



Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the “Board”)		
Date and time:	10.00am 12 th December 2019		
Location:	Ground Floor Lecture Theatre, Head Office, 2 Estuary Boulevard, Liverpool, L24 8RF		
Present:	▪ Max Steinberg	(MS)	Chair
	▪ Pauline Davis	(PD)	Vice Chair
	▪ Tim Croston	(TC)	Board Member
	▪ Ingrid Fife	(IF)	Board Member (via TC)
	▪ Peter White	(PW)	Board Member
	▪ Carol Matthews	(CMM)	Co-Opted Board Member
In attendance:	▪ Richard Nichols	(RN)	Tenant Observer
	▪ Dave Bullock	(DB)	MD Compendium
	▪ John Glenton	(JG)	Executive Director of Care and Support
	▪ Ian Gregg	(IG)	Executive Director of Asset Services
	▪ Jo Lucy	(JL)	Executive Director Business Support
	▪ Cris McGuinness	(CAM)	Chief Financial Officer
	▪ Patrick New	(PN)	Executive Director of Customer Service
	▪ Hugh Owen	(HO)	Director of Strategy and Public Affairs
	▪ Anne-Marie Owens	(AMO)	Governance Manager
	▪ Sara Shanab	(SS)	Director of Governance and General Counsel
Apologies:	▪ Sally Trueman		

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141/19	<p><u>Apologies for Absence (Item 1) VERBAL</u></p> <p>Apologies from Sally Trueman were noted. The Chair welcomed RN to his first meeting.</p> <p>Resignations from Michelle Dovey and Jonathan Dale were accepted. The Chair explained that due to a lifestyle change, Michelle was no longer able to meet the time commitment required however passed on her warm wishes to colleagues. A letter of resignation from Jonathan Dale was read to the meeting.</p> <p>The Board endorsed the recruitment proposals as set out below:</p> <ul style="list-style-type: none"> • Recruitment for two Group Board Members would commence in January 2020 and would target diversity gaps around BAME specifically and identify as desirable, lived experience as a veteran; • PD would lead the recruitment process as Chair of the Governance and Remuneration Committee, with ST supporting in her role as BAME champion and to provide customer insight. T Alafat would be involved at the final stage as designate Group Chair with the current Chair remaining uninvolved with the process; • Skill areas outlined by individual board members were as follows: <ul style="list-style-type: none"> ○ Finance ○ Treasury ○ Commercial Development ○ Housing ○ Digital and sustainability experience ○ Appetite and drive to embrace modernity ○ Marketing <p>These would go forward into the recruitment process.</p> <ul style="list-style-type: none"> • An advert would be circulated to the Group's non-executive colleagues inviting expressions of interest in acting as a co-optee to Group Board for a period of up to six months to address the financial gap for finance management / accountancy skills for an interim period of up to six months. 	
142/19	<p><u>Declarations of Interest (Item 2) VERBAL</u></p> <p>CAM, CMM and DB declared an interest in item 14, Compendium Living Business Plan 2020 and 2021 as directors of Compendium.</p>	
143/19	<p><u>Chair's Matters (Item) VERBAL</u></p> <p>The Chair highlighted the new Corporate Plan and the revised Group Strategic Risk Register as key items of business on the agenda. He welcomed the opportunity for a Board discussion on building safety and sustainability at item 7, as this had emerged as a key focus for the Group through the Corporate Plan consultation and the recent Stakeholder Strategy event.</p>	
144/19	<p><u>Minutes of Previous Meeting (11/10/2019) (Item 4) CONFIDENTIAL</u></p> <p>The minutes of the meeting held on 12/12/19 were APPROVED as an accurate record and signed.</p>	
145/19	<p><u>Matters Arising from Previous Minutes (Item 5) CONFIDENTIAL</u></p>	

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	<ul style="list-style-type: none"> The update on Matters Arising from the previous meeting was noted and the Board AGREED that all items could be closed. Further updates were received as below. <div style="background-color: black; width: 100%; height: 100px; margin: 10px 0;"></div> <div style="background-color: black; width: 100%; height: 50px;"></div>	
146/19	<p><u>Risk Management (Item 6)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> The Board CONSIDERED the Group Strategic Risk Register (the Register) which had been revised by the CFO following feedback from Board Members at their meeting in October 2019. The following matters were highlighted: CAM summarised the approach taken in revising the Register and the changes made to more clearly capture the strategic risks which might pose a threat to the successful delivery of the Group’s Corporate Plan. The Board noted that the number of strategic risks had been reduced and for each risk, sub risk and action there was now an owner and a map for mitigation and assurance. It was noted that the Register had been reviewed by the Group Audit Committee (GAC) on 5 December and subject to a number of minor changes had been well received and endorsed by the committee. TC confirmed the committee’s view and commented that the inclusion of an Executive Concern rating was a useful addition. The Board queried if Development Capacity and Capability was correctly scored in terms of residual risk. CAM advised that the rating was under consideration following feedback from GAC and would be adjusted if required. Having reviewed the Register, the Board concurred that the new format delivered greater clarity around strategic risk and better supported the Board in its oversight of Group risk management. A number of actions arose from the Board discussion which the CFO undertook to complete: <ul style="list-style-type: none"> Risk 6 Not Achieving Budgeted Operating Margin – Unrealistic cost savings targets – Sub Risk R6-1 to be expanded to identify the specific areas in which cost savings were a source of concern; Risk 4 – Market Sales Exposure – activity at London Development Committee to be included within the mitigations/controls; and Where used, acronyms to be defined. It was agreed that PW would meet with CAM outside of the meeting to provide further feedback and explore how the Register could be utilised to inform the focus of Committee work. CMM agreed to share the Register with Chairs across the Group. 	<p>CAM</p> <p>CAM</p> <p>CMM</p>
147/19	<p><u>Building Safety Update (Item 7)</u></p> <ul style="list-style-type: none"> The Board NOTED the report which provided a background to the Independent Review of Building Regulation for Fire Safety, and also the Grenfell Inquiry (Phase 	

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	<p>1) recommendations. A plan for actions to be taken in early 2020 to further improve building safety was also noted. The following points were discussed:</p> <ul style="list-style-type: none"> • Board Members agreed that the report was useful and provided assurance that Riverside were taking appropriate action to respond to the changing operating environment, to prepare for anticipated regulatory changes and to further improve customer safety. • The potential impact on the London Development programme was discussed. It was noted that there were already more robust requirements in place for new builds and the regulatory requirements should be clearer by the time building work commenced in London in the latter part of calendar year 2020. • In response to a query regarding the definition of high rise (6 storeys), IG explained that Riverside would explore the benefit and cost of exceeding the regulatory requirements by applying standards to 4 storey buildings. • The Board agreed to receive (i) a summary of developments in progress which might be impacted in the CEO update to the January 2020 meeting; (ii) a full update to be provided in May 2020 to include analysis of the potential impact on the London Development programme. 	<p>IG IG</p>
148/19	<p><u>Chief Executive's Report (Item 8) CONFIDENTIAL</u></p> <ul style="list-style-type: none"> • The Board NOTED the CEO update report and the following matters were discussed: • Garden House – CMM updated the Board on actions taken to ensure customer safety following publication of Government advice note 14, which required a detailed inspection of all external wall systems to buildings over 18 metres. • General Election – the Board noted an update on the current political position and were assured that Riverside would respond proactively in engaging with the elected Government. HO advised that a briefing note would be provided following the General Election to define the scale of change and clarify any implications as well as to identify the Government's Housing team. • Helpline Contract – the Board welcomed the news that Liverpool City Council had extended Riverside's contract for 12 months as a result of the improvements to the service implemented over the past 6 months. Board thanks were extended to K Dooley and the team for their excellent work. • Runcorn – having received a brief update on the Runcorn renewal plan, it was noted that a report on the Cumbria renewal project would be presented in May. 	<p>PN</p>
149/19	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	

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150/19	<p><u>Rent Review (Item 10)</u></p> <ul style="list-style-type: none"> • The Board CONSIDERED a proposed rent increase for 2020/21 to be applied to all Riverside social housing rents in England from April 2020/21, reflecting the introduction of a new Rent Standard by The Regulator of Social Housing. • The outcome of an impact assessment which compared proposed Riverside rents to a series of local affordability benchmarks was received. It was noted that outcomes demonstrated that the vast majority of the rents proposed (including service charges) were within these benchmarks. • It was noted that rent setting was an area under increasing regulatory scrutiny and there was concern from the Government that providers would seek to apply the maximum possible increase to reclaim rental income lost through four successive years of reductions. Housing Associations would therefore need to demonstrate careful consideration of local market and affordability issues in determining rents and applying increases. 	

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	<ul style="list-style-type: none"> • There was significant discussion of Riverside’s commitment to being part of the housing crisis solution, as requested by the Regulator and the challenges this presented with respect to development funding. It was noted that in the absence of material government funding, providers were largely dependent on revenue to deliver new homes. This required careful balancing of development aspirations and meeting social objectives by maintaining affordable rents. Having reviewed the proposals, the Board agreed that they achieved this balance. • Following due and careful consideration, the Board APPROVED the proposed rent increase for 2020/21 as set out in section 2 of the report. • A number of actions were agreed: <ul style="list-style-type: none"> ○ Communication to customers and other stakeholders to be prepared, clearly articulating the rationale for the agreed rent increase; and ○ Within the communication, the disproportionate impact on some customers to be recognised and the mitigations in place to be explained. 	 HO HO
151/19	<u>Approach to Sustainability in the London Development Programme (Item 11)</u> CONFIDENTIAL <ul style="list-style-type: none"> • A summary of a paper previously provided to the London Development Committee on the approach to sustainability within the London Regeneration Programme was NOTED. There were no material matters raised for discussion however CAM counselled that the Group’s sustainability agenda would require investment which might impact on other business priorities. She added that the Board might therefore be presented with a number of challenging decisions in the coming years and sustainability issues would continue to form part of the Corporate Plan 2020-2023 discussions. 	
152/19	<u>Corporate Plan 2020 – 2023 (Item 12)</u> <ul style="list-style-type: none"> • A report and presentation setting out a proposed structure for the Corporate Plan 2020-2023 was NOTED. • Following discussion, the Board endorsed the broad structure and content of the plan for development into a full draft subject to the actions agreed below: <ul style="list-style-type: none"> ○ A more explicit link with the Group Strategic Risk Register to be established; ○ A reference to the diversity of our communities and customers to be added to 'People at our Heart'; and ○ An editable version to be provided to Group Board in advance of meeting pack circulation in March 2020. 	 HO HO HO
153/19	<u>Business Plan and Assumptions 2020/21 (Item 13)</u> CONFIDENTIAL <ul style="list-style-type: none"> • The Board NOTED an update on the approach to the 2020/21 Group Budget and Business Plan, together with high level timelines. An overview of the global planning assumptions, together with the relevant exceptions for both Irvine and Impact, as agreed by their respective Boards was further noted. • CAM advised that this Business Planning and budget process would be particularly challenging this time around due to a number of factors including the uncertain political/economic/regulatory environment and Riverside entering a new Corporate Planning phase. 	

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	<ul style="list-style-type: none"> Following due and careful consideration, the Board APPROVED the amended 2020/21 Budget and Business Plan approach, the proposed review and approval dates and the proposed Economic Assumptions. 	
154/19	<p><u>Compendium Living Business Plan 2020 and 2021 (Item 14)</u> CONFIDENTIAL DB joined the meeting.</p> <ul style="list-style-type: none"> The ten year business plan projections (up to 2029), for the Compendium group of companies which trade as Compendium Living was RECEIVED and NOTED. <p>■ The Board considered the proposed plan and agreed that it was both prudent and appropriately aspirational. There was strong support for the work Compendium did which was characterised by the Board as transformational. ■</p> <p>■</p> <ul style="list-style-type: none"> Thanks were extended to DB and the team. Following due and careful consideration, the Board APPROVED the business plan, its funding requirements and the parameters set out for its implementation and risk management. <p>DB left the meeting.</p>	
155/19	<p><u>Integrated Strategic Performance Report (Item 15a)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> The Board NOTED the ISPR for Period 7 (October 2019). The following matters were raised for discussion. It was noted that there was cautious optimism that Rent Collection and Occupancy would be on target by year end. The Board were pleased that an increase in customer satisfaction was being seen however it acknowledged that there was significant work to be done on 2020 to achieve meaningful performance recovery. PW gave assurance that the position with respect to customer satisfaction was subject to ongoing monitoring by the Neighbourhood Services Committee (NSC). The Board discussed the likely failure to complete all outstanding Fire Risk Actions by the end of the calendar year. While disappointing, it was noted that the lack of availability of labour and resources had been unavoidable and all possible action was being taken to resolve the matter. 	
156/19	<p><u>Financial Performance Report (Item 15b)</u></p> <ul style="list-style-type: none"> The Board NOTED the financial performance report for period 7 (October 2019). Three Early Warning Signs and Risks and Opportunities were also noted. The following matters were raised for discussion: Repairs and maintenance expenditure was identified as a key area of concern and CAM explained that the Executive Team and relevant business leaders were closely tracking the position and taking all possible action to improve performance. PW added that repairs and maintenance expenditure was also monitored at NSC. In response to a query, CAM explained that financial performance in Riverside Home Ownership was impacted by putting in build costs that were static for the three 	

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	<p>year period of the affordable grant programme. As the back end of the programme was reached, there were pressures on build costs which resulted in the negatives outlined in the appendix.</p>	
157/19	<p><u>Committee and Subsidiary Board Summary Report (Item 16)</u> CONFIDENTIAL</p> <p>The Board received and NOTED the report setting out committee and subsidiary board activity in the reporting period October-November 2019. There were no material matters raised for discussion.</p>	
158/19	<p><u>Draft Group Board Meeting Dates 2021/2022 (Item 17)</u></p> <p>The Board considered and APPROVED dates for Group Board and Governance and Remuneration Committee meetings in 2021/22. It was noted that committee meeting dates for the same period would be presented at the next meeting.</p>	
159/19	<p><u>Appointment of Pension Trustee Chair (Item 18)</u></p> <p>The Board RATIFIED the appointment of William Medicott as Chair of the Riverside Group Pension Trustee Board with effect from 29 November 2019 for a 3 year term.</p>	
160/19	<p><u>Any Other Business (Item E)</u></p> <ul style="list-style-type: none"> Following his first meeting, RN shared his observation that the meeting had been conducted with mutual respect and collaboration and queried if environmental issues would increasingly feature in discussions. He was assured that sustainability was recognised by the Board as a key issue in the new Corporate Plan and this would be reflected in the Board's future business. <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> The Chair closed the meeting by thanking all colleagues for their contribution in 2019 and wishing them season's greetings and a Happy New Year for a new decade in 2020. 	<p>[REDACTED]</p>

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161/19	<u>Date of Next Meeting (Item F)</u> To be held on 16 th January 2020 at 10.00 am at Riverside Head Office, Speke.	