



Governance and Viability

Economic Standards

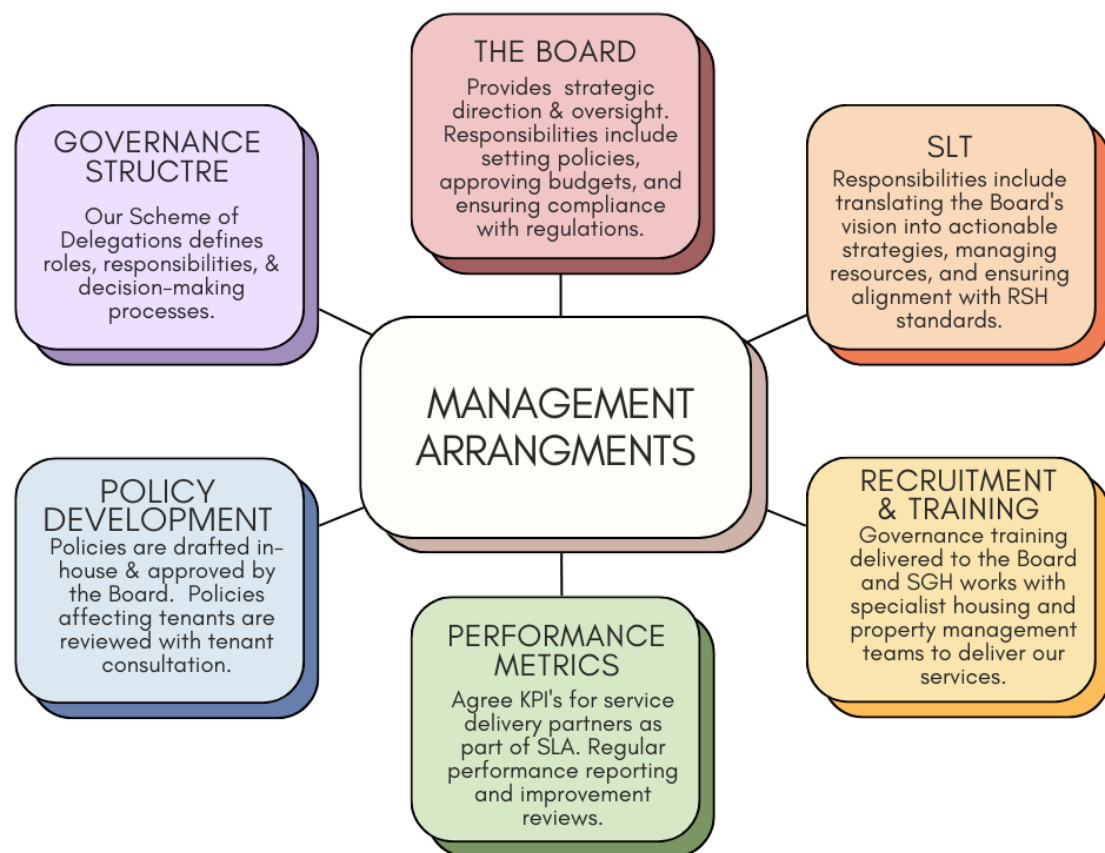
Framework

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Management Arrangement Framework



Governance and Financial Viability Standard

Below we have set out the management arrangements we will put place to meet the Governance and Financial Viability Standard.

1. Introduction

1.1 This policy outlines SGH's commitment to meeting the requirements of the Governance and Financial Viability, Rent and Value for Money Standard (the Standards) and the supporting Code of Practice (the Code). It ensures our governance structures, financial management, and risk controls align with regulatory expectations and promote the sustainable management of social housing assets.

2. Purpose

2.1 The purpose of this policy is to:

- Ensure compliance with the Standard and the Code.
- Provide clarity on SGH's governance and financial viability arrangements.
- Demonstrate our commitment to responsible stewardship of social housing assets.
- Provide evidence to the regulator to assure compliance with the Standard and the Code.

3. Scope

3.1 This policy applies to all board members, executive officers, and relevant staff within SGH.

4. Governance Framework

4.1 Governance Arrangements

4.2 SGH will maintain robust governance arrangements to ensure the effective oversight of its activities, compliance with relevant laws, and the achievement of its objectives.

5. Actions:

- Adhere to a NHF code of governance consistent with best practices.
- Conduct annual assessments of governance effectiveness.
- Foster a culture of constructive challenge and debate within the board and executive.

6. Evidence:

- Board reports and minutes from board meetings.
- Governance structure charts and role descriptions.
- Annual review self-assessment of the Governance and Financial Viability.
- Annual self-assessment against the NHF Code

5. Board Responsibilities

5.1 The Board is responsible for ensuring SGH meets its regulatory requirements and upholds its reputation within the social housing sector.

6. Actions:

- Regularly assess the skills, competencies, and experience of board members.
- Implement a skills strategy to address any gaps.
- Ensure independence of judgement and manage conflicts of interest.

7. Evidence:

- Skills matrix for board members.
- Training records and development plans.
- Conflict of interest registers and declarations.
- Annual boards skills and effectiveness review.
- Board skills and competencies framework policy document.
- Probity Policies.

6. Financial Viability

6.1 Risk Management and Financial Control

6.2 SGH will manage its financial affairs prudently, ensuring the long-term sustainability of its social housing assets.

Actions:

- Develop and maintain a robust business planning, risk management, and control framework.
- Conduct stress testing against various scenarios to assess resilience.
- Ensure liquidity and manage cash flow risks effectively.

Evidence:

- Approved business plans and budgets.
- Risk management framework and risk register.
- Results of stress testing exercises and mitigation plans.
- Internal control framework policy
- Cashflow and Liquidity policy
- Financial forecast
- 30 year Long term financial plan
- Cashflow and liquidity policy

7. Asset and Liability Management

7.1 SGH will maintain accurate and up-to-date records of its assets and liabilities to inform decision-making and risk management.

Actions:

- Maintain a comprehensive Asset and Liability register (A&L register)
- Ensure swift access to this information in case of potential or actual failure.
- Regularly reconcile and oversee asset records, identifying social housing assets and any encumbrances.

Evidence:

- A&L register and depository.
- Reconciliation reports and audits.
- Property deeds and encumbrance records.
- Annual review of A&L register captured in minutes review.

8. Compliance and Communication

8.1 Communication with the Regulator

8.2 SGH is committed to transparency and will inform the regulator of any material issues that may indicate a breach of the standards.

Actions:

- Report material frauds, liquidity issues, breaches of lender covenants, or governance failures promptly.
- Ensure accurate and timely submission of required data returns.

Evidence:

- Incident reports and notifications to the regulator.
- Records of data returns and correspondence with the regulator.
- Internal audit reports and compliance reviews.

9. Certification of Compliance

9.1 SGH's board will certify compliance with Governance and Financial Viability Standard annually and when undertaking significant new risks. A declaration of compliance will be published in the annual report.

Actions:

- Include a compliance certification in the narrative report accompanying financial statements.
- Review compliance with regulatory standards in the round, considering required outcomes.

Evidence:

- Board meeting minutes confirming review and certification of compliance.

- Annual report with compliance certification.
- Records of significant risk assessments and mitigation measures.
- Annual G&FV self-assessment.

10. Arrangements with Third Parties

10.1 SGH will manage its relationships with third parties to avoid undue influence and ensure compliance with regulatory standards.

11. Actions:

- Act in good faith, advancing the interests of SGH and its tenants.
- Manage conflicts of interest effectively.
- Ensure transactions with third parties are conducted at fair market value.

12. Evidence:

Contracts and agreements with third parties.

Public Conflict of interest registers.

Market value assessments and procurement records.

Procurement policy.

Declarations of interest at every Board meeting.

Gifts and hospitality register.

11. Monitoring and Review

11.1 SGH will regularly review this policy to ensure its effectiveness and compliance with the Standard and the Code.

Actions:

- Conduct annual reviews of governance and financial viability arrangements.
- Update the policy as necessary to reflect changes in regulatory requirements or organizational practices.

Evidence:

- Review reports and policy update records.
- Feedback from governance and financial audits.
- Reports on changes in regulatory requirements and how they have been addressed.

12. Conclusion

12.1 SGH is committed to maintaining high standards of governance and financial viability. By adhering to this policy, we ensure the responsible management of our social housing assets and uphold the confidence of our stakeholders.

Evidence:

- Comprehensive documentation of governance and financial practices.
- Regularly updated records demonstrating ongoing compliance.
- Stakeholder feedback and independent assurance reports.

12.2 This Policy will be reviewed annually by the Board.