



Final report

December 2023

Curo Group Governance Review 2023



Contents

- 1. Executive Summary 3
- 2. Introduction..... 4
- 3. Overview 6
- 4. Relationships, culture and behaviours 8
- 5. Board structure 10
- 6. Stakeholder engagement 14
- 7. Risk management..... 17
- 8. Performance and accountability 18
- 9. Leadership and Management 19
- 10. Conclusion and Recommendations..... 20
- Appendix 1 Activities undertaken 25
- Appendix 2 Document Review 27
- Appendix 3 Delegations benchmarking..... 29

DISCLAIMER: Our report is addressed to the directors of Curo Group. We stress that our report is confidential and prepared for the addressees only. It should not be used, reproduced, or circulated for any other purpose, whether in whole or in part without our prior written consent, which consent will only be given after full consideration of the circumstances at the time.

If the report is released to a third party without prior consent from Altair, we do not acknowledge any duty of care to the third party and do not accept liability for any reliance placed on the report.

1. Executive Summary

- 1.1. In August 2023, Curo Group (Curo) commissioned Altair Consultancy and Advisory Services Ltd (Altair) to deliver a governance review.
- 1.2. Overall, the governance environment is effective, with the recent renewal of board membership meaning that there are some areas which may need re-considering or formalising. The environment within which Curo and other similar organisations operate is also undergoing significant change and we have considered areas where we believe such changes can be addressed or prepared for now.
- 1.3. The majority of our recommendations relate to ways in which the board and executive can be more deliberate in creating an environment where challenge and support are effective and assist in the successful delivery of strategic goals. There will be some actions which are not easily added to an action plan as there will be no completion point, instead being areas to keep under continuous consideration.
- 1.4. The main themes of our recommendations are as follows:
 - Behaviours and relationships – predominantly to spend time focusing on building strong relationships across the board and executive
 - Customers – to improve the channels through which customers can both influence and engage with Curo including at a governance level
 - Risk – a review of the risk management framework is advisable with the focus on the ways in which it helps good decision-making rather than finessing finer details
 - Strategy – the post 2024 strategy is still at a draft stage and we have recommended that a close focus on fewer more specific KPIs than are currently used will enable better monitoring.

2. Introduction

2.1. Context and Background

- 2.1.1. Curo Group (Curo) is a not-for-profit housing association that manages over 13,000 affordable and market rented properties. Based out of Bath, Curo provides new homes and is a provider of landlord and care and support services across the West of England. As part of the 2020 – 2025 Strategic Plan Curo has a clear purpose 'Homes for Good' underpinned by the values of being caring, respectful, open, fair and trusting.
- 2.1.2. The current structure of the group includes two committees, a combined board for Curo Group (Albion), Curo Place and Curo Choice with four other companies with their own boards.
- 2.1.3. The combined board has eleven members including nine non-executive board members, the Chief Executive and the Executive Director of Finance and Strategy. The group board delegates responsibility for day-to-day management to the Chief Executive and their executive team.
- 2.1.4. Since your last governance review in 2020 you have had a number of changes including the appointment of a new Chair and a number of new board members. During our review, as with many organisations in the sector, Curo was regraded by the Regulator to V2 with the G1 grade being maintained.
- 2.1.5. Please note when we refer to the board in this report, this is in reference to Curo's Combined board. This report provides our findings, emphasising changes to further improve the effectiveness and efficiency of Curo's governance.

2.2. Scope and Approach

- 2.2.1. Our review has considered whether Curo's current governance arrangements are fit for purpose and where possible identified recommendations for future improvement.
- 2.2.2. We have assessed compliance with the NHF Code of Governance 2020 throughout our review (for relevant entities) and the governance requirements of the RSH's Governance and Viability Standards. Our review provides assurance over current governance arrangements and has also taken into consideration progress with the new 2024 Corporate Strategy in order to ensure effective governance arrangements for the future.
- 2.2.3. As requested, our review has covered the following areas:
- Culture and values – The board's role in the association's culture and values, reviewing the ethical standards and codes of conduct, and evaluating the commitment to equality, diversity and inclusion.
 - Board structure – Reviewing the composition of the boards, the roles and responsibilities of its members, and the effectiveness of supporting committees.
 - Stakeholder engagement – Assessing the board's engagement with all key stakeholders and reviewing the effectiveness of our communication channels.
 - Risk management – Evaluating the approach to risk management and reviewing the board's risk appetite.

- Performance and accountability – Evaluating Curo’s performance against its strategic objectives, assessing the effectiveness of monitoring and reporting mechanisms, and reviewing compliance with regulatory requirements.
- Leadership and management – Evaluating the effectiveness of the Curo’s leadership and management practices, including the approach to talent management and succession planning.

2.2.4. As part of this review, we have undertaken a range of activities including a survey, interviews, observations and a document review. We have set out the detailed activities undertaken in Appendix 1.

2.2.5. We really appreciate the time and energy you have all invested in this work and thank everyone who engaged with us in the completion of this review.

3. Overview

3.1. Survey results

3.1.1. We used a survey to gain an anonymised overview of the combined board and executive team's views on governance across the organisation. The headline results and benchmarking data are shown at Figure One and Table One respectively below and the more detailed results have been provided separately to Curo's governance team and discussed at the 8th December Remuneration and nominations committee. In total we received 14 responses, including three executive team members and eleven NED/ committee members.

Figure One: Dashboard



3.1.2. The high-level results show that the board and executive have a positive degree of confidence in the overarching governance of the organisation. In particular, the topics 'Governance Roles', 'Group Structure' and 'Leadership and Strategy' have an average score of 'very well'. Those lower scoring areas are similar to what we see in other organisations, especially use of digital areas and board diversity and Equality, diversity and inclusion (EDI).

3.1.3. In the vast majority of the topics the board and executive were aligned in their scoring although we note that generally the Non-Executive Director (NED) score was slightly lower when compared to the executives. This is generally not a surprising outcome, and is a common pattern, due to the executive being closer to the operational detail and able to gain more frequent assurance.

3.2. Benchmarking

Table One: Average scores and benchmarking

Ranking	Governance Principle	Curo	Benchmarking
1	Governance Roles	4.7	4.6
2	Group Structures	4.6	4.3
3	Leadership & Strategy	4.5	4.4
4	Board Behaviours & Culture	4.4	4.3
	Board Effectiveness	4.4	4.3
	Board Composition	4.4	4.2
5	Accountability	4.3	4.4
	Risk, Assurance & Control	4.3	4.3
	Safeguarding	4.3	4.1
6	Committees	4.1	4.3
	Stakeholder Engagement	4.1	3.9
7	Equality, Diversity & Inclusion	3.9	3.9
8	Use of Digital	3.2	3.9
	*Conclusion	5.3	5.4

**Note – Conclusion based of 7-point scale.*

3.2.1. The results show Curo score well when compared to the other benchmark organisations. Excluding the topics 'Committees' and 'Use of Digital' all other topic scores are above the scores from the benchmarked data.

3.2.2. Our remaining work has focussed on understanding the context behind these results and obtaining a greater degree of understanding as to how this information can lead to future development and improvement. Findings and recommendations relating to any of these areas are included within the relevant areas of the report.

3.2.3. Following completion of our review and delivery of this report to board, the full set of anonymised information will be shared with Curo's governance team to enable Curo to draw further insight from the data.

4. Relationships, culture and behaviours

4.1. Overall culture

4.2. See comments in section 9 on the overall people culture.

4.3. Board relationships

4.3.1. A significant point that came up across all of our work was the recent changes to the board due to retirements of some long serving members. The meetings we observed were the first ones for a number of members and we have taken this into account in our assessment. There was a significant amount of nervousness as to the effect that bringing in new members would have (and a feeling of loss towards the retired members who were very influential in discussions and debate) as it was widely acknowledged that the board had previously felt strong, coherent and effective.

4.3.2. This uncertainty seemed emphasised by the need to have difficult conversations on finances and strategic choices in the November 2023 away day and the uncertainty about how the board would come together as a group to have effective and decisive discussions.

4.3.3. Feedback from the November away day suggests that there was a stronger sense of team and a feeling of getting to know each other with a greater degree of confidence in the future board as a result.

4.4. Relationship between Board and Executive

4.4.1. REDACTED| S40 - Personal Information

REDACTED| This meant that in the executive, board members were in the majority. We noted that there appeared to be a two-tier relationship (which is perhaps inevitable when there is more than one executive team member on the board) between executive and the board.

4.4.2. Throughout all our work we noted that there was less exposure of the board to team members below the executive level. This can be a great source of assurance for the board in gaining confidence from discussing key matters with those who have an in-depth knowledge. The deep dives we observed were delivered with varying success that could perhaps have been improved with better briefings for the team members involved.

Recommendation – we recommend that broader team involvement in governance meetings is encouraged, with clear briefings in advance.

4.5. Behaviours

4.5.1. Many of the behaviours we observed were good or great and we saw an occasion where tension was managed well. From discussions and observations we note that, as with many other organisations, there can be a tendency towards detail and requests for significant amounts of information and for ‘governance by individual anecdote’ rather than weight of data, especially following time spent with customers or staff. The recent away day generated some good conversation and individuals got to know each other better through the nature of

debate and the evening social time. We understand that recent board away days have not had time set aside for discussion around the 'how' of being a board, focussing on styles and interaction and agreeing what great looks like for the Curo board.

- 4.5.2. We understand that psychometrics were used for the recent recruitment round but that this has not been more widely applied to the board and executive as a whole. Such tools can be a very effective starting point in understanding each other's approaches and identifying possible blind spots.

Recommendation: we recommend that opportunities be taken at future away days to spend time agreeing what the great board behaviours would look like, what individual styles and personalities exist on the board and effective working together and contracting for this.

- 4.5.3. The skills matrix shows a good range of skills and strengths and the induction process appears very comprehensive (perhaps even involving too much information up front). There are a number of board members who are either new to being a NED and/or not familiar with the sector and we recommend that the learning and development programme take this into account. This learning environment could also be used as a further opportunity to work on building a great working relationship.

Recommendation: we recommend a clear learning and development programme be created for the board as a whole and the individual members.

4.6. EDI

- 4.7. There was a lack of mention in the key documents as to who has responsibility for EDI and the ways in which the board will set the tone for the whole organisation although it is responsible for a 'positive culture'. The behaviours we observed appeared generally inclusive with an effort being made to bring all voices into the room. It was unclear as to the ways in which the board had more formally engaged with creating an inclusive environment. EDI and diversity of the board were two areas where (as with many other boards) there was less confidence about how well the board was doing.

Recommendation: we recommend that the Board consider a more formal approach to promoting EDI and the actions and behaviours that will create a more inclusive board and overall culture.

- 4.8. We have made a number of additional minor recommendations to the governance team with regards to ways in which governance documents can be more inclusive (including reference to Chair/Chairperson rather than Chairman and avoiding phrases such as 'committed suicide' which places blame and refers to when it was a crime).

5. Board structure

5.1. Overview of structures

5.1.1. At the time of our review the Group was made up of the following entities:

- Community benefit societies (CBS) regulated by the Financial Conduct Authority, Charitable status with HMRC:
 - Curo Group (Albion) Limited (CGAL)
 - Curo Places Limited – owns and manages all the social homes
 - Curo Choice Limited – provides the Independent Living services
 - Mulberry Park CBS – looks after the Hub at Mulberry Park Limited Companies
- Registered with Companies House
 - Curo Enterprise Limited
 - Curo Market Rented Services (MRS) Limited
 - Curo Finance Limited

5.1.2. CGAL, Places and Choice have separate boards but meet as one – the Combined board

5.1.3. The Combined board are supported by the following Committees:

- Audit and Assurance Committee (AAC)
- Remuneration and Nominations Committee (RNC)

5.1.4. There is also the Customer oversight group which sits outside the main governance structure.

5.2. General committee and structure comments

5.2.1. With the exception of our comments on the Customer oversight group in section 6, we consider the current board and committee structure reasonable given the size, complexity, external environment and strategic priorities of Curo. It may be however, that a broader committee structure would allow more space in the board for more generative discussion with scrutiny and more detailed challenge being undertaken at a committee level. Balanced against this is the fact that the board and committee chairs would have to be more deliberate about maintaining a clear line of sight.

5.2.2. REDACTED: s42 - legal professional privilege

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5.2.3. Feedback from the interviews and survey showed that members are generally confident in relation to the committee structure and feel it is appropriate for future requirements, whilst we don't fundamentally disagree we draw attention to our comment in 5.2.1, that more committees (for example a development and asset committee; a finance and treasury Committee; or a customer/performance committee as seen elsewhere) may enable better strategic conversation at a board level. Respondents also acknowledge that the committee

structure is less complex compared to other providers of Curo's size (although the way membership is constructed of representatives from different elements of the group is not).

5.2.4. The change of Chair for the AAC (at the time of the survey no meetings had been held with the new chair) and changes to other committees meant that a number of members expressed that they were less confident in the effectiveness of the board and committees than they had previously been albeit this was based on uncertainty and needing time rather than a perceived problem with the changes.

5.2.5. The survey showed that members believe that the interaction between board and committee could be further clarified and line of sight improved. There were a number of instances in papers (for example in relation to risk consideration for the wider subsidiaries) where we noted it could be clearer in ensuring that all entities were considered. There is currently no Chairs' group or regular meeting between the various chairs (committee and subsidiaries) which could help address the line of sight issues raised.

Recommendation: We recommend that the Board consider how committees could be used to better effect and to bring more space into the Board agenda. This consideration would need to include:

- Whether having more committees may increase effectiveness and broader opportunity for discussion
- How line of sight maybe be improved from the board across the committees and subsidiaries
- How membership of any new committees would be determined and whether more independent committee members would bring additional skills

Recommendation: We recommend that more could be done in the papers to make sure there is appropriate coverage of each entity within discussions and that periodic meetings between the various chairs may also assist in the line of sight.

5.2.6. The documentation of annual committee effectiveness appeared comprehensive and the reflection conversation we observed for the AAC was insightful and effective.

5.2.7. In general, there was an observation that there was not always enough time in the board and committee meetings to have generative conversation and scrutinise critical areas. One approach to creating more time and space is to create task and finish groups that report back to board. For example, members raised digital and also the IT strategy and whether there is a need for a task and finish group for this area given its importance to the group. For individual one off matters, ad hoc meetings could be scheduled throughout the year to have single topic discussions, perhaps virtually. A further approach is to consider what matters can be conducted and recorded outside of meetings using the functionality in the board system, Convene.

Recommendation: We recommend that the use of task and finish groups (with clear remits) be considered along with shorter single matter meetings.

Recommendation: We recommend that the rolling agendas are considered for matters that could be conducted through other means than in person conversation.

5.3. Board and Committee membership

5.3.1. Following, and as part of, the recent recruitment round for board members, the skills on each board and committee were reviewed and appear appropriate. As acknowledged in the committee effectiveness reviews there is perhaps more that could be done to be more specific about the skills required for the committees, this could be reconsidered once the new strategy is finalised so that any new requirements can be covered.

Recommendation: We recommend the skills matrix requirements are reviewed once the new strategy is finalised to ensure all necessary skills are covered.

5.3.2. We note that the boards for both Curo MRS and Curo Finance boards are solely made up of the two executive board members. It is a common practice to have at least one Non-Executive Director on such boards (although not a requirement) to keep a degree of board oversight and independence.

Recommendation: We recommend that the membership of Curo MRS and Curo Finance are considered to refresh the decision regarding broader membership. We also recommend that all minutes from the subsidiaries are made available to the board.

5.4. Audit and Assurance Committee

5.4.1. We observed the first AAC chaired by the new Chair. The meeting was well structured and organised and some key insights were discussed (including challenge over the number of risks over the risk appetite).

5.4.2. There were some deep dives in the meeting which, whilst valued by the members in theory, were inconsistent in their approach and lacked clarity of purpose. In the committee reflections at the end of the meeting board members noted that for future it would be better if the board was very clear over the purpose of the deep dive, specific areas for attention and if a format was agreed that would elicit good conversation and bring the assurance sought. We endorse this recommendation.

Recommendation: We recommend that the deep dive approach is restructured, and better briefing of the relevant staff members be undertaken.

5.4.3. We noted that the AAC takes place on the same day as the board at least twice a year. Whilst we note that this may be convenient from a travel and time investment perspective, it is not conducive to effective use of the AAC as there is no time to act on any debate by the committee before matters are brought to the board and minutes are not available in advance of the board (which at best will mean the AAC Chair's debrief is longer and more detailed than it would usually need to be).

Recommendation: We recommend that committee meetings take place at least a week before board wherever possible.

5.5. Customer oversight group

5.5.1. Our comments on the Customer oversight group are included in section 6.

5.6. Delegations

5.6.1. As part of our review, we have undertaken a light touch benchmarking exercise (see Appendix 3) to understand whether Curo's current financial delegations are appropriate. We have benchmarked the areas of development scheme approval, asset disposal (housing and non-housing), and general purchase of goods and services. Our analysis shows:

- For approval of development programmes and schemes, Curo is different to comparators in that delegations state the number of units where Board approval would also be required and does not state within its financial regulations whether a committee has any approval responsibility. This is different to the comparators where all have either a development type committee or panel with development programme approval responsibility. Curo's Executive level delegation is therefore higher compared to comparators at £10m compared to a range of £1m - £6m for comparators.
- For disposals relating to housing properties, Curo is different from comparators in that no explicit value is aligned to each delegation level, instead a narrative definition is provided for board and executive delegation. We deem it best practice for monetary values to be assigned where board approval is required for housing property disposals.
- For tenders and quotations, Curo's delegated levels are significantly below comparators and rather than stating whole board approval at a certain level, financial regulations (3.7.6) state for purchases above £500k Chief Executive & 1 x executive or 1 x board director is required. We would deem it best practice to have a monetary value assigned where the whole board approval is required.

Recommendation: We recommend that, to ensure greater clarity on delegated responsibilities at board, committee and executive level, consideration is given to providing a monetary value for disposal of housing properties.

Recommendation: We recommend that addition clarification is provided where the whole board approval/ signature is required for tenders and quotations.

5.6.2. Whilst benchmarking information can be useful, it must be remembered that board approval is required for delegating authority to committees and executives and this often changes from organisation to organisation. Some of the factors that shape approval limits include, the board's risk appetite, the level of development an organisation is embarking upon and the skill set/capacity within the organisation available for the board to discharge these approvals.

6. Stakeholder engagement

For the purposes of this review, we have focused on the customer as the stakeholder.

6.1. Consumer standards and changes to the regulatory regime

6.1.1. There are a number of changes in progress which affect the relationship between housing associations and their customers including the changes to the regulatory regime (and In-depth assessments), changes to the consumer standards and changes to interaction with the Housing Ombudsman. We provided a training session on the changes on 30th November. Two thematic requirements are the need to consider both customer engagement AND customer influence and the need to be clearer on monitoring and triangulation of key information at a governance level. Specifically, there is a need to identify an individual at the Board level to be the formal complaints champion and that this must be a NED member.

Recommendation: In the training session we observed that there may be a need to gain clarity on how assurance will be gained, scrutinised and recorded over compliance with the changes.

6.2. Customer voice

6.2.1. Curo customers have several ways in which they can engage with Curo. This framework of engagement is split between strategic, operational, community, annual events and adhoc engagement and demonstrates some innovative approaches. There are also ways in which customers can be involved in the scrutiny of services provided.

6.2.2. However, more work must be done in relation to how customers inform and **influence** strategic decision making. Critical to this is the coordination of how the different channels of communication influence and flow into the board.

6.2.3. Other associations are considering this challenge in a number of ways, using a variety of channels just as with engagement, to varying degrees they combine influence, engagement and scrutiny (including for example triangulation of different metrics including TSMs). This includes committees within the formal governance structure that focusses on customer and performance (some including customers others not), joint panels between engaged customers and board members that sit just outside the governance structure and more formal customer groups with increased interaction with the board. There is currently a variety of levels of success in balancing over-complexity, efficiency and real influence occurring. We acknowledge that the approach that Curo choose will have an impact on the role of the Customer oversight group, regardless of the implications of this, we have provided some specific observations in relation to the Customer oversight group below below.

Recommendation: How customers influence the board on a regular basis and how the board hears customer voice needs to be reflected upon and changes to structure to effect this considered. As the group currently tries to maintain simplicity in its committee structure (to counterbalance the more complicated elements of the group structure) we suggest that this principle is prioritised, along with an emphasis on the board retaining responsibility for hearing customer voice.

6.3. Customer oversight group (COG)

6.3.1. The COG is currently a key element of Curo hearing the customer voice with its remit covering review of performance across customer experience areas (tenancy management and compliance, customer resolution, arrears, empty homes and customer contact) and property service areas (home improvement, repairs and estate management). In addition, the COG commissions 'deep dive'/scrutiny activities which are actioned and followed up through the resident engagement team working with a range of teams across the organisation.

6.3.2. Through observations and discussions with key stakeholders it is our view that the COG provides scrutiny and challenge and the membership of the group demonstrates good diversity of thought. However, we recommend a greater strengthening of the group's position within the formal governance structure, with the exception of recommendations coming from deep dive activities being shared with the AAC we are unclear as to how the work of the COG links to that done by the Board and enhances it. To ensure there is a more effective link, we recommend consideration should also be given to a more regular update from the COG into the board such as a quarterly update. Occasional attendance at board meetings by the Chair of the COG could also be considered.

Recommendation: We recommend that the interaction between the COG and the formal governance structures be considered and strengthened with a greater sense of purpose and efficiency.

6.3.3. We understand that the COG is serviced by Curo's resident engagement team who provide the agenda, minutes, action logs and support officers reporting into the COG. We believe that bringing this within the remit of the governance team would improve the rigour consistency and efficiency of meetings and documentation.

Recommendation: We recommend using Curo's governance team to coordinate meeting administration and planning for this group to bring greater alignment with the governance processes.

Recommendation: In addition to the above we have identified some further recommendations in relation to the COG:

- Undertake a skills/ experience gap exercise to identify any significant gaps in COG members' knowledge and then formalise training/ learning and development plans.
- Consider having a vice chair to assist and support the Chair.
- Continue improving the consistency of reporting and ensure executive members and officers reporting to the group understand their audience both in the reports provided and when presenting within meetings.
- Consider aligning member's tenure on the group with Curo Board NEDs. Currently the length of service for COG members is three years with option to extend by one year. We would deem this on the shorter side and generally it is not typical to have a term on a customer group with a shorter term than those for the NEDs.

- Agree greater clarity on the responsibility of the COG regarding Tenant Satisfaction Measures.

7. Risk management

7.1. Risk, Audit and Assurance

7.1.1. The overall risk management framework has the right foundations with the risk management policy setting out a number of good practices including the approach to scoring and explaining how risk will be managed. Where we have identified there being more to do is in regard to how this translates into practice and discussion. There is a risk that the current process is too static and not conducive to debate, however a complete rewrite is also unlikely to be necessary, the focus should be on driving more engagement with discussion around risk, not creating perfect documentation.

7.1.2. The risk register itself is detailed and contains lots of information, while this can be helpful in tracking and documenting the risk thread, it can also detract from useful conversation and having an overview. We note that a lot of controls are listed for each risk but it is not always clear how they mitigate the particular elements of risk, nor which of the IIA's levels the control is operating at.

Recommendation – We recommend the risk register is reviewed and that when appropriate a full board conversation be held about how the board as a whole engages with risk and what information will be most useful. We also recommend that the assurance framework also be considered with suitable levels of reporting determined (this maybe to the AAC or to other committees depending on the topic).

7.1.3. Risk appetite has been recently considered. We understand that it has been a while since the conversation on risk and risk appetite was broader, rather than starting with the previous position and updating it, we are unclear for example on how broader horizon scanning links to the register (for example how the scrutiny report is used).

Recommendation: We recommend that once the new strategy is closer to finalisation, the board and executive work together to start from scratch on risk appetite in order to understand the different appetite positions of the board individually and collectively.

7.2. Internal audit

7.2.1. The overall approach appears to be appropriate, however with a refreshed board it would be appropriate, once the new strategy is agreed, to have an extended session with the internal auditors to go back to basics on the internal audit plan and ensure that it is helping fill gaps in the assurance framework rather than being overly focussed on popular or standard items. Once an assurance map has been considered it would also be worth considering whether there are other sources/providers of assurance that need formally including in the AAC's formal reporting plan, increasingly we note other associations using a wider variety of assurance providers, focussing on specialist assurance as well as controls assessment.

Recommendation: We recommend that once the new strategy is closer to finalisation, the board and executive work with the internal auditors on a refreshed assurance framework and internal audit plan.

8. Performance and accountability

8.1. Operational Effectiveness

- 8.1.1. We have commented in section 9 on the need to be more focussed on fewer KPIs and there was some concern that more airtime was being given to financial matters than other aspects of the business and there was a widely held belief that more time needed to be spent discussing wider performance. This is a concern that is common to many other organisations, the changes to the regulatory regime and more focus on improving customer metrics driving changes to approach.

Recommendation – we recommend that consideration be paid to the balance of discussion in meetings.

8.2. Performance of members

- 8.2.1. The board member appraisal process was reviewed and appears appropriate, our only comment being that there could be space made for a broader reflection on performance away from the specific objectives set the previous year.
- 8.2.2. We understand that conversations are held between the chair and other board members throughout the year as an opportunity to provide feedback, this would be a good opportunity to follow up on contracting and behaviour objectives that we have recommended are set in future away days.

8.3. Documentation

- 8.3.1. The core governance documents reviewed are of a good quality and have been significantly improved by the governance team led by the Director of Governance. There are however a number of documents that should be updated (for example the financial regulations), it would be sensible to wait until the changes to the regulatory regime are finalised and a full review undertaken then to ensure all elements are updated.

Recommendation: We recommend that all documents are reviewed for up-to-date references in early 2024.

- 8.3.2. The board and committee papers are clearly set out with good executive summaries. Our observation (and those of board members) is that the papers are very heavily text dependent and that whilst the context set out in papers is very good, it can also be over and above what we would normally expect to see. There could also be more use of visual methods of communication used especially using more trend analysis and future projections. We also noted a number of appendices attached to reports adding in lots of additional detail. This can unnecessarily add to the burden of review for management and the board and creates a higher likelihood of board members getting too involved in the detail.

Recommendation: We recommend the format of key reports be considered to determine how more data and insight can be introduced and that the need for appendices be considered to keep the board papers clearer overall.

9. Leadership and Management

9.1. Strategy and Purpose

- 9.1.1. While we understand that the recent away day was successful (and that a lot of time and preparation was put into it), we noted a number of reflections that previous away days were less focussed and with less understanding about the purpose of the time together.
- 9.1.2. The strategy remains under development with a clear aim to create additional focus and a revisiting of the overall vision. The planned approach seems sensible and we endorse the stated aim to have fewer KPIs and more focussed on the key elements of the strategy.
- 9.1.3. A number of people noted that reputation management can be quite reactive, stating a desire to be more proactive in promoting the organisation's reputation especially by publicising positive actions Curo is taking. The recent customer community day is a good example of this.

Recommendation: We recommend that Curo ensure that there is a clear link to KPIs which will be effective in monitoring effective delivery of the strategy.

9.2. The board's role

- 9.2.1. We understand from conversation that the recent creation of the Chief People Officer role was in response to challenge that more could be done to build a stronger people focussed culture and in the meetings we attended the board we keen to hear how quickly new strategies would be developed. As a result of this we observed the organisation at an early stage in driving culture change but did note the importance given to it.
- 9.2.2. With the recent recruitment and changes to the board there are no major issues in relation to succession planning, however the disruption felt with the recent recruitment should be noted and where possible smaller changes, more often, planned for future.
- Recommendation:** We recommend that the succession plan is considered to try and smooth the impact of changes.
- 9.2.3. In our conversations we noted that the board are keen to support the executive in the future improvements planned for the organisation and this should be added to the contracting and development conversations we have recommended in other sections.

10. Conclusion and Recommendations

10.1. Conclusion

10.1.1. Curo has a good governance framework in place, the board and committee members have a range of skills and experience to support the delivery of the vision and strategic plans of the organisation. Recent changes have perhaps created a lower level of confidence in the effectiveness of the board, however, even during the course of our review we could see this confidence being re-established.

10.1.2. There are 4 key areas for enhancing Group board and committee effectiveness. These are:

- Behaviours and relationships – predominantly to spend time focusing on building strong relationships across the board and executive
- Customers – to improve the channels through which customers can both influence and engage with Curo including at a governance level
- Risk – a review of the risk management framework is advisable with the focus on the ways in which it helps good decision-making rather than finessing finer details
- Strategy – the post 2024 strategy is still at a draft stage and we have recommended that a close focus on fewer more specific KPIs than are currently used will enable better monitoring

10.2. Recommendations

10.2.1. The following table provides a list of key recommendations arising from this review. We have rated them as levels 1, 2 and 3 as defined below, we have not included minor, low priority items in this report.

10.2.2. Level 1: Make a priority and implement within the next 6 months to ensure properly effective governance

10.2.3. Level 2: Build into future plans and action within the next 12 months

10.2.4. Level 3: Consider as the impact could be beneficial

	Recommendations	
Relationships, behaviours and culture		
1	We recommend that broader team involvement in governance meetings is encouraged, with clear briefings in advance.	2
2	We recommend that opportunities be taken at future away days to spend time agreeing what the great board behaviours would look like, what individual styles and personalities exist on the board and effective working together and contracting for.	1

3	We recommend a clear learning and development programme be created for the board as a whole and the individual members.	2
4	We recommend that the Board consider a more formal approach to promoting EDI and the actions and behaviours that will create a more inclusive board and overall culture.	3
Board Structure		
5	We recommend that more could be done in the papers to make sure there is appropriate coverage of each entity within discussions and that periodic meetings between the various chairs may also assist in the line of sight.	1
6	We recommend that the Board consider how committees could be used to better effect and to bring more space into the Board agenda. This consideration would need to include: • Whether having more committees may increase effectiveness and broader opportunity for discussion • How line of sight maybe be improved from the board across the committees and subsidiaries • How membership of any new committees would be determined and whether more independent committee members would bring additional skills	2
7	We recommend that the use of task and finish groups (with clear remits) be considered along with shorter single matter meetings.	3
8	We recommend that the rolling agendas are considered for matters that could be conducted through other means than in person conversation.	2
9	We recommend the skills matrix requirements are reviewed once the new strategy is finalised to ensure all necessary skills are covered.	2
10	We recommend that the membership of Curo MRS and Curo Finance are considered to refresh the decision regarding broader membership. We also recommend that all minutes from the subsidiaries are made available to the board.	3
11	We recommend that the deep dive approach is restructured, and better briefing of the relevant staff members be undertaken.	2

12	We recommend that committee meetings take place at least a week before board wherever possible.	1
13	We recommend that, to ensure greater clarity on delegated responsibilities at board, committee and executive level, consideration is given to providing a monetary value for disposal of housing properties.	2
14	We recommend that additional clarification is provided where the whole board approval/ signature is required for tenders and quotations.	2
Stakeholder Management		
15	We recommend that further clarity is obtained over how assurance will be gained, scrutinised and recorded over compliance with the customer and consumer regulatory changes.	1
16	How customers influence the board on a regular basis and how the board hears customer voice needs to be reflected upon and changes to structure to effect this considered. As the group currently tries to maintain simplicity in its committee structure (to counterbalance the more complicated elements of the group structure) we suggest that this principle is prioritised, along with an emphasis on the board retaining responsibility for hearing customer voice.	1
17	We recommend that the interaction between the COG and the formal governance structures be considered and strengthened with a greater sense of purpose and efficiency.	1
18	We recommend using Curo's governance team to coordinate meeting administration and planning for this group to bring greater alignment with the governance processes.	1
19	Some further recommendations in relation to the COG: • Undertake a skills/ experience gap exercise to identify any significant gaps in COG members' knowledge and then formalise training/ learning and development plans. • Consider having a vice chair to assist and support the Chair. • Continue improving the consistency of reporting and ensure executive members and officers reporting to the group understand their audience both in the reports provided and when presenting within meetings.	2

	- Consider aligning member's tenure on the group with Curo Board NEDs. Currently the length of service for COG members is three years with option to extend by one year. We would deem this on the shorter side and generally it is not typical to have a term on a customer group with a shorter term than those for the NEDs. - Agree greater clarity on the responsibility of the COG regarding Tenant Satisfaction Measures.	
Risk Management		
20	We recommend the risk register is reviewed and that when appropriate a full board conversation be held about how the board as a whole engages with risk and what information will be most useful. We also recommend that the assurance framework also be considered with suitable levels of reporting determined (this maybe to the AAC or to other committees depending on the topic).	1
21	We recommend that once the new strategy is closer to finalisation, the board and executive work together to start from scratch on risk appetite in order to understand the different appetite positions of the board individually and collectively.	2
22	We recommend that once the new strategy is closer to finalisation, the board and executive work with the internal auditors on a refreshed assurance framework and internal audit plan.	2
Performance and Accountability		
23	We recommend that consideration be paid to the balance of discussion in meetings.	1
24	We recommend that all documents are reviewed for up-to-date references in early 2024.	2
25	We recommend the format of key reports be considered to determine how more data and insight can be introduced and that the need for appendices be considered to keep the board papers clearer overall.	2
Leadership and Management		

25	We recommend that Curo ensure that there is a clear link to KPIs which will be effective in monitoring effective delivery of the strategy.	1
26	We recommend that the succession plan is considered to try and smooth the impact of changes.	2

Appendix 1 Activities undertaken

During the course of our work we undertook the following activities:

- Governance document review (see Appendix 2 for full list of documents reviewed)
- Observations of the following meetings:
 - Board observation – 18th September (in person)
 - Audit and Assurance Committee – 18th September (in person)
 - Oversight Group (resident led) – 28th September (virtual)
- Carried out an online governance and board effectiveness self-assessment survey with all board and executive team members. These have not been incorporated into the data presented in this report but will be made available to the Chief Executive following this review.
- Interviews with the following people:
 - Jane Tabor - NED and Combined Board Chair
 - Helen Hyde – NED and Remuneration and Nominations Committee Chair
 - Alice Cummings – NED and Audit & Assurance Committee Chair
 - Mike Petter – NED, Vice-Chair of the Combined Board and Chair of Curo Enterprise
 - Joe Webster - NED Combined Board
 - Jerry Loy - Independent Member Audit & Assurance Committee and Independent Member Remuneration and Nominations Committee
 - Victor da Cunha - Chief Executive and Combined Board members
 - Executive team - Simon Gibbs (Executive Director of Finance & Development) and Paul Harris (Executive Director of Customer Experience)
 - Oversight Group - Tom Box (Resident Engagement Manager) and Daisy Gaunt (Oversight Group Chair)
- Various further meetings with the Group Chair and Chair of Remuneration and Nominations Committee and governance teams to discuss findings.
- In addition to the above we have also facilitated a consumer readiness session with the board and executive team on 30th November 2023. This session was led by our consumer/customer specialist. The session outlined the implications of the anticipated future consumer regulatory environment and has helped shaped our specific findings, providing opportunities for attendees to discuss next steps.

Future activity

- Initial presentation of the findings to the Remuneration and Nominations Committee on the 8th December 2023.

- We will facilitate a workshop with the board members and the executive team on the 22nd January 2024. This will incorporate the sharing of results from the self-assessment survey and key themes emerging from our review and explored elements in more detail through collective discussion. The outcome from the participation of members and the executive team helped to shape our findings and recommendations shown in this report.

Appendix 2 Document Review

As part of the review, we requested key governance documents, the following table is a list of the documents provided by Curo.

Area	Documents
Governance framework	Corporate ownership chart Governance structure
	CCL Rules CE Articles CGAL rules Curo places new rules MP CBS rules MRS M&A
	Curo Financial regulations Delegated authority Group standing orders Curo financial regulations appendix A & B
	AAC annual review of effectiveness RNC annual review of effectiveness Combined Board review in the September minutes.
Board and Committee Papers	Received all agendas, papers and minutes for boards and committees
	Annual Health and Safety report final
	Current board planner RNC – overview of annual business AAC – overview of annual business Standard annual board planner
	Combined Board – April 2023 minutes of strategy day
Strategy and monitoring	Current strategy – Curo’s strategic plan Draft strategy – DRAFT vision, strategic objectives and key goals
	Review of internal control arrangements Annex A and B Statement on compliance with regulatory standards Statement on compliance with the code of governance
Board and Committee Members	Curo Directors and Committee memberships
	Board and Committee member bios

	Board skills matrix
	2023 Appraisal form Board appraisals outcomes (report to RNC in June 2023)
	AC induction programme Curo – template induction plan
	Board succession plan Board succession planning
	Code of Conduct
Audit and Risk	Curo risk management policy and appendix 1, 2, 3 Risk scrutiny report
	Risk scrutiny report Significant risk snapshot with appetite
	Curo 22-23 Internal Audit Plan – KPMG
	Whistleblowing Policy

Appendix 3 Delegations benchmarking

REDACTED: Section 43 - Commercial Interests

[illegible]
