

THE RIVERSIDE GROUP LIMITED

(Registered number 30938R)

A Meeting of the Board of The Riverside Group Ltd (TRGL) was held on
Wednesday 14 October 2015 at the Radisson Blu Edwardian hotel Free Trade Hall
Peter Street Manchester M2 5GP

Chief Executive Officer's Cover Note to the Minutes

1. Riverside has been working with customers and stakeholders in reviewing how we can continue to develop our accountability and transparency.
2. As part of this work the Group Board has agreed to publish its minutes on Riverside's external website.
3. A small number of items may be 'redacted' (blacked out) where they relate to either commercially confidential or personal information which it would be inappropriate to disclose. This is in line with our 'Transparency Statement'.
4. The minutes are detailed below, however it can sometimes be difficult to get a sense of a meeting from the 'official' record. So we've decided that I should share my reflections on the key issues discussed at the meeting.
 - The October meeting considered the normal mid-year performance reports (financial and operationa), and also approved a revised business plan, taking account of the forthcoming 1% annual rent reduction (for 4 years from April 2106) announced by the new Government in its July budget. The Social Housing Regulator requires all housing associations to present revised business plans by the end of October. Whilst the detailed minutes for this item are confidential owing to commercial sensitivities, I can confirm that the business plan demonstrates that whilst this Government policy will reduce our 5 year income by £100m, and that significant cost reductions will be required, years of prudent financial management means that Riverside will remain a viable and strong business which is able to continue to provide excellent services to customers, and build much needed new homes.
 - The Board considered a comprehensive update report on Equality and Diversity, following an audit exercise undertaken by Housing Quality Network. It approved an action plan, including resources for a dedicated member of staff (fixed term) measures to improve data collection and reporting, and the development of a revised staff training programme. It will review progress in October 2016.
 - Reflections from the Housing Services Committee were considered, in particular the outcome of a review of local Governance arrangements undertaken by Campbell Tickell. It was noted that the Governance and Remuneration Committee had appointed Mike Little (Group Board Member and Chair of Cumbria Divisional Board) to chair a 'Sounding Board' to consider the outcome of the review and make recommendations on changes to local governance and scrutiny arrangements, particularly in the context of work to consider a revised operating model for the Group.

Carol Matthews, Group Chief Executive

Agenda Item 3a

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Wednesday 14 October 2015 at the Radisson Blu Edwardian hotel Free Trade Hall
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MINUTES

Present: Mr M Steinberg (Chair), Mr P H Raw (Vice Chair), Mrs S Jee (Treasurer),
Ms J E Baggaley, Mr J C Dale, Mr P Forster-Jones, Mr P J Han,
Mr M J Little, Ms C M Matthews and Ms S Trueman.

In attendance were Mr W Macfarlane (Tenant Board Observer),
Mr R Clawson, Mr A Coghill, Mrs L Hearne, Mr H Owen, Mr J R W Wood
and Ms J M Vail (staff).

Apologies for Absence

There were no apologies for absence.


The Group Chief Executive reported that The Governance & Remuneration Committee (GRC) had met immediately before the Board Meeting and approved Walter Macfarlane as the Tenant Board Observer for another 12 months.

Declarations of Interest

Declarations of interest were made by Susan Jee (non-executive Board Member), Carol Matthews and Joy Baggaley (co-opted Board Members) as Directors and Company Secretary of Riverside Group Trustees Ltd (the Pension Trustee), in respect of the Governance and Remuneration Committee recommendation regarding the Pensions Strategy Update.

671/15 Minutes of the Last Meeting

The minutes of the meeting held on Thursday 9 July 2015 and confidential minutes of the additional meeting held on Tuesday 6 October 2015 were approved and signed.

672/15 Matters arising from the Minutes

Minute 658/15 – Chief Executive’s Round Up - a: The Board noted that the sale of Riverside’s shareholding in Circle Liverpool Ltd was progressing, subject to a short delay whilst the purchaser registered a charity as the vehicle for the transaction.

673/15 Governance Best Practice – Directors’ Duties for Reference

The Board noted the reminder regarding Directors’ duties to promote the success of a company by having regard to the 6 specified factors, ie:

- i the likely consequences of any decision in the long term
- ii the interest of the company’s employees
- iii the need to foster the company’s business relationships with suppliers, customers and others
- iv the impact of the company’s operations on the community and the environment
- v the desirability of the company maintaining a reputation for high standards of business conduct
- vi the need to act fairly as between members of the company.

674/15 Group Board Strategy Reflections 9/10 September 2015

The Board noted and thanked Hugh Owen, Director of Policy & Communication, for his report and presentation which summarised an outstanding Group Board event and gave context to much of the business on the board meeting agenda.

675/15 Recommendation of Governance & Remuneration Committee Pensions Strategy Update

The Board received a verbal report and a separate minute recorded in TRGL Board Confidential Minute Book.

676/15 Revised Group Business Plan 2015/6 to 2019/2020

A report was discussed by the Board and a separate minute recorded in TRGL Board Confidential Minute Book

677/15 Chief Executive's Round Up

The Board considered and discussed the report as follows:

a Review of letter from the HCA, social housing regulator

A report was discussed by the Board and a separate minute recorded in TRGL Board Confidential Minute Book.

b Shape and Dates for Group Board Strategy session in 2016

The Board approved the shape and dates for the Group Board Strategy Session and AGM in 2016, as follows:

Informal Dinner - Wednesday 7 September (evening)
Strategy Session - Thursday 8 September, 9 am for 9.30 am
AGM - Thursday 8 September at 4.15 pm.

c Rest of the report

The Board noted the rest of the report, highlighting the Riverside Tenants & Residents Federation's 2015 conference as an excellent event which provided considered and useful challenge for the Group on a range of issues.

d VAT

An additional verbal item was reported and discussed by the Board and a separate minute recorded in TRGL Board Confidential Minute Book.

678/15 Rents Update

The Board received a verbal progress report and a separate minute recorded in TRGL Board Confidential Minute Book.

679/15 Performance Report

The Board considered the Performance Report and highlighted the following:

Financial headlines:

- that the first re-forecast of the year had been completed which showed a full year operating margin of 21.2% compared to budget of 21.3%
- that the re-forecast retained contingencies but if these were not required the operating margin increased to 22.1%

- the operating margin figures currently excluded any major costs post the Government's July 2015 budget but if these were taken in the financial year, in accordance with the assumption in the revised Group Business Plan 2015/16 to 2019/20 approved by the Board at this meeting (minute 676/15), the operating margin would reduce to 15.7%.

Operational Performance:

- year to date KPIs showed an overall increased aggregate KPI score from August to September 2015 and increases to some of the Top Ten KPIs, including Stock Void, Re-let period and First Time Fix
- the extent of the positive impact of changes to systems and behaviours on the First Time Fix KPI to be confirmed
- the Customer Service Centre's (CSC) performance had been adversely affected by major IT issues in August 2015 which had been communicated to customers on Twitter
- an increase in the number of Health and Safety actions noted, as a reporting culture is encouraged but focus to be on the accident rate as a key statistic.

Other Items:

- that Evolve's year to date actual gross margin was [REDACTED] compared with the budget figure of [REDACTED] with the full year gross margin expected to rise to [REDACTED] the Evolve Board due to discuss this at its next meeting



680/15

Housing Services Committee Highlights from 1 October 2015

The Board noted the headline issues from the HSC meeting.

The following matters were highlighted:

- a there was general optimism that the Divisions would deliver better performance at the 2015/16 year-end than in 2014/15, with a continued focus on cash leakage and compliance measures;
- b Campbell Tickell had delivered a preliminary report to the HSC on the Review of Local Governance which showed a good Divisional Board response rate to the questionnaire of 84% but with lower than expected scores and a varied range of opinion on the effectiveness of local governance; and

- c at the GRC meeting immediately before the Board meeting, the GRC had approved the proposal to appoint Mike Little as Chair of a 'Sounding Board' composed of HSC members and tenant representatives, which was to be set up, pending delivery by Campbell Tickell of its final report in November 2015.

681/15 Risk Management Policy

The Board noted the Risk Management Policy and a report which highlighted that the policy was due for its triennial review, had been considered by the Group Audit Committee (GAC) at its meeting on 14 September 2015 and, whilst there were no significant changes to the policy, it now set out how the Group calibrates its appetite for risk which might threaten its financial viability or the security of its social housing assets.

The Board approved the Risk Management Policy.

682/15 Equality & Diversity (E & D) at Riverside – Annual Report 2015

The Board:

- a noted the E & D Annual Report, normally submitted in April each year, which had been deferred following an audit of E & D undertaken by the Housing Quality Network (HQN), selected by a competitive tender exercise;
- b noted the outcome of the E & D audit;
- c after discussion of the changing E & D landscape and risks of non-compliance, approved the action plan attached at appendix 1 to the report, which recommended appointment of a new specialist post for an initial 2 year period;
- d agreed that when the new E & D appointment is made a report on proposed E & D policy changes is submitted to the Board; and
- e agreed that a progress report is provided in October 2016.

683/15 Riverside Care & Support Business Trends

The Board discussed the Riverside Care & Support Business Trends report which outlined the performance of the Contracts and Tendering team for the period January to August 2015, analysing the impact of market trends, contract and tender success rates, work to standardise Managed Agents and operational efficiencies made by the team.

The Board noted the Riverside Care & Support Business Trends report.

684/15 Whole Board Appraisal Review

The Board noted the Whole Board Appraisal Review report which was a requirement of the National Housing Federation's (NHF's) code of governance adopted by the Group.

685/15 Changes to Meeting Dates During 2016 including the AGM

The Board agreed the changes to Meeting Dates During 2016 Schedule including the AGM and noted that the streamlining of the various meetings took into account value for money and efficient use of Board Members' time.

686/15 Record of Decisions of the Chair Under Chair's Action Procedure

The Board noted the following decisions of the Chair:

- a Appointment of Insurance Provider for TRGL effective 1 October 2015;
- b Change of 2015 AGM Date; and
- c Appointment of TRGL's Representative at Riverside Finance plc's AGM on 14 September 2015.

687/15 Annual Return to the Financial Conduct Authority

The Board noted that a copy of the Annual Return to the Financial Conduct Authority for the year ended 31 March 2015 was available for perusal at the meeting.

688/15 Amendment to National Westminster Bank plc Global Mandate

The Board approved the amendment to the National Westminster Bank plc Global Mandate (Divisional petty cash accounts only) to include the following Officers:

Karl Delamar	Community Engagement Manager, Mersey South
Sarah Wall	Divisional Services Manager, Mersey South
Michael Anderson	Income Management Team Leader, South & Central
James Waterton	Tenancy & Estate Manager, South & Central

689/15 The St Michael's Housing Trust
National Westminster Bank plc Third Party Mandate

The Board:

- a approved the application to allow the St Michael's Housing Trust Cash Manager Plus bank account to be made accessible to TRGL via the National Westminster Bank plc on-line Bankline System (part of the Royal Bank of Scotland plc group); and

b

[REDACTED]

690/15

Information Items

The Board noted the following items:

- a Quarterly Treasury Report: highlighting paragraph 6 of the report in respect of the potential impact of the Government's July 2015 budget on Treasury [REDACTED]
The Board also highlighted that the Treasury Committee would be kept updated on this.
- b Governance & Remuneration Committee Minutes – Confidential – 11 June 2015
- c Group Audit Committee Minutes – 18 June 2015
- d Group Treasury Committee Minutes – 27 March 2015
- e Housing Services Committee Minutes – 2 July 2015
- f Housing Services Committee Minutes – 16 July 2015
- g Prospect (GB) Ltd Board Minutes – Confidential - 22 June 2015
- h Riverside Executive Directors' Minutes – 21 July 2015
- i Riverside Executive Directors' Minutes – Confidential - 21 July 2015
- j Riverside Executive Directors' Minutes – 25 August 2015
- k Riverside Executive Directors' Minutes – Confidential - 25 August 2015
- l Riverside Executive Directors' Minutes – 22 September 2015
- m Riverside Executive Directors' Minutes – Confidential – 22 September 2015
- n Riverside Finance plc Board Minutes – 9 July 2015.

691/15 Any Other Business

Annual Report to Customers

The Board noted that the Annual Report to Customers was now available to all stakeholders in a full range of media.

692/15 Date and Time of Next Meeting

The next meeting was fixed for Thursday 10 December 2015 at 10 am.

Papers attached to the Minutes
Minute Numbers

673	683
674 p + pr	684
677 report filed in confidential minute book	685
679	686 b & c – a filed in confidential minute book
680	688
681	689
682	690 a- n