

# HIGHLIGHTS OF THE TRGL BOARD MEETING HELD ON 10 OCTOBER 2018

## CHIEF EXECUTIVE UPDATE

The Board agreed that Riverside should join with 3 other social housing providers to form the 'Northern Wave' consortium which would submit a bid to enter into a strategic partnership with Homes England to deliver more affordable homes across the country.

## GROUP BOARD STRATEGY DAY 2018

A summary was received of the discussion and outcomes of a recent event at which the Board considered Riverside's current and future strategy. It was agreed that the day had been very valuable in refining Riverside's strategic priorities and ambitions, and conversations would continue when the Board next met in December.

## INTEGRATED STRATEGIC PERFORMANCE REPORT

Having reviewed operational and financial performance in the period, the Board acknowledged that there were areas such as occupancy rate which were improving; however, it was concerned with the underperformance in customer satisfaction. The Board strongly agreed that a positive customer experience was a critical priority at Riverside and that all possible action should be taken to address issues. It was assured that a range of customer initiatives were soon to be launched and the Neighbourhood Services Committee were closely monitoring performance. The Board asked that an update report be provided at its meeting in December. Financial performance was noted as good in the period.

## INCOME COLLECTION IMPROVEMENT PROGRAMME

The Board received an update on progress made in improving Income Collection performance and gained assurance that the Programme of Improvement underway would deliver the required outcomes and help mitigate the impact of Universal Credit.

## HR ANNUAL REPORT

An update on the key employee data and insight for the 2017/18 performance year, as well as an overview of the key strategic People Priorities for 2018-2020 was noted. The Board was pleased with the planned actions to improve the HR function, however stressed the importance of successful implementation. An update in 6 months was requested.

## RISK REGISTER REFRESH AND RISK POLICY

A revised register of Riverside's risks was considered and the Board commended the work carried out to date to improve risk management and raise the profile of risk across the Group. An updated Risk Policy was approved following a scheduled review.

## GOVERNANCE MATTERS

The Board received a number of items relating to Group governance and:

- Noted a report summarising key activity at Committees and Subsidiary Boards which had met in the reporting period;
- Appointed a new Chair to the Board of Impact Housing Association; and
- Noted the outcomes of appraisal of Boards and Committees undertaken in 2018 and actions planned to deliver improvement.

## **CONFIDENTIAL MEETING MINUTES**

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

**Date and Time:** 15.00, 10/10/18

**Location:** Crowne Plaza Liverpool Waterfront, 2 St Nicholas Pl, Liverpool L3 1QW

**Present:**

- Max Steinberg – Chair
- Pauline Davis (PD) – Vice-Chair
- Susan Jee (SJ) – Treasurer
- Tim Croston (TC) – Board Member
- Jonathan Dale (JD) – Board Member
- Ingrid Fife (IF) – Board member
- Carol Matthews (CMM) – Co-opted Board Member
- Sally Trueman - Board Member
- Peter White (PW) – Board Member
- Victor Andrews (VA) – Board Observer

**In Attendance:**

- Tom Ferguson (TFe) – Director of Governance and Legal
- John Glenton (JG) – Executive Director Care & Support
- Ian Gregg (IG) – Executive Director of Asset Services
- Léann Hearne (LH) – Executive Director of Shared Services and Business Transformation
- Darren Levy (DL) – Interim Executive Director of Place
- Cris McGuinness (CAM) – Chief Financial Officer
- Anne-Marie Owens – Governance Manager (Secretary)
- Maxine Cousens (MC) – Director of People & Culture (for items 13 onwards)

Min Ref	Agenda Item	Action
132/18	<u>Welcome and Apologies for Absence (Item 1)</u> The Chair welcomed members and attendees to the meeting and <b>NOTED</b> that there were no apologies for absence.	
133/18	<u>Declarations of Interest (Item 2)</u> CMM declared an interest in items 24 and 25 and it was <b>AGREED</b> that she would not be present during this part of the meeting.	
134/18	<u>Chairs Matters (item 3)</u> The Chair’s matters were <b>NOTED</b> .	
135/18	<u>Chair’s Action and Written Resolutions (item 4)</u> The Board <b>NOTED</b> the summary of decisions taken since the last meeting either via Chair’s action or written resolution. These were (i) approval of the Intra Group Loan Agreement with Impact Housing Association and (ii) approvals and delegations necessary to progress the Group Structure Rationalisation project.	

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136/18	<p><u>Minutes of Previous Meetings: a) 12/07/18 and b) 13/09/18 (item 5)</u></p> <p>The minutes were <b>APPROVED</b> as a true and accurate record of the meetings held.</p>	
137/18	<p><u>Matters Arising from Previous Meetings (item 6)</u></p> <p>The status of matters arising from previous meetings was <b>NOTED</b> and it was <b>AGREED</b> to close the items identified as complete for the purposes of the report.</p>	
138/18	<p><u>Retirements and Elections at AGM (item 7)</u></p> <p>The Chair announced that the following Board Members were elected or re-elected at the TRGL Annual General Meeting held on 13 September 2018:</p> <ul style="list-style-type: none"> <li>• Max Steinberg for a term of office ending on 31 March 2020; and</li> <li>• Tim Croston, Ingrid Fife and Peter White for a term of office ending at the conclusion of the 2021 AGM.</li> </ul>	
139/18	<p><u>Chief Executive's Report (item 8)</u></p> <p>The Board <b>NOTED</b> the Group Chief Executive's report and the following matters were highlighted for discussion:</p> <ul style="list-style-type: none"> <li>• The Board noted the publication of the RSH Value for Money report and <b>AGREED</b> that its contents should be reflected on and a report brought to December's meeting comparing TRGL's performance across a suite of metrics.</li> <li>• <b>Strategic Partnerships Wave 2 Bid</b> The Board considered a proposal to enter into a consortium to be named 'Northern Wave' with Onward Homes, Progress Housing Group and Irwell Valley Housing Association, and to prepare and submit a Wave 2 bid for Homes England's Strategic Partnerships. The Board queried the proposal for Onward to be the lead partner, and it was explained that while TRGL's development resources were currently stretched, Onward had a senior director with extensive commercial development expertise who would lead the bid. As the other senior Partner, TRGL would establish a strong link with the lead and exert significant influence on the bid and any future activity. Furthermore, it was expected that, under the leadership of its current CEO, Onward would return to G1 rating in relatively short order. The Board was assured that the decision sought was to submit a bid only, and any formal entry into a Strategic Partnership would return to Board for consideration and approval.</li> <li>• On the basis that the submission of a bid aligned with corporate ambitions and responded to government and regulator expectations, and that a consortium model mitigated risk and provided access to wider resources, the Board: <ul style="list-style-type: none"> <li>(i). <b>APPROVED</b> TRGL's entry into the Northern Wave consortium, and</li> <li>(ii). <b>DELEGATED</b> authority to the CEO to agree the final form of a bid to be submitted for Wave 2 of Homes England's Strategic Partnerships.</li> </ul> </li> <li>• <b>Bovis</b> There was consensus that the recent Board decision to enter into the Bovis Joint Venture indicated that TRGL's strategic direction aligned with the priorities and expectations of providers as indicated by the Prime Minister's recent speech at the NHF. An update on progress made with what was now known as 'Project Rocket' was noted, with further updates to be provided on a 4-weekly basis. The Board reiterated the requirement for a</li> </ul>	CMM

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	<p>proposal on governance arrangements to be included in the report due to Board in December.</p> <p>█ [REDACTED]</p> <ul style="list-style-type: none"> <li>The Board congratulated JG on his recent election as Chair of the NHF's Homelessness Steering Group.</li> </ul>	
140/18	<p><u>Group Board Strategy Day 2018 – Discussion Feedback (item 9)</u></p> <p>The Board <b>NOTED</b> a report summarising the discussions that took place at the Group Board Strategy Day held on 13 September 2018, and thanked Kate Henderson for preparing what was a very useful summation.</p>	
141/18	<p><u>Integrated Strategic Performance Report P5 2018/19 (including Financial Performance Report for Period Ending 31 August 2018) (item 10)</u></p> <ul style="list-style-type: none"> <li>The Integrated Strategic Performance Report for Period 5 and Financial Performance report for the period ending 31 August 2018 were <b>NOTED</b> and the following matters raised for discussion:</li> <li>Improvement in occupancy rate was welcomed, as the change in policy approach impacted on performance. However, New Homes Completed was tracking significantly behind target and would be subject to mid-year reforecasting.</li> <li>The Board expressed its concern with the current Net Promoter score of 17.3 against a target of 20. PW advised that there had been robust challenge on areas of underperformance at the recent Neighbourhood Services Committee, with the Net Promoter Score identified as an area of high risk. The conclusion of the committee had been that while good work was ongoing to improve performance, it would be some time before the current negative trends were reversed, and Universal Credit would inevitably further impact on performance figures.</li> <li>It was agreed that there were a number of areas relating to customers that required improvement, and it was the view of the Board that customer satisfaction ranked alongside customer safety as a TRGL priority. DL set out the programme to achieve improvement with respect to income collection, and the Board was assured by the range of customer service initiatives soon to be launched. It was noted that a wider piece of work on culture, processes and systems was ongoing, and was expected to have a material impact on future performance.</li> <li>Following substantial discussion, there was agreement that the customer satisfaction metrics required further refinement to ensure that they delivered a clear picture of actual</li> </ul>	IG/DL

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	<p>performance and customer experience and, where possible, separated out the influence of Universal Credit. Furthermore, the annual report to customers would be shared with Board Members.</p> <ul style="list-style-type: none"> <li>• The Chair commented that TRGL's corporate objectives, ambitions and operating environment had significantly changed in recent years, as reflected in the revised Corporate Plan. The Board and Executive would need, in due course, to review staffing levels and in-house expertise against requirements to ensure that objectives would be delivered. CMM added that the Transformation process to date had increased frontline staff by 40%, and the majority of outstanding issues to be addressed related to processes, systems and communications.</li> <li>• It was agreed that actions, both in flight and planned, to improve customer satisfaction and other areas of underperformance should be allowed some time to take effect, and an update report would be brought to Board in either December 2018 or January 2019.</li> <li>• The Board queried what impact on performance and activity had been made by the introduction of Regional Plans. It was noted that changes in behaviour were being seen. However, there was further work required to fully embed the plans, develop better cross-working with the Treasury Team and encourage strategic approaches to operational decision-making. PW added that recently, staff focus had understandably been on delivering work plans, with limited time for strategic thinking.</li> <li>• Financial performance was noted as good in the period. However, a downturn was expected in period 6, and a mid-year reforecasting exercise was underway. The new TM1 Forecast Model had gone live earlier in the month.</li> <li>• The Board noted the appointment of a new Managing Director at Prospect and the expectation that performance would not deteriorate further, and improvement would likely be seen in the new financial year.</li> <li>• It was confirmed that appropriate promotion of Area Renewal Plans would be carried out following completion of resident and stakeholder consultation.</li> <li>• The low number of RIDDOR reported incidents was challenged, and TFe advised that the new Head of Health &amp; Safety was investigating the issue.</li> </ul>	<p>CMM</p> <p>IG/DL</p>
142/18	<p><u>Income Collection Improvement Programme (item 11)</u></p> <ul style="list-style-type: none"> <li>• The Board <b>NOTED</b> an update on progress made in improving Income Collection performance and gained assurance that the Programme of Improvement underway would deliver the required outcomes and help mitigate the impact of Universal Credit. As there had been substantial discussion of relevant matters in the previous item, there were no further issues raised for discussion.</li> </ul>	
143/18	<p><u>Property Rationalisation Update (item 12)</u></p> <ul style="list-style-type: none"> <li>• A summary of disposals made in the financial year to date was <b>NOTED</b>.</li> <li>• The Board considered a recommendation from the Investment Appraisal Committee to accept a £5m bid from ARHAG Housing Association ("ARHAG") for 47 TRGL properties in Barnet, affecting an exit from another LA area with less than 50 units.</li> </ul>	

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144/18	<ul style="list-style-type: none"> <li>Following due and careful consideration, and on the basis that it was in line with corporate objectives, the Board <b>APPROVED</b> the disposal of Barnet units to ARHAG.</li> <li>The Board asked that appropriate joint publicity around the Barnet disposal was arranged.</li> </ul> <p><u>HR Annual Group Board Update (including People &amp; Culture Strategy) (item 13)</u></p> <p>MC joined the meeting</p> <ul style="list-style-type: none"> <li>An update on the key employee data and insight for the 2017/18 performance year, as well as an overview of the key strategic People Priorities for 2018-2020 was <b>NOTED</b>.</li> <li>The level of sickness absence was of concern. However, the Board was assured that appropriate actions were being taken to address issues.</li> <li>Staff appraisal ratings were queried and it was agreed that managers needed to ensure that appraisal conversations were authentic and meaningful. CMM explained that the rating system had been amended in the year to a five-bar model, which might require time to embed. However, HR would moderate ratings moving forward.</li> <li>There was consensus that the priorities identified were correct and the activity planned to deliver improvement in the HR function was prudent. While the Board was assured by the progress made to date by the new HR leadership, it emphasised the importance of effective delivery of plans and requested an update in 6 months.</li> <li>The Board thanked MC for her good quality report.</li> </ul>	IG
145/18	<p><u>Annual Care Services Update Report (item 14)</u></p> <ul style="list-style-type: none"> <li>The Board <b>NOTED</b> an update on progress made in the year in the quality of care services and the current status of Riverside's registered schemes and actions being taken to deliver further improvement. The Board was pleased to note that all of Riverside's registered care services were now rated as "Good" by the Care Quality Commission.</li> <li>The Board extended its thanks to C&amp;S staff and the RC&amp;SC committee for the significant progress made in improving services.</li> </ul>	MC
146/18	<p><u>Quarterly Treasury Report – April 2018 to June 2018 (item 15)</u></p> <ul style="list-style-type: none"> <li>The Treasury update for the period from April 2018 to June 2018 was <b>NOTED</b>.</li> <li>CAM reported that the retained bond was issued on 17 August 2018 at a competitive price. [REDACTED] It was noted that the Treasury Team continued to seek to refinance the existing Impact debt with Barclays on to more favourable terms.</li> </ul>	JG
147/18	<p><u>Risk Register Refresh (item 16)</u></p> <ul style="list-style-type: none"> <li>The Board <b>NOTED</b> the refreshed risk register, which had been updated following discussions at the Board Strategy Day and comprised nine top risks.</li> </ul>	

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	<ul style="list-style-type: none"> <li>TC assured the Board that the Group Audit Committee had reviewed the revised register and was pleased with the work carried out and the higher profile of risk across the business and governance structure.</li> <li>It was noted that the next stage in the development of risk management was the calibration of each risk and measurement of the impact of mitigation and control.</li> </ul>	
148/18	<p><u>Risk Management Policy – Triennial Review (item 17)</u></p> <ul style="list-style-type: none"> <li>The Board considered a revised Risk Management Policy which had been subject to its triennial review. It was noted that while no significant changes were proposed, updates were recommended to reflect recent developments with respect to the Golden Rules, Investment Policy and Investment Appraisal Committee.</li> <li>After due consideration, and on the recommendation of the Group Audit Committee, the Board <b>APPROVED</b> the revised Risk Management Policy.</li> </ul>	
149/18	<p><u>Asset and Liability Register (“ALR”) – Contents and Changes Report (item 18)</u></p> <ul style="list-style-type: none"> <li>The Board <b>NOTED</b> the update on contents and changes in the ALR, and that at the time of submission, there were three overdue tasks. A status update on each of these was noted.</li> </ul>	
150/18	<p><u>Committee and Subsidiary Board Summary Report (Jul-Sept 2018) (item 19)</u></p> <ul style="list-style-type: none"> <li>The Board received and <b>NOTED</b> the report setting out committee and subsidiary board activity in the reporting period, and thanked the Governance Team for developing the new reporting format which was proving effective. It was agreed that the Scotland Committee should be included in future reports.</li> <li>PD reported that the Governance and Remuneration committee, at its meeting held before the Board meeting, appointed David Otty, one of two nominees from the Riverside Customer Voice Executive, as the Board Observer with effect from 15 October for a term of 12 months.</li> <li>PW provided a summary of activity at the Neighbourhood Services Committee meeting on 4 October, advising that there had been a useful conversation on Bovis, and suggested that this be added to the agenda for the next Riverside Care &amp; Support Committee meeting.</li> </ul>	<p>AMO</p> <p>AMO</p>
[REDACTED]	<p>[REDACTED]</p> <ul style="list-style-type: none"> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> </ul>	
152/18	<p><u>Impact Board Chair Appointment (recommendation of GRC) (item 21)</u></p> <p>On the recommendation of the Governance Remuneration Committee, the Board:</p>	

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	(i). <b>NOTED</b> the update provided on the recruitment exercise underway to appoint Impact Board Members; and (ii). <b>APPOINTED</b> Mark Cullinan as Chair of Impact Board with effect from 23 November 2018 for a term of office of 3 years, [REDACTED] [REDACTED]	
153/18	<u>Group Appraisal Outcomes 2018 (recommendation of GRC) (item 22)</u>  The summary of outcomes of Board and Committee group appraisals carried out in the year and actions taken or planned in response to findings was <b>NOTED</b> .	
154/18	<u>Governance Best Practice – Directors’ Duties (item 23)</u>  The Board <b>NOTED</b> the Schedule of Director’s Duties, which was provided on an annual basis to remind members of their responsibilities, liabilities and obligations.	
155/18	<u>Any Other Business</u>  [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] <ul style="list-style-type: none"> <li>• On behalf of the Board, the Chair extended sincere thanks to VA for his estimable contribution during his term as board observer, noting that he would continue to add value through his roles as Chair of Riverside Customer Voice Executive and a member of the London Development Committee. Additionally, thanks were extended to LH for her excellent service to TRGL during her 6 years in post, where her leadership in the development and integration of the Care &amp; Support business stream, and delivery of the Transformation Programme had been invaluable. The Board wished LH every success in her new role of Group Chief Executive at First Ark.</li> <li>• There being no further business, the Chair asked CMM and the Executive Directors to leave the meeting for the Board only section of the agenda. (This is the subject of a separate confidential minute).</li> </ul>	
156/18	<u>Date of Next Meeting</u>  4pm, Wednesday 12 December 2018, Kettering Park Hotel, Kettering.	

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

Date:.....