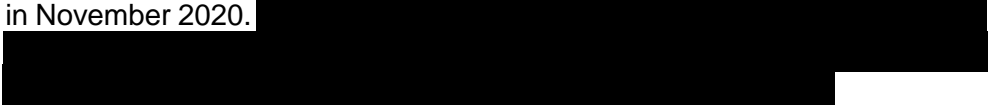


Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the "Board")		
Date and time:	2pm, 12 August 2020		
Location:	Via video-conference		
Present:	• Terrie Alafat	(TA)	Chair
	• Pauline Davis	(PD)	Vice Chair
	• Goi Ashmore	(GA)	Board Member
	• Ingrid Fife	(IF)	Board Member
	• Lisa Tennant	(LT)	Board Member
	• Sally Trueman	(ST)	Board Member
	• Peter White	(PW)	Board Member
	• Erfana Mahmood	(EM)	Co-opted Board Member
	• Carol Matthews	(CMM)	Co-opted Board Member
	• Sandy Murray	(SM)	Co-opted Board Member
	• Claire Stenfert	(CS)	Co-opted Board Member
In attendance:	• Richard Nichols	(RN)	Tenant Observer
	• John Glenton	(JG)	Executive Director of Care and Support
	• 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 (Secretary)
Apologies:	• Ian Gregg	(IG)	Executive Director of Asset Services
	• Sara Shanab	(SS)	Director of Governance and General Counsel

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131/20	<p data-bbox="284 226 842 255"><u>Apologies for Absence (Item 1.1)</u> VERBAL</p> <ul data-bbox="284 293 831 322" style="list-style-type: none"> <li data-bbox="284 293 831 322">• Apologies from IG & SS were NOTED. 	
132/20	<p data-bbox="284 360 850 389"><u>Declarations of Interest (Item 1.2)</u> VERBAL</p> <ul data-bbox="284 427 1318 524" style="list-style-type: none"> <li data-bbox="284 427 1318 524">• GA declared an interest in item 4.1, Ratification of the Chair Appointment to Riverside Finance Plc. It was agreed that GA would not take part in the discussion or decision for this item. 	
133/20	<p data-bbox="284 568 746 598"><u>Chair's Matters (Item 1.3)</u> VERBAL</p> <ul data-bbox="284 636 1318 1480" style="list-style-type: none"> <li data-bbox="284 636 1027 665">• The Chair welcomed Richard Brameld to the meeting. <li data-bbox="284 703 1318 904">• The Chair advised that there were a number of key items on the agenda which would require appropriate time for discussion including the report on a recent data breach, Our Riverside People Plan 2020-2023 and the Quarter One Forecast. The Board were asked to consider where additional stress testing and scenario modelling might be of value ahead of Business Plan discussions in September. <li data-bbox="284 943 1318 1039">• It was reported that following a tender process, Campbell Tickell had been appointed to support Riverside in carrying out a mock In Depth Assessment in November 2020.  <li data-bbox="284 1144 1318 1480">• It was highlighted that a focus of the COVID-19 reports on the agenda was preparations for a return to business as usual. It was acknowledged that the impact on people's lives and wellbeing of COVID-19 not only continued but was increasing as a timeframe for a return to normality remained unknown and localised lockdowns and new restrictions emerged. Riverside's ability to continue to support staff and customers, including where customers' economic position had been made vulnerable by the pandemic, was agreed as a key organisational priority. Board Members were asked to consider and share their thoughts on how the Board could best contribute to Riverside's response in the coming months. 	
134/20	<p data-bbox="284 1520 1018 1550"><u>Minutes of Previous Meeting (Item 1.4)</u> CONFIDENTIAL</p> <ul data-bbox="284 1588 1035 1617" style="list-style-type: none"> <li data-bbox="284 1588 1035 1617">• Minutes of the meeting on 9 July 2020 were approved. 	
135/20	<p data-bbox="284 1655 1158 1684"><u>Matters Arising from Previous Meetings (Item 1.5)</u> CONFIDENTIAL</p> <ul data-bbox="284 1722 1318 2056" style="list-style-type: none"> <li data-bbox="284 1722 1278 1751">• The update on Matters Arising from the previous meetings were NOTED. <li data-bbox="284 1792 1318 2056">• PN reported that the Riverside offer to Union Members regarding changes to operations in the Customer Service Centre (CSC) had been rejected by 92% of those who had voted. The process would now move to mediation through ACAS which if unsuccessful would lead to a further 45 day consultation period. It was noted that despite this further consultation period industrial action could be invoked directly following the ACAS stage if the position remained unresolved. PN advised that preparations were being made both for the next stages in the process and potential industrial action. It was noted 	

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	<p>that Riverside had communicated a very strong articulation of the drivers and need for change in the CSC and had been thorough in its approach to consultation however the flexibility clause within contracts remained the key point of contention.</p> <ul style="list-style-type: none"> • In response to a Board query, PN confirmed that Riverside did not yet know how many staff had voted and was seeking this information from the Union. The Board discussed if Riverside had any influence on the selection of ACAS mediators and PN agreed to investigate. • CMM reminded the Board that at July's meeting under item 'Compliance with Governance and Financial Viability Standard', a breach of the Heat Networks (metering & billing) Regulations 2014 had been reported. CMM advised that following notification to the Regulator of Social Housing, it had been confirmed that nothing further was required. 	PN
136/20	<p><u>COVID-19 and Risk (Item 2.1)</u></p> <ul style="list-style-type: none"> • The Board NOTED the update report on Riverside's ongoing response to the COVID-19 pandemic. • The Board welcomed the progress being made in dealing with the backlog in gas safety actions and the positive outcomes of staff surveys and the recent managers' de-brief. • It was noted that since the report had been prepared, Riverside had agreed to provide flu injections for all staff who did not qualify for free injections. • It was further noted that the safeguarding awareness campaign continued and there was a training session for the governance community scheduled for later that week. • PN summarised the number of customer calls made since lockdown with contact attempted with all customers aged 70 plus and all customers considered income vulnerable. It was noted that where calls had not been successful other communications tools such as text, email and letter had been used and this exercise continued with an objective of contacting all Riverside customers to invite them to discuss any aspect of their tenancy and to subsequently make referrals to other areas of the business to offer support where required. PN reminded the Board about the initiatives underway to make every customer contact count and 'Let's Talk Rent' which aimed to proactively manage income collection and support customers. • The Board agreed that the report was very comprehensive and were pleased with the level of customer data being collected. The Executive Team were asked to provide a report in due course setting out how this data had been used to have a meaningful impact on services and the customer experience. 	PN
137/20	<p><u>People Services – Data Breach 10 July 2020 (Item 2.2) CONFIDENTIAL</u></p> <ul style="list-style-type: none"> • The Board NOTED the report which set out details of a recent data breach in which information relating to staff salaries was shared in error and the actions taken in response. 	

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	<ul style="list-style-type: none"> • It was noted that on the 10th July, TRGL were alerted by the company responsible for printing salary increase communications to staff that the letters uploaded by TRGL for printing on the 9th July had been set to print as two pages per communication, instead of one. As a result, 1328 TRGL colleagues received a letter to their home address, in relation to annual salary increases. Due to the print setting error, each of these individuals also received a communication for another colleague in the same envelope. Name, home address and salary information were disclosed within the communication. • JL summarised the events that led to the breach, noting that the cause had been identified as human error at Riverside. The Board noted that all 49 complaints received had been responded to and the majority of letters sent in error had been confirmed as destroyed with the remainder being chased for confirmation. It was further noted the Information Commissioners Office had been notified and had confirmed that no further action would be taken however recommendations were made which had been incorporated into the Action Plan presented to the Board. • The Board noted that outputs of the Failure Mode and Effects Analysis carried out including the immediate changes which had been made and the actions planned to improve the control environment. • The Board agreed that the investigation had been thorough and the actions taken and planned were appropriate. There was a substantial discussion of the need for cultural change and the role of Group Audit Committee and Internal Audit in overseeing and testing policy and process compliance. RB advised that the new Privacy Policy Framework was designed to drive compliance and cultural change and this would be the long term goal. The Board was assured that Stuart Gambling had been consulted on developing an appropriate audit programme in due course and the role of the Group Audit Committee would be clarified. • While it was noted that the data shared was not of the most sensitive type, it was agreed as still potentially harmful where an individual would not want their data shared. • In response to a query about the contractual relationship with the printing provider, it was confirmed that within the action plan, there were actions to review the data processor's training and processes. It was noted that wherever possible liability was passed to the data processor and with respect to the breach, insurance claim opportunities had been explored. • The Board was assured that while the updated Privacy Policy due to be considered shortly by the Executive Team was an important step in improving the control environment, oversight of policy compliance would be achieved through consistent health checks, audits, clearer allocation of control ownership and increased automation of processes. • A query was raised as to whether the provider would have been able to identify the error through their process. It was confirmed that the error occurred in Riverside and as the process for printing was automated based on Riverside staff inputs into the system, the provider would not have been able to intervene. 	

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	<ul style="list-style-type: none"> The Board concurred that the work being undertaken across the organisation to improve systems, processes and procedures was vital but needed to be part of a drive to embed a culture of risk awareness and data protection in all business areas. 	
138/20	<p><u>Group Risk Register (Item 2.3)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> The Board reviewed the Strategic Risk Register. It was noted that 5 risks had changed status and 10 mitigating actions, mostly relating to COVID-19, had been updated. The Board noted that these changes demonstrated how risk was being actively managed in Riverside. In response to a query regarding management of contractor risk in light of Cruden Construction going into administration, assurance was provided that the Investment Appraisal Committee spend substantial time considering contractor risk exposure across the development programme and used this to inform decisions on building partners. It was noted that Social Housing Voids had moved from an amber rating to a red rating on the basis that there were currently 389 properties to let compared with a pre-lockdown figure of 331. All possible actions were being taken to reach the pre-lockdown figure and voids had reduced in the previous week by 33. The Board noted that after a 2 week period of arrears remaining flat, there had been an increase during the previous fortnight. It was further noted that the usual increase seen annually in August and September might be occurring slightly earlier in the year accounting for the increase but the position was being closely monitored. The Board considered if the register sufficiently captured staff dissatisfaction and noted that staff morale and wellbeing was articulated in a measured way in various parts of the register. The Executive Team agreed to consider if this required strengthening when the position with respect to children returning to school in September was clearer. It was noted that the risk of Local Authority distress was articulated in the register under supported housing contracts. JG advised that one Local Authority had requested a contract price reduction which had been refused. The Board was assured that a relatively small portion of turnover in Care and Support came from Local Authorities with the rest derived from rent and service charges. The Board asked that R8 be split into separate safety elements to reflect the distinct risks to the business. The Board discussed the income risk arising from COVID-19 and the resulting economic recession and it was noted that this would be discussed in detail at the strategy session in October. PN summarised the actions Riverside take to encourage Alternative Payment Arrangements for Universal Credit claimants. 	<p>CMM</p> <p>CMM</p>

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139/20	<p><u>Risk Appetite Statement (Item 2.4)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> • The Board NOTED the Risk Appetite Statement which was presented for initial review before submission to Group Audit Committee in September and final approval by Board in October. • Following discussion, the Board concurred that the draft Statement was a strong starting point and suggested the following enhancements to deliver increased clarity and better support the relationship between the statement of risk appetite and the articulation of risk, mitigation and control in the Strategic Risk Register. <ul style="list-style-type: none"> ○ Review the areas currently identified as zero tolerance to confirm if this was a practical and feasible position to take; ○ The impact of COVID-19 on driving change in the business and thinking differently about service delivery and ways of working to be reflected. ○ Where 'less tolerant' is utilised, the comparator to be identified. ○ Link the Appetite Statement with established thresholds and floors (e.g. the Golden Rules) or for less tangible matters provide examples. 	<p>CMM</p> <p>CMM</p> <p>CMM</p> <p>CMM</p>
140/20	<p><u>Chief Executive's Report (Item 3.1)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> • The Board NOTED the Chief Executive's update report. • PN reported that the official launch of Salesforce on Monday 3 August, had gone well and the expected increase in handling time arising from the new system had been reduced within a few days. It was noted that the second implementation phase for end to end repairs was scheduled for 7 September. The Board expressed its thanks to all staff involved in this significant piece of work. • The Board noted the update on Cruden Construction going into administration. Assurance was given that the Development Team were doing everything required to minimise the impact on relevant Riverside schemes and were in discussion with second placed bidders for the development of the 190 homes across four schemes currently in contract. • PD welcomed the work being done within the Rough Sleeping Accommodation programme and noted that the position would worsen with the reintroduction of the right to evict. JG reported that Riverside had bids in with Local Authorities for funding for 222 additional units across a number of regions and were already looking forward to what could be achieved in the 2nd stage of the Next Steps Accommodation Programme. 	<p>PN</p>
141/20	<p><u>Our Riverside People Plan 2020-23 (Item 3.2)</u> CONFIDENTIAL</p> <ul style="list-style-type: none"> • The Board NOTED an update on 'Our Riverside People Plan' which set out the people outcomes, objectives and priorities for the three year period from April 2020 – March 2023. JL and CAM provided a presentation to supplement the written report received. • The Board commented that the People Plan was fit for purpose and captured all elements required from such a Strategy. PW noted that the work 	

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	<p>being done to attract, support and promote BAME talent was excellent albeit there was further work to be done.</p> <ul style="list-style-type: none"> • It was noted that there were issues with the proactivity of Mental Health Champions and their understanding of the role. JL agreed that this had been identified as an area for focus and action taken would tie in with improving line managers' capability in supporting staff wellbeing. It was suggested that linking in with mental health trusts may offer a further option for Riverside to support staff. The Board queried if salary levels were a relevant factor in staff morale and attrition rates and noted that benchmarking, particularly in care and support indicated that Riverside is comfortably above benchmark with other factors such as work-life balance being more important to wellbeing. It was further noted that while there were specific geographical areas in which staff attrition was impacted by the level of opportunity in the job market, this was not considered a group-wide issue. • EM endorsed the work being done to attract and support BAME talent and noted that individuals did not need to be recruited solely on the basis of ethnicity as the talent existed in the market. She added that often the issue faced by BAME individuals was not in the area of recruitment but in progression once within an organisation and suggested that promotion and support in growing into leadership roles for BAME colleagues would be the true measure of success for Riverside. • PD commented that the People Plan was the strongest piece of work she had received on People Services since joining Riverside and extended her thanks to all staff involved in its development and implementation. The Board concurred with this statement. • The Board acknowledged that changing an organisation's culture was a long term project that required consistent and committed focus. In response to a query on how Riverside's culture had changed in recent years, the Executive Team agreed that cultural change was being seen and while there was work to be done the direction of travel was positive. CMM advised that at its best Riverside exhibited an excellent corporate culture and used the acquisition of new business and the COVID-19 response as examples of where the organisation had come together and demonstrated the values of the organisation to their fullest. However, she noted that there were historical deep-seated and entrenched views and behaviours in some areas that continued to have a negative impact and which leaders and managers were working to change. • There was further discussion of the differences in the perception of the business and senior leadership as well as culture and behaviours across a large organisation like Riverside with a diverse workforce and how the changes in ways of working arising from COVID-19 might have exacerbated these differences. The Executive Team acknowledged that this was a challenge that would be met in a number of ways including being authentic in staff engagement, listening and responding to staff feedback and ensuring that all managers, particularly those working in the middle tier, knew and owned the People Plan and were accountable in the delivery of objectives. JL advised that all communication routes were being utilised to achieve this alongside work to improve manager capability. 	<p>JL</p>

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	<ul style="list-style-type: none">The Board queried how much data had been collated from the 'Call it Out, Clear it Out' campaign. CAM explained that the campaign had just launched with data coming to the Executive Team on a regular basis and all Directors notified of incidents in their areas. She added that there had been an increase in staff reporting incidents to the Chair of Origin in recent months and it was hoped that now a formal mechanism was in place, people would feel more confident to report discrimination.	
[REDACTED]	<ul style="list-style-type: none">[REDACTED][REDACTED][REDACTED][REDACTED][REDACTED][REDACTED][REDACTED][REDACTED][REDACTED]	

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	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p>
143/20	<p><u>Increased Investment in Riverside Regeneration (Lambeth) Ltd (Item 3.4)</u></p> <ul style="list-style-type: none"> • The Board REVIEWED a proposal for (i) a revised commercial deal with Bellway Homes in order to progress the Lambeth Estate regeneration project; and (ii) an increase in funding for the project prior to securing planning permission (at which point the contract becomes unconditional.) • CAM presented the proposals noting that these had been subject to scrutiny by the LDC and advising that this was not a request for additional funds but rather to release approved funds earlier in the programme and a revised commercial deal. • The drivers for the revised commercial deal were considered and CAM reported that a procurement exercise had been rejected as too high risk. She advised that the scheme was still subject to change as there was a material risk that planners might insist on a higher proportion of affordable units. • Following due and careful consideration, the Board RESOLVED TO: <ul style="list-style-type: none"> ▪ APPROVE the revised commercial deal with Bellway Homes for the Lambeth Estate joint venture including the revised Minimum Land Value of £22m; ▪ APPROVE that Carol Matthews, Cris McGuinness and Sara Shanab are authorised to review, finalise and execute the Deed of Variation to the Lambeth joint venture agreement which will document the revised commercial deal; ▪ APPROVE that TRGL will subscribe for further shares totalling £1m (including any premium over the nominal value of the shares issued) in Riverside Regeneration (Lambeth) Limited before 31 August 2020. Authority is delegated to the CFO to approve the final quantum of shares that TRGL will subscribe for in Riverside Regeneration (Lambeth) Limited in exchange for the £1m additional investment monies (taking consideration of any relevant legal and/or tax advice); ▪ APPROVE that Carol Matthews, Cris McGuinness and Sara Shanab are authorised to review, finalise and execute the payment of £1m and for the capitalisation of that company to be increased to the total quantum of £2m; ▪ APPROVE that The Riverside Group Limited will hold the share subscription receipts on trust in its bank account for Riverside 	

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	<p>Regeneration (Lambeth) Limited, until RRLL has a bank account of its own in which it can deposit the monies; and</p> <ul style="list-style-type: none"> ▪ DELEGATE to the Group Treasury team the administration and cash management of the sums held on trust for RRLL in the interim and to transact any payments on behalf of RRLL as and when called so to do by Directors or the Company Secretary of that company. 	
144/20	<p><u>Appointment of Riverside Finance Plc Chair (Item 4.1)</u></p> <ul style="list-style-type: none"> • The Board noted that at its meeting on 5 August, Directors of Riverside Finance Plc, in line with the company constitution elected GA as Chair with immediate effect. Following due and careful consideration, the Board RATIFIED this decision. 	
145/20	<p><u>Quarter 1 Forecast (Item 5.1)</u></p> <ul style="list-style-type: none"> • The Board NOTED the report detailing the Quarter One Forecast (QF1), the adherence to the Golden Rules and the key movements against Budget. • CAM advised that in light of the current COVID-19 situation, Riverside were required to do a new 2020/21 thirty year Business Plan for submission to the Regulator of Social Housing (RSH) at the end of September 2020. As such, the Q1F presented would form the basis of the new 2020/21 Business Plan. In the same manner that members would consider the Budget before the Business Plan in normal cycles, the Q1F was presented for consideration and approval. • The Board considered the impact of EBITDA-MRI and CAM advised that this was a live issue and would form a section of the narrative in the Business Plan. • A substantial discussion was held on the operating margin which was only marginally above the Golden Rule at 20.1%. CAM responded that significant work had been done to drive up the operating margin and further work would be done to be in a better position for the Quarter Two Forecast (QF2). The Board noted that it was currently tracking better than the forecast. While the Golden Rules were important, CAM advised that the operating margin was not backed by covenant and therefore there were no wider implications to breaking the Rule. It was noted that this would be an internal issue which would require consideration of whether non-financial activity impacting the margin offset the financial impact. It was noted that there was a mitigation plan embedded in the Business Plan the top tier of which had already been activated. The Board was assured that the understanding across the business of the importance of driving the operating margin was improving however work continued to reinforce this message. The Board asked that an increased buffer for the operating margin be built into the QF2. • The Board asked that the potential recession arising from COVID-19 and Brexit and the long recovery from such be built into stress testing. • It was further requested that while bad debt was captured in stress testing undertaken, further testing and scenario modelling should be considered with respect to the impact of a recession. 	<p>CAM</p> <p>CAM</p> <p>CAM</p>

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	<ul style="list-style-type: none"> • Following due and careful consideration, the Board RESOLVED TO: <ul style="list-style-type: none"> ▪ APPROVE the Q1F; ▪ NOTE that Q1F forms the basis for the new 2020/21 Business Plan; and ▪ APPROVE the assumptions for the new 2020/21 Business Plan. 	
146/20	<p><u>Any Other Business (Item 6)</u></p> <ul style="list-style-type: none"> • JG extended an invite to Board Members to attend an upcoming virtual scheme tour of the Willow Brook Extra Care Scheme. • JG advised Board Members that they would be approached in the coming weeks to contribute to a blog detailing how the Board engages with and supports LGBT staff as part of Riverside's submission to Stonewall's Top 100 Employers. 	
147/20	<p><u>Date of Next Meeting (Item 7)</u></p> <ul style="list-style-type: none"> • To be held on 10 September 2020 via BlueJeans. <p>There being no further business the meeting was closed.</p>	

Signed:

Terrie Alafat, TRGL Board (Chair)

Date