



CONFIDENTIAL MEETING MINUTES

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

Date and Time: 9am, Friday 11 October 2019

Location: The Pullman Hotel, Kings Dock, Liverpool, L3 4FP

Present:

- Max Steinberg – Chair
- Pauline Davis (PD) – Vice Chair
- Tim Croston (TC) – Board Member
- Michelle Dovey (MD) – Board Member
- Ingrid Fife (IF) – Board Member
- Sally Trueman (ST) – Board Member
- Peter White (PW) – Board Member
- Carol Matthews (CMM) – Co-opted Board Member

In Attendance:

- David Otty (DO) – Tenant Observer
- Maxine Cousens (MC) – Director of People and Culture
- John Glenton (JG) – Executive Director of Care & Support Services
- Ian Gregg (IG) – Executive Director of Asset Services
- Jo Lucy (JL) – Executive Director Business Support & Change
- Cris McGuinness (CAM) – Chief Financial Officer
- Anne-Marie Owens (AMO) – Governance Manager (Secretary)
- Sara Shanab (SS) – Director of Governance and General Counsel

Apologies:

- Jonathan Dale (JD) – Board Member
- Patrick New (PN) – Executive Director of Customer Service

Min:	Agenda Item	Action
115/19	<p><u>Welcome and Apologies for Absence (Item 1.1)</u></p> <ul style="list-style-type: none"> • The Chair welcomed members and attendees to the meeting and noted that apologies had been received from JD and PN. 	
116/19	<p><u>Declarations of Interest (Item 1.2)</u></p> <ul style="list-style-type: none"> • No interests were declared. 	
117/19	<p><u>Chair’s Matters (Item 1.3)</u></p> <ul style="list-style-type: none"> • The Chair thanked members for their contribution at the previous day’s Stakeholder event and noted that Corporate Plan priorities discussed in July seemed aligned to the priorities emerging from Stakeholder engagement. He added that the issues of sustainability and decarbonisation were an increasing priority for many and this would be returned to at December’s Board meeting following further work to consider the issues and TRGL’s response. 	CMM
118/19	<p><u>Minutes of Previous Meetings: (Items 1.4) CONFIDENTIAL</u></p> <ul style="list-style-type: none"> • 11 July 2019 • 12 August 2019 	

Min:	Agenda Item	Action
	<ul style="list-style-type: none"> The minutes were APPROVED as a true and accurate record of the meetings held subject to a minor amendment which AMO undertook to make. 	AMO
119/19	<p><u>Matters Arising from Previous Meetings (Item 1.5) CONFIDENTIAL</u></p> <ul style="list-style-type: none"> 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. 	
120/19	<p><u>Retirement and Elections at the Annual General Meeting (AGM) (item 1.6)</u></p> <ul style="list-style-type: none"> The Board NOTED that The Riverside Group Limited held its AGM on 11 September and that both Pauline Davis and Michelle Dovey were appointed by Shareholders for a 3-year term ending at the conclusion of the AGM in 2022. This was Pauline's second term of office and Michelle's first following her appointment by the Board in February. All other resolutions considered by the Shareholders at the AGM were passed. 	
121/19	<p><u>Chief Executive's Report (Item 2.1) CONFIDENTIAL</u></p> <ul style="list-style-type: none"> The Board received and NOTED the Group Chief Executive's report and the following matters were highlighted for discussion: <p>The Chair opened the discussion by advising Board that he would be shortly meeting with Fiona MacGregor, the Chief Executive of the Regulator, and would report back on any matters of significance discussed.</p> <ul style="list-style-type: none"> Lambeth – the Board noted that the land had been transferred to Riverside Regeneration (Lambeth) Ltd the previous night with legal completion by the end of the day to be in contract by Monday 14 October. Thanks were extended to PD and the London Development Committee, CAM and SS and their teams on achieving this significant milestone in the programme. <div data-bbox="188 1267 1412 1742" style="background-color: black; width: 100%; height: 212px; margin-top: 10px;"></div> <div data-bbox="188 1776 1412 1883" style="background-color: black; width: 100%; height: 48px; margin-top: 10px;"></div> <div data-bbox="188 1912 1412 2049" style="background-color: black; width: 100%; height: 61px; margin-top: 10px;"></div>	<p>Chair</p> <p>CMM</p>

- **Runcorn Renewal Report** – having noted an update, the Board asked that the report on the renewal project in Runcorn to December’s Board be fully costed, with a clear financial plan setting out what is achievable both acting alone and in partnership. There was discussion of progress made with renewal in Carlisle and that the optimal approach was being explored. It was noted that there were specific challenges with the renewal in Carlisle primarily due to a lack of population growth and the centralisation of people and services within the urban core. It was agreed that the Corporate Plan 2017-2020 outcome report needed to codify what had been achieved with respect to the neighbourhood renewal projects in Runcorn and Carlisle.
- **Liverpool Ethical Lettings Joint Venture** – the Board noted the work carried out since it last considered the proposal in May 2018 and the changes to the initial investment required and the partner organisations. It noted the support from Homes England and Liverpool City Council for the venture and the due diligence and stress-testing which had been carried out.
- After due and careful consideration the Board **RESOLVED THAT:**
 - (i). The Riverside Group Limited will enter into the Ethical Lettings Joint Venture Company;
 - (ii). The Executive Team and Sara Shanab are authorised to review, finalise and execute any documentation required in order to establish the Joint Venture Company.
- It was agreed that in line with its monitoring role, Neighbourhood Services Committee would receive a spotlight session on the project at its next meeting and carry out a site visit to Smithdown Road.

122/19 Group Chair Recruitment (Item 2.2) **CONFIDENTIAL**

- The Chair of the Governance and Remuneration Committee introduced the report prepared by Altair, the recruitment specialist which had undertaken the search for a new Group Chair on behalf of TRGL.
- It was noted that an initial search had not produced the scope of qualified candidates required however a further, expanded exercise had delivered a good range of potential appointees. The selection process had been robust and based on merit and objective selection and assessment techniques, in line with TRGL’s Governance Framework provisions.
- The Board noted that whilst all shortlisted candidates were strong contenders, it had been unanimously agreed by the selection panel and colleagues involved in informal meetings with candidates, that Terri Alafat should be recommended to the Board for appointment as Group Chair. This decision was primarily based on Terri’s knowledge and experience of housing, understanding of the environment in which the Group operated and passion for the work that Riverside did.
- The Board queried if Terri’s role with Crisis presented any actual or potential conflicts. CMM explained that these were not considered significant on the basis that Terri would not serve on the Riverside Care & Support Committee where conflicts were likely to arise however as with all Board interests, her position with Crisis would be carefully managed within TRGL’s conflict management protocols.

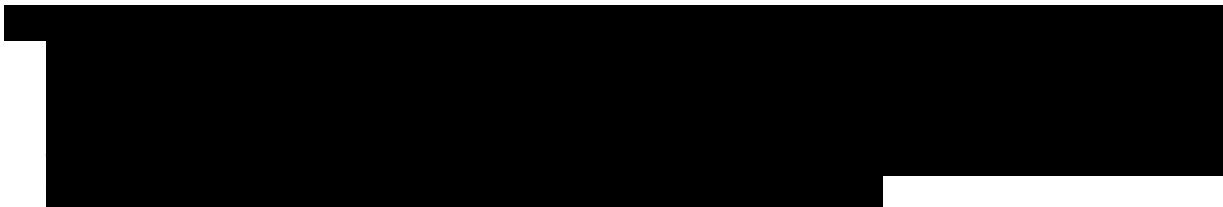
(i). After due and careful consideration, the Board **RESOLVED THAT** with effect from 1 April 2020, Terrie Alafat is appointed to the following Riverside roles and remunerated at the agreed fee for the Group Chair.

- Board Member and Shareholder of The Riverside Group Limited
- Chair of The Riverside Group Limited Board
- Director of
 - Riverside Consultancy Services Limited
 - Riverside Urban Services Limited
 - Riverside Regeneration Limited
 - Riverside Regeneration (Lambeth) Limited
- Member of the Governance and Remuneration Committee

- The Chair shared with the Board that he held Terri in the highest esteem and was of the view that she would prove an excellent Chair for the Group.
- It was agreed that the appointment should remain confidential until such time as it was deemed appropriate by the Chair and CEO to make the announcement.
- CMM advised that Terri would undergo a substantial induction which would include visiting TRGL sites throughout England and Scotland.
- The Board extended its thanks to those colleagues who had given their time to contribute to the recruitment process.

123/19 Reflections on In Depth Assessment (IDA) (Item 2.3)

- The Chair introduced the report which set out the CEO's reflections on the IDA and invited the Board and Executive Team to share their thoughts on the process and outcomes.



- The Board concurred that TRGL had achieved the desired result from the IDA and should not lose sight of that. There was discussion of TRGL's relationship with the Regulator moving forward and agreement that this should be a mutually beneficial and supportive relationship with both parties acting as effective partners.
- The Board agreed that following consideration of the Regulator feedback, action in the following areas would be captured in a range of improvement actions or programmes of work underway:

- Risk Management
- Cash Management
- Stress Testing and mitigation
- Governance and risk management of commercial activity
- Contract Management
- Board packs and report quality

• It was further agreed that a digest of the report would be provided to members of the Group Treasury Committee and consideration would be given to engaging a partner to facilitate a ‘mini-IDA’ in the interim period before TRGL’s next assessment by the Regulator. This exercise would allow further scrutiny of the Group’s governance and viability and measure progress made in areas for enhancement.

CMM
CAM

124/19

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125/19 Mergers & Acquisitions Strategy Statement (Item 2.5)

- The Board received and considered a mergers and acquisitions strategy statement to be published in line with TRGL's transparency agenda and in the spirit of the NHF Merger Code.

[Redacted content]

- Following due and careful consideration, the Board **RESOLVED TO** approve the Mergers and Acquisitions Strategy Statement and to formally review the document in three years' time.

Min:	Agenda Item	Action
126/19	<p><u>Annual Development Report (item 2.6)</u></p> <ul style="list-style-type: none"> • The Board NOTED the report which provided the annual update regarding Development across Riverside which should deliver c845 new homes this year. • CAM introduced the report and explained that for the first time, a report brought together all of the various strands of Development to provide a more cohesive picture of how Riverside is responding to the need to build more homes. She highlighted the work being undertaken to improve performance with respect to defects in new homes with positive results to date. A key next step would be consideration of what development aspiration could be delivered in the next corporate plan and beyond. • A summary of the cost and returns of the London Development programme was provided and it was noted that the programme overall was anticipated to be cost neutral. PD provided assurance to Board colleagues that the programme was subject to appropriate governance and oversight with the London Development Committee comprised of highly experienced non-executives who offered suitable challenge and support. She added that project staff were capable and effective with LDC seeing much improved information on finance and risk positions. She noted the duty TRGL owed to customers in these London estates to successfully deliver the programme and reiterated her view that the LDC, project team and partners were up to the task. • The Board queried how Brexit risk was being monitored and managed. CAM explained that the Executive Team had a much strengthened oversight of the market and were well placed to take informed decisions with respect to the Programme in response to and anticipation of market changes. In its role as the Investment Appraisal Committee, the Executive closely monitored all risks relating to Brexit and received monthly updates on market conditions. • Following discussion, the Board agreed that the Development Programme would be kept under review in light of emerging risk through quarterly reporting to the Executive Team which would supplement the current monthly monitoring by the Investment Appraisal Committee. 	CAM
127/19	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
128/19	<p>[REDACTED]</p> <p>[REDACTED]</p>	

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129/19 Integrated Strategic Performance Report (ISPR) (item 3.1a)

- The ISPR for Period 5 was **NOTED**.
- The Board reviewed the five areas rated 'red' against targets. It was noted that the income collection position within social housing had stabilised however there had been an ongoing issue in care & support with long term void properties. The care & support team had invested significant time in addressing this issue and on target performance would be seen in the next ISPR. It was further noted that a recent internal audit of voids in care & support had resulted in positive findings.
- It was noted that the Net Promoter Score was a key driver for the Customer Plan and raising customer confidence was an ongoing priority for the business and the new operating model in place was expected to deliver improvement. While performance was improving in some areas, Riverside Direct remained an area of concern and focus.
- The Board expressed concern with the number of outstanding Health & Safety actions and requested assurance that appropriate action was being taken to recover performance. IG explained that the majority of outstanding Fire Risk Actions were a result of the accelerated programme and changes in supply model. There was confidence that supply chain capacity was now sufficient to complete outstanding actions by the calendar year end. PW added

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	<p>that NSC were closely monitoring the situation and acknowledged that reaching a zero position was a challenge across the sector as while actions were completed further actions went live. It was noted that the eight RIDDOR incidents were a result of improved reporting arrangements and greater visibility in this area.</p>	
130/19	<p><u>Complaints Improvement Report (Item 3.1b)</u></p> <ul style="list-style-type: none"> The Board NOTED the report which set out improvements made to TRGL’s approach to complaints handling since January 2019. Having reviewed the actions taken, the Board queried if staff were engaged and if behaviour was changing. The Board was advised that while changes in behaviours were being seen this was part of the culture journey, with Our Riverside Way now being embedded throughout the organisation and training provided to align behaviour with values. There was significant work to be done however TRGL were on the right track and making progress. The Board were assured that the new Corporate Plan would have customers at its heart including how TRGL’s service and engagement made them feel. It was noted that while complaints performance data was provided at each meeting in the ISPR, a more detailed update would be given at year end. 	
131/19	<p><u>Financial Performance (Item 3.1c)</u></p> <ul style="list-style-type: none"> The Financial Performance Summary for the year to August against the Quarter One Forecast was NOTED. The board further noted the early warning signs in the report and the proposed actions. The new risks and opportunities schedule was welcomed as a valuable addition to the report. It was noted that performance was tracking slightly ahead of the operating margin. PW reported that disrepair overspend was the subject of discussion at the Neighbourhood Services Committee with a plan to be developed to reduce spend. With respect to abortive costs, CAM agreed to circulate further information regarding the Borrowdale scheme. Disrepair claim costs were discussed and the Board noted that a number of actions were planned to combat spend in this area including enhancing the claims procedure, increasing processing efficiency and developing ‘intelligent’ homes. An update was provided on an unusual case which had come through the criminal prosecution route and which TRGL had opted to fight in order to prevent a precedent being set. It was noted that a second case of this kind had now come through and the new legal team would be offering every assistance to Asset Services colleagues on all claims. In response to a query, CAM agreed to discuss the early warning signs further with the Chair outside of the meeting. 	<p>CAM</p> <p>CAM</p>
132/19	<p><u>Quarterly Treasury Report (item 3.2)</u></p> <ul style="list-style-type: none"> The Board NOTED the quarterly treasury report for the period March 2019 to June 2019. It was noted that there had been no covenant breaches in the period and the project to embed full Treasury control within Impact Housing Limited had made significant progress. 	

Min:	Agenda Item	Action
	<div style="background-color: black; height: 30px; width: 100%; margin-bottom: 10px;"></div> <ul style="list-style-type: none"> The Board discussed the value of receiving the report which, due a number of factors, was by necessity subject to some delay in reaching Board. It was agreed that oversight of treasury matters could not and should not be delegated however the Executive agreed to review the format and content of the report to ensure that Board oversight was optimally supported through the reporting arrangements. It was further agreed to explore if the report should also contain information regarding management of Brexit risk albeit this was not a treasury specific matter and was monitored by the Investment Appraisal Committee. It was agreed that the Head of Treasury and Corporate Finance would be asked to deliver a briefing session to the Board at a future meeting. 	<p>CAM</p> <p>CAM</p>
133/19	<p><u>Annual Care Services Update (CQC) (item 3.3)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> The Board received an update on schemes registered with the Care Quality Commission and were pleased to note that all sites currently had overall 'Good' CQC inspection reports, with a 'good' rating against each of the 5 inspection criteria (safe, effective, caring, responsive, well-led). No matters were raised for discussion. 	
134/19	<p><u>HR Update (item 3.4)</u></p> <ul style="list-style-type: none"> The Board NOTED an update on the key employee data and insight for the 2018/19 performance year as well as an overview of performance against the key 2018-2020 People Priorities. It was noted that for the first time, an Ethnicity Pay Gap report had been provided. JL advised that on joining TRGL she had reviewed the People Strategy and the Transformation plan and gave assurance that both were comprehensive and focussed on achieving both short term and long term improvement. She highlighted delivery of the pension project as a particular achievement for the team however advised that the high staff absence due to mental health issues was of concern and under investigation. MC added that performance data had improved strengthening performance monitoring and management and there had been a significant increase in the completion of mandatory training across the business. She added that while attrition rates remained an area for focus they were lower than industry standard. She noted that attrition figures were in part due to better performance management during probationary periods however work was underway to understand the causes and to identify actions to address issues. The Board discussed the new approach to obtaining staff feedback and noted that a third party would be engaged to revitalise the process and improve engagement and drive value from staff engagement. Outcomes would be reported to the Board. Concern was expressed over levels of staff stress and anxiety, and assurance was given that this was a priority for the business with a number of initiatives underway including the appointment of mental health champions and developing understanding of the root causes. MC noted that developing a strategy to deliver a cohesive approach to these issues was under consideration. TC reported that the Group Audit Committee had received a presentation on the culture transformation programme and were fully supportive of the approach and aims. The Board noted that the ethnicity pay gap was twice the size of the gender pay gap and that there was inadequate BAME representation in leadership roles across the Group. It was 	

Min:	Agenda Item	Action
	<ul style="list-style-type: none"> The Board NOTED the Schedule of Board Member Duties and Responsibilities and that the document would be cascaded to all Boards and Committee throughout the Group. 	
139/19	<p><u>Any other Business (Item 6)</u></p> <ul style="list-style-type: none"> The Chair noted that it was David Otty's last meeting as Board Observer and the GRC would approve his replacement following the meeting. On behalf of the Board, the Chair thanked David for his comradeship around the Board table and for his challenge, support and reflection. DO thanked the Chair and noted that he had enjoyed his time on the Board and was appreciative of the hard work carried out by all colleagues in their role as TRGL Board Members. 	
140/19	<p><u>Date of next Meeting</u></p> <ul style="list-style-type: none"> The date of next meeting was NOTED as 12 December 2019. The Board agreed to hold the meeting in Halton Brook and include a site visit to the neighbourhood renewal areas in Runcorn. There being no further business, the meeting was closed. 	