



Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the "Board")		
Date and time:	5:45pm 18 May 2023		
Location:	Via Teams		
Present:	• Terrie Alafat	(TA)	Chair
	• Pauline Davis	(PD)	Vice Chair
	• Nigel Holland	(NH)	Board Member
	• Olwen Lintott	(OL)	Board Member
	• Erfana Mahmood	(EM)	Board Member
	• Sandy Murray	(SM)	Board Member
	• Ingrid Fife	(IF)	Board Member
	• Carol Matthews	(CMM)	Co-opted Board Member
In attendance:	• Tony Blows	(TB)	Group Chief Information Officer
	• John Glenton	(JG)	Executive Director Care and Support Services
	• Ian Gregg	(IG)	Executive Director Asset Services
	• Cris McGuinness	(CAM)	Group Chief Financial Officer
	• Sara Shanab	(SSh)	Group Director of Governance and General Counsel
	• Russell Hall	(RJH)	Head of Governance (TRGL)
	• Carl Walsh	(CW)	Group Finance Director
Apologies:	• Sam Scott	(SS)	Board Member
	• Caroline Corby	(CC)	Vice Chair
	• Goi Ashmore	(GA)	Board Member
	• Patrick New	(PN)	Executive Director Customer Service

Min Ref:	Agenda Item	Action
096/23	<p><u>Apologies for Absence (Item 1) VERBAL</u></p> <p>There were apologies received from Sam Scott, Caroline Corby, Gai Ashmore and Patrick New.</p>	
097/23	<p><u>Declarations of Interest (Item 2) VERBAL</u></p> <p>There were no declarations of interest made.</p>	
098/23	<p><u>2023/24 Group Business Plan (Item 3) CONF.</u></p> <p>The Board received the paper to present the thirty-year 2023/24 Group Business Plan. This Business Plan was different to previous years as it was presented against a backdrop of a very challenging external environment (as initially set out in the Group Budget Paper at the January meeting and discussed further at the meeting on the 11th May).</p> <p>CW reminded the Board of the discussions that had taken place at their last Board meeting on 11 May which had focused on the key assumptions, inputs, Golden Rules, stress testing and mitigations.</p> <p>The Board focused first on the Golden Rules and headroom. The Board noted that whilst weaker in the early years, the Plan remained strong, resilient and adhered to the proposed Golden Rules discussed at the meeting last week. In the Plan, loan covenants were well provided for and had significant headroom throughout the later years.</p> <p>CW explained that the Golden Rules discussed last week were Operating Margin >15% (Y1 to Y3), reverting to >18% in Y4 and thereafter, Liquidity at >18m cash, Interest cover at >135% (in Y1) and >145% in Y2 and beyond, and Gearing less than 55%. Board noted that they were being asked for approval of those at this meeting.</p> <p>[REDACTED]</p> <p>Turning to the budget, CW explained that Executive Directors had identified a range of savings which had resulted in a revised operating Surplus [REDACTED]. There was however, a decreased Net Surplus [REDACTED] as a result of improved Operating Surplus being off-set by the increased interest costs, again Board noted they were being asked to approve the revised budget at the meeting.</p> <p>Moving to the economic assumptions. The Board noted that the Business Plan assumes that costs are linked to CPI throughout to avoid margin erosion. Interest had been increased in line with the forecast by Centrus, and assumptions around Voids and Bad Debts across the business had</p>	

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	<p>also been reviewed. Board again noted that they were being asked to approve the Economic Assumptions.</p> <p>The Board noted that the key projects and significant spend had been discussed at the meeting on 11 May and noted the discussions that had also taken place around removing uncommitted development spending from the Plan, [REDACTED]. In terms of Treasury the Board noted that [REDACTED] of new funding would be required before the end of the current financial year and a further [REDACTED] in the following year.</p> <p>CW then took the Board through the range of mitigations which were grouped by scale of time to implement and resulting impact. The Board noted the 6 tiers and reflected on the discussions they had had at the previous meeting on those mitigations.</p> <p>Turning to stress testing, again CW took the Board through the key points on the stress testing which had been discussed in detail in the meeting on 11 May. [REDACTED]</p> <p>Whilst there was additional headroom, tight controls were still needed to ensure that the Group remains within the new Golden Rule limits. CW reminded the Board of the Matrix stress testing that had been modelled along with the multi variant testing that had been completed.</p> <p>CW focused on two scenarios, which were the most severe, [REDACTED]. [REDACTED] The Board noted the impact of both and the mitigations set out which could be implemented.</p> <p>In discussing the detail IF referred the Board to some additional discussions she had had with CMM and JG, particularly around Care and Support services and those discussions had helped IF in considering the detail of the Business Plan. JG gave the board a brief overview of those discussions to provide context for the Board and how the mitigations would kick in depending on the level of action required.</p> <p>Responding to questions from the Board CW confirmed that whilst it was difficult to predict how external factors might influence the Business Plan in the medium term, the mitigations were sophisticated enough to be deployed in many ways so elements from different tiers could be implemented to provide the greatest impact. CAM also assured the Board that Riverside was “fleet of foot”, to be able to react quickly if or when required.</p> <p>CMM commented that the Plan currently protected certain investments, including into Tenancy Sustainment and Zero Carbon but if external factors hit Riverside really hard, then decisions on whether they would continue to be protected could be reconsidered by the Board. The Board noted the comments and were reassured that significant work had been</p>	

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	<p>undertaken and presented to them that they had comfort and assurance on the modelling and the range of mitigations available.</p> <p>NH also shared his views that all of the mitigations and actions being discussed were entirely within the gift of Riverside and there was a view that if external factors did get really challenging, the government, Bank of England and other stakeholders could step in with their own mitigations which might also help.</p> <p>The Board:</p> <ul style="list-style-type: none"> • NOTED the range of single and multi-variant stress testing, ensuring as they did that, they considered the long term, cyclical nature of economic factors that impact on the business as well as internal business risks. Members were assured that the mitigations identified should sufficiently alleviate the impacts of stress testing, • APPROVED the proposed delegation of approval to the CEO and CFO for any immaterial changes arising from the Financial Forecast Return (FFR) sign off process, • APPROVED the proposed changes to Golden Rules and Key Performance Measures; and • APPROVED the revised Budget for 2023/24 as set out in Section Two; and • APPROVED the 2023/24 Group Business Plan. 	
099/23	<p><u>Any Other Business (Item 4)</u></p> <p>There were no matters of AOB.</p>	
100/23	<p><u>Date of Next Meeting – 13 July 2023 (Teams) (Item 5)</u></p> <p>The date of the next scheduled meeting was noted</p>	
	<p>There being no further business the formal meeting was closed.</p>	

Signed:

Terrie Alafat, TRGL Board (Chair)

Date