



Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the "Board")		
Date and time:	10.00am 14 May 2020		
Location:	Via video-conference		
Present:	• Terrie Alafat	(TA)	Chair
	• Pauline Davis	(PD)	Vice Chair
	• Tim Croston	(TC)	Board Member
	• Ingrid Fife	(IF)	Board Member
	• Carol Matthews	(CMM)	Co-opted Board Member
	• Sandy Murray	(SM)	Co-opted Board Member
	• Sally Trueman	(ST)	Board Member
	• Peter White	(PW)	Board Member
In attendance:	• Richard Nichols	(RN)	Tenant Observer
	• 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
	• Anne-Marie Owens	(AMO)	Governance Manager
	• Sara Shanab	(SS)	Director of Governance and General Counsel
Apologies:	•		

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62/20	<p><u>Welcome and Apologies for Absence (Item 1.1)</u> VERBAL</p> <ul style="list-style-type: none"> The Chair welcomed everyone to the meeting, and noted that there were no apologies received. 	
63/20	<p><u>Declarations of Interest (Item 1.2)</u> VERBAL</p> <ul style="list-style-type: none"> There were no declarations of interest. 	
64/20	<p><u>Chair's Matters (Item 1.3)</u> VERBAL</p> <ul style="list-style-type: none"> The Chair noted that there was a significant amount of business on the agenda with the update on the COVID-19 response, financial impacts and the emerging risks and opportunities requiring particular focus. The Board noted that the Board recruitment exercise was progressing well and the Chair had spoken with 7 shortlisted candidates and was confident that appointments would be achieved which would address skill gaps in treasury, finance, digital technology and customer experience. The Chair reported that she had taken part in two managers' conferences presenting the new Corporate Plan 'Our Riverside Plan' and there had been good engagement from attendees with a number of interesting questions raised. CMM added that the interview with the Chair which formed part of the conference agenda had been well received. 	
65/20	<p><u>Minutes of Previous Meetings 12 March 2020 & 14 April 2020 (Item 1.4)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> The minutes of the meetings held on 12 March 2020 and 14 April 2020 were APPROVED as an accurate record. 	
66/20	<p><u>Matters Arising from Previous Meetings (Item 1.5)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> The update on Matters Arising from the previous meetings was NOTED. 	
67/20	<p>COVID-19 and Risk</p> <p><u>COVID-19 Update (Item 2.1)</u></p> <ul style="list-style-type: none"> The Board received and NOTED the report which updated and summarised (by exception) the temporary service changes made across the whole business in response to the Covid-19 pandemic. It was noted that staff wellbeing initiatives and the customer contact strategy continued with good results. It was further noted that Riverside now had approval to test staff and the number of infected 	

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	<p>colleagues had increased to eight, none of whom had been hospitalised. IG advised that Riverside was taking advantage of the opportunity to test in order to support people returning to work. There were logistical matters being worked through and staff awareness of testing opportunities was being actively raised. It was noted that individual health assessments were being carried out for all colleagues working in Care & Support and conversations were being held with colleagues who were self-isolating to discuss their individual circumstances.</p> <ul style="list-style-type: none"> <li data-bbox="284 600 1321 703">• The Board were advised that the initial information provided on arrears had been optimistic and current data highlighted a significant increase from the same time last year. <li data-bbox="284 757 1321 1294">• [REDACTED] <li data-bbox="284 1339 1321 1480">• It was noted that the approach to recovery had not materially changed following the Prime Minister's recent announcement however remobilisation plans would now be linked to the COVID-19 Alert Levels taking into account regional factors. <li data-bbox="284 1525 1321 1704">• PN advised that direct contact had been attempted with over 50% of income vulnerable customers and a third had requested a referral to the income maximisation team or affordable warmth team. Lessons were being learned about the value of these contacts and how they might be maintained under Business As Usual circumstances. <li data-bbox="284 1749 1321 1995">• PW queried whether Riverside would have any liability or culpability for COVID-19 cases which were identified as arising from inadequate infection control. IG responded that there were no trends or hotspots identified which would indicate a localised issue. JG added that there was a substantial increase being seen in deaths in retirement living schemes which were not COVID-19 related. All guidance was being followed with respect to safety and infection control. 	

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	<ul style="list-style-type: none"> • The Board queried plans to reward frontline workers and were advised that this was under consideration and would be the subject of a future report. • PW suggested that reporting on Care & Support related risk and mitigations could be clearer. JG undertook to strengthen the reporting in this area for the next meeting. • The Board noted that recovery plans were in development and would capture both operational elements such as when and how offices will reopen and when it would be appropriate to remobilise customer related process such as gas servicing notices, as well as the strategic priorities emerging for the business. • It was noted that renewal work on voids had continued during lockdown as did emergency lettings. The remobilisation plan for lettings was now being put in place with 350 voids and 50 new build properties available. It was noted that it would be a challenge for the sector to support those fleeing from domestic violence and individuals who had been placed in temporary accommodation. • The Board enquired as to any incidents of customer anxiety around new lettings. JG advised that this had not been an issue to date however as lettings remobilised actions would be agreed on how to deliver assurance to existing customers. • In response to a query, JG noted that Riverside had a Death Policy in place to support relatives in the event of a customer fatality. 	JG
68/20	<p><u>Emerging Risk and Opportunities and Risk Register (Item 2.2)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> • The Board received the report that shared the work in progress by the Executive Team to explore emerging risks and opportunities during, and potential post, COVID-19. • It was noted that a report would be presented at the Strategy Day in September on the topic of emerging strategic and operational risks, clarifying TRGL's strategic intent and to what extent Corporate Plan objectives could be feasibly delivered over the next three years. • CMM advised that the property strategy would be recast in light of changes to ways of working and an increased focus on agility and less on presenteeism. It was noted that while BlueJeans had met the immediate needs of the business, there would be a move to Microsoft Teams. Work was underway to also explore how new technologies could be used to deliver customer services and outcomes would be reported back to Board. 	

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	<ul style="list-style-type: none"> • It was noted that method statements were being worked on to ensure that a return to offices was managed in a safe and controlled way, with the wellbeing of staff a priority. • The Board discussed the role of Committees in supporting the Board’s oversight of risk and asked that this be the subject of discussion with Committee Chairs and clarified in a report to the next Board Meeting. • The Board queried the potential impact on Stanton Cross and Prospect of falling prices in the housing market. CAM noted that sales were holding up and reservations continued to be secured without a drop in price. Discussions had been held with the Government to seek support in preventing a crisis deepened or made worse by valuers. It was noted that should values significantly fall, Riverside would respond accordingly by slowing down development activity. CAM advised that the current thinking suggested social distancing would add 10 weeks to a build programme and building partners were forecasting a 70% productivity rate in the next year or two. Work was underway to model the impact of this on the business and the situation was being closely monitored. • PW noted that the Neighbourhood Services Committee had received the outcome of audits of Safeguarding and Lone Working and were concerned. JG advised that the audit recommendations were under consideration and summarised work carried out to date to increase awareness of safeguarding referrals, including both staff training and a session carried out with Care & Support members in 2018. The Board asked that consideration be given to how these matters are reflected in the risk register. • [REDACTED] 	<p>IG/JG</p> <p>JG</p>
69/20	<p>Strategy, Policy and Business Planning</p> <p><u>Chief Executive’s Report (tem 3.1)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> • The Board NOTED the Chief Executive’s update report. There were no matters raised for discussion. 	
[REDACTED]	<ul style="list-style-type: none"> • [REDACTED] 	

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	<p>[Redacted]</p> <ul style="list-style-type: none"><li data-bbox="277 342 1316 524">■ [Redacted]<li data-bbox="277 568 1316 824">■ [Redacted]<li data-bbox="277 869 1316 936">■ [Redacted]<li data-bbox="277 981 1125 1010">■ [Redacted]<li data-bbox="327 1048 1316 1122">■ [Redacted]<li data-bbox="327 1160 1316 1301">■ [Redacted]<li data-bbox="327 1346 906 1375">■ [Redacted]<li data-bbox="422 1420 1316 1704">■ [Redacted]<li data-bbox="327 1749 1316 1854">■ [Redacted]	
71/20	<p>Annual Treasury Matters (Item 3.3 CONFIDENTIAL)</p> <ul style="list-style-type: none"><li data-bbox="277 1966 1316 2069">● The Board received the report presenting the outcome of the annual review of the Group Treasury Policy, the Group Investment Policy and the Treasury Strategy which had been undertaken by the Head of	

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	<p>Treasury and Corporate Finance, along with an independent, high level review undertaken by Centrus Treasury Advisors and Devonshires Solicitors as appropriate.</p> <ul style="list-style-type: none"> • It was noted that the documents had been considered in detail by the Group Treasury Committee who recommended approval. • CAM advised that the proposals were a continuance of the previous year's strategy and noted that the position with Nationwide was much improved with saving in break costs achieved and more funding made available for no additional security. The Board was pleased to note that overall, it had been another extremely strong year. Whilst a couple of items had needed to roll over into the plan for this year, the team had managed to deliver a huge amount of progress and value for Riverside across the year. • It was noted that whilst Riverside did not yet meet the Regulator's target of 110% EBITDA-MRI, currently at 104%, if the one off cost of exiting the Social Housing Pension Scheme was discounted, this would increase to 130%. CAM advised that while Riverside currently has no loan covenants on EBITDA-MRI, the Regulator supported the work being done to 'future-proof' in this area. It was noted that a briefing session on this topic would be provided at a forthcoming meeting. CAM agreed to speak with SM outside of the meeting to explain further the background to the paper. • Following due and careful consideration the Board: <ul style="list-style-type: none"> ▪ APPROVED the Group Investment Policy for the next year; ▪ APPROVED the Group Treasury Policy for the next year; ▪ APPROVED the Annual Treasury Strategy; ▪ NOTED the Treasury Plan on a Page for 2020/21; ▪ NOTED the results of the Treasury Team with regards to the Treasury Strategy for the year ended 31 March 2020; and ▪ DELEGATED authority to the Group Treasury Committee to decide, based on draft documentation when available, whether or not to proceed with the restatement of the Nationwide facility, [REDACTED] 	CAM
72/20	<p><u>Quarterly Treasury Report (Item 3.4)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> • The Board received and NOTED the Quarterly Treasury Report to 31 March 2020. • It was noted that TRGL continued to meet all financial loan covenant requirements with headroom in all facilities against both interest cover and gearing. [REDACTED] 	

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	<ul style="list-style-type: none"> The Board queried how levels of disposals forecasted were managed so that they did not negatively impact on the business' treasury position. CAM acknowledged that this was a challenge as any disposals currently secured would need to be replaced in the loan facility. She added that some older secured properties were secured at a higher rate than newer properties and therefore, if disposed of, would need to be replaced with two or three properties. This created a difficult but not insurmountable resource challenge within the Treasury Team. A report on this matter was due to be considered at the next Executive Team meeting. 	
73/20	<p>Performance Monitoring</p> <p><u>Integrated Strategic Performance Report including Corporate Plan Year-End Review (Item 4.1)</u></p> <ul style="list-style-type: none"> The Board received and NOTED an update on delivery of the 2017-20 Corporate Plan and a proposal for a reporting framework for the new 'Our Riverside Plan'. It was noted that at the end of the final year of the 2017/20 Corporate Plan, 25 of 47 KPIs (53%) across all areas included within the ISPR (for which a target was set), finished on target or above baseline. Key achievements were noted as the stepping up of supply of supported housing, the significant increase in the number of registrations for the customer digital offer and the positioning of Riverside as a leading provider of homelessness services. It was also noted that the transformation programme had been completed and £27m of grant funding had been secured in London. Riverside had also retained its A1 Moody's rating and was close to completing the launch of Salesforce and Oracle systems. The Board noted that there had been delay in delivery of the Neighbourhood Matters initiative which had been the subject of discussion at previous meetings. PW advised that performance was closely scrutinised at Neighbourhood Services Committee and members were particularly pleased with the progress made in strengthening the compliance framework. 	
74/20	<p><u>Financial Performance – Year to March 2020 (Item 4.2)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> The Board received the Financial Performance Report (FPR) Summary for March (Period 12), compared to Quarter Three Forecast (Q3F). It was noted that the report was prior to any statutory adjustments that could be made over the coming weeks in preparation for the External Audit by KPMG. 	

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	<ul style="list-style-type: none"> • CAM provided a detailed presentation on the following matters: <ul style="list-style-type: none"> ▪ Full Year Outturn Summary ▪ Waterfall – Q3 to Full Year Outturn ▪ Looking Forward 2020/21 Initial Estimate ▪ Budget 20/21 adjusted for COVID Risks & Opportunities ▪ Budget 20/21 adjusted for COVID and High probability Risks & Opportunities • The Board had a substantial discussion on the potential impact on the margin of the approach to service charges and responsive repairs. CAM explained that this had been an issue for a number of years with the business not charging what it should. This had been identified as a cultural issue and would take time to affect a meaningful change however appropriate action was being taken. CAM noted that while there was an impact on monthly income and expenditure she did not believe it would have a significant impact on the margin. It was noted that the new service charge model would go live in July and effects would be seen from Quarter 2. It was noted that the margin would be maintained through reducing responsive repairs and focussing on planned works however this would be impacted by COVID-19 with planned works not possible in the current circumstances but would be delivered over the lifetime of the Business Plan. CAM advised that the business needed to look at overall spend as a Group and the situation would be clearer when the Business Plan returned to Board later in the year. • The Board asked if there were any consequences to Riverside not currently meeting the Regulator’s preferred EBITDA-MRI level. CAM explained that this did not constitute a regulatory breach and Riverside had advised the Regulator during the In Depth Assessment that this was a journey and exiting SHPS would have a significant impact. • Following due and careful consideration, the Board: <ul style="list-style-type: none"> ▪ NOTED breach of EBITDA MRI Golden Rule for Riverside. ▪ NOTED the three amber Early Warning Signs in Section Fifteen, and ensure they are comfortable with the proposed actions. ▪ NOTED the outcome of the Risks and Opportunities in Appendix Four. ▪ NOTED that no dividends will be taken from joint ventures with Compendium and Stanton Cross. 	
75/20	<p>Governance, Risk & Compliance</p> <p><u>Hull Extra Care PFI Working Group Closure Report (Item 5.1)</u> CONFIDENTIAL</p>	

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	<ul style="list-style-type: none"> • The Board received and NOTED the report summarising actions taken in response to an external review around the Hull Extra Care contract management concerns and breach of the financial thresholds in October 2018. • It was noted that the actions and recommendations from the external review had been mostly completed, with the exception of 3 which were detailed in the report. All additional governance arrangements had been put in place with specific terms of reference, which had been overseen by Executive Directors, Care and Support Executive team, Care and Support Committee and the Care and Support Committee Hull Extra Care Working Group. • It was proposed that it was now timely to step down the Hull Extra Care Working Group, as there was sufficiently robust governance arrangements in place to deliver effective oversight and assurance. • Following due and careful consideration the Board APPROVED to collapse the Care and Support Committee Hull Extra Care Working Group. 	
76/20	<p><u>Whole Board Appraisal Survey Results (Item 5.2)</u></p> <ul style="list-style-type: none"> • The Board received and NOTED the outcomes of the Board appraisal exercise 2020. • It was noted that the scores had improved since the previous appraisal and the following areas were identified for inclusion in the Board Action Plan for the coming 12 month period: <ul style="list-style-type: none"> ▪ Board reporting, meeting agendas and meeting scheduling ▪ Connectivity of Boards and Committees ▪ The use of Equality & Diversity customer information to inform decision-making ▪ Training and development • The Board asked that for future appraisal outcome reports the use of colour-coding against results be reviewed. • Following due and careful consideration the Board: <ul style="list-style-type: none"> i) REVIEWED the findings from the Board appraisal exercise; and ii) AGREED that the performance areas identified be incorporated into an action plan for 2020/21. 	<p>AMO</p> <p>AMO</p>
77/20	<p><u>Committee and Subsidiary Board Summary Report (Item 5.3)</u></p> <ul style="list-style-type: none"> • The Board NOTED the update provided on subsidiary board and committee activity in the reporting period. 	

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	<ul style="list-style-type: none"> The Chair proposed that at future meetings, increased time be reserved for this item to allow Committee Chairs to feedback to Board colleagues. PW acknowledged the progress achieved in the areas of cash collection, Customer Service Centre performance and building compliance and expressed his thanks to staff. 	
78/20	<u>Review of Board Member Interests (Item 5.4)</u> <ul style="list-style-type: none"> The Board REVIEWED the Board and Committee Register of Interests, which had been updated following an annual check, and noted the ongoing obligation of members of TRGL's governance community to declare and manage interests appropriately. The Chair advised of her additional interest which had been communicated to the governance team in advance of the meeting and added to the register. 	
79/20	<u>Any Other Business (Item 6)</u> <ul style="list-style-type: none"> There was no other business raised. 	
80/20	<u>Date of Next Meeting (Item 7)</u> <ul style="list-style-type: none"> To be held on 19 June 2020 at 2.00 pm via BlueJeans. 	

Signed:

Date

Terrie Alafat, TRGL Board (Chair)