



Finance and Investment Committee

Terms of Reference

September 2025

Purpose

The Committee ensures that LHP's financial planning, treasury management, and investment activities are sustainable, transparent, and aligned with LHP's mission, values and long-term strategy.

Specifically, the Committee:

- Provides **assurance to the Board on the integrity of LHP's financial framework**, including the Business Plan, stress testing, budgets and treasury arrangements.
- Oversees LHP's approach to **asset investment, growth and development** to ensure alignment with strategic objectives and long-term financial viability.
- Scrutinises and challenges **financial and investment assumptions**, ensuring compliance with regulatory standards, covenants and stakeholder expectations.
- Ensures **financial decisions support LHP's commitments** to value for money, environmental sustainability, equality, diversity and inclusion and long-term resilience.

Membership and Meeting Arrangements

Membership	<p>Between three and five members, including up to two places for independent members.</p> <p>Colleagues are not permitted to be members of this Committee.</p> <p>At least one member must have recent and relevant financial experience.</p>	Meetings	<p>Meet at least two times a year with the scope for additional ad hoc meetings should a significant need arise.</p>
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	The Chair of the Board cannot be a member of this Committee.		
Quorum	Three members, at least two of which must be Non-Executive Directors.	Lead Officer/s	Executive Director of Finance and Resources and Executive Director of Property



Duties

Financial Planning and Business Viability	Treasury and Funding
<ul style="list-style-type: none"> • Scrutinise the Business Plan and stress testing outcomes [annually]* • Review [annually] budgets of LHP and subsidiaries, ensuring alignment with the Business Plan, value for money targets and covenant compliance* • Monitor overall financial performance against the plan, cashflow and covenants, ensuring early action on risks – escalating to Board where appropriate • Oversee financial planning across group subsidiaries, joint ventures and partnership vehicles, ensuring risks, benefits and dependencies captured* 	<ul style="list-style-type: none"> • Review the Treasury Strategy, golden rules, financial metrics [annually] and advisors* • Scrutinise treasury management activity and performance • Review all new loan facilities, refinancing, security arrangements and banking arrangements – including terms and conditions and offers* • Review proposals to change rating agency or funding structures*
Investment, Development and Growth	Compliance and Assurance
<ul style="list-style-type: none"> • Scrutinise the Asset Investment Plan [annually], ensuring stock condition data and assumptions are robust* • Review development appraisal assumptions, parameters and financial criteria [annually]* • Scrutinise updates on development, sales and disposals – escalating material risks to Board • Review any disposals, acquisitions, reinvestment, redevelopment, programme funding or development scheme proposals outside agreed parameters or that carry significant financial or reputational risk* 	<ul style="list-style-type: none"> • Ensure compliance with NHF Code of Governance, RSH regulatory standards, legislation and internal policies • Commission external advice as needed • Undertake a self-assessment of Committee effectiveness [annually] • Reflect on emerging best practice and horizon scanning for regulatory and sector changes in relation to its remit – specifically financial, treasury and housing market • Consider risks relevant to its remit, recommending any changes in risk levels or identifying areas for further



<ul style="list-style-type: none"> • Scrutinise any Growth and Merger proposals* • Consider lesson learnt reviews of development scheme design, quality and financial performance to inform future approach 	<p>assurance or mitigation – escalating to Board where appropriate</p> <ul style="list-style-type: none"> • At the request of the Board, review any other areas within its remit
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Governance and Culture

- Seek assurance that financial and investment decisions support LHP's purpose, values, equality, diversity and inclusion commitments and environmental sustainability goals
- Seek assurance that financial control frameworks are based on reasonable assumptions and support long-term sustainable success
- Seek assurance that advisors have appropriate safeguards in place for the prevention and management of conflicts of interest
- Review, recommend and approve policies in line with delegations
- Ensure alignment with consumer standards expectations and customer insight for all decisions and proposals within its remit