

RIVERSIDE GROUP BOARD MEETING HIGHLIGHTS DECEMBER 2024

BOARD MEETING HELD ON 12 DECEMBER 2024

Chair and Chief Executive Matters

The Chair opened the meeting by acknowledging the improvements generally to the papers presented following previous feedback. The Chair then highlighted some of the reports that the Board would spend a little more time on during the meeting including around the results of the Altair review and the update that Cris McGuinness would give round the work on preparing the budget. Terrie also shared some observations from recent G15 events she had attended noting that it was a tough time for the sector. The CEO highlighted a number of areas in his report including

- His observations of having attended recent G15 meetings where the significant challenges facing the sector had been discussed
- Reflections on the recently published Sector Risk Profile
- Highlighted the work being done by ED's focused on the three key priorities of Assets, People and Culture, and Customers
- Updated the Board on the work being done to bring together all the challenges in legacy OHG operations
- An update on the work being carried out by DTP on rents review and an update on the position regarding consultation on Co-operative and Community Benefit Society changes

Customer Story

The Board received the Customer Story demonstrating the power of face-to-face communication. The story involved a longstanding customer who had made a number of complaints about damp in his property over many years. The customer had an abrupt manner and would often get angry and abusive on phone calls, communication got to an all time low with colleagues only able to communicate through his support worker and the customer threatening legal proceedings. The media team ran a simulation on the risks such a case could bring which helped colleagues think about other ways Riverside could support the customer. One of Riverside's Housing Services Managers decided to face the matter head on and spent many hours listening to the customer face to face and worked through the issues and supported the customer into new accommodation and dealing with UC and other issues. The Board recognised the impact the face-to-face approach had had in this case and whilst they understood this was intensive for colleagues it was an approach that could work really well and supported the decisions to employ more housing officers in the London region

Altair External Governance Review

A paper was presented setting out the final report and recommendations of Altair who were commissioned to carry out a triennial independent review of governance within the Group. The Board noted that the review came shortly after the Regulator of Social Housing had upgraded our governance rating to G1 and Altair had focused on whether Riverside's governance was fit for the future. Board noted the findings of Altair which included

- they recognised all NED's and ED's were committed to good governance.
- the Riverside governance framework operated well, recognising that the Board was experienced with a diverse range of skills.
- Riverside's committee structure worked well but could benefit from a refresh to ensure they were fit for the future.

The Board reviewed the findings and agreed a governance action plan to further strengthen Governance within the Group.

Quarter Two Forecast and Budget update

Cris McGuinness presented the Quarter Two Forecast (Q2F) update with Board noting that earlier in the year, work was undertaken to identify opportunities to improve the Net Surplus Budget position by £10m as part of the CEO Financial Challenge. This resulted in Q1F forecasting a Net Surplus that was £16.5m higher than Budget. Board noted that the Q2F full year outturn presented in the paper had Operating Surplus £5.01m adverse to Q1F (but £9.37m favourable to Budget). Q2F full year Operating Margin at 17.5% was 0.4% adverse to Q1F. Q2F full year Net Margin was 3.3%, 0.6% adverse to Q1F. Whilst adverse to Q1F, Q2F Net Surplus was £12.19m higher than the original Budget. Total income was £10.90m adverse to Q1F and total expenditure was £5.89m favourable to Q1F.

Having Noted the Q2F update, Cris then presented some slides to give the Board advanced notice in relation to the current challenges in setting the 2025/26 budget, which, at the present moment in time showed that the draft 2025/26 budget was significantly adverse to the business plan position, with both external and internal challenges (including NIC increases, cost of living increases, service charge recoverability issues, lower profit from sales and overall asset costs increasing significantly). The Board noted the current position and discussed how additional savings might be forthcoming.

Financial Performance Report 2024-25

Board noted the financial performance report as at the end of October 2024, which was reported against Q2F, (which the Board had discussed earlier on the agenda). Cris explained there was likely to only be small variances to the information presented. Year to date Operating Surplus was £0.2m worse than Q2F and net surplus was £2.5m favourable. The Board noted the five red early warning signs and in terms of risks and opportunities they noted they were very similar to Q2F. Board noted the Financial Performance Report

Rent Review 2025-26

Board received the report setting out the proposed rent increase for all tenures for the financial year 2025/6, the Board noted that Customers had had input on the planned increase and understood the rationale for the proposed rent increase and that it was in line with government policy. The Board carefully considered the necessary criteria in coming to a decision in accordance with the Group's approved rent setting policy. The Board approved the rent increase of 2.7% (CPI + 1%) for all Riverside tenancies in England, to be applied in April 2025, with the exception of shared ownership leases where rents should be varied in accordance with the terms of the relevant leases.

Compendium Living Business Plan 2025-26

The Compendium Living Business Plan was presented to the Board, with the Board noting that the plan had also been reviewed by ED's and by GDC. The plan was to continue with the current pipeline projects, in particular the anchor projects of Ings in Hull and Castleward in Derby, along with two additional projects (Palacefields in Runcorn and Yorke Drive in Newark). The Board also approved a new loan agreement to Compendium (given that the current one was soon to expire) – the loan was the same amount on the same terms.

Contract Award Report – Temporary Recruitment

The Board received a paper setting out the results of competitive procurement process for a temporary recruitment supplier. The Board considered the results, benefits and recommendations and approved the recommendation and the award of a contract to Adecco, under the contractual terms set out in the report

Information and Transformation Portfolio Status Report

The report provided an update on the Riverside Integration and Transformation Portfolio as at the end of November 2024. The Board noted progress in terms of merger integration and wider business

transformation and recognised that there were currently 20 live projects. Notable projects included the integration of the combined Customer Service teams and the delivery of a unified care management system. The Board noted the report and discussed the pace of both system and service integration.

Care Services Annual Summary

John Glenton presented the Board with an annual update on the Riverside Care Quality Commission Registered services. The Board noted there were 12 care services registered with CQC and that there had been no new inspections in those care services from the regulator. They also noted the handover to Riverside, and registration of, the Keswick Close scheme and also noted the results of the annual care customer satisfaction survey which saw high levels of participation and an overall satisfaction across care services of 92.3%.

Monthly Exec Dashboards (4C's)

Performance against the key KPI's was considered by the Board. Key highlights were pulled out and discussed by the Board members for the period up to the end of October 2024. The Board noted there had been some good improvements in many areas including Social Housing and Care and Support. The Board also noted that whilst many metrics in Home Ownership remained red, there were some indications of positive change. They also noted that FRAs were on target for the end of January 2025. Board recognised there were some areas for improvement, including on complaint handling, former tenant arrears and empty homes rent loss performance.

Quarterly Development Update

The Board welcomed the quarterly development report which provided a summary of the development activity across the Group for the quarter ended 30th September 2024. Key points of the report noted by Board included the completion of 410 new homes against a target of 547 during the reporting period, broadly in line with business plan assumptions on costs with a year-end forecast of 1,108 completions against a target of 1080.

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 noted that more dedicated time would be available at the workshop event at the March Board meeting for detailed strategic risk work. The Board considered the key changes to the Risk Register, in particular Risks 5, 6, 7 and 9 where overall inherent risk scores had reduced.

Windsor and Maidenhead Stock Transfer

The Board considered the paper proposing a disposal of 319 properties, the interest of 14 owner occupiers, 110 garages, a community hall and a playpark to Red Kite Community Homes. After careful consideration the Board agreed to proceed to exchange of contracts on a conditional basis subject to a successful resident consultation and final approval to complete the transfer would be brought back to Board for a decision after the outcome of that resident consultation was known in late January/early February.

Other reports noted.

The Board considered and noted a number of additional reports including a paper giving a 6 monthly update from the Group Information Governance Group, along with the Committees and Subsidiaries update paper.

The Board also agreed the Board minutes from the Strategy Session held on 25-26 September, the Board meeting on 10 October 2024, noted the matters arising from previous meetings along with the written resolutions and chairs actions paper and noted the Board Training Plan.