

RIVERSIDE GROUP BOARD MEETING HIGHLIGHTS 20 NOVEMBER 2023

Quarter Two Forecast

The Board received a paper from Cris McGuinness setting out the Quarter Two Forecast (Q2F) of the Group for the 2023/24 Financial Year compared to Budget.

Q2F full year operating surplus was forecast to be £93.98m which was £11.71m adverse to Q1F and £28.39m adverse to Budget. The lower operating surplus, combined with an increase in interest resulted in a net deficit of £1m, which was £18m adverse to Q1F and £37m adverse to Budget. The Board members noted the key drivers of Q2F to Q1F which were delay in the transfer of Baycroft, a significant increase in repairs and removal of Maidenhead and Winsor. Consent to carve outs were being requested from lenders for Fire safety costs, break costs and Baycroft losses.

Business Plan approach and economic assumptions

The Board considered the paper introduced by Cris McGuinness that set out the Budget and Business Plan approach for 2024/25 as well as presented updated proposed economic assumptions to be used for the 2024/25 Group Business Plan.

Temporary Treasury Policy change and mandate update

The Board considered the Temporary Treasury Policy change and mandate update introduced by Cris McGuinness. The Treasury Policy currently stated that the business should always hold £5m cash, however, it was suggested to reduce this to £1m. The reasons for this request were that liquidity forecasting and cash management processes had improved, and this meant that there was less requirement to hold £5m "just in case". The Board approved the proposal.

Compartmentation and Fire Risk Framework Award Contract

The Board considered the report introduced by Ian Gregg, that detailed the outcome of a group wide procurement exercise for the creation of a Compartmentation and Fire Risk Remedials framework.

The Board approved the recommendation in the report for the establishment of a 4-year framework covering 14 lots with a maximum value of £38,000,000. The Framework would allow the appointment of up to 20 contractors through call off contracts which would be either purchase orders or JCT MTC contracts.