

In Depth Assessment (IDA) A Board Member Perspective



**Plus Dane
Housing**

Cobalt
Housing


alpha

 **PRIMA**
GROUP

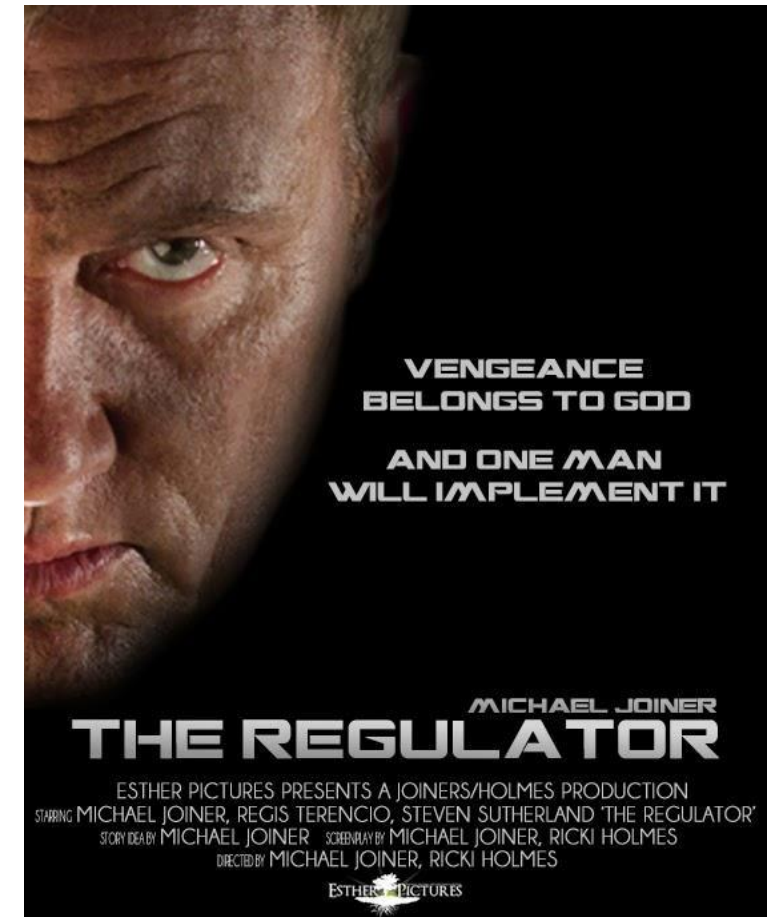
ForViva 


housing group

 **firstchoice**
HOMES OLDHAM

What and Why?

- Increasingly risky operating environment
- Aftermath of Cosmopolitan, Grenfell, Panorama....protect social housing assets
- Check compliance with economic standards (governance, financial viability and VFM)
- Format & regularity determined by RSH risk assessment of RPs
- Every 4 years (ish)
- Burden of proof on RP
- Assurance that you are V1 G1 rather than RSH proving you're not
- Gaps in assurance will be reflected in judgement



Strategy and Structure	<ul style="list-style-type: none"> Strategy formulation, review and future activities Delivery of objectives Development & growth Asset Management and disposals Structure – general overview and control of subsidiaries Understanding of assets and liabilities
Governance	<ul style="list-style-type: none"> Structure of meetings and board cycle Committee roles and terms of reference Skills and effectiveness reviews Oversight of subsidiaries Self-assessment against regulatory framework and chosen code Health and safety
Value for Money	<ul style="list-style-type: none"> Value for Money Standard Demonstrate a robust approach to achieving VFM Regular and appropriate consideration by board Consideration across the whole business Appropriate targets in place for measuring performance Publish evidence annually – HCA metrics and own targets

**Financial
Resilience**

Business plan, key assumptions, contingencies and stress testing
Budget planning
Welfare reform assumptions including LHA caps
Asset Management, Stock Condition Survey, repairs profiling
Development strategy and link to BP
Pensions strategy and mitigation

**Treasury
Management**

Loan covenants
TM Policy and strategy, 'Golden Rules'
Peak debt, future funding and board oversight
Available security
Assets and liability register, and links to Business Plan & cashflow

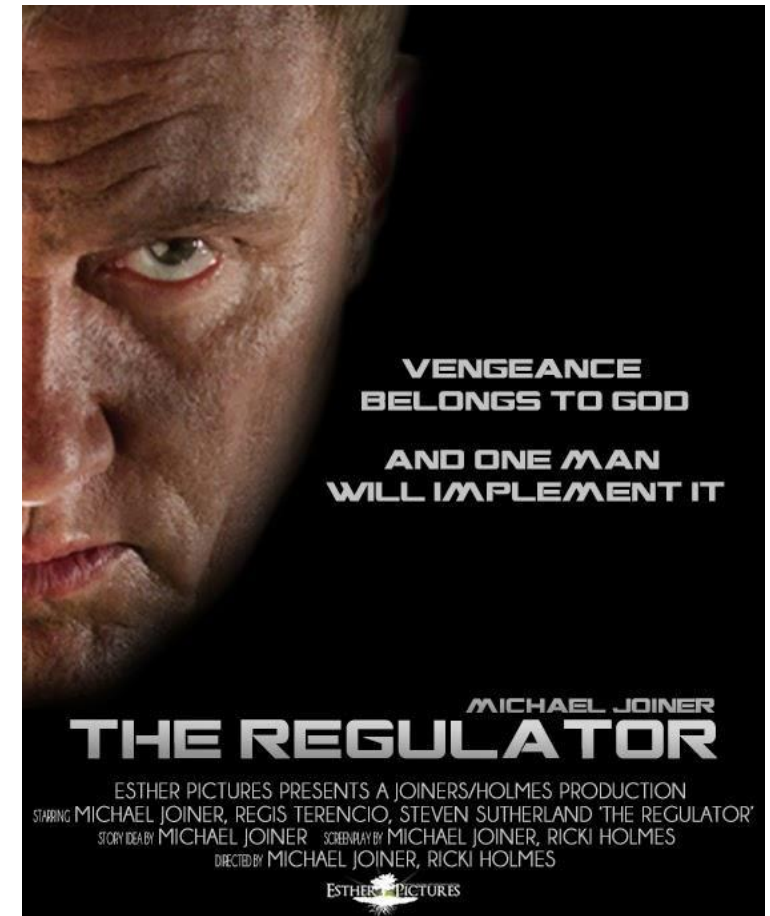
**Risk
Management**

Business significant risks
Risk Management system
Strategic and operational consideration of risk
Risk appetite
Internal controls/audit and alignment with risk
Stress testing and scenario planning

The Basics

- 6 weeks notice
- Document request – explanation of what is required
- 2 weeks to prepare

- Meetings – Exec team
- Meeting chair and chair of audit committee
- Observe a board meeting



Your Story



- They know a lot about you
- They will have a perception of your strengths and weaknesses
 - Cost Per unit
 - VFM
 - FFR, Stability Check and Quarterly returns
- Do you understand it..... what's Good, Bad, Ugly?..... And more importantly what are you doing about it?
- You don't need to be perfect!

Be Ready

- Monitor your interactions with the regulator
- Commission preparatory support?
 - Organise key documents
 - Practice Interview?
 - Review board processes and papers.
 - Evidence debates and minutes
 - Key risks
- Make sure you react to what it tells you!
- Keep Prep updated
- How much information is too much?



Plan

- Don't underestimate the time requirement
- Designate a point of contact
- Maintain good channels of communication
- If you're not sure about any of the information that has been requested ask! Their terminology may differ.



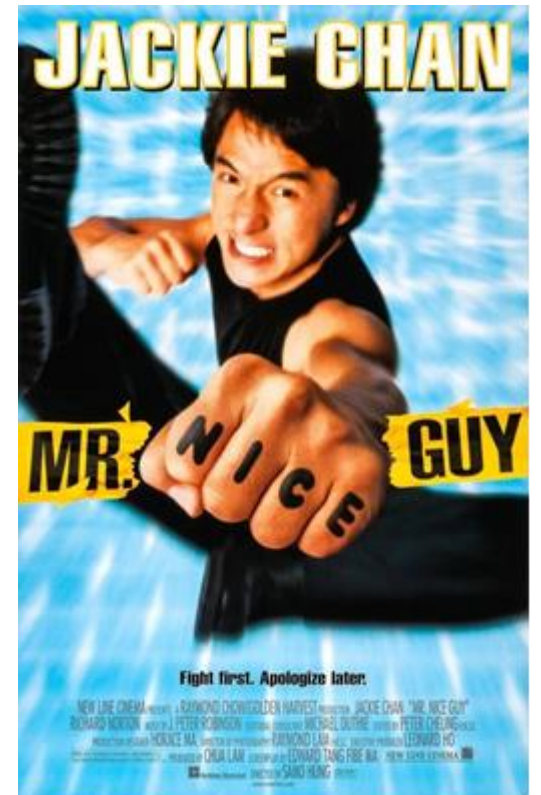
Get Briefed

- Brief your board and relevant employees
- Make sure any interviewees are aware of all of the documents that have been shared with the HCA and have opportunity to re-read.
- Make sure they are aware of major risks, the strategic direction of the organisation, and any big decisions that have been made recently.
- No surprises A reminder and a confidence boost!.



Look After Them

- Get accurate information in on time
- Keep in contact
- Support their stay
- Make sure they have everything they need
- Be Honest
- The individuals you get may not like your approach..... don't have to agree but justify

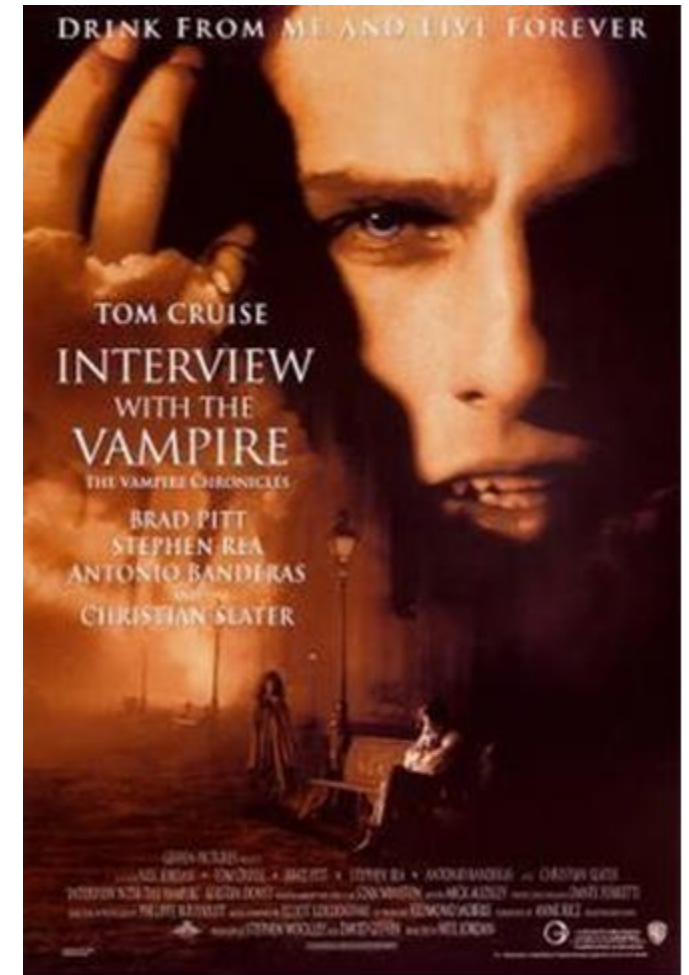


The Interview

- Introductory Presentation – Discuss with the team
- Be Honest
- Work as a Team

Afterwards.....

- Have a review
- Given a fair account of yourselves?
- Do you need to provide any more information/draw anything out?



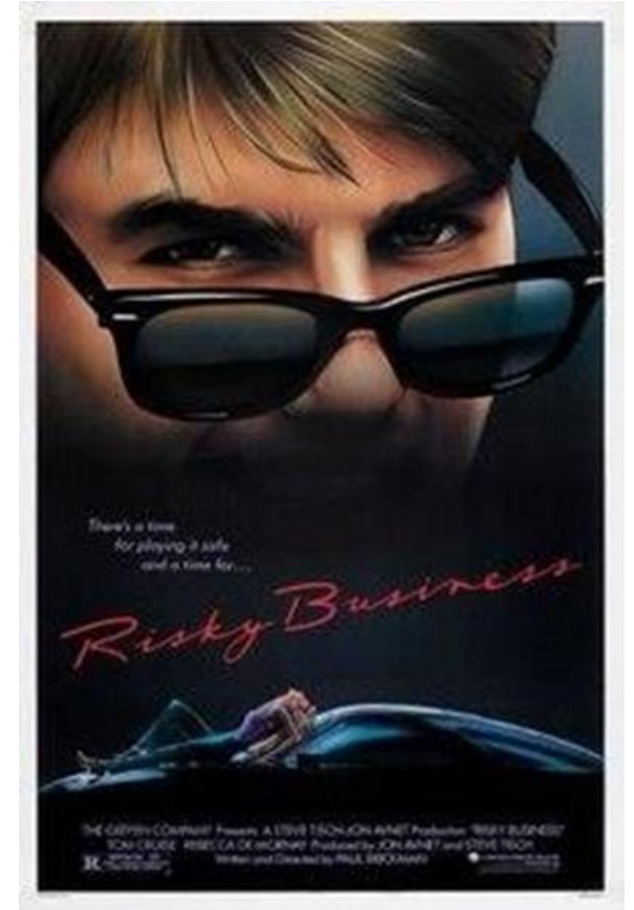
The Board Meeting

- Manage agenda well
- Be yourselves
- Chair needs to manage meeting effectively
- Is it clear
 - board have oversight of all key decisions and risks,
 - board fully consider and understand these,
 - Board have appropriate information that allows them to do this.



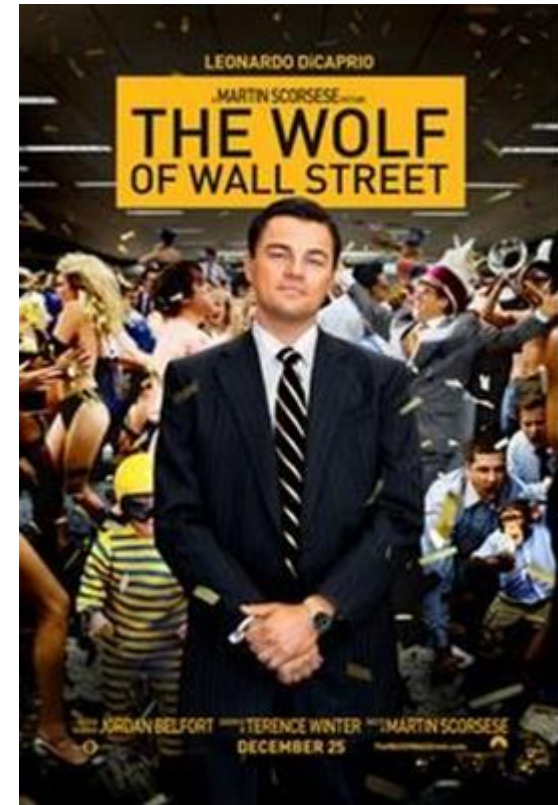
Stress Testing

- Don't just break the plan!
- What would you do in practical terms?
- When would you pull the trigger!
- What would it do to services?
- Asset and Liability register up to date?
- Exit strategies for major risks
-In the worst circumstances?



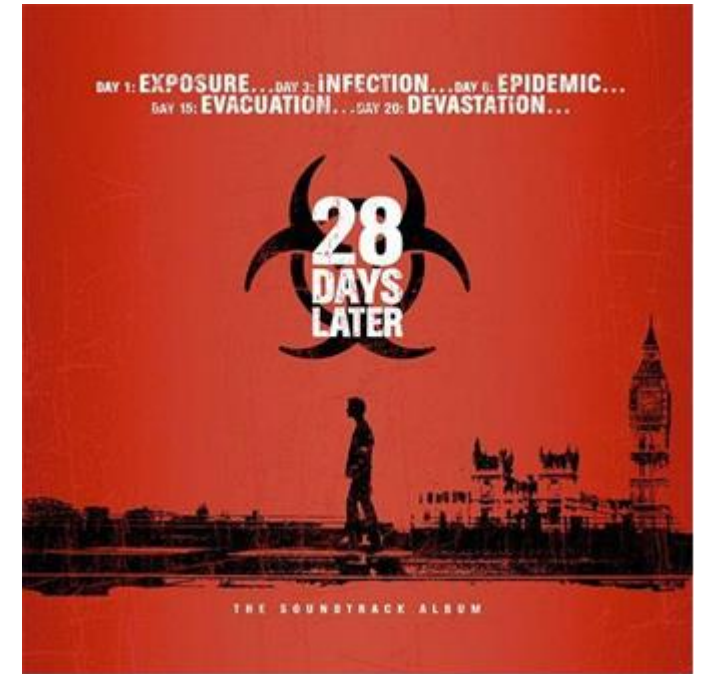
Diversifying

- How rigorous and challenging have you been
- What are the risks..... what are the triggers for action
- Risk Maps
- If its broke what are you doing to fix it?



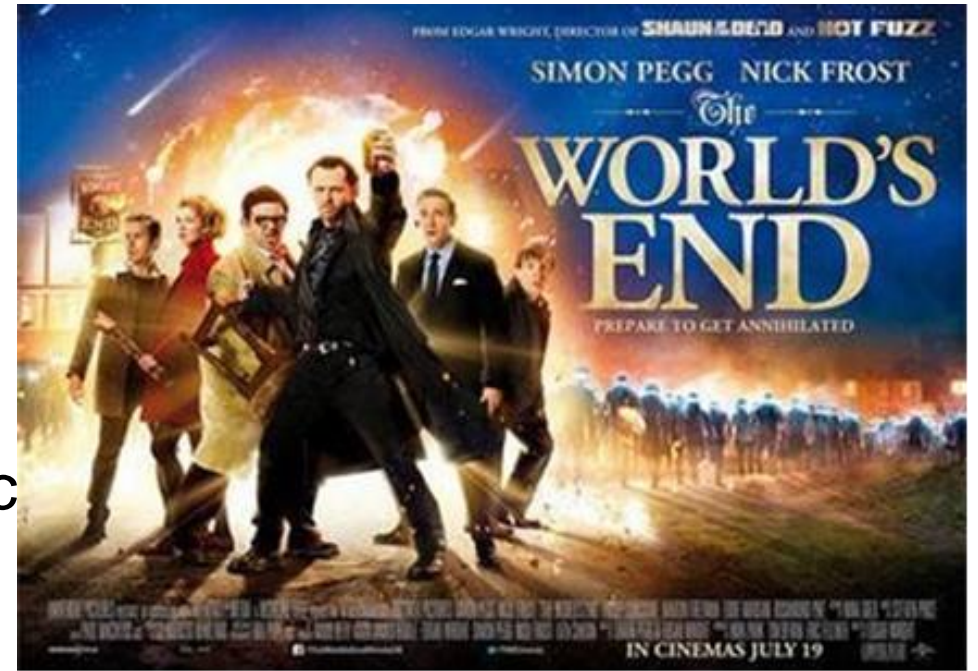
Afterwards

- Help them be your advocates
- Write things to help them in front of the panel
- Follow up everything.....If in doubt give them the bullets



At the End of It All

- No Report or Written Feedback
- Make sure you do something with the feedback
- Learn from it!even if you are V1 /G1
- Go to the pub and come back stronger for it!



<https://www.gov.uk/government/publications/letter-to-registered-providers-social-housing-regulation-draft-clauses-april-2022/letter-on-regulatory-context-for-government-announcement-on-draft-legislative-clauses-april-2022>

