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# EQUIPPING FOR EXCELLENCE IN EQUALITY, DIVERSITY AND INCLUSION - THE NEW NHF CODE OF GOVERNANCE

Penningtons Manches Cooper LLP  
Housing Diversity Network

# SPEAKERS



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# Agenda

- Key provisions of the new NHF Code of Governance
  - Equality, diversity and inclusion
  - Inclusive engagement with residents
- Changes from the 2015 Code
- Learning from the accompanying guidance
- Timescales and actions

# Background

- NHF national equality, diversity & inclusion group

*To support the social housing sector to be vibrant and diverse at all levels, reflecting the communities that we work with, by growing and appointing diverse talent.*

Why has diversity made it into the code of governance?

# Background

- Better decisions
- Trust
- Talent
- Leadership



# Background

- EDI group work plan
  1. Leadership
  2. Communication
  3. Data
  4. Best practice
  5. Running the business well



# KEY PROVISIONS

# Key Provisions- Principle 1

*“The board **sets and actively drives** the organisation’s social purpose, mission, values and ambitions, and through these embeds within the organisation resident focus, **inclusion**, integrity, openness and accountability.”*





# Key Provisions – Principle 1

1.3 Equality, diversity and inclusion: the board **demonstrates a clear and active commitment** to achieve equality of opportunity, diversity and inclusion in all of the organisation's activities, **as well as in its own composition**. It has policies and statements which **meaningfully demonstrate** this commitment, and sets priorities and objectives for the **organisation to achieve**.

# Key Provisions – Principle 1

- (1) The board seeks **regular assurance** about how these commitments and objectives are being delivered in practice, and **tracks progress** against the priorities it has set.
- (2) The organisation **annually publishes information** about its work to deliver these commitments and objectives, and the progress it has made.

# Key Provisions – Principle 3

- Board effectiveness
  - clear Board commitment to embed ED&I
  - Board composition comprises people with diverse backgrounds and attributes, having regard to the diversity of the communities the organisation serves

# INCLUSIVE RESIDENT ENGAGEMENT



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# Resident Engagement

- 1.2 Resident focus: the needs and safety of the organisation's current and future residents and other customers are **placed at the heart of the board's decision-making.**

# Resident Engagement

- (1) There are **policies, frameworks and opportunities** which enable, encourage and support residents and other customers to engage with, **influence and contribute to strategic decision-making**.
- (2) The **board has access to insight into the views and needs of the organisation's residents** and other customers (including insight into their concerns and complaints) and uses this to **inform decisions** where appropriate.

# Resident Engagement

- (3) There are policies in place which reflect that the **safety of residents** and other customers (as well as that of the workforce and the wider public) **is an overriding priority**, and the board regularly seeks assurance on their operation.
- (4) The **organisation regularly reports to its residents** on how its **commitments to resident focus have been delivered**.

# Annual Review

- The Board must consider:
  - annually,
  - how the views and needs of key stakeholders, including residents and other customers,
  - have informed decisions.





# CHANGES FROM THE 2015 CODE



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# Changes from the 2015 Code

- 1 of the 9 principles of good governance
- Board composition
- Communications
- Shareholder policies
- Recruitment of board members

# THE GUIDANCE



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# The Guidance – ED&I

- Specific reference to changes in society and BLM
- Continuing need to improve ED&I at all levels
- Legal, moral and economic imperatives
- Much greater emphasis on ED&I
- Explicit requirements
- Board's role



# The Guidance – Resident Focus

- Resident focus = central to governance
- Explicit requirement
- Accountability to residents
- Emphasis on understanding the views and needs of residents
- Involving residents

# The Guidance – Further Reading

ED&I	Resident Focus
<a href="#"><u>The Race Equality Code (2020)</u></a>	<a href="#"><u>Together with Tenants, NHF, 2020</u></a>
<a href="#"><u>The Altair review 2017: delivering a step change in ethnically diverse leadership across the housing sector</u></a>	<a href="#"><u>The stakeholder voice in Board decision making, ICSA and the Investment Association, 2017</u></a>
<a href="#"><u>Walking the talk on diversity, NPC, 2020</u></a>	<a href="#"><u>The people factor, ACAS, 2014</u></a>
<a href="#"><u>Moving beyond diversity to racial equity, Ben Hecht, Harvard Business Review, 2020</u></a>	<a href="#"><u>The future of stakeholder engagement, BSR, 2016</u></a>
<a href="#"><u>An Insight Review of Housing Association Staff in England – HDN and NHF</u></a>	<a href="#"><u>Consumer regulation review, Regulator of Social Housing, 2020</u></a>



# The Guidance – Reporting and Actions

- Board reporting:
  - Regular reporting against equality, diversity and inclusion priorities and objectives – to provide assurance on implementation and progress
- Policies and procedures
  - Resident engagement and influence policies
  - Equality, diversity and inclusion policies and statements
- To be made publicly available
  - Report to residents on delivery of resident focus commitments
  - Annual information about equality, diversity and inclusion

# The Guidance

- How we think about diversity - socio-economic diversity and neurodiversity.
- Clearer narrative to workforce and residents.
- Tone is set by the top.
- Board to take an active lead in committing to equality of opportunity, diversity and inclusion in all of the organisation's activities as well as in its own composition is explicit.
- Steps further .... board role in ensuring EDI is embedded throughout the organisation, and the publication of relevant information.



# STEPS TO TAKE



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# Recruitment/Succession Planning

- Board composition must be diverse
- Succession planning
- Reviewing recruitment and selection policies
- Methods of recruitment
- Other initiatives

# Decision Making

- ED&I fully embedded
- How are decisions made by the Board and leadership?
- Where does the information come from?



# Policies and Procedures

- What is already in place?
- Review
- Rework
- Who is reviewing?
- Code requirements
  - Resident engagement and influence policies
  - Equality, diversity and inclusion policies and statements

# Reporting and Data

- What metrics are in place to measure performance?
- What data do you have?
- What data do you need?
- What are you doing with the data?
- Measure against best practice
- Ongoing monitoring
- Barriers

# INITIATIVES IN THE SECTOR



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# Initiatives in the Sector

- Greater Manchester Housing Providers – EDI baseline survey report
- NHF Insight report
- G15 CEO pledge and data publication
- Leadership programmes
- Emerging talent programme
- NHF Toolkit – case studies and tools

# ACTIONS TO TAKE AWAY



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# Actions to Take Away

- Transition period
- First statement of compliance in 2021-22 annual report
- Embed compliance in 2021-22 financial year
- Boards agree adoption as early as possible
- Gap analysis
- Example reports

# QUESTIONS / DISCUSSION



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