



## Governance Framework

V.06 August 2025

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<b>Copy to Fire Safes</b>	<b>Yes</b>		<b>No</b>	<b>x</b>

<b>SSHC Reference</b>	
<b>SHR Reference</b>	Regulatory Framework

### Related Documents

- Code of Conduct for Committee Members
- Entitlements , Payments and Benefits Policy
- Standing Orders
- Delegated Authorities
- Committee Members Expenses Policy
- Membership Policy
- Recruitment and Succession Planning Policy
- Fyne Homes Rules

## **Translation Statement**

If you have any difficulties reading this information or need further help understanding our processes, please contact us. We can make this document available in a variety of formats. All you need to do is let us know what you need, and we will try to assist.

## **Compliance**

This policy has been drafted to ensure that it complies with current legislation and industry good practice.

## **Equality & Diversity**

Fyne Homes is committed to providing services which embrace diversity, and which promote equality of opportunity. As an employer we are also committed to equality and diversity within our workforce. Our goal is to ensure that these commitments, reinforced by our Values, are embedded in our day-to-day working practices.

## **Openness & Confidentiality**

Fyne Homes believes that its members, tenants and other interested parties should have access to information on how it conducts itself. This means that unless information requested is considered commercially sensitive or personally confidential it will be made available on request.

## **General Data Protection Regulations**

Fyne Homes recognises that the General Data Protection Regulations are an important piece of legislation to protect the rights of individuals in respect to any personal information that we may keep about them, whether on computer or in manual systems. We will treat your personal data in line with our obligations under the current data protection regulations and our own Data Protection Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Transparency Statements

## 1. Introduction

- 1.1 Fyne Homes is a registered Social Landlord (No 321), registered with the Scottish Housing Regulator and is registered society under the terms of the Co-operative and Community Benefits Act 2014 (Reg No 1454R[S]) and a registered Scottish Charity (SC009152).
- 1.2 References throughout this policy to 'we', 'us' and 'our' mean the Fyne Group, which comprises Fyne Homes Ltd (the Parent), Fyne Energy Ltd, Fyne Initiatives Ltd and Fyne Futures Ltd.
- 1.3 This framework applies to the Fyne Homes Management Committee and the Boards of the subsidiary companies, Fyne Futures, Fyne Initiatives and Fyne Energy.

## 2. Aim

- 2.1 This framework draws from the SHR Regulatory Standards of Governance and Financial Management. Alongside Fyne Homes Rules and Standing Orders, it ensure that the Association and its governance structure complies with the seven regulatory standards:
- *The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.*
  - *The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.*
  - *The RSL manages its resources to ensure its financial well-being and economic effectiveness.*
  - *The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisations purpose.*
  - *The RSL conducts its affairs with honesty and integrity*
  - *The governing body and senior officers have the skills and knowledge they need to be effective*
  - *The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.*

## 3. Links to vision and strategic priorities

- 3.1 This framework aims to ensure that Fyne Homes Vision & Values are at the centre of the Group and its governing structure. The Vision of Fyne Homes is "Building Sustainable Communities" and values support this:
- We respect our customers, staff and committee
  - We approach our business and activities with openness and integrity
  - We engage with our tenants and stakeholders – openly and transparently
  - We are committed to continuously improving our services to meet local needs.

- We aim to ensure housing costs are affordable, managing resources effectively to maintain and improve homes to the highest standards through our best value approach

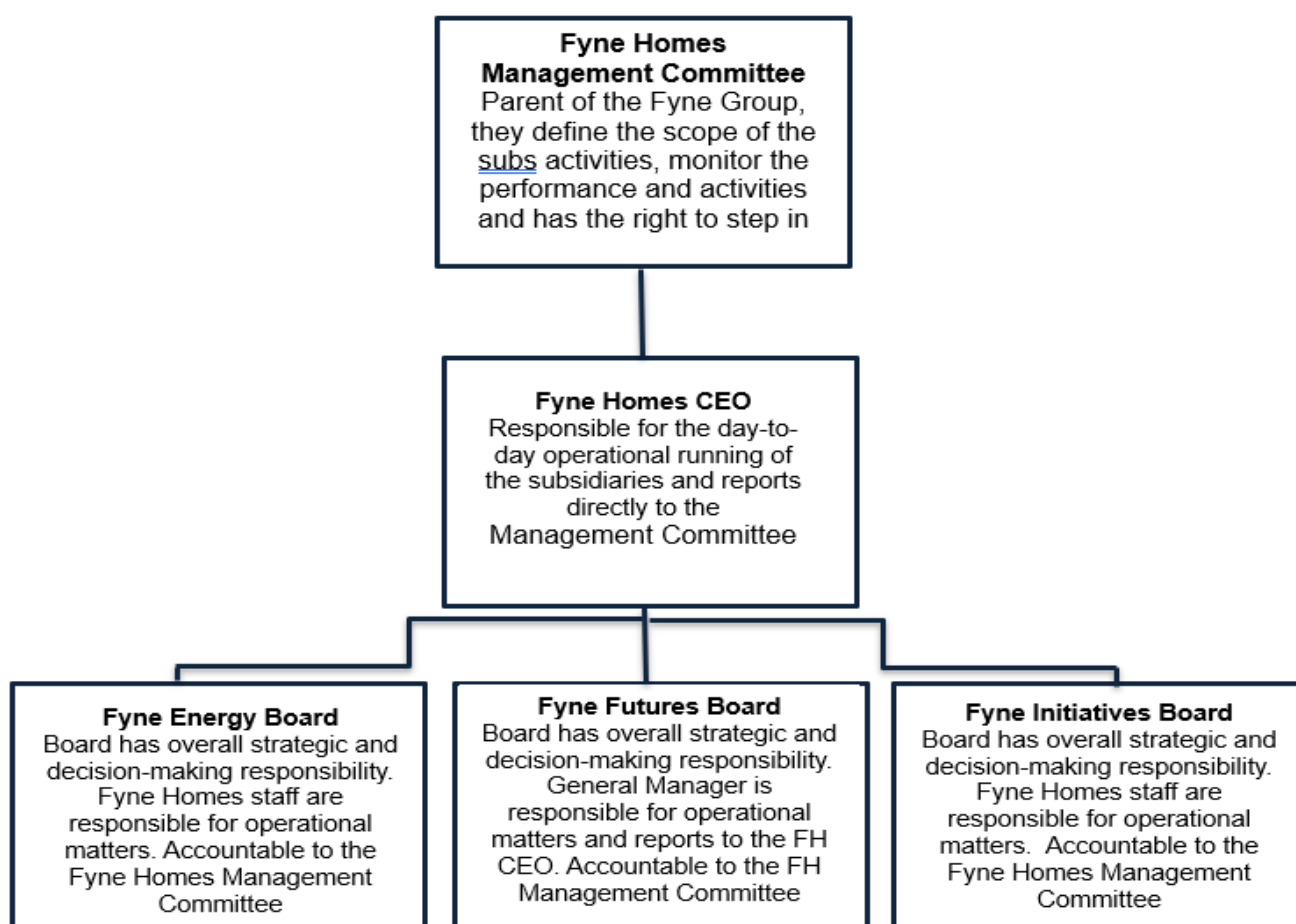
#### 4. Legal framework

4.1 Housing (Scotland) Act 2010

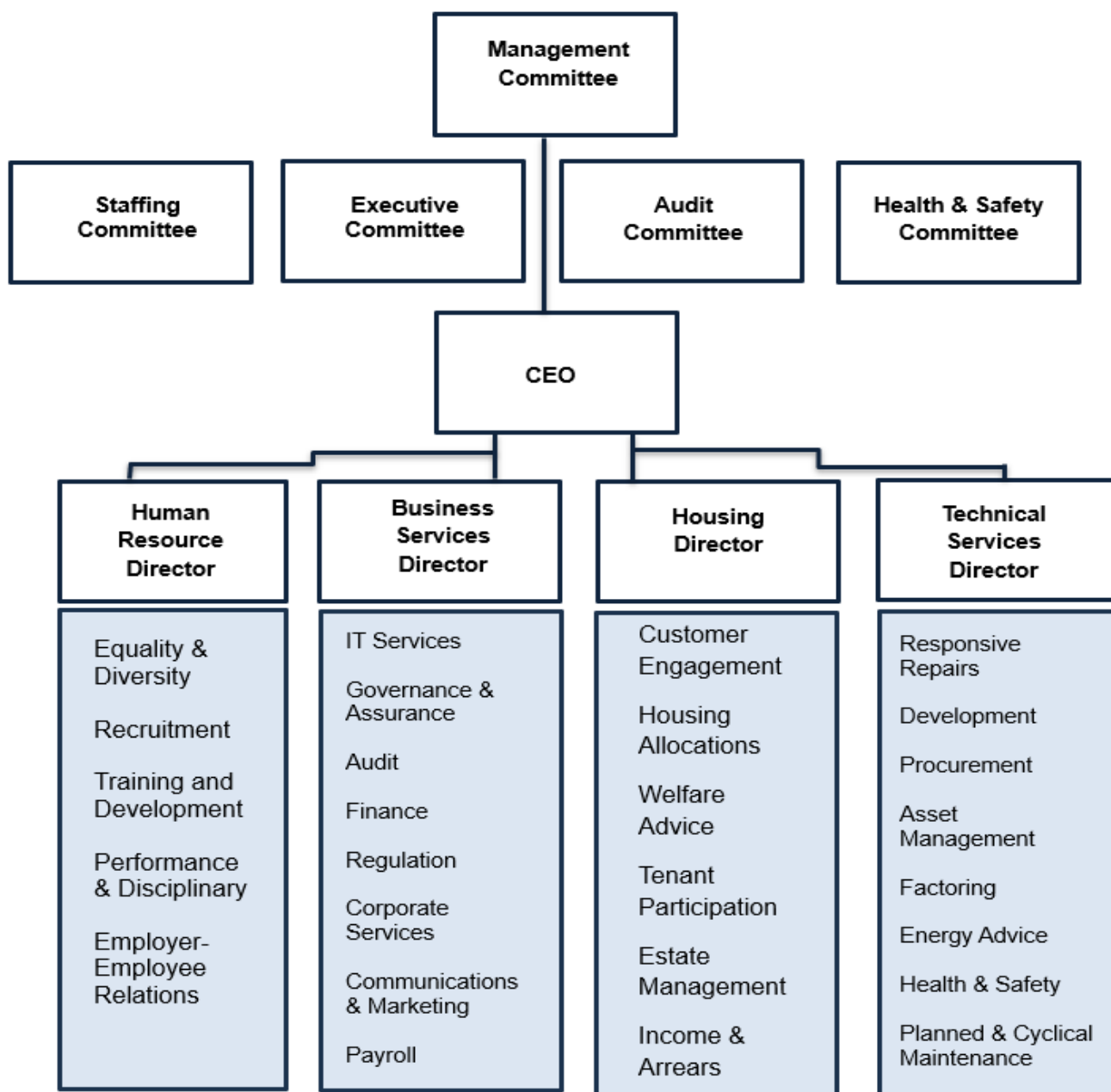
4.2 Regulatory Standards of Governance and Financial Management

#### 5. Governance Structure

##### 5.1 Fyne Group Structure



## 5.2 Fyne Homes Structure



## 5.3 Parent Company

5.3.1 Fyne Home is Charitable Registered Social Landlord and is registered under the Co-operative and Community Benefits Societies Act 2014.

5.3.2 Fyne Homes is the Parent Organisation of the three subsidiary companies: Fyne Initiatives, Fyne Futures and Fyne Energy.

5.3.3 The governance arrangements of the Fyne Group must enable the parent company to comply with all regulatory requirements as a Registered Social Landlord (RSL).

5.3.4 As the Parent, Fyne Homes, are responsible for the following functions:

- Developing group strategy including the culture and values of the Group, Group business planning, monitoring performance and treasury management
- Approval of the Group's overall budgets and capital programmes.
- Regular review of Group governance arrangements
- The setting and review of the Group Business Plan, Group Policies and Group Standing Orders.
- Providing central and corporate functions as determined by the Parent.
- Monitoring the compliance by the Subsidiary with the provisions of the Independence Agreement and in the event of non-compliance taking action as appropriate
- Appointing internal and external auditors for the Group

5.3.5 Fyne Homes, as the Parent has the absolute constitutional right to appoint or remove any person on the Subsidiary Board. Circumstances in which the Parent would consider exercising step in rights would include, but are not limited to the Subsidiary:

- has failed in any material aspect to operate within and adhere to the approved budget or Business Plan, or be in a position where the Subsidiary either is or is likely to become, unable to meet its debts
- has failed to comply with any Group policy applicable to the Subsidiary or the terms of the Independence Agreement, and such failure has or would be likely to have a material adverse effect upon the business, assets, reputation and/or operations of the Group or any Group Member
- has brought the Group or any Group Member into disrepute or has acted in a manner which is materially prejudicial to any part of the Group or Group Member
- has failed to comply in any material respect with its constitution or any responsibilities set out in the Independence Agreement.
- Is insolvent or any enforcement action is being taken against it, or has been threatened, by any third party
- Is likely to be unable to meet its contractual obligations as they fall due and/or the Parent has concerns as to its long-term financial viability

5.3.6 Fyne Homes shall provide shared services to the Subsidiaries, as set out in the Service Sharing Agreements.

## 5.4 Subsidiary Companies

5.4.1 The Fyne Group has three subsidiary companies; each is led by a Board of Volunteer Directors and support by Fyne Homes staff.

5.4.2 Each Subsidiary's structure was set up to ensure it is consistent with, and contributes, to Fyne Homes purpose and objectives.

5.4.2 Fyne Initiatives is a private limited company

5.4.3 Fyne Energy is a private limited company

5.4.4 Fyne Futures is Private Limited Company by guarantee without share capital use of 'Limited' exemption and is a registered Scottish charity. Fyne Futures is currently the only

subsidiary with directly employed staff. The day-to-day operational activities are managed by the General Manager, who is supported by a core team of staff members.

5.4.5 Each subsidiary is responsible for the undernote functions:

- Running all operation, management and day to day aspects of its business, within the context of the Group Strategy Business Plan, Budget and Group policies and Group Standing Orders.
- Reporting to the Fyne Homes Management Committee as required in the terms of the Independence Agreement
- Taking action on internal and external audit findings

5.4.6 Each Subsidiary commits to the following responsibilities:

- Obtain the approval of Fyne Homes prior to appointing a Chair to the Subsidiary Board
- The Subsidiary Board shall not exercise any removal and appointment powers in respect of the Subsidiary Board Members without prior written consent of the Parent, Fyne Homes
- Shall comply with all requests of any Competent Authority (anybody with a statutory regulatory authority over either the subsidiary or parent)
- Comply with all reasonable advice from the Parent in relation to probity and management
- Comply with Group Policies and Group Standing Orders
- Conduct its business and only enter financial commitments in accordance with its Business Plan and Budget
- Shall attend liaison meeting with the Parent, as required, and providing such relevant information as may be requested by the Parent
- Provide the Parent with copy of board reports and papers circulated to Subsidiary Board members and minutes of meetings promptly following these meetings.
- Permit the Group CEO, or their nominee to attend all Subsidiary Board meetings
- Appoint the Group's auditors as its auditors
- Respect confidentiality and only disclose confidential information pertaining to the Group with prior written agreement by the Parent
- Provide the Parent copies of all communications with any Competent Authority promptly
- Comply with the reasonable requests of the Parent to contribute to specific areas of the Group business at times

## **6. Powers and Duties**

### **6.1 Fyne Homes Management Committee**

6.1.1 The core functions of the Management Committee are:

- To supply leadership to the Association and determine its strategy
- To control the Associations affairs and ensure compliance
- To have control over the subsidiary companies including:
  - Control the activities of, and manage risks arising from the subsidiaries
  - Ensure appropriate use of funds within the Group
  - Manage and mitigate risk to the core business

- Uphold strong standards of governance and protect the reputation of the group for investment and other purposes.

6.1.2 The operational management of the Association is delegated to Fyne Homes staff, within a framework of controls set up by the Management Committee. In practise this distinction involves a strong element of partnership between the Management Committee and staff, and demands mutual respect, trust and support.

6.1.3 The Management Committee will adopt and implement a framework for the support, training and annual review of the contributions of individual members of the Committee and Subsidiaries, and for the recruitment of Committee, Board and sub-committee members.

## 6.2 Subsidiary Boards

6.2.1 The core function of the Subsidiary Boards is to:

- Ensure their business is conducted in accordance with its Memorandum & Articles
- Pursue their objectives in a manner deemed appropriate and effective by the Subsidiary Board
- Set the Strategic Direction of the Subsidiary and develop a Business Plan to be approved by the Parent.
- Ensure appropriate use of funds within the Subsidiary.

## 7. Risk Management and Internal Controls

7.1 The Fyne Group recognises the importance of supplying high quality information to ensure that the voluntary members can exercise effective governance

7.1.2 The Management Committee will receive regular performance information in accordance with the Regulatory Standards and Scottish Social Housing Charter.

7.1.3 The Subsidiary Boards will receive regular performance information, this will also be reported to the Fyne Homes Management Committee

7.1.4 An Annual Assurance Statement will be published which confirms that Fyne Homes meets the Scottish Housing Regulators regulatory requirements and standards for governance and financial management.

7.1.5 Risks are recognised by the Fyne Group in its broadest sense including operational and reputational risk as well as financial risks.

7.1.6 The Fyne Group is committed to developing practical and appropriate methods for managing risk and these methods will involve the Senior Management Team and staff in the identification, management and monitoring of risk on a regular basis. Full details are set out in the Risk Management Policy supported by the Risk Registers.

7.2 The Management Committee will include a statement in the Group audited accounts about the systems of internal financial controls.



7.3 Internal audit is a key part of good governance and in the identification of control and risks. The Group will use independent internal audit appraisals to deliver this function, the subsidiary companies will be included in Fyne Homes internal audit plan.

7.4 Membership of the Association should have a broad representation of the communities and groups that we serve

7.4.1 Committee members should encourage eligible people to join the Association.

7.4.2 Membership is determined by the Rules of the Association and further information can be found in the Associations Membership Policy

7.5 No Management Committee or Subsidiary Board member may act as such until they agree to and sign a Code of Conduct.

7.5.1 The Association subscribes to the terms of the SFHA Code of Conduct for Committee members this has also been adopted for Subsidiary Board members. This code is required to be signed by members on an annual basis.

7.5.2 All members of the Management Committee and Subsidiary Boards will endeavour to always comply with the terms of the Code of Conduct.

7.5.3 Failure to comply with the Code of Conduct could have serious consequences for the Group. The work or the reputation of the Group could be damaged as a result of a member's action.

7.5.4 The Groups Code of Conduct covers arrangements to investigate breaches of standards of conduct and for taking appropriate disciplinary action when needed.

7.6 Ensure that effective procedures for confidentially raising concerns about the propriety and probity of the conduct of the Group's business are established (Whistleblowing Policy & Handling Serious Concerns Against The CEO)

7.7 Ensure that effective procedures for handling complaints and appeals are set up (Complaints Policy)

## **8. Strategic Planning & Oversight**

8.1 Fyne Homes will ensure that all activities within the Group are aligned with the Associations mission, values and vision and allow Fyne Homes to meet our regulatory requirements.

8.2 Fyne Homes and its subsidiaries will engage in co-ordinated strategic planning to set clear objectives, allocate resources effectively and respond to emerging risks and opportunities.

8.3 The Fyne Homes Management Committee retains ultimate responsibility for strategic direction and oversight of the subsidiary companies.

8.4 All strategic plans will be reviewed by the Management Committee and subsidiaries will provide strategic updates and performance reports at agreed periods.

## **9. Communication and Reporting**

### **9.1 Scottish Housing Regulator (SHR)**

9.1.1 Fyne Homes is committed to maintaining open, timely and transparent communication with the SHR in line with regulatory expectations. In accordance with SHR guidance, the Association will report all notifiable events (defined as significant incidents that may impact the Group's governance, financial viability, service delivery or reputation).

9.1.2 It is the responsibility of all staff and Committee/Board members to identify and escalate any incident that may constitute a notifiable event. The CEO (or delegated officer) is responsible for assessing the event and notifying the SHR without delay.

9.1.3 All related communications and decisions will be recorded and retained internally in line with our Data Protection Policy.

9.1.4 Notifiable Events is a standing item on the Management Committee meeting agenda, it will be the CEO responsibility to provide an update to Committee members at each meeting.

### **9.2 Information Sharing Between Parent & Subsidiaries**

9.2.1 Fyne Homes (parent) and its subsidiaries will share information in a structured, secure and proportionate manner to support governance, risk management, service delivery and regulatory reporting.

9.2.2 The Group CEO is responsible for the day-to-day operational running of the subsidiaries and report directly to the Management Committee. The Management Committee will receive the minute from each Subsidiary Board Meeting as part of the Management Committee meeting papers.

9.2.3 In order to provide the Management Committee with oversight of the activities of the Fyne Group as a whole, the CEO will provide a summary report to the Management Committee that outlines the key issues and decisions from each Subsidiary Board.

9.2.4 The Group CEO shall attend all Subsidiary Board meetings

## **10. Tenant Engagement and Consultation**

10.1 Fyne Homes is committed to engaging with tenants in a meaningful, inclusive and transparent manner to support accountability and continuous improvement in service delivery

10.2 The Association recognises that effective tenant engagement is fundamental to strong governance. It ensures that tenants' voices are heard, respected and reflected in decision-

making processes. Fyne Homes will actively promote open communication channels and create opportunities for tenants to influence policies, services and strategic direction, through scrutiny groups, consultation register, Association membership and focus groups.

10.3 The Management Committee will receive regular reports on tenant engagement activities, outcomes and areas for improvement, this will ensure tenant perspectives are embedded in governance and decision-making processes.

## **11. Reviewing process**

11.1 This policy will be reviewed in line with the respective current Fyne Homes' policies, and/or where a change in legislation arises

11.2 If there is a procedural delay in the policy revision then the relative legislation in force at the time will prevail.

<b>Version</b>	<b>Revision Date</b>	<b>Part of doc revised</b>	<b>Reason for revision</b>	<b>Approved by</b>
4	August 2019	All	3 Yearly Review	Mgt Comm
5	August 2022	All	Doc reviewed no significant changes recommended	Mgt Comm
6	August 2025	All	3 yearly review – policy updated to reflect the Fyne Group governance arrangements	Mgt Comm