

RIVERSIDE GROUP BOARD MEETING 4 SEPTEMBER 2023

Quarter One Forecast

The Board received a paper from Cris McGuinness setting out the Quarter One Forecast (Q1F) of the Group for the 2023/24 Financial Year compared to Budget.

CAM began by reflecting on two matters that had been discussed by the Board at their meeting in May, the first was a potential risk around Fair Value and the second that the environment in which Riverside was operating was challenging. The Board noted the Q1F met the agreed Golden Rules but recognised the variations to budget and the reasons for those. They went on to discuss the budget challenges and the scaled mitigations set out in the paper.

Update to Group Treasury Policy

The Board received an update to Group Treasury Policy from Emma Turner. The Board noted that the strategy was being revisited given the challenging economic circumstances, that this had accelerated the timescale on the top up charging exercise and the intended debuting of a sustainability linked framework had been pushed back by 12 months.

New Build – Sandbrook Road

The Board received the proposal for the construction of 130 new affordable homes off Sandbrook Road, Ainsdale, Sefton. There were 20 new homes for Affordable Rent and 20 for Shared Ownership, along with 90 extra care apartments and associated communal facilities. The Board approved the land purchase and agreed to enter into a JCT D&B contract with Countryside Partnerships and a development agreement with Sefton for the Autism Assessment Centre.

RIVERSIDE GROUP BOARD MEETING 12 OCTOBER 2023

Sub-lease of Baycroft Portfolio

The Board received a paper providing an update on the work to transfer the Baycroft care homes to Country Court Care. The Board agreed to delegate authority to agree the final contract, and to approve the phased completion in the event the simultaneous completion of all homes at the same time was not possible.

Chair and Chief Executive Matters

The Chair welcomed Jehan to the meeting and thanked the Exec Team for the recent strategy day they had attended. Carol reflected on the recent political party conferences she had attended and made reference to a number of the points raised in her report around the increased regulatory environment.

Customer Story

The Board received a report addressing the approaches taken to tenancy fraud, the successful use of third parties in investigations and the lessons learned from a recent case on recovery of money lost to fraud.

Integration and Transformation Update

The Board received the report which provided an update on merger integration and change management as at the end of September 2023. The report referred to levels of investment, associated benefits and spend to date. The report also linked expected outcomes and programmes of work to the new Corporate Plan

Care and Support Strategy

John Glenton presented the new Care and Support Strategy 2023-26 to the Board, the purpose of which was to maintain a financially viable and focused Care and Support business that delivered safe and high-quality services to customers. The Board approved the strategy.

Forward Together – Strategic Performance Report

The report presented the first mid-year strategic performance report and set out progress in delivering the Forward Together Corporate Plan. The Board noted the report and the progress made, with more than 30 of the KPI's on or above target.

Group Information Governance Strategy

The new Group Information Governance Strategy was presented to the Board. The strategy focused on the framework and approach to information governance and was approved by the Board.

Review of Financial Crime Policy

The Board received the bi-annual review of the Financial Crime Policy that provided a consistent approach to deterring, detecting, preventing and reporting all types of financial crime across the Riverside Group. The Board approved the retention of the existing policy.

Geoffrey Close

Cris McGuinness presented the Board with the current position for the regeneration project at Geoffrey Close Lambeth. The Board noted the slow progress made by our JV partner Bellway and consequently the options presented by Bellway to progress the regeneration scheme. The Board agreed to adopt option 3 as set out in the report.

Treasury Strategy Approvals

The Board noted that the Treasury Strategy had been approved by the Board on 4 September, but that it was necessary to look at it again in order to execute parts of the strategy effectively and to allow time for transactions to complete in a timely manner and ahead of the end of the calendar year. The Board agreed a number of recommendations including to approve the in principle raising of new debt finance up to £350m, and to agree the entering into of new interest rate swaps with MUFG.

Housing Ombudsman Complaint Handling Code Assurance Report

The Board received the groups annual self-assessment against the Ombudsman's Complaint Handling Code. The Report also provided an insight into the Ombudsman Determinations during Q1. The Board approved the complaints self-assessment but agreed to the report becoming a 6 monthly rather than annual report.

Financial Performance Update

The Board noted that in relation to the overall performance of the Group, YTD operating margin was 1.9% adverse to Budget with YTD Net Margin 2.2% adverse to Budget. Riverside's operating surplus was £25.74m which was £3.07m adverse to Budget. Net surplus was £2.61m which was £2.44m adverse to Budget, with Operating Margin at 14.8%, which was 1.7% adverse to budget. 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 5 red early warning signs contained within the report.

2024/25 Business Plan Approach and Economic Assumptions

The Board was presented with the paper that set out the Budget and Business Plan approach for 2024/25. The paper also set out the proposed economic assumptions to be used for the 2024/25

Group Business Plan. The Board noted the approach and approved the proposed economic assumptions but agreed to revisit them in November when looking at the Q2F.

Damp and Mould Assurance Report

The report to Board provided assurance on Asset Services performance on the remediation of damp and mould across TRGL stock and mitigation of potential health impacts for customers. The Board reviewed the delivery outputs since 1 April 2022 and the proposed next steps set out in the report.

Operational Performance Report

Performance against the key KPI's was considered by the Board. Key highlights were pulled out and discussed by the Board members, with the Board noting a number of changes had been implemented since the last report to Board.

Group Risk Register

The Board spent time reviewing the risk register, noting in particular the changes around budget, development, data and people. The Board also considered the mapping of the risk register to the Regulatory Standards and the Forward Together plan.

Health, Safety, Environmental and Business Continuity 6 monthly Board Report

Board received the update paper, noting the report would be presented now every 6 months rather than every 12 months. Board noted HSE performance and risk management continued to progress in a positive direction, evident by the Group retaining its ISO accreditations. The Board noted the operational updates and that the business continuity capability continued to evolve.

6-month update to Building Safety Report

The Board received the update for building safety, noting that Riverside had maintained a high level of customer satisfaction. The Group had continued to embed the Building Safety Framework and had developed new strategic priorities as set out in the report. The Board did note the continuing challenges around completing high risk fire safety actions along with the changes implemented to increase the capacity of the supply chain in this regard.

Review of Group Structure and Subsidiary/Joint Venture Relationships

The report received by the Board built on the "Contagion Risk" presentation given to the Group Board at the recent strategy event in September and presented the first six-month report on both the JV and subsidiary entities in the Group structure. The report provided assurance to the Board that both JV's and subsidiary entities continued to support and enhance delivery of Riverside's mission.

Other reports noted.

The Board considered a number of additional reports including the Quarterly Treasury Report, the Quarterly Development Report, the half yearly Cyber Security Update and the Succession planning update. They also discussed the Committee and Subsidiary Board update paper. The Board also agreed the Board minutes from the meetings on 13th July and 4th September and noted the matters arising from previous meetings along with the written resolutions and chairs actions paper. The Board also dealt with the TRGL Board Effectiveness Review, noted the Board Training Plan, agreed a change to the execution of deeds by the former OHG subsidiaries and approved the revisions to the GRC Terms of Reference.