation's work can be carried out and changes to the board's composition can be managed without too much disruption. A board of at least five but no more than fifteen board members, including co-optees is considered good practice.

5.7 Overseeing appointments

5.7.1 There is a formal, rigorous and transparent procedure to appoint new board members to the board.

5.7.2 The search for new board members is carried out, and appointments or nominations for election are made on merit against objective criteria, and considering the benefits of diversity on the board. Regular skills audits inform the search process.

5.7.3 Board members are appointed for an agreed length of time, subject to any applicable constitutional or statutory provisions. It is expected that no board member will serve for longer than nine years.

5.7.4 If an organisation's governing document provides for board members to be nominated and elected by a wider membership, or elected by a wider membership after nomination or recommendation by the board, the organisation supports the members to play an informed role in these processes.

5.7.5 If the organisation is paying board members, there is a mechanism for establishing payment levels that is supported by independent advice, and agreed payment levels are proportionate to the size and complexity of the organisation. Payment is linked to carrying out specific duties against which performance is reviewed.

5.7.6 Where employees of the organisation are full board members, the board agrees standing orders that specify when and how they are to be excluded from decision-making.



Principle 5. Board effectiveness

5.8 Developing the board

5.8.1 Board members receive an appropriately resourced induction when they join the board. This includes meetings with senior management and covers all areas of the organisation's work. Board members are given the opportunity of ongoing learning and development.

5.8.2 The board annually reviews its own performance and that of individual board members,

including the chair. This typically considers the board's balance of skills, experience and knowledge, its diversity in the widest sense, how the board works together and other factors relevant to its effectiveness. In addition, the board, periodically, or at times of significant challenge, considers the use of independent external or peer support in its review.

5.8.3 The board explains how the organisation reviews or evaluates the board in the governance statement in the board's annual report.





Principle 6. Equality, diversity and inclusion

Principle

The board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This approach supports good governance and the delivery of the organisation's purposes.

All board members have the same responsibility for the organisation, so they must have equal opportunity to contribute to decision-making. Board diversity, in the widest sense, is important because it creates more balanced decision-making. This increases the organisation's legitimacy and impact. Equality and diversity are only effective and sustainable if the board works to be inclusive, ensuring that all board members are welcomed, valued and able to contribute.

Rationale

Addressing equality, diversity and inclusion helps the board to make better decisions. This requires commitment, but it means that an organisation is more likely to stay relevant to those it serves. Recognising and countering any imbalances in power, perspectives and opportunities in the organisation, and in the attitudes and behaviour of board members, staff and volunteers, helps to make sure that an organisation achieves its aims.

Boards that commit to equality, diversity and inclusion are more likely to set a positive example and tone for the organisation, by following an appropriate strategy for delivering its purpose and setting inclusive values and culture.

Key outcomes

- 6.1 The principles of equality, diversity and inclusion are embedded in the organisation and help to deliver the organisation's aims.**
- 6.2 Obstacles to participation are reduced, with the organisation's work designed and open for everyone included within its objects. This supports the organisation to challenge inequality and achieve improved equality of outcomes.**

6.3 The board has effective routes both to hear and respond to the needs of the diverse range of communities that it serves.

6.4 The board is more effective because it reflects different perspectives, experiences and skills.

Recommended practice

6.5 Assessing understanding of systems and culture

6.5.1 The board analyses and can define how equality, diversity and inclusion are important for the organisation, its context and the delivery of its aims. It has a clear awareness of its starting point as a whole organisation, from which it wants to make progress, and an understanding that effecting change in this area will require action across all its operations.

6.5.2 The board assesses its own understanding of equality, diversity and inclusion. It considers how this happens in the organisation and identifies any gaps in understanding which could be filled by discussion, learning, research or information.



Principle 6. Equality, diversity and inclusion



6.5.3 The board regularly assesses:

- » the organisation's approach to equality, diversity and inclusion, using available data and, where applicable, lived experience
- » its own practice including:
- » the diversity of board members' backgrounds and perspectives in its regular board skills audit to identify imbalances and gaps
- » any bias in board member recruitment and selection
- » how the communities and people that the organisation serves are included and centred in decision- making
- » how meetings and board information can be made more accessible and how to provide resources to support this
- » how to create a meeting environment in which behaving inclusively is the norm, all voices are equal and board members can constructively challenge each other
- » how the board demonstrates inclusive behaviours in its decision-making and how it engages with staff, volunteers, members, and those that it serves

6.6 Setting context-specific and realistic plans

6.6.1 The board sets a clear organisational approach to equality, diversity and inclusion in line with the organisation's aims, strategy, culture and values. This is supported by appropriate plans, policies, milestones, and timelines.

6.6.2 The board uses the findings from its assessments to make context-specific and regularly reviewed plans for:

- » equality, diversity and inclusion training for board members
- » inclusive boardroom culture, practices and behaviours
- » board evaluation or training to address any power imbalances between board members
- » removing, reducing and preventing obstacles to people being board members
- » attracting a diverse group of candidates for new board roles and providing an inclusive induction for new board members
- » recruiting a diverse board that addresses imbalances and any gaps that have been found
- » promoting inclusive behaviours and cultures to the wider organisation



Principle 6. Equality, diversity and inclusion

6.7 Taking action and monitoring performance

6.7.1 The board ensures that there are appropriate arrangements and resources in place to monitor and achieve the organisation's equality, diversity and inclusion plans, including those relating to the board.

6.7.2 The board creates and maintains inclusive cultures, practices and behaviours in all its decision-making. It promotes and demonstrates inclusive behaviours and cultures to the wider organisation.

6.7.3 The board ensures that workforce policies and practices reflect the organisation's values and commitment to equality, diversity and inclusion.

6.7.4 The board regularly monitors and actively implements its plans established under 6.6.2.

6.7.5 The board leads the organisation's progress towards achieving its equality, diversity and inclusion plans. It receives regular updates from the organisation, including challenges, opportunities and new developments.

6.7.6 The board periodically takes part in learning and/or reflection about equality, diversity and inclusion and understands its responsibilities in this area. It acts on any gaps in its understanding and looks at how board practice, culture and behaviour are affected by these gaps.

6.8 Publishing performance information and learning

6.8.1 The board regularly publishes: information on its progress towards achieving its equality, diversity and inclusion plans, including challenges, opportunities and learning. This could include the:

- » organisation's approach to equality, diversity and inclusion in line with its aims, strategy, culture and values
- » board's culture, practices and behaviours
- » board's composition and make-up
- » its plans to tackle any organisational or board inequalities and gaps that have been identified.



Principle 7. Openness and accountability

Principle

The board leads the organisation in being transparent and accountable. The organisation is open in its work, unless there is good reason for it not to be.

Rationale

The public's trust in an organisation is fundamental to its reputation and success, and by extension, the success of the wider sector. Making accountability real, through genuine and open two-way communication that celebrates successes and demonstrates willingness to learn from mistakes, helps to build this trust and confidence and earn legitimacy.

Key outcomes

7.1 The organisation's work and impact are appreciated by all its stakeholders. Tenants and other stakeholders feel that their views are being heard and responded to, and that what they say matters to the organisation.

7.2 The board ensures that the organisation's performance and interaction with its stakeholders are guided by the values, ethics and culture put in place by the board.

7.3 The organisation takes seriously its responsibility for building public trust and confidence in its work.

Recommended practice

7.4 Communicating and consulting effectively with tenants and other stakeholders

7.4.1 The board identifies key stakeholders with an interest in the organisation's work. These will include tenants, as well as staff, regulators, members, funders, suppliers, local communities, and local and national government.

7.4.2 The board makes sure that there is a strategy for regular and effective communication with stakeholders about the organisation's purpose, values, work and achievements, including information that enables them to measure the organisation's success in achieving its purpose.

7.4.3 The board ensures that it has heard and listened to the views of tenants and stakeholders, and where appropriate, involved them in decision-making about significant changes to the organisation's services or policies.

7.5 Developing a culture of openness within the organisation

7.5.1 The board makes sure that there is a transparent, well-publicised, effective and timely process for making and handling a complaint and that any internal or external complaints are handled constructively, impartially and effectively.

7.5.2 The board gets regular reports on the positive and negative feedback and complaints given to the organisation. It demonstrates that it learns from mistakes and errors and uses this learning to improve performance and internal decision-making. The board shares relevant feedback with tenants and other stakeholders.



Principle 7. Openness and accountability

7.5.3 The board keeps a register of interests for board members and employees which is made available for inspection in line with the organisation's agreed policy on disclosure.

7.5.4 The board publishes the process for setting the remuneration of board members and senior staff, and their remuneration levels, on the organisation's websites and in its annual report and financial statements.

7.6 Member engagement

7.6.1 The board makes sure that the organisation:

- » has clear policies on who is eligible for membership of the organisation
- » is clear and open about the ways that members can participate in the organisation's governance, including, where applicable, serving on committees or being elected as board members