

The Board is asked to **NOTE** this summary of activity at Group committee and subsidiary board level in the period since the Board last met. Full sets of minutes for all subsidiary board and committee meetings are made available on REX as soon as available, or can be requested from the Governance Team.

London Development Committee (12/03/19)

Key Business and Decisions Taken

- Received an update on the Lambeth Joint Venture
- Noted a Project Update and reviewed the Risk Register
- Noted a Resident Engagement and Ballot Update
- Noted a progress update on Neighbourhood Management

Matters for Noting

The Committee received a presentation from Arcadis setting out further detail in relation to the Lambeth Joint Venture and the land value adjustment in relation to Geoffrey Close, including detail around land value appraisal, adjustment methods, stages and milestones, incentivisation and scenario adjustments for the various milestones. LDC highlighted the phasing plan and moving tenants into their new homes in a timely manner was critical.

The Committee noted the progress achieved on the overall programme, each project and budget forecast for 2018/19 and highlighted in particular, support for regeneration from the majority of Pike Close residents, but that there were some specific fears surrounding phasing plans and ASB. In relation to Gillan Court, Lewisham, a review of cost risk items, viability and a shared ownership option had been carried out following issues with the original planning permission and that IAC had agreed with LDCs view to proceed with planning for outright sale.

The Committee recognised IACs role was to consider investment in, and review the associated risks of, developments across the whole of Riverside before submission of suitable proposals to TRGL Board and that LDC provided additional governance, experience and perspective, specifically for London regeneration. LDC requested clearer explanation and outcome of IAC decisions in future reports relating to the London Development Programme.

The Committee received an update on resident engagement [REDACTED]

The Committee noted the ongoing intensive neighbourhood management across London estates, particularly in Pike Close, with the Community Safety Officer, Fraud Officer and installation of CCTV all having had a positive impact on the estate.

The Committee further noted the Board Member Briefing on London Regeneration had been well received and that during this briefing there had been some challenge around maintaining diversity in relation to language skills in engaging with tenants in Lambeth and agreed that consideration should now be given to how to further improve communications, understanding of proposal and development stages, and sustaining this level of engagement until completion in January 2020.

Recommendations

In relation to the Lambeth JV proposals, the Committee agreed to recommend to TRGL Board on 14 March that they; enter into the JV with Bellway

Governance and Remuneration Committee (14/03/19)

Key Business and Decisions Taken

- Reviewed an update report on Membership of Boards and Committees
- Reviewed the updates already made and proposed to the Governance Framework Document
- Approved the new Pension Tax Allowance Policy & Application Form
- Approved the appointments of 2 new Trustees for Riverside Foundation
- Noted an update report on recruitment for the Group Board Chair
- Noted an update report on Non-Executive Remuneration

Matters for Noting

The Committee noted all Board/Committee membership was currently compliant with Constitution/Terms of Reference requirements.

The Committee noted the draft Pension Tax Allowance policy set out both the terms and parameters of the discretionary Pensions Tax Allowance (PTA) supplement and the PTA potentially payable for those individuals who had exceeded the Lifetime Allowance (LTA) or Annual Allowance (AA) and approved the PTA policy and Application form.

The Committee also noted updates on work being carried out to review the Governance Framework Document (GFD) and in enhancing Board Member Processes (Induction, Appraisal and Training) and that the Director of Governance and General Counsel would support the team in the review of the GFD before final recommendations to TRGL Board.

The Committee approved appointments of 2 Trustees to Riverside Foundation, Jacky Vince and Jane Harris, and executive appointments of Patrick New, Executive Director of Customer Service and Sara Shanab, Director of Governance and General Counsel.

The Committee noted an update on Non-Executive Remuneration tender exercise and that final recommendations would be submitted to May GRC and July TRGL Board. The Committee also agreed to commence a separate tender exercise to identify a preferred provider for all remuneration advice and support services for a minimum three year period with recommendations as to a preferred supplier to be submitted to GRC in October 2019.

The Committee approved the engagement of Altair to lead the recruitment exercise for the new Group Board Chair and highlighted the project brief should include key strategic responsibilities, a piece around the customers' voice and regulation and supporting, challenging and being a critical friend to the Chief Executive. The person specification should be thoroughly reviewed and increased risks around development, regulation and compliance highlighted. The Committee also agreed the final interview panel and that initial interviews should be held by July 2019.

Recommendations

There are no recommendations for Group Board consideration.

Group Audit Committee (21/03/19)


Key Business and Decisions Taken

- Reviewed the latest Risk Register
- Noted a report on the Group's Brexit preparations
- Noted the Interim report from KPMG for the Year Ending 31/03/2019
- Noted the Annual Compliance Report
- Noted the Internal Audit Highlights report
- Noted the 2019 Financial Statements – Items for Noting
- Noted the Internal Audit Strategy for 2019/20
- Noted an update on the Committee's 360° Appraisal process

Matters for Noting

The Internal Audit Strategy for 2019/20 was shared with the Committee, outlining the likely audit priorities for the audit year commencing June 2019, mapping them against the strategic Risk Register. The 'Audit Universe' methodology was welcomed as a means of identifying likely audit priorities. The Committee noted that NSC had endorsed the 'Audit Universe' approach, given feedback and noted the audits relevant to the Committee for monitoring. It was noted that the Care and Support Committee would carry out the same exercise at its next meeting in May 2019.

The Committee noted the interim audit report and social housing sector update from KPMG, that no significant control weaknesses had been identified and that the 6 Significant Risks had been assessed as stable since the Audit Planning Memorandum had been agreed.



The Committee noted the Internal Audit Highlights Report, outlining key findings from the audits undertaken since the previous meeting. Issues identified around the low usage of Lone Working devices within Care and Support and Evolve Facility Services were of particular concern although the Committee were assured that there were a range of interventions in place which would be completed by the end of April. The Committee were advised the Internal Audit Team would carry out follow-up audits in the summer once the improvements had been embedded.

Recommendations

There are no recommendations for Group Board consideration.

Group Treasury Committee (05/04/19)

Key Business and Decisions Taken

- Approved the Group's Treasury and Investment Policies following their annual update
- Approved the Group's Operational Treasury Strategy for the forthcoming year
- Noted a report on the Group's approach to Hedge Accounting
- Noted the Committee's Annual Programme of Work
- Reviewed the Whole Committee Appraisal Survey Results and Approved an Action Plan for the year ahead

Matters for Noting

The Committee considered proposed changes to the Group Treasury Policy (the Policy) and (i) agreed to set a maximum parameter for fixed debt – if greater than 100% - above which Committee approval is required, together with a plan to revert to at least 100% (ii) noted the exposure to currency risks from IT contracts and were assured that Emma Turner (ET) would emphasise to the IT team that it was a Policy requirement that TRGL Board's approval is obtained to payments in currencies other than sterling (iii) the Executive team confirmed it was satisfied with application of the Policy and management of risk in relation to Impact which joined Riverside in August 2018. The Committee approved the changes to the Policy subject to addition of a maximum parameter for fixed debt if greater than 100% and recommended that TRGL Board adopts the Policy at its meeting on 14 May 2019.

The Committee reviewed the Group Investment Policy (GIP) and noted that no changes were proposed at this time but the GIP would be kept under review as the role of Riverside's Investment Appraisal Committee (IAC) continued to develop. The GIP was providing good control and oversight of Riverside's investments and the GIP criteria had been applied to decision-making for the Bovis Joint Venture and would shortly be used to appraise the Lambeth Development. The Committee approved the GIP for 2019/20 and recommended that TRGL Board adopts the GIP at its meeting on 14 May 2019.

The Committee were introduced to the annual review of the Group's Operational Treasury Strategy which had been prepared with the support of Centrus to provide an independent assessment of Riverside's treasury position and actions to be taken over the course of the 2019/20 financial year. The Committee approved the option to negotiate an extension to the NatWest RCFs. The Committee approved the repayment of the Nationwide loan [REDACTED]. Subject to some actions to be taken, the Committee approved the Treasury Strategy and Treasury Plan on a Page for 2019/20 and recommended that TRGL Board adopt the Strategy and Treasury Plan at its meeting on 14 May 2019.

Recommendations

GTC recommended:

- a. TRGL Board adopts the Group Treasury Policy at its meeting on 9 May 2019.
- b. TRGL Board adopts the Group Investment Policy at its meeting on 9 May 2019.
- c. TRGL Board adopts the Strategy and Treasury Plan at its meeting on 9 May 2019.

These are the subject of a report on the agenda at item 2.6.

Neighbourhood Services Committee (25/04/19)

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

- Noted the Operational and Financial Performance reports
- Approved proposed cash leakage KPIs and targets for 2019/20
- Noted update reports on Riverside Direct Performance, Customer Service and Formal Customer Involvement
- Noted the Annual Development Report
- Noted an update report on Equality & Diversity
- Approved the proposed Rent Reduction in Longtown, Carlisle
- Noted the Annual Complaints Report on the 2018/19 Year
- Noted the Statutory Compliance Dashboard report
- Noted the NSC Risk Register Update
- Reviewed the Whole Committee Appraisal Survey Results and Approved an Action Plan for the year ahead
- Received a spotlight presentation and year 1 update on Regional Delivery Plan progress

Matters for Noting

The Committee received the standard Executive Director's report and noted the service review of the Front Line Worker model highlighting the journey over the last 18 months, the challenges faced and positive improvements delivered through this phase of the transformation programme, in particular the impact of the review on significantly improving void performance. The Committee reviewed the Risk Register and audits with Grade 1 recommendations, in particular Defects on New Build Properties, and requested an improvement plan be submitted to the next NSC meeting.

The Committee received a presentation on the new dashboard approach to performance reporting for future NSC meetings, agreed the proposed cash leakage KPIs and targets for 2019/20 in relation to Current Rent Arrears and Void Rent loss, highlighting that achievement of both these targets would represent a £1m reduction in cash leakage from the business. The Committee also noted Financial and Operational performance at year-end, highlighting in particular the significant improvement in void rent loss, the disappointing performance in relation to South and Central Region KPIs and the plan to visit the region for NSCs next away day event. The Committee was reassured by the number of KPIs green against target and in the positive direction of travel for Asset Compliance.

The Committee noted the mitigation measures carried out and improving picture in relation to Riverside Direct performance, however, highlighted the key risk of Mears withdrawing from the contract remained.

The Committee received comprehensive update reports in relation to Customer Service, Formal Customer Involvement and Annual Review of Complaints for 2018/19 and welcomed the increased focus being given to complaints over the next few months. The Committee requested a further in depth update on customer service, to include further information around the link with RCVE and scrutiny of complaints, at its next meeting. The Committee also noted progress being made in relation to the scrutiny of complaints and customer feedback, due to be completed in June 2019.

The Committees spotlight topic focused on Regional Plan Delivery Updates for North, South and Central and LCR and the progress made in delivering these plans, with a presentation being given by each of the 3 Regional Planning Managers, highlighting examples of success stories contributing to each of the 3 Corporate Plan objectives, Stepping Up Supply, Customers First and Neighbourhoods Matter. The Committee also noted the Regional Plan Risk Maps for

each of the 3 regions would be revisited and updated accordingly following a fundamental review. The Committee agreed to the non-executive members that would be linked locally to each of the Regional Plans and would provide joint feedback with Executives to the NSC.

Recommendations

There are currently no recommendations for Group Board decision.
