

HIGHLIGHTS OF THE TRGL BOARD MEETING HELD ON 18 JANUARY 2018

CHIEF EXECUTIVE UPDATE

The Board was delighted to note that Riverside had retained its current Moody's rating (a rating system which evaluates a Company's creditworthiness) of A1 with a stable outlook, and expressed its thanks to staff who contributed to this significant achievement.

MERGERS AND ACQUISITIONS STRATEGY

The Board discussed its strategic approach to growing the business through mergers and acquisitions. It considered how best it could develop as a Group to better achieve its ambitions and continue to improve its services. Good progress was made in defining a strategy tailored for Riverside's needs with a clear focus on customer engagement.

BUDGET AND BUSINESS PLANNING

A number of scenarios, both positive and negative, were considered, in order to explore their impact on Riverside's Business Plan to ensure that it would be sufficiently strong and responsive to continue to deliver Riverside's objectives in a number of possible future circumstances. The Business Plan will be considered at the next Board meeting in March, and the Board agreed that not only should it be robust but it should focus on the key areas of risk to the Group.

ASSET MANAGEMENT

An update on the Group's stock rationalisation programme for 2017-18 was received and recent acquisition opportunities were noted. A breakdown of disposals was also reviewed and the significant improvement in performance with regard to customer satisfaction and self-service for repairs was welcomed.

GENDER PAY GAP REPORT

The Board reviewed a report which outlined the difference between Equal Pay requirements and Gender Pay Gap reporting, and provided a summary of Riverside's gender pay results, which compared with other housing association, sat at the mid-point. The Board noted that there were no identified areas of concern with Riverside's gender pay performance

INTEGRATED STRATEGIC PERFORMANCE REPORT

Both operational and financial performance were scrutinised and it was noted that the Group was in a reasonably healthy position and performing well against each of the key Corporate Plan themes and against budget. The Board was pleased to see strong performance in Shared Ownership sales in December, which now exceeded target and improvement around voids and re-lets in the Care and Support business. It acknowledged that there was work to be done in some areas to achieve target by the end of the financial year.

MEETING MINUTES

Board/committee: The Riverside Group Limited (TRGL) Board (the “Board”)

Date and time: 10.00, 18/01/18

Location: 2 Estuary Boulevard, Estuary Commerce Park, Liverpool, L24 8RF

Present:


- Max Steinberg - chair
- Pauline Davis (PD) - vice-chair (via telecon)
- Tim Croston - board member
- Jonathan Dale - board member
- Ingrid Fife – board member (via telecon)
- Sally Trueman (ST) - board member
- Carol Matthews (CMM) - co-opted board member

In attendance:

- Victor Andrews (VA) - Tenant observer
- Rosemary Farrar (RF) – Interim CFO
- John Glenton (JG) - Executive Director of Care and Support Services
- Ian Gregg (IG) - Executive Director of Asset Services
- Léann Hearne (LH) - Executive Director of Shared Services and Business Transformation
- John Wood (JRWW) - Executive Director of Neighbourhood Services
- Anne-Marie Owens - Governance Manager (Secretary)
- Hugh Owen – Director of Strategy and Public Affairs for item 8

Min	Agenda item	Action
1/18	<u>Apologies for absence (item 1)</u> Apologies were received and noted from Peter White.	
2/18	<u>Declarations of interest (item 2)</u> P Davis declared an interest in item 17 (b) as the Chair of Riverside Estuary Limited.	
3/18	<u>Chair’s matters (item 3)</u> The Chair directed the Board to the substantive items on the agenda for particular focus namely the progress update on the Impact/TRGL partnership, the report of the Duty and Care Exercise and the Merger and Acquisition Strategic report.	
4/18	<u>Chairs’ Action (item 4)</u> The appointment by the Chair acting on behalf of TRGL, of Andrew Gladwin as director of the following management companies in the Riverside Group with effect from 22 December 2017 was noted.	

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	<ul style="list-style-type: none"> 65 Botanic Road Management Company 28 Laurel Road Management Company 38 Laurel Road Management Company 48 Laurel Road Management Company 	
5/18	<p><u>Minutes of the Previous Meeting held on 24 November 2017 and 7 December 2017 (item 5)</u></p> <p>The minutes were agreed as an accurate record.</p>	
6/18	<p><u>Matters Arising from Previous Meetings (item 6)</u></p> <p>The status of matters arising from previous meetings was noted and it was agreed to close the items identified as complete for the purposes of the report. The following additional updates were noted:</p> <p>Minute 995/17 CEO Round-Up The new Housing Minister, Dominic Raab had accepted an invitation to attend a tenant round-table meeting in Basingstoke on 25 January which S Trueman would also be attending.</p> <p>Minute 995/17 CEO Round-Up - King George's Hostel J Glenton reported that a formal response had been received from Westminster City Council. [REDACTED] The Board agreed that it was in TRGL's best interests not to pursue the complaint further, but to focus on its strategy in the Westminster area.</p> <p>Minute 1000/17 Bovis Wellingborough The Board welcomed the news that Riverside had been selected as the preferred Joint Venture partner and that the Due Diligence process had begun. [REDACTED] [REDACTED] A detailed report would be provided in March to inform the Board's decision on whether to proceed or not.</p>	JRWW
7/18	<p><u>Chief Executive's Round-up (item 7) - CONFIDENTIAL</u></p> <p>The Board noted the Group Chief Executive's report and the following matters were highlighted for discussion:</p> <p>Impact</p> <ul style="list-style-type: none"> The Board was pleased to note that significant progress had been made in moving the partnership forward and collaboration with Impact colleagues was proving effective. Briefs had been agreed for external advisers. However, wherever possible work would be carried out in-house. The Partnership Pledge was circulated and CMM reported that visits with Impact staff had gone well and there was a clear appetite for joining the Riverside Group. The Board reviewed a draft terms of reference ("ToR") for the Riverside and Impact Joint Advisory Committee ("JAC"), a forum designed to facilitate the process, encourage joint working and generate proposals for approval at the respective management boards. 	

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11/18	<p><u>Asset Management Update (item 11) CONFIDENTIAL</u></p> <ul style="list-style-type: none"> • An update on the Group's stock rationalisation programme for 2017-18 and recent acquisition opportunities for which bids were submitted, was noted. A breakdown of disposals was also received along with an update on the significant progress made in relation to customer satisfaction and self-service for repairs. The following matters were discussed: • Having noted the superior quality of stock in the Anchor acquisition opportunity, the Board queried how the schemes to be visited were decided upon. IG advised that the route was planned by the regional manager in conjunction with the head of retirement living and the head of Anchor. He added that the Board would receive further reports as the Due Diligence process progresses. It was agreed that visual images from the scheme visits would be provided to the Care and Support Committee at its strategy day. 	
12/18	<p><u>Gender Pay Gap Report (item 12) CONFIDENTIAL</u></p> <ul style="list-style-type: none"> • The Board reviewed the report which outlined the difference between Equal Pay requirements and Gender Pay Gap reporting, and provided an indicative summary of Riverside's gender pay results and how these compared to other organisations. • The work carried out and planned was noted, and L Hearn confirmed that the data analysis had not identified any areas of material concern in Riverside gender pay performance. • It was noted that in line with the Equality Act 2010, Riverside's Gender Pay Report 2017/18 was due for publication by 4th April 2018 to the Government Equalities Office and would be reviewed and approved by the Executive Directors in advance of this. The Board agreed that a further update would be provided via a note in a future CEO's report to TRGL Board. 	LH
13/18	<p><u>Integrated Strategic Performance Report (item 13)</u></p> <p>The Integrated Strategic Performance Report for Period 8 was reviewed and the following matters raised for discussion:</p> <ul style="list-style-type: none"> • It was noted that the slight decrease in occupancy rates was primarily due to a large number of policy voids moving closer to letting status. • JRWW highlighted the strong performance in Shared Ownership sales in December, which now exceeded target. He advised that targets would be reviewed for the coming financial year. • The Board queried the absence of commentary explaining the high number (985) of overdue Health and Safety actions. IG responded that this had reduced from 3,700 at the start of the year and gave assurance that performance was on track to reach '0' by year end. The main cause of delay had been obtaining approval to implement the new Fire Strategy. 	

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	<ul style="list-style-type: none"> • JG highlighted the much improved performance in Care and Support of voids and re-lets and advised that the pace had increased in delivery of Corporate Plan projects such as digital inclusion. • The significant increase in RIDDOR incidents was questioned and JRWW explained that this was a result of actions to taken to improve the existing culture of under-reporting. • It was noted that financial performance was improving and was slightly ahead of forecast. However, Prospect sales remained an area of concern. The operating surplus and margin had also somewhat improved since last reported. The Board noted that the budget to be considered in March had been revised to remove any hidden provisions and would therefore be more transparent and subject to clearer oversight. 	
14/18	<p><u>Quarterly Treasury Report (item 14)</u></p> <p>The report was noted and it was highlighted that the delay in signing the new revolving credit facility agreements was mainly due to the time required in completing 'Know Your Client' procedures. S Jee reported that the new Committee members had settled in very well and were already making valuable contributions to the Committee's work.</p>	
15/18	<p><u>Asset and Liability Register Assurance Report (item 15)</u></p> <p>The Board noted the update and agreed that a briefing would be provided at its meeting in May focusing on the Regulator's approach to ALR.</p>	RF
16/18	<p><u>Group Board Annual Plan of Work (item 16)</u></p> <p>The forward plan for TRGL Board business in the forthcoming 12 month period was noted. It was requested that the document be reformatted for better legibility when presented at future meetings. In response to a query, CMM explained that the Risk Map had not been included on the meeting agenda pending the outcome of work undertaken by Stuart Gambling to improve the document assisted by Sue Harvey acting as a critical friend. It would return as a standard agenda item in March.</p>	AMO
17/18	<p><u>Reports of Board Committees and Subsidiary Boards:</u></p> <p>The Board noted the updates provided on activity since the last Board meeting and the following matters were highlighted:</p>	
18/18	<p><u>Report of Governance and Remuneration Committee ("GRC") (item 17 (a))</u></p> <p>The Board, upon recommendation of the GRC, resolved to approve:</p> <ul style="list-style-type: none"> • A change in the GRC Terms of Reference to reduce the quorum from 3 to 2; • the amendments to the Governance Framework Document (GFD) in relation to the appointment/approval of Chairs of Subsidiary boards; • the appointment of John Graham as new Chair of Prospect (GB) Limited with effect from 4 February 2018 for a 3 year term, with further terms subject to performance and appraisal; <p>[REDACTED]</p> <ul style="list-style-type: none"> • the extension of Steve Carlisle's tenure as Chair of Riverside Group Pension Trustees Ltd as the representative of Capital Cranfield Pension Trustees Ltd. 	

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19/18	<p><u>Riverside Estuary Limited Governance Arrangements (item 17 (b))</u></p> <p>The Board, upon recommendation of the Governance and Remuneration Committee, and in order to rationalise governance arrangements following completion of the Hull PFI Extra Care Schemes, resolved to:</p> <ol style="list-style-type: none"> a) Approve the changes to Riverside Estuary Ltd key functions; b) Note the resignation of the current Riverside Estuary Ltd Directors, with the exception of Simon Ketteridge, who would remain as a Director to provide continuity; c) Approve the appointment of Ingrid Fife, RC&SC Chair, as Chair of Riverside Estuary Ltd; and d) Subject to c) above, the new Riverside Estuary Chair and John Glenton, Executive Director Care and Support to identify two further Directors from the RC&SC to be recommended to the GRC meeting on 8 March 2018 GRC for approval. <p>It was further agreed that these changes would be made with effect from 22 March 2018, when the RC&SC next meet, to allow any operational adjustments to support the transfer of responsibilities to be made and any outstanding Project matters to be concluded. Although it was not intended for the SPV Board to meet in the interim, Current Directors would retain existing responsibilities until 22 March to ensure no gap in governance during the transition.</p>	IF/JG	
20/18	<p><u>Peter White TRGL Board Member Status (item 17 (c))</u></p> <p>The Board, upon recommendation of the Governance and Remuneration Committee and to improve consistency of governance arrangements, resolved that Peter White's status on the TRGL Board should be changed from Co-optee to Non-Executive Board Member with immediate effect and that he be appointed to associated Directorships of Group companies as below:</p> <ul style="list-style-type: none"> • Director of Riverside Consultancy Services Limited ("RCS") • Director of Riverside Urban Services Limited ("RUSL") 		
21/18	<p><u>Report of Group Audit Committee ("GAC") (item 18)</u></p> <p>The report from GAC was noted. T Croston advised that the Committee had been concerned with the slippage in due dates for a number of grade 1 recommendations and had suggested that this was primarily due to over-optimistic timescales being set. It had asked that efforts be made through discussions held between Internal Audit and action owners, to apply realistic due dates for completion. The Chair added that he had attended the meeting and been impressed with the quality of the discussion and the effective chairing of the GAC.</p>		
22/18	<p><u>Report of Neighbourhood Services Committee (item 19)</u></p> <p>The Board noted that there had been robust discussion and challenge of performance including a decline in relation to Call Back KPIs. However, the Committee was content that this would improve following the launch of Open Housing at the end of January.</p> <p>There had been a substantial debate around the proposal for a more refined and strategic approach to MOTs, which was subsequently endorsed by the Committee.</p>		

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23/18	<p><u>Report of Prospect Ltd Board (item 20)</u></p> <p>It was noted that the Managing Director of Prospect had resigned and an interim MD appointed who had already made a dynamic start. There had been encouraging signs that the need to balance sales and land purchases was becoming better understood at Board level, where a land purchase had recently been rejected.</p>	
24/18	<p><u>Any Other Business</u></p> <p>The Board extended its thanks to Dave Wiseman, who was leaving Riverside after over 40 years' service, and expressed its appreciation of his exceptional contribution and commitment to the Group. The Chair agreed to write to Mr Wiseman on the Board's behalf.</p> <p>The Board was disappointed to receive news of John Wood's retirement from Riverside at the end of April 2018 and expressed its thanks for his many years of excellent service. It was noted that John would be the guest of honour at a Board dinner in May at which the Board and colleagues would have the opportunity to fully express their appreciation of John's contribution.</p> <div data-bbox="220 871 1409 987" style="background-color: black; width: 100%; height: 50px;"></div>	MS
25/18	<p><u>CEO Remuneration – Board only</u></p> <p>All attendees and the CEO left the meeting with the exception of the secretary who remained to minute the discussion.</p> <p>This item is recorded separately in a private and confidential minute.</p>	
26/18	<p><u>Date of next meeting</u></p> <p>10.00am, 8 March 2018, Speke Head Office, Estuary Boulevard, Liverpool.</p>	

Signed:.....
Max Steinberg, TRGL Board Chair

Date:.....