

2023

Governance at L&Q

Annual Report



L&Q



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Executive summary

Good governance should be at the heart of any successful business. A business needs good governance to help it achieve its objectives and drive improvement; to make effective decisions and review and mitigate risk. It is essential to maintain legal and ethical standing in the eyes of stakeholders, regulators and the wider community.

At London & Quadrant Housing Trust (LQHT) we value good governance as a key driver to delivering our mission, aims and values. We want to continue to be at the forefront of best practice in governance where this is practical and deliver pragmatic solutions to drive our business forward.

The last 12 months have been busy in governance terms. We have:

- Completed a mock In-Depth Assessment (IDA) as part of preparedness for a full Regulatory IDA
- Completed a three yearly externally facilitated Governance review

- Completed the Transfer of Engagement of Trafford Housing Trust into L&Q
- Adopted the National Housing Federation 2022 Code of Conduct
- Rationalised our Group Structure with some six companies being closed down.

This is the third governance report we have published outlining key governance issues addressed during the course of the past year and our plans for the future.

Our values



People

We care about the happiness and well-being of our customers and employees



Passion

We approach everything with energy, determination and enthusiasm



Inclusion

We draw strength from our differences and work collaboratively



Responsibility

We own problems and deliver effective lasting solutions



Impact

We measure what we do by the difference we make

Our regulatory requirements

LQHT is regulated by the Regulator of Social Housing and has to comply with a number of regulatory standards including:

Economic Standards:

- The Governance and Financial Viability ensuring we have effective governance arrangements that deliver our aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner and that our resources are managed effectively to ensure viability is maintained and that social housing assets are not put at undue risk
- The Value for Money Standard ensuring an approach agreed by board for achieving value for money in meeting our objectives and demonstrating delivery of value for money to stakeholders
- The Rent Standard where from April 2020 rents must be set in accordance with the Government's Policy Statement on Rents for Social Housing 2018.

Consumer Standards:

- The Home Standard ensuring the quality of the accommodation we provide meets the decent homes standard and a cost-effective repairs and maintenance service is provided
- The Tenancy Standard ensuring homes are let in a fair and transparent way with tenancies officers which are compatible with their purpose
- The Neighbourhood and Community Standard ensuring neighbourhood and communal areas associated with our homes are clean and safe and co-operation with relevant partners to help promote social, environmental and economic wellbeing in the areas where we own properties
- The Tenant Involvement and Empowerment Standard ensuring accessible complaints polices and a wide range of involvement and empowerment opportunities which meet the diverse needs of our residents.

In addition to these regulatory standards, as an organisation with charitable objectives, we need to comply with charity law.

Periodically the Regulator of Social Housing undertakes an In-depth Assessment of our compliance with the Governance and Financial Viability Standard.

This will be extended to include compliance with Consumer Standards from April 2024.

Click the button to find out more about these **regulatory standards**.

[Click here](#)

Meeting our regulatory obligations

We are required to publish a statement annually on our compliance with the Governance and Financial Viability Standard.

This statement is published in our financial statements and is based on an annual line by line review of the standard. This is reviewed in detail by our Governance and Remuneration Committee prior to consideration by the Group Board.

As part of our corporate strategy, we have an increased focus on our residents and ensuring that they have a quality home that provides them with the opportunity to live a better life. As a result of the Regulator's proposed new Consumer Standards, and in terms of best practice, compliance against these, and the new consumer standards once published, will now be reviewed annually going forward.



For more information please view our Financial Statements 2022/23

In our 2022/23 Financial Statements we concluded that we continue to meet the Governance and Financial Viability Standard in all material aspects.

We have identified a number of areas where we can strengthen compliance from these reviews over the next 12 months including:

- Completing a review of compliance with relevant law
- Revising our approach to transparency
- Completing the embedding of our new internal controls and assurance framework and around developing portfolio accountabilities.

Our last published In-depth Assessment in November 2022 provided us with a G1 rating for Governance. Like many other Registered Providers our Viability rating was downgraded as a result of the economic situation to a complaint V2.

Our Code of Governance

In April 2021 we adopted the new NHF Code of Governance 2020.

We undertake a review of our code of governance annually and report in detail to the Governance and Remuneration Committee prior to consideration by the Group Board.

Our review in 2023 concluded that we meet the requirements in all material aspects but are working to strengthen compliance in the coming 12 months around the following:

- Responding in a considered, open and transparent way to requests for information about our work. This will be linked to the work we will be undertaking to ensure compliance with the Regulator's new Consumer Standards
- Formally reviewing and recording the benefits and risks of joint ventures on an annual basis
- Reviewing and strengthening the guidance around people who serve on more than one board and how to deal with overlapping responsibilities.



Our Board

Details of our Board membership are published on our website along with details of Board member interests and skills.

We monitor and publish board diversity statistics which can be found on our website. As at September 2023 our Board was made up as follows:

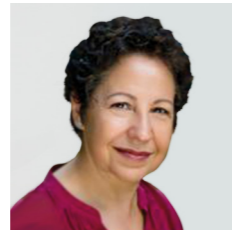
Non-Executive Directors



Aubrey Adam
Group Chair



Fayann Simpson
Senior Independent
Direct and Chair of
Residents Services Board



Maria da Cunha
Chair of Governance
and Remuneration
Committee



Nigel Hopkins
Chair elect Audit
and Risk Committee



Louise Brook-Smith
Chair of Development
Committee



Dominique Kent
Chair of L&Q Living



Raj Kumar
Board Member

Executive Directors



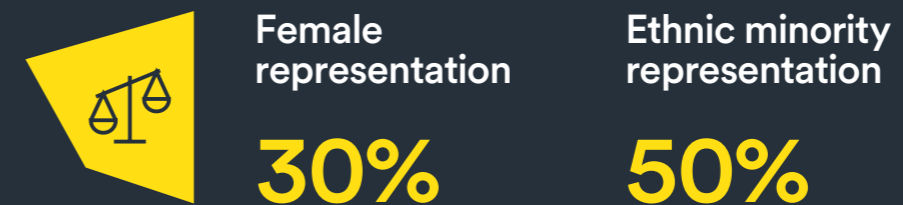
**Fiona
Fletcher-Smith**
Group Chair



Waqar Ahmed
Group Finance
Director

L&Q has a strong commitment to diversity, and this will remain a continued focus when we consider our next annual board recruitment and succession plan.

Board targets for 2025



We have targets of 30% ethnic minority and 50% female appointments to our Board set as part of our Leadership 2025 commitment both of which we currently exceed.

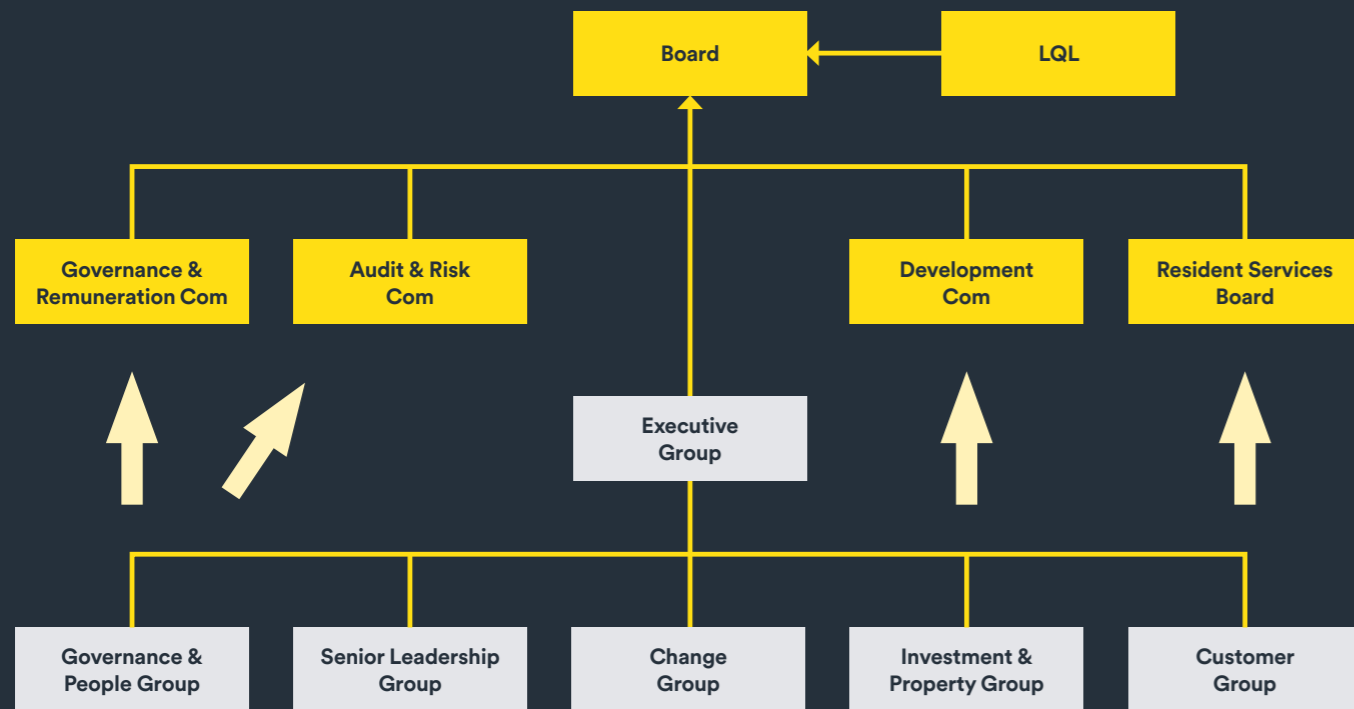
Recruitment during 2024 will include the appointment of a new Group Chair, replacing Aubrey Adams, who will be standing down in September 2024 following nine years on the Board.

In March 2023 we completed the Transfer of Engagement of Trafford Housing Trust into L&Q. As a result of this and other changes the number of non-executive board and committee members reduced to 19 across the whole L&Q Group.

Effectiveness of our governance

Our board, committee and officer governance structure was reviewed in 2020 at which point we established a number of officer groups which align with our committee structure.

Our governance structure



The governance of L&Q is strong, robust, well-documented and well-executed.

We undertake an annual effectiveness review of our board and committees and an appraisal of our board and committee members. Every three years an externally facilitated review is undertaken.

In 2023 this review was undertaken by 21st Century Housing Governance Given the focus on the Mock IDA and full IDA this was a high-level review which looked at:

- General effectiveness; governance structures and the inter-relationship between committees; practices etc
- Resident Engagement in governance and particularly our Resident Services Board arrangements
- Compliance with Regulatory and Statutory expectations particularly in the light of forthcoming new consumer regulation
- Board and Committee assurance mechanisms that meet the Board's needs
- The operation and effectiveness of our officer governance groups/executive group.

The review concluded that 'the governance of L&Q is strong, robust, well-documented and well-executed. Crucially it is self-aware of its strengths and weaknesses and has plans in place to address identified weaknesses and strengthen its capabilities in the new operating and regulatory environment'.

Areas identified for us to focus on included:

- The role of the governance groups in the risk and assurance processes
- The relationship between the Group Board and the Resident Services Board
- Ensuring the 'voice of the board' is as clear as 'the voice of the customer'.

These are areas being developed during 2023/24.

L&Q has over 60 companies within its legal structure made up of a number of wholly controlled subsidiaries and joint venture companies. We review our legal structures annually to ensure these are fit for purpose and rationalise these wherever possible.

The main focus over the past 12 months has been the Transfer of Engagements of Trafford Housing Trust into L&Q which was completed on 31 March 2023.



Our focus in 2023/24

Through our Run the Business Plan, our focus in 2021/22 will be on:

- 1** Completing actions identified from our 2023 Governance review and from annual compliance reviews
- 2** Preparing for the introduction of new Consumer Standards and undertaking compliance reviews
- 3** Developing our transparency approach to meet new consumer standard requirements
- 4** Strengthening our approach to oversight of complaints within the governance structure
- 5** Annual recruitment of new Group Board and committee members including the appointment of a new Group Chair from September 2024.



Measuring our success

The following measures will be monitored on an on-going basis:

Measure	2021/22 (Sept 21)	2022/23 (Sept 22)	2023/24 (Sept 23)
Governance and Financial Viability Rating	G1/V1	G1/V1	G1/V1
Monitoring and reporting of % gender of board, minority ethnic representation	Gender Female – 46% Minority ethnic – 36%	Gender Female – 46% Minority ethnic – 27%	Gender Female – 56% Minority ethnic – 33%
Governance structure that includes resident representation on Group Board and its advisory committees	Yes	Yes	Yes

Good Governance Maturity Matrix Model	From (2020)	To (2023)	Desired state
Purpose and Leadership	Fundamental	Strengthening	Strengthening/ Sustaining
Structures and Business Flow	Fundamental	Developing	Strengthening/ Sustaining
Skills and Capacity	Fundamental/ Developing	Developing/ Strengthening	Sustaining
Finance and resources	Developing	Strengthening	Sustaining
Risk and Agility	Fundamental/ Developing	Fundamental/ Developing	Strengthening
Stewardship and Standards	Strengthening	Strengthening/ Sustaining	Excelling
Engagement and Voice	Fundamental/ Developing	Sustaining	Sustaining
Culture and Behaviour	Fundamental	Developing/ Strengthening	Strengthening/ Sustaining
Impact and Reach	Developing	Strengthening/ Sustaining	Sustaining



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L&Q

For more information
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