

The Riverside Group Limited - Report of Committees and Subsidiary Boards (September-December 2018)

Governance and Remuneration Committee (10/10/18)

Key Business and Decisions Taken

- Reviewed Membership of Boards and Committees
- Noted an update on Impact Board recruitment
- Agreed to recommend to Group Board new Impact Board Chair
- Approved the appointment of Impact MD
- Approved appointments of Board and Committee members
- Agreed to recommend to Group Board changes in remuneration for TRGL nominee to Impact Board

Matters for Noting

While disappointed with the response to the recruitment exercise for the new Group Board Member – Finance Lead, the Committee noted that there were sufficient suitable candidates to include in the shortlisting exercise. Post meeting, 3 candidates have been invited for final interviews, which will take place on 10 December, and be conducted by M Steinberg, P Davis and C McGuinness. The outcome will be reported to Group Board at the meeting on 12 December, and if appropriate, the Board will be asked to approve the preferred candidate. This is on the agenda at item 21.

Having duly considered the skills, knowledge and experience of candidates, the Board made a series of Director/Member appointments to subsidiary boards and recommended to Group Board that it appoint Mark Cullinan as Chair of Impact Board. It also approved the appointment of Harry Soar and Ian Campbell as new members of RC&SC. In line with the Rules of Impact, the Committee, acting on behalf of TRGL as Parent, approved the appointment of Bryonie Shaw as Managing Director of Impact.

On 17 November 2018, the Committee agreed via written resolution, and on the basis of the recommendation of the selection panel which included Peter White, the appointment of 6 new Members of the Board of Impact.

Recommendations

At its meeting on 10 October, the Board approved on recommendation of the Committee, (i) the appointment of Mark Cullinan as Impact Chair; and (ii) changes to the remuneration of Sue Powell.

Impact Housing Association (23/11/18)

Key Business and Decisions Taken

- Approved the appointment of new Chair, six new Board Members and Tenant Observer
- Approved the submission of a bid for Supporting People tender in Carlisle for young people services
- Agreed changes to banking arrangements
- Approved Jan –Mar 2019 interim budget
- Approved the revised loan agreement with Barclays
- Approved the Internal Audit Plan

Matters for Noting

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In addition to the above, the Board noted that all compliance and regulatory returns had been submitted in a timely manner and that, as part of integration, it was intended for the next quarterly financial return to be incorporated into a group return. Having reviewed the proposed Integration Programme and the scope of the role of the Integration Programme Board, the Board was content. However, it requested (and received) strong assurance that future reporting would clearly identify progress against Pledges to allow effective Board oversight.

The Board supported the proposed Internal Audit Plan, which was in line with high level Group priorities set by the Group Audit Committee. The Board noted that a certain degree of flexibility was built into the IA model to allow an agile and effective response to potential changes in risk profile for Impact or the Group.

It was agreed that any decisions with respect to Pensions should be postponed pending completion of a review of the Group Pension Strategy, which was underway, led by the Group Financial Controller, working in conjunction with PWC.

Recommendations

There are no recommendations for Group Board consideration.

Riverside Care & Support Committee (22/11/18)

Key Business and Decisions Taken – the Committee received and scrutinised performance/progress made in the following areas:

- Operations, Finance, HR and Business Development
- Hull Extra Care Schemes
- Internal audit actions
- Quality and Compliance
- Risk Management
- Equality and Diversity

Matters for Noting

In addition to the above (a list of key agenda items), the Committee received 2 presentations (i) Workshop – Service Design – Reducing and Preventing Homelessness; and (ii) Regional Planning / Care and Support – Liverpool City Region: Collaborative Working, which were both very well received and generated useful and stimulating discussion.

The Committee received an update on the status of defects at Hull PFI Schemes and were pleased that, following TRGL's 'step in', the large majority of defects were now addressed, with the few outstanding due for completion shortly. [REDACTED]

[REDACTED] While the Committee acknowledged that there had been issues with the PFI contract, they were content that a robust review of the programme would identify lessons to be learnt which would be applied to future schemes. It was also assured by the efficient and proactive response from TRGL to address the problems that had arisen.

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The Committee queried why no grade 1 audit actions had been closed since the committee last met in July. An update on actions that had been taken during this period with respect to audit recommendations was provided, and it was noted that the Director of Internal Audit and Risk was reviewing the approach to grading of audit actions, and a paper would be considered by the Executive Team at its November meeting.

The Committee reviewed the findings of the investigation into a recent major incident which impacted the Helpline service. It was content that (i) the response had been effective; (ii) that the root causes had been clearly identified; and (iii) appropriate mitigation was in place to prevent recurrence.

Recommendations

The Committee considered the Formal Customer Involvement Strategy at item 14 offline, and have fed into the Strategy for the Board's approval.

Neighbourhood Services Committee (06/12/18)

Key Business and Decisions Taken – the Committee has received for its scrutiny and discussion, updates on performance/progress made in the following areas:

- Operational and Financial performance
- Income Collection Improvement Programme
- Repairs and Riverside Direct
- Complaints performance
- Customers Services quarterly report
- Statutory Compliance

Matters for Noting

The Chair will provide an update on key matters at the Board meeting. In addition to the items above, the Committee have received a report and will receive a presentation at its meeting on 'Customer Satisfaction Initiatives Report including Repairs Online Service'.

Recommendations

The Committee recommends that the Board approve the Formal Customer Involvement Strategy which it considered at its meeting in October. This is at item 14 on the agenda.

London Development Committee (05/11/18)

Key Business and Decisions Taken

- Received a Joint Venture Delegation and Legal Review Report
- Noted ballot updates in respect of Lambeth and Bromley and issues in relation to Calverley Close
- Review the Risk Register, in particular the threat to resident support for Calverley proposals
- Housing Management issues across all 3 sites and in particular the new regional risk in relation to gas servicing and the change in moving across to Riverside Direct in the South and Central Region – requested a further in depth update be issued.

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Matters for Noting

A resident engagement strategy and updated financial appraisal in relation to Newham would be submitted to IAC before the next LDC meeting in January 2019.

LDC received a presentation from Trowers and Hamlins Solicitors on the Joint Venture structure, and legal review of documents in respect of the JV with Bellway in relation to the Lambeth Estate and approved proposals to manage the JV through a JV Board and Project Board, subject to a full tax review and further negotiations with Bellway in relation to funding arrangements.

Progress was noted in relation to Gillan Court, Lewisham, and that a revised planning application was being submitted, resulting in the overall viability of the scheme being reviewed and reported to IAC in December.



Recommendations

The Committee recommends that the Board at its meeting in January 2019 approve the JV in relation to Lambeth to be executed, subject to the above, and following the ballot and final approval from LDC. This will be the subject of a separate agenda item at January's meeting.

Evolve Facilities Limited Board (22/11/18)

Key Business and Decisions Taken

- Reviewed the Managing Director's Report
- Considered a report on the Riverside Direct Division which had been operational for 4 months
- Approved a series of performance monitoring reports on Finances, Customer Service KPIs, HR Matters, the Gas Department and Health, Safety & Training, and discussed their format and content
- Debated a report on proposed measurements for the critical aspects of Asset Management performance, in order to agree a dashboard to facilitate the Board's oversight
- Received a consolidated Annual Governance report on the Company's governance arrangements
- Approved an update to the Delegated Authority Schedule following appointment of a new Director of Operations.

Matters for Noting

The Asset Services TOM, due to 'go live' on the following Monday (26/11/18), was confirmed as a positive change to the Company's operations, the benefits of which would include clear accountability and improved customer satisfaction for the Group's tenants.

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Commercial challenges resulting from changes to Responsive Repairs in the Liverpool City Region had continued. The Board asserted the need to understand the reasons why, and stressed the requirement to continue delivering customer satisfaction whilst ensuring commercial viability.

The Board noted an adverse financial impact arising from a slip of 8 months in the Retirement Living Programme, which affected not only the Company, but also the Group. At Period 7, the profit and VAT saving positions were positive, which demonstrated effective financial performance notwithstanding the TOM, Riverside Direct and LCR issues and, for the remainder of the year (Periods 8-12), the Company would be focussing on achieving 100% completions whilst attaining 90% Customer Satisfaction.

The first Annual Governance report reviewed and gave assurance on the Company's governance arrangements, including compliance against the Principles of the UK Corporate Governance Code 2018.

Recommendations

There are no recommendations for Group Board consideration.

Prospect (GB) Limited Board (17/10/18)

Key Business and Decisions Taken

- Noted the Managing Director's Report
- Discussed the Management Accounts for the Period Ending 30 Sept 2018
- Noted the Risk Report and Risk Register
- Agreed Meeting Dates for 2019

Matters for Noting

The Board noted the appointment of a new Managing Director called Nigel Yates who was due to start on 1 November. The Board also extended their formal thanks to John Cosgrave for the work he had done during his time as Interim Managing Director, and were assured a full handover would take place between the two.

The Board queried the 250 unit sales target for the year. It was agreed that this was optimistic and more of an aspirational target. However, the Board was reassured it could still be possible to achieve this if the right sales conditions were met. The Board were also pleased that some sites were now completed, allowing for focus on new developments.

Recommendations

There are no recommendations for Group Board consideration.

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Group Treasury Committee

Key Business and Decisions Taken

The Committee has not met in the period. However, it unanimously passed a resolution in writing on 22 November 2018 on recommendation of the Riverside Treasury Team, which allowed an entry into Federated Investors (UK) LLP Money Market Fund, in particular, the Short Term Sterling Prime Fund. Approval was required as entering into the fund was an exception to the Treasury Policy on the basis of not meeting the usual required minimum size. However, the Committee was content that having this fund (and Federated more widely) within our investment portfolio provided an opportunity to spread the counterparty risk across a wider range of suitable, underlying investments.

Recommendations

There are no recommendations for Group Board consideration.

[Redacted]

[Redacted]

- [Redacted]

- [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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Irvine Housing Association (28/11/18)

Key Business and Decisions Taken

- Approved the Membership Application of Mary Crearie and agreed to appointment her to the Board, filling a casual vacancy until the AGM in 2019
- Noted the Equality, Diversity and Inclusion Action Plan
- Noted the updates provided in the Corporate Plan: Year 2 Implementation Plan 2018/19
- Noted the proposed new format of the Corporate Risk Register and the new Risk Scoring Matrix
- Agreed the proposed business plan assumptions for the forthcoming business planning process
- Agreed to undergo the 360-degree feedback process as part of the Association's Board appraisal process during 2019.
- Agreed the proposed changes to the North Ayrshire Housing Allocations Policy
- Noted the provisions of the new Housing (Scotland) Act 2014 and the resultant actions implemented by the Association
- Agreed the proposed Board Training Session Programme for 2019
- Noted the financial and operational performance reports
- Noted the MD's Report

Matters for Noting

The Board noted the increased risk profile of the organisation, given the increase in risk scores relating to welfare reform, rent affordability, long term demand and governance.

The Board discussed the proposed business plan assumptions to be factored into the business planning process. The Board considered in detail the proposed rent increase options and the impact these proposals would have on customers in the context of the current rent harmonisation process and how this impacted on rent affordability, and also, the impact that to the business in the context of projected costs during the next financial year. The Board agreed to consult with customers on a proposed rent increase of between 2.5% and 3.5%.

The Board noted the declining Net Promoter Score, the issues which could be affecting this KPI and the proposed plans to improve it and customer satisfaction in general.

Recommendations

There are no recommendations for Group Board consideration.

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

- [REDACTED]
- [REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

Group Audit Committee (06/12/18)

Key Business and Decisions Taken

- Risk Register Update
- Sector Risk Profile
- Audit Plan & Strategy for the Year Ending 31/03/2019
- Fixed and Intangible Asset Policy
- Internal Audit Highlights Report
- Information Security Review
- Asset Liability Register
- Committee and subsidiary audit minutes extracts

Matters for Noting

The Chair will provide an update on key matters at the Board meeting.

Recommendations

The Committee will, if appropriate, and after due consideration, recommend the Fixed and Intangible Asset Policy for Group Board approval at the Board meeting on 17 January 2019.
