

GROUP BOARD MEETING 11 MAY 2023

Chairs Matters and CEO Update

The Chair took the opportunity to thank colleagues involved in the Northeast stock tour the previous day which had been well received by the Board. She also took time to formally thanks Rommel Perriera for his contribution to the Board and to the Group Audit Committee.

Carol addressed progress on pay negotiations taking the Board through the proposals which had been discussed and presented to the Union. Carol also informed the Board that the Union had received the discussions well and that the proposals were to be put to a ballot. Carol mentioned the potential rebranding of Homes England and a move to oversee some regeneration too, which was seen as potentially a positive thing for Riverside. Carol also provided the Board with an update on a small number of referrals which had been made to the Regulator of Social Housing.

Customer Story

The Board received a presentation focusing on the work that had been done on one of Riversides estates where the tragic death of Olivia Pratt-Korbell had taken place. Patrick New described some of the issues on the estate and how Riverside was helping to rebuild trust by engaging with residents, listening to their concerns and acting on them, including addressing security issues, adding additional lighting and Ring doorbells and investing additional community funding on various projects and importantly working with other partners, including the police.

Business Plan Update

Cris McGuinness took the Board through the progress made with the business plan which was set against a challenging external operating environment. The Board discussed the key assumptions, inputs, Golden Rules, stress testing and mitigations before noting that the final business plan would be brought back to the Board for final approval at a separate Board meeting.

Climate Responsibility Strategy – year 1 refresh

The Board received the paper setting out an overview of the climate responsibility strategy to the end of the year in accordance with the commitment Board had made at its meeting in May 2022. They noted the progress that had been made and that the embedded across the group and was being led by the new Head of Sustainability. The Board also noted some minor revisions to the strategy.

Submission of the Local Centre Masterplan (Runcorn)

Nick Jones presented the paper proposing to deliver a 10-year regeneration programme across Palace Fields, Runcorn that would see the construction of 391 new homes with comprehensive place making approach to building neighbourhoods. The paper built on previous versions that had been to Board and the Board went through the detail on financial appraisals and challenges before approving the latest financial appraisal model and approving the submission of a planning application for the Uplands part of the scheme.

Annual Treasury Review

The Board received a paper setting out the annual review of the Group Treasury Policy and the Group Investment Policy, along with the independent review carried out by Devonshire's and Centrus Treasury Advisers, The Board noted that the reviews had also been presented to the Group Treasury Committee before approving the policy and strategy documents presented to them.

Annual Review of Group Tax Strategy and Policy

Cris McGuinness took the Board through the paper reviewing the annual review of Group tax strategy and policy. The Board noted the detail with a recognition that the strategy and policy were in line with the Board discussions on risk that had taken place the day before. The Board approved the tax strategy and policy.

ED&I Action Plan

The Board discussed an update on the annual progress made in achieving the objectives set out in the Equality, Diversity and Inclusion Action Plan 2022/23. The Board noted that ED&I continued to be an area of strategic focus for the Group and good progress had been made on delivering the main objectives.

Update on IT Strategy

Tony Blows presented the Board with an update on the Group IT strategy and roadmap which was set for the period between 2020-2025. The Board noted that the strategy was designed to protect the business and enable agility across the themes of customers, colleagues, data insights and modern technology. The Board recognised that the pace of change was rapid but also noted that good progress had been made, building on the previous years' work.

External Affairs Plan

Hugh Owen presented a paper setting out the priorities and objectives for the new External affairs team which had brought together a number of functions including media, public affairs corporate communications and reputational management. The Board discussed the objectives contained within the report along with the actions and SMART outcomes before approving the plan.

Group Risk Register

The Board spent time reviewing the annual refresh of the risk register, which had incorporated wider discussions from the Exec Directors and input from the joint meeting of the Care and Support, Customer Experience and Group Audit Committees. The Board had also had a deep dive session on risk the day before and all the comments would be incorporated into the new risk register which would be presented at the Group Audit Committee on 15 June.

Homes England Compliance Audits

The Board noted that two compliance audits had been completed by Homes England at schemes at Hepburn Gardens and Rivacre, both of which had been green rated which was extremely encouraging and was in line with the other two completed during the year, which had also been green rated.

Merger Due Diligence Report

The Board received a report which provided assurance that the previously reported amber matters in earlier due diligence reports relating to the merger of OHG and Riverside, had either been resolved or were continuing to have appropriate scrutiny.

Our Riverside Plan – year end performance report

The Board received the final review of progress in delivering the plan and noted the strategic KPI report that tracked performance across each of the last three years. The Board recognised the challenging environment against which the objectives of the plan had been delivered and noted that this had impacted in some areas, but overall performance had been positive with a 72% completion rate.

Operational Performance Report

Performance against the key KPI's was considered by the Board with the Board noting a minor change to the KPI definition for attrition on the colleague dashboard since the last report. Key highlights were pulled out and discussed by the Board members.

Financial Performance Update

The Board noted that in relation to the overall performance of the Group, YTD operating margin was 5.3% adverse to Forecast with YTD Net Margin 3.5% adverse to Forecast. Riversides operating surplus was £76.02m which was £4.43m favourable to Q3F. Net surplus was £34.51m which was £3.85m favourable to Q3F. The Board also noted the position for OHG. Overall potential impact of risks and opportunities for Riverside and OHG were discussed with the Board noting the overall combined opportunity from a consolidated group position. The Board also noted in particular the 7 red early warning signs contained within the report.

Quarterly Development Update

Cris McGuinness presented the summary of the development activity across the Group for the year ended 31 March 2023. Customer satisfaction levels were noted at 81% for Riverside and 90% for OHG at Q4. The Board noted that in Riverside 957 new homes had been built in the year and in OHG 70 new homes had been delivered

6-monthly Joint Venture Update

The Board received a report that provided an overview of performance across all the JV's within the Group in the context of the five key themes set out in the NHF Code of Governance, noting the evidence of compliance

Other reports noted

The Board considered a number of additional reports including an extension of the term of office of Ingrid Fife. They also discussed the Committee and Subsidiary Board update paper. The Board also agreed the Board minutes from the meeting on 15th March and noted the matters arising from previous meetings along with the written resolutions and chairs actions paper.

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2023/24 Group Business Plan

The Board received the 30-year 2023/24 Group Business Plan, noting the challenging external environment against which the plan was set. The Board discussed the plan in detail recognising that since the merger with OHG, the financial shape of the business is different, and this meant that the plan was weaker in the early years but remained strong and resilient overall and adhered to the Golden Rules which had been discussed at the meeting on 11 May. The Board also recognised that the plan had a reduced level of Development and the removal of future aspirational development. Having reviewed the plan in detail and having discussed the stress testing and mitigations the Board approved the revised budget and Business Plan