

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.

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### **London Development Committee (14/5/19)**

#### **Key Business and Decisions Taken**

- Received a report highlighting outcomes of the Whole Committee Appraisal Survey 2019  
▪ [REDACTED]
- Noted a Project Update and reviewed the Risk Register
- Noted a progress update on Neighbourhood Management  
▪ [REDACTED]
- Noted the findings from review of engagement on the Calverley Close estate and approved an Engagement Strategy

#### **Matters for Noting**

[REDACTED]

The Committee noted progress with overall programme and each project, highlighting in particular the resounding ‘yes’ vote at Pike Close, priority to appoint a Senior Communications officer and full year budget for 2018/19 as expected, with the exception of sub-consultancy fees incurred for Lambeth and Bromley JV schemes under Exclusivity Agreements.

The Committee also noted a successful pre-app meeting in relation to Gillan Court, Lewisham had taken place in advance of submission of full planning permission in mid-June. [REDACTED]

[REDACTED]

The Committee noted the risk register, in particular that housing market slowdown reducing sales income and land remained the biggest risk to the London Development Programme and that quarterly market reviews to IAC be considered by the committee. The Committee also highlighted the importance of project level risk registers and understanding risk areas outside JVs, with a risk, map, including clear decision commitments, to be submitted to the next LDC meeting.

[REDACTED]

The Committee approved the values and objectives for the Bromley JV, extent of delegations from the JV Board and representation from the LDC.

[REDACTED]

[REDACTED] The Committee approved the Calverley Close Engagement Strategy and initial steps, highlighting that communications resourcing was vital to the success of the strategy and timetable proposed.

#### Recommendations

There are no recommendations for Group Board decision.

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### Governance and Remuneration Committee (9/5/19)

#### Key Business and Decisions Taken

- Reviewed an update report on Membership of Boards and Committees
- Reviewed the Skills, Knowledge and Experience of TRGL Board and Election of Board Members 2019
- Reviewed the Annual Assessment of TRGL Governance
- Considered the GRC Whole Committee Appraisal Outcomes
- Noted a verbal update on recruitment for the Group Board Chair

#### Matters for Noting

The Committee noted all Board/Committee membership was currently compliant with Constitution/Terms of Reference requirements. The Committee also approved the appointment of Michelle Dovey as a member of GRC and noted the retirement of Yashar Turgut as Chair of Evolve in 2020, requesting that the Director of Governance and General Counsel assist in a review of Evolve's governance arrangements.

The Committee noted the conclusions of the review of skills, knowledge and experience of Group Board, highlighting in particular the skills gaps and diversity of protected characteristics to be reflected on in conversations with Altair to shape the Group Board Chair advert, role description and person specification. The Committee, on the basis that the candidates each contribute to the balance of skills, knowledge and experience of the Board, and are considered valuable contributors to its work and that of its committees, agreed to recommend to Group Board the election or re-election of Pauline Davis and Michelle Dovey to the shareholders at the Group's Annual General Meeting (AGM) in September 2019.

[REDACTED]

The Committee highlighted the approach to Whole Board/Committee Appraisals for GRC and other smaller committees and subsidiaries should be reviewed as part of the work being carried out to update the GFD. The Committee agreed that it would be more appropriate for GRC to agree key priorities for work over the next 12 months, rather than an action plan to improve performance, and agreed recruitment of Group Chair and reviews of governance processes and the GFD, Chief Executive and Leadership Group Remuneration and governance arrangements of Evolve and Impact Boards as key priorities.

[REDACTED]

#### Recommendations

- Review of Skills, Knowledge and Experience of TRGL Board members and Election of Board Members 2019
- Annual Assessment of TRGL Governance
- [REDACTED]

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### Group Audit Committee (20/6/19)

#### Key Business and Decisions Taken

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| <ul style="list-style-type: none"><li>▪ Reviewed the latest Risk Register</li><li>▪ Noted KPMG' Highlights Report</li><li>▪ Noted reports in relation to the Financial Statements - Going Concern, Key Issues for consideration in recommending Fin Stats</li><li>▪ Reviewed the Financial Statements for Year Ending 31 March 2019</li><li>▪ Noted Internal Audit Highlights Report and Annual Internal Audit Report</li></ul> | <ul style="list-style-type: none"><li>▪ Noted the Internal Audit Plan for 2019/20</li><li>▪ Noted the 2018/19 Review of Internal Control Framework</li><li>▪ Reviewed Annual Reports on Compliance with Asset and Liability Register and Governance and Financial Viability Standard</li><li>▪ Noted Annual Fraud Report</li><li>▪ Noted Appraisal Survey Results and Agreed actions</li></ul> |
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#### Matters for Noting

The Committee noted a high level overview of Board assurance on the nine strategic risks and the likelihood of increased focus on IT enabled change and customer service. [REDACTED]

The Committee received KPMG's audit highlights report and noted that there were no material issues of concern. [REDACTED]

The Committee considered a report confirming the Group's ability to continue as a going concern and that the Group financial statements be prepared on this basis. The Committee also noted the areas of work to be completed before finalising the financial statements, including the review of value for money metrics before submission to Group Board. The Committee gave due consideration to the Group and subsidiary companies/charities financial statements and agreed to recommend for approval and to delegate authority to the CFO to make any further non-material adjustments necessary.

The Committee approved the Internal Audit Plan to June 2020. [REDACTED]

The Committee noted results of the annual review of the framework of internal control, with strengths including improvements in asset compliance and financial stress testing and weaknesses including the management of Hull PFI and benchmarking having revealed above average costs.

The Committee reviewed annual compliance with the Asset and Liability Register and Governance and Financial Viability Standard and noted in particular a small number of statutory breaches, however, these did not meet the materiality threshold for disclosure in financial statements of constitute a notifiable breach of regulator standard.

#### Recommendations

- Going Concern Report
- Key Issues for Consideration in recommending 2019 Financial Statements
- Financial Statements for Year Ending 31/03/19
- Review of the Internal Control Framework
- Annual Compliance with Review of Asset and Liability Register
- Annual Compliance with Governance and Financial Viability Standard

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### Irvine Housing Association (29/5/19) and (26/6/19)

#### Key business and decisions taken

- Noted the contents of the Corporate Plan Implementation Plan update
- Approved the new membership of the Audit & Risk Committee
- Approved the new Whistleblowing Policy
- Adopted the revised Group Equality, Diversity and Inclusion Policy and noted the contents of the Equality, Diversity and Inclusion Action Plan tracker
- Approved the ARC Return for submission to the Scottish Housing Regulator (SHR)
- Approved the purchase of 18 units at Homelea, Kilmarnock
- Approved the Financial Statements for Irvine and Thistle Housing Services and the Management Representation Letter
- Approved the capital works contracts for the 2019/20 capital investment programme
- Approved the 2019 Loan Portfolio Return to the SHR
- Approved the Five Year Financial Plan to the SHR
- Agreed to adopt Group's Treasury Policy
- Noted the succession priorities to recruit 2 Tenant Board Members

- Approved the EESSH Return for submission to the SHR
- Approved the continued lease of properties to North Ayrshire Women's Aid on a rolling basis until termination by either party
- Noted the progress on key work streams in relation to the pensions review
- Noted the contents of the schedule of debts written on / off during the 2018/19 financial year
- Approved the Membership Application from Mr C. Donohue and agreed to invite him to stand for election at the AGM as a Tenant Board Member
- Approved the KPIs and associated performance targets for 2019/20
- Approved the Managing Director's objectives for 2019/20
- Approved the sale of 9 Glenraig Street, Drogan

#### **Matters for noting**

**29/5/19**

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[REDACTED]

The Board noted that the Association's new loan facility was executed on 24 May 2019.

The membership of the Audit and Risk Committee was approved as follows: Mr R. Hill (Chair), Mrs M. Crearie, Mrs J. Murray and Mr D. Thornton.

The Board noted that the Association would develop an action plan to ensure it met its new obligations in relation to the Freedom of Information (Scotland) Act which would come into effect in November 2019. The Board recognised the resource impact that dealing with these enquiries would involve.

The Board noted the recent recruitment exercise in order to attract Tenant Board Members. Pending the outcome of this exercise, it may be appropriate to consider a Rule Change to allow more flexibility around Tenant Board Membership moving forward.

The Board noted the current progress in relation to current proposed developments and the current progress in relation to submitting potential partnership proposals to DGHP.

**26/6/19**

The Board requested that the Pensions Review paper be circulated by email and they would confirm their support or otherwise to the Chair on the recommendation made. The Chair would then formalise the decision through Chair's Action Procedure. The Board also noted that Mrs M. Crearie, Mr G. Darroch and Mrs M. Burgess were due to stand down at the AGM and would be standing for election and re-election as appropriate. The Board noted and considered the options and cost implications of the bringing forward the capital works programme in order to meet the EESSH Standard and instructed Officials to develop proposals for meeting EESSH by 2021, subject to adequate resources being put in place.

#### **Recommendations**

There were no recommendations for Group Board consideration.

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## Prospect (GB) Limited Board (26/6/19)

### Key Business and Decisions Taken

- Noted the Management Accounts for the Period Ending 31 May 2019
- Noted the Managing Director's Report
- Noted the Risk Register
- Noted Brexit Updates from IAC/ Market Conditions Discussion

- [REDACTED]
- Noted the 360 Appraisal Survey Results
- Approved the Management Representation Letter for the Year Ended 31 March 2019
- Approved the Financial Statements for the Year Ended 31 March 2019

### Matters for Noting

The Board noted the Managing Director's Report, in particular management companies Valley View (Rochdale) and Manor Green (Holmes Chapel) had handed shared areas over to the management company Lambert Smith Hampton which would allow for the resignation of Ian Gregg as Director. The Board also noted that Nigel Yates had been appointed as Director to the Stanton Cross Developments LLP board.

[REDACTED]

[REDACTED]

[REDACTED] The Board approved the Management Representation Letter for the Year Ended 31 March 2019. The Board also approved the Financial Statements for the Year Ended 31 March 2019 subject to some amendments being made.

### Recommendations

There were no recommendations for Group Board.

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## Evolve Facility Services Limited Board (19/06/19)

### Key Business and Decisions Taken

- Reviewed the Managing Director’s Highlight Report June 2019 including Customer Business Plan
- Approved the Financial Statements for Year End and Management Representation Letter
- Approved the Performance Dashboard Report
- Approved the Riverside Direct Performance Dashboard Report (Mears)
- Approved the Risk Map/ Register Update
- Reviewed the Riverside Direct Audit Report
- Noted the key highlights from GAC and NSC meetings.

### **Matters for Noting**

The Board approved the Customer Business Plan which sought to embed the Riverside Way values within the Evolve workforce as they continue to increase customer satisfaction levels to the top end of 80% with a target of over 90%.

The Board approved the Financial Statements for Year End and noted that there had been a reduction in profit levels for the first time.

The Board had a scrutiny session around the Riverside Direct Performance Dashboard Report and review of Evolve’s performance.

### **Recommendations**

There were no recommendations for Group Board.

## **Neighbourhood Services Committee (27/6/19)**

### **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
- Noted update reports on Riverside Direct Performance, Group Wide General Needs Responsive Repairs Performance 2018/19 and Customer Service (including Our Customer Plan 2019/20)
- Noted update report on Fire Safety
- Noted the Statutory Compliance Dashboard report
- Noted NSC Risk and Audit Update including update on the Defects Improvement Plan
- Received a spotlight presentation on Disrepair

### **Matters for Noting**

The Committee received the standard Executive Director’s report and noted the update on further exploratory work in relation to the 900 properties, including leaseholder, shared ownership and Ownplace properties, not recorded on Open housing, with Riverside having no obligations for 600 of these properties. The Committee requested a further update report around the history, issues and solutions for both the 600 and 300 properties be submitted to the next NSC meeting. The Committee also noted consultation on Government proposals for reform of the building safety regulatory system ‘Building a Safer Future’ and that proposals would not require a change in Riverside’s approach and that less than 300 tenants would be affected.

The Committee reviewed the Risk Register and audits with Grade 1 recommendations, and welcomed the report on progress being made in identifying and implementing improvements in relation to Defects on new build homes. The Committee noted the main area for improvement included the length of time to resolve defects, correcting priorities attached to works, keeping customers informed and time taken to chase housebuilders and contractors. A follow up

audit post completion in August would be carried out on the successes of the improvement programme and the embedding of new processes and a further report requested for the next NSC meeting.

The Committee noted Financial and Operational performance, welcomed the new format of operational performance reporting and agreed that future performance reports in relation to the 3 main area of Cash, Customer and Compliance should be submitted in the same format and that benchmarking information be included in reports once 2018/19 results were available. The Committee also noted Arrears performance in line with forecast and continuing improvement in Void Rent loss position, however, recognised the challenging journey ahead.

The Committee received the Customer Services Update for May 2019 and its revised format in line with the introduction of new performance reporting software and 2019/20 metrics, developed to focus on measuring outcomes that matter to the customer. The Committee highlighted in particular formal involvement of customers through the Customer Experience (CX) Squad was being developed with support from the FCI team to co-create and design new services and requested further assurance and trajectories around when customer service KPIs would move in the right direction of travel towards targets set. The Committee also considered Our Customer Plan for 2019/20, highlighting in particular that outcome measures were based on already agreed targets, and plans to revise the complaints definition to remove service failure category and to treat any dissatisfied customer as a complaint.

The Committee noted Asset Compliance as at May 2019, with 8 out of 12 KPIs red against target, however reassurance was provided as to current performance and improvement in all KPIs. The Committee also noted the increasing importance of domestic electrical inspections and requested visibility of compliance be included in future reports. The Committee agreed that further assurance as to the completion of the backlog of works was required and requested reports be circulated to members on a monthly basis.

The Committee received an update report on Fire Safety following approval of Riverside's Fire Management Policy and introduction of a two year accelerated fire risk assessment programme post Grenfell. NSC highlighted in particular significant progress in completing FRA actions from the accelerated 2 year programme, decision to retain current priority of FRA actions timescales, agreed with the London Fire Brigade. The Committee also highlighted the huge increase in volumes of FRA actions post Grenfell heightened risk appetite of new risk assessors. The Committee was reassured as to the scrutiny and challenge in driving overdue actions down.

The Committees spotlight topic focused on Disrepair and included law relating to and definition of disrepair, costs over the last 2 years, challenges, claims by geographical area, main causes, mitigation measures and future strategies. The Committee noted particular challenge from housing disrepair canvassers. Assurance was given as to the robust process in dealing and challenging disrepair, however, it was important not to lose sight of customers not receiving a good standard of service . Further consideration to be given to the introduction of a tenant compensation scheme, particularly in view of complaints and potential claims typically arising from failure of a service.

## **Recommendations**

There are no recommendations for Group Board decision.

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