

RIVERSIDE GROUP BOARD MEETING HIGHLIGHTS OCTOBER 2024

BOARD MEETING HELD ON 10 OCTOBER 2024

Chair and Chief Executive Matters

The Chair opened the meeting by thanking Paul Dolan and his team for the two-day Board strategy session held in Liverpool, which the Board agreed had been a good event and had allowed the Board to focus on some important issues. The Chair highlighted some of the reports that the Board would spend a little more time on during the meeting. The CEO agreed that the Strategy session had been good and it had given the Exec team a very clear steer on strategic direction. The CEO highlighted a number of areas in his report including

- The extent of the NED recruitment which had recently been completed
- An update on the customer engagement strategy
- An update on the rent review work commissioned and being carried out by DTP
- Plans to replace the retiring Hugh Owen and Patrick New

Customer Story

The Board received the Customer Story in relation to a customer who had been helped via Riverside's Housing First approach. The Board watched a video setting out the background to one of Riverside's customers who had had a difficult upbringing and had fallen into dependency on drugs and alcohol. After an incident when he had been seriously assaulted and hospitalised, after his discharge from hospital, colleagues from Riverside helped the customer under the Housing First initiative to provide not only supported housing but the vital residential rehab support to help him maintain his tenancy and also address his addiction problems and turn around his chaotic life to the point where he was now employed by Riverside as a Support Worker, using his own lived experience of homelessness and addiction to help others. The Board recognised that in difficult times support and prevention services are often the first to be cut but the video showed the Board just how important those services provided by Riverside are to help customers and the importance of a multi-agency approach.

Integration and Transformation Portfolio status Report

The report provided an update on the Riverside Integration and Transformation Portfolio as at the end of September 2024. The Board noted progress in terms of merger integration and wider business transformation and recognised that there were currently 18 live projects, with an additional 5 recently approved projects being mobilised. Notable projects included the integration of the combined Customer Service teams, delivery of a unified care management system and the OHG Property Services Stabilisation Programme. The Board discussed the pace of both system and service integration and the impact of the current sequencing and smoothing review on projects.

Group Risk Register

The Board reviewed the risk register, noting the changes and amendments across all the risks. The Board noted the work GAC had done in reviewing the risks and mitigations within the Register and agreed that more dedicated time was required in the Board forward plan for detailed strategic risk work. In particular the Board considered the proposed changes to the way the risk register would be reported going forward, which would be discussed quarterly at ED away days and subsequently reported to the next Board meeting after each ED away day.

Risk Management Policy

The Board reviewed the Risk Management Policy, noting that it worked well and agreed a small number of minor updates before approving the Policy.

Forward Together – Strategic Performance Report

Board received a report setting out the mid-year 'Forward Together' strategic performance report for the period 1st April 2024 – 31st August 2024. The Board noted strong performance in many areas including care and support but that performance in some areas had not been as strong as would have been hoped and that the Exec team would be reviewing the later parts of the plan. The Board noted the progress, particularly against the backdrop of a time and resource heavy period of significant change for the Group since the launch of the Corporate Plan, with the integration process continuing alongside long-standing challenges in the wider operating environment. The Board welcomed the Exec team review which would be reported back to Board in the future.

2025/26 Business Plan Approach and Economic Assumptions

Board noted the 2025/26 business planning cycle was due to commence with the setting of the 2025/26 budgets for each of the business areas. The approved 2025/26 budgets would form the basis (year one) of the 2025/26 thirty-year Business Plan for the Group. To ensure that both the 2025/26 Group Budget and Business Plan were reviewed and approved ahead of the 2025/26 financial year, the Board discussed the approach proposed as set out by the CFO. The Board challenged some of the assumptions with the CFO confirming that all assumptions were prudent but agreeing to provide the Board with some additional contextual information to support the assumptions. The Board approved the assumptions set out in the report.

Monthly Exec Dashboards (4C's)

Performance against the key KPI's was considered by the Board. Board noted the revised presentation of the dashboards and approved the new format, with a focus on the business streams and items reported as red under the RAG rating. Key highlights were pulled out and discussed by the Board members for the period up to the end of August. The Board noted there had been some good improvements in many areas including Care and Support, and noted that FRAs were on target for the end of the year, but did note some areas where further work was being undertaken to understand reporting, including on cash leakage and empty homes performance.

Financial Performance Report

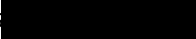
Board noted the financial performance report as at the end of August 2024. The Board noted that the YTD Operating Margin was 17.6% which was 1.6% favourable to Q1F and YTD Net Margin at 1.4% was 1.5% favourable to Q1F. Total income was £1.19m adverse to Q1F due to service charge income, development for sale income and void loss. Total expenditure was £5.13m favourable to Q1F due predominantly to savings in R&M, land and property surplus, sundry housing management and service charge expenditure. The Board noted the four red early warning signs and they welcomed the proposed changes to simplify reporting from the September results onwards, (which would also include VFM reporting).

Quarterly Treasury Report.

The Board received a high-level summary of the Quarterly Treasury Report noting that the report had been discussed in detail at the Group Treasury Committee on 5 September 2024.



Quarterly Development Report

The Board welcomed the revised quarterly development report which provided a summary of the development activity across the Group for the quarter ended 30th June 2024. Key points of the report noted by Board included the handover of an additional 24 homes on top of the 179 homes reported across group, against a Q1 target of 403. The Board discussed a number of the ongoing developments and reflected on the challenges being faced by some developers , and the protections, including step in rights contained within contractual documentation.

Value for Money Strategy

The paper introduced a new VFM strategy setting out the Group's approach to controlling costs and delivering efficiency savings over an initial period of 2024-26. The Board recognised the strategy would help clarify the VFM approach and noted the key areas of activity identified under the three objectives which reflected the Regulators VFM Code of Practice. The Board also acknowledged that this approach would address some of the comments on VFM that came from the Regulator as part of the IDA.

Supporting the Livelihoods of Customers and building Stronger Communities – the Role of Riverside Foundation

The Board received the paper which provided an overview of activity of The Riverside Foundation in the last 12 months. Board noted the progress made against strengthening compliance with the agreed directions as well as the strategic approach to funding in alignment with the Communities and Livelihoods Strategy. The Board also noted the review of the Riverside Foundation as the grant funding body and Board agreed a new three-year funding agreement, covering the period April 2025 – March 2028.

6 monthly Property Condition Report

Board was provided with the 6 monthly property condition report, noting that the stock condition pilot was underway, with year 1 of the programme being mobilised at the start of September. Board noted the RAG rated summary of the investment programme and discussed the 7 new enforcement notices that had been received since the last report along with the 28 Housing Ombudsman Service determinations.

6 monthly Building Safety Report

The Board received the paper which provided an update on Building Safety with the Board noting that the Group had maintained high levels of customer satisfaction with the Building Safety Transactional Survey at 92.9% and the TSM measure TP05 (safe home) achieved 74.9% against a target of 73.1% and TP10 (communal areas clean and well maintained) at 60.6% against a target of 56.4%. The Board noted the progress being made on building safety matters.

6 monthly Health, Safety, Environmental and Business Continuity Report

The report provided Board with a full picture of health and safety across all parts of the Group, reporting on the period from 1 January through to 30 June 2024. Board noted that HSE performance and risk management continued in a positive direction, with a continued increase in incident reporting which was recognised as a sign of a healthy safety culture. Board also noted that business continuity continued to evolve with a Group wide test of the level 4 business continuity plan earlier in the year. Board concluded their discussions by noting that the report provided them with the assurance that they needed.

Other reports noted.

The Board considered and noted a number of additional reports including a paper proposing an increase in the Group debt ceiling to £5bn, an annual report updating Board on the transfer and effective contract management of the Baycroft care homes, along with the Committees and Subsidiaries update paper. They also received and noted a paper providing a 6 monthly cyber security update, approved a report setting out minor changes to the CEC Terms of Reference, and received the 6 monthly Subsidiary and JV update, along with a report approving the creation of a new panel of legal advisers. The Board noted the changes to their forward plan of meeting venues and approved a forward plan of Masterclass training for 2025.

The Board also agreed the Board minutes from the meeting on 11 July, noted the matters arising from previous meetings along with the written resolutions and chairs actions paper and noted the Board Training Plan.