

The Riverside Group Limited - Report of Committees and Subsidiary Board

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.

The Riverside Group Pension Trustees Meeting 15 July 2020

Business dealt with	<ul style="list-style-type: none"> • Approved Trustee’s Report and Financial Statements for year to 31 March 2020, and appointment of auditor • Approved RGPTL accounts • Reviewed Data Security Breach Management Policy, data breach log and data sharing • Reviewed Risk register, Conflicts of Interest Policy, Whole Board appraisal and Internal disputes resolution procedure (IDRP) 	<ul style="list-style-type: none"> • Received and reviewed Actuarial valuation as at 31 March 2020 – preliminary results and Update on transfer values • Received and reviewed Investment update • Received and reviewed update on the Business Plan, current legal issues, GMP equalisation update and Trustee liability insurance • Received and reviewed reports on administration and membership matters including the independent employer covenant review and Riverside’s employer covenant update
Key matters arising	<p>The Board agreed to retain auditors KPMG for a further year, and to carry out a re-tender process aligned with Riverside’s process and approved the 2020 Riverside Group Pension Trustee Ltd financial statements and letter of representation.</p> <p>The Board approved the revised Data Security Breach Management Policy and the Data Breach log was agreed as an accurate record. The Board also approved the Data Sharing Letter and Schedule and the Chair was authorised to sign on the Trustee’s behalf.</p> <p>The Board received the Risk Register, noting the significant changes and enhancements incorporated since the last meeting. The Board considered whether the register contained the appropriate span of risks and highlighted that current volatility indicates that some risks are greater. The Board agreed to consider each section of the register in detail at each Trustee meeting, that the first area of focus should be investment risks and the scoring system should also be reviewed.</p> <p>The Board were presented with the member communication plan and noted steps initially agreed in the plan were almost complete and changes to payslips successfully implemented. Deferred benefits statements would be issued to all members of the scheme in August 2020.</p> <p>A report on the Independent Employer Covenant Review was received confirming overall rating of ‘tending to strong’, a slight downgrading from the previous review reflecting Riverside’s financial performance compared to its peer group, reduced margins and uncertainty around the housing sector.</p>	

	<p>The Board discussed in detail the preliminary results of the Actuarial valuation as at 31 March 2020 and possible recovery plans and requested further forward looking analysis.</p> <p>The Board received an update on changes in the Scheme’s Investment portfolio including refinement of the Growth Portfolio and agreed to review Buy and Maintain (BAM) credit alongside the review of the LDI portfolio.</p> <p>A revised Statement of Investment Principles (SIP) addressing infrastructure investment and new legal requirements was considered and the Board agreed required updates were to be re-circulated to Trustees for comment, with the aim of reaching agreement on the SIP before the next meeting.</p>
Recommendations	There were no recommendations to Group Board.

Riverside Estuary Board Meetings 18 June 2020 & 22 July 2020

Business dealt with	<ul style="list-style-type: none"> • Approved a Deed of Variation in respect of the Hull Extra Care PFI Services • Approved the Management Representation Letter and Financial Statements for the Year Ended 31 March 2020. • Noted a report in respect of a letter from the Charity Commission
Key matters arising	<p>18/06/20 The Board approved a Deed of Variation in respect of the Hull Extra Care PFI Services which was recommended to the Group Board at its meeting on 19 June 2020.</p> <p>22/07/20 The Board approved the Management Representation Letter and Financial Statements for the Year Ended 31 March 2020.</p> <p>[REDACTED]</p>
Recommendations	There were no recommendations to Group Board.

Group Treasury Committee 5 August 2020

Business dealt with	Approved the Appointment of Debt and Capital Markets Advisers to assist with £150m Private Placement Fundraising
Key matters arising	The Committee received and considered shortlisted bids received to act as advisers to Riverside in raising new capital markets debt through Sterling Private Placement. It was noted that due to the current economic environment, Riverside’s Business Plan and its increased focus on development as a corporate ambition it was an optimal time to raise new capital markets debt. There was

substantial discussion of the risks and benefits of options to raise new funds, and the Committee concluded that Private Placement was preferable to Bond Issuance at this time.

Following careful consideration of the bids received and with due regard to the assessment of the bid reviewers, the Committee agreed the appointment of HSBC as Debt and Capital Markets Advisers, subject to receiving a satisfactory response on the points of clarification discussed namely; (i) that the price quoted captured all aspects of the services required and did not exclude any costs; (ii) HSBC’s corporate restructuring plans would not impact on the services to be provided. A satisfactory response on these points was subsequently provided.

The Committee noted that while it was authorised to appoint the adviser and would apply oversight on progress via the Quarterly Treasury Report, no issuance would be undertaken without the specific approval of Group Board. This is because new charges over assets will be required as security for the issuance, which is a matter reserved for Group Board. However, all recommendations to Group Board would be subject to a detailed review by the Committee before submission.

Recommendations	There were no recommendations to Group Board
-----------------	--

London Development Committee 9 September 2020

Business dealt with	<ul style="list-style-type: none"> • Noted the Market Update • Noted the Neighbourhood Management Update • Received a Programme Overview and: <ul style="list-style-type: none"> ○ Approved the proposal to defer further consideration of the Gillan Court development until after March 2021. ○ Approved the revised proposal for managing voids across the Newham properties. 	<ul style="list-style-type: none"> • Noted the Lambeth Estate Update • Noted the Friar’s Close Update and: <ul style="list-style-type: none"> ○ Approved the proposed approach to securing and demonstrating tenant support for the development – for consultation with tenants. ○ Approved the proposed temporary decant offer – for consultation with residents. • Noted the London & South East Development Strategy
Key matters arising	<p>Members received a presentation outlining the details underpinning the proposed Planning for the Future White Paper planning reforms. Within the revised process there was a renewed focus upon speeding up the process, ensuring more land was made available for development, and a greater emphasis upon both design and the involvement of local communities. The importance for RPs to engage in the process at the earliest opportunity was noted and assurance was provided that work in this regard was already underway and Riverside would be responding as part of the consultation process.</p> <p>The Committee noted the positive nature of the market update report, although commented that an element of caution should remain as the full impact of the removal of the Furlough scheme, the potential for increased unemployment and the implications for Brexit would not be felt until quarter 3 and beyond.</p>	

The Committee noted the Neighbourhood Management Update and were encouraged that business as usual activities were continuing effectively. Weekly reports were being provided on local rates of Covid-19 and processes were in place to manage local lockdowns should they be required.

Members received the Programme Overview report, which provided an update on progress across the London Regeneration Programme (LRP) as a whole. Following the Committee's endorsement of the revised financial forecast for the LRP, TRGL Board had approved the recommendations made.

Riverside's Care and Support division had worked with Bromley Council to prepare a bid for the Governments Next Steps Accommodation Programme, aimed at providing short term accommodation for former homeless people. The proposal for Bromley was to recommission Warner House during 2021 for this purpose. The outcome of the bid would be made known in the coming weeks.



A revised approach to voids across The Moorings and Anchor House, Newham, was approved. It was agreed to undertake a Housing Needs Surveys across the two sites this autumn to identify any households that may be interested in moving from the site.

Members received an update regarding the Lambeth Estate. The final engagement pack for tenants was ready to issue and the planning application package ready for submission. It was agreed to submit the planning application in September following the issue of the tenant engagement pack showcasing the proposed scheme.

The Committee received an update on Friars Close. The importance of effective tenant engagement was highlighted. As part of this process there was a commitment to a regular programme of engagement events and tenant communication, with an emphasis upon explaining to tenants how we have listened and responded to their views raised following each engagement.



Members received an outline Development Strategy for London and the South East. The intention was to identify a development strategy to support the growth aspirations and the wider objectives of the Riverside Group within the London and South East area. It was acknowledged that the targets were challenging, but realistic, and reflected the challenges faced across the sector. The Committee welcomed the approach being taken and endorsed the outline Development Strategy.

Recommendations	There were no recommendations to the TRGL Board.
-----------------	--

Care and Support Committee 22 July 2020 & 09 September 2020

Business dealt with	<ul style="list-style-type: none"> • Noted a report from the Executive Director • Noted a Business Development Update • Noted the Annual Summary of Care & Support • Noted reports on C&S Financial, Operational Support and Housing Management Operational Performance 	<ul style="list-style-type: none"> • Noted a report on Hull Extra Care performance • Received an update from People Services • Noted an internal audit highlights report, quality and compliance report and risk register update • Discussed the Committee Effectiveness Review
Key matters arising	<p>The Committee received an update on the response to the COVID-19 pandemic and noted that Care and Support is now in Stage 3 of a 5-stage COVID-19 recovery plan. This will involve limited reopening of offices; Floating Support services making home visits where necessary and risk assessed; Dispersed accommodation services and Outreach services reintroducing aspects of their service; the completion of partially complete Retirement Living Investment Program projects; limited reopening of communal spaces, and reintroduction of H&S room checks in Supported Housing and Retirement Living.</p> <p>Initial findings for a report on the Manchester Emergency Accommodation ('Everybody In') project show the transformational impact on people's health, behaviour, family relationships and hopes for the future. This will be followed up to understand people's experiences longer term. Opportunities to bid for funding to provide interim housing for rough sleepers who were accommodated in hotels will be explored with Local Authority partners.</p> <p>The Care & Support Corporate Plan Year 1 Delivery Plan has been accepted. Some elements of business development have been paused due to COVID, the development of c.400 bedrooms will proceed from January with a programme beyond April for the remainder.</p> <p>The impact of COVID on voids has lifted the percentage of voids above the target of 3.7% peaking at 5.2% reducing to 4.7% by mid-July. Regional operational managers are meeting every week. Voids were predominantly ready to let with the increase attributed to the difficulty of moving house during lockdown conditions.</p> <p>Hull Extra Care is performing well despite COVID – 4 performance standards around customer activities are seeing an impact; how to deliver these safely is being investigated. Repairs which are an emergency or can be conducted safely are continuing.</p> <p>In September the Committee undertook a virtual site visit to the Willowbrook scheme in Washington and heard first hand from customers and colleagues on the experience of living in an Extra Care scheme. Committee members were impressed by the quality of the care provided under very difficult circumstances. In addition the Committee received an update on the COVID response in C&S.</p>	
Recommendations	There were no recommendations to Group Board	

Group Audit Committee 17 September 2020

Business dealt with	<ul style="list-style-type: none">• Received and noted the Risk register and risk appetite• Received and noted the internal audit highlights report• Reviewed the performance of the External Auditor	<ul style="list-style-type: none">• Approved the Whistleblowing Policy• Noted the Data Protection Journey• Noted a Compliance Assurance Update
Key matters arising	<p>The Committee received an update on the Strategic Group Risk register and NOTED the following:</p> <p>An increase in arrears has been seen although less than initially anticipated at the start of the Covid-19 emergency and has levelled off. EDs are reviewing performance every week. In response to a challenge from the Committee, CAM noted that the business plan had been robustly stress tested for rising arrears. A slow return to a more normal level of arrears but not until 2024 is projected.</p> <p>The Committee challenged how the executives were assured that the Covid-19 risks and mitigations were mainly green and amber. The RAG ratings are peer-challenged within the Executive Director team. Initially, many of the Covid-19 risks and mitigations were rated as red. As new working arrangements have been mainstreamed, there is more confidence as to their effectiveness. In response to a question by the Committee, the executives agreed to review the Brexit risk rating. Given the current political environment, the risks of business disruption are increasing.</p> <p>As well as the focus on the actions being taken to turn the red rated items green, the Committee emphasised the importance of challenging the robustness of the assurance on which green ratings were based. The Committee discussed the role it played in giving this assurance including its scrutiny of Internal Audit priorities.</p> <p>The Committee reviewed the Internal Audit Highlights Report and welcomed the ongoing improvements across the Group. Assurance on a number of matters was sought.</p> <p>The Committee made a general observation that the requirement for IT was often a reason for late implementation of audit recommendations. The executives noted the high demand for IT change across the Group especially associated with agile working. To ensure it is robust, the process for approving and prioritising IT change requests does take time and in some cases deadlines for audit actions are set before the outcome is known.</p> <p>The Committee sought assurance on the impact of deferring certain audits. SG advised that this did not adversely impact the risk profile – it was more a reflection of changing priorities as the business responds to Covid-19. He was confident that any request for additional audit resource would have been carefully considered.</p> <p>The Committee expressed their full support for the revised audit plan and the logic as to how audits had been prioritised.</p> <p>The Committee challenged the independence of the Internal Audit team more widely, after discussion, the Committee were content and noted it had seen Internal Audit take a tough line where appropriate.</p>	

The Committee were given an update on Compliance Assurance and questioned whether third party audits by HMRC or other statutory bodies should routinely be brought to the Committee. CAM's instinct was that this would only be appropriate where material issues had been addressed. Ongoing assurance from any third party reviews would be tracked in the Compliance Matrix which will form part of the wider annual controls assurance brought to the Committee in June. The executives agreed to consider this further.

The Committee received an update on the Data Protection Journey and expressed their full support for the approach outlined in the report

The Committee approved the Whistleblowing Policy subject to amendments discussed during the meeting.

The Committee reviewed a report on the Review of External Auditors and noted that as previously agreed, KPMG's appointment has been extended for one further year. [REDACTED]. The Committee emphasised the importance of an early start to the re-tender process to allow time for market soundings before the OJEU process starts.

Recommendations

There were no recommendations to Group Board

Evolve Board Meeting 18 September 2020

Business dealt with

- Noted a performance update
- Noted an update on COVID-19 response
- Noted a Financial Performance Update
- Noted the Riverside Direct Performance Dashboard

Key matters arising

Planned works have been fully remobilised following the shutdown in March 2020 however some outstanding works remain suspended due to local lockdowns. Emergency boiler installations have remained active throughout the pandemic and recommenced in LCR and North regions from 6 July and 3 August respectively.

Customer satisfaction surveys were suspended during lockdown but were reinstated in June. In the year to date averages at 87.4%, slightly short of target. Work is ongoing to understand the key drivers behind dissatisfaction. Missed appointments is slightly under target at 96.4% for August. It is believed that this largely relates to data quality rather than genuine missed appointments as there are very few complaints about missed appointments. Work continues to understand customer dissatisfaction.

Empty Homes works remain a challenge as the number of people permitted on site is reduced to maintain safe working, however the number of homes handed over and handed back had reduced from previous weeks.

Gas compliance works saw a significant improvement with only 96 outstanding. It was anticipated that increased local restrictions would have a negative impact on this area.

	<p>The programme of works in fire actions consists of 548 minor fire actions. It was noted there was an accelerated inspection programme following Grenfell so not all actions are out of date. Evolve are taking on the simpler actions in this programme which do not require certification.</p> <p>There were 9 employees self-isolating awaiting COVID test results with one testing positive. This level of absence is not disruptive but increased levels may place strain and is being monitored daily. 18 colleagues remained on furlough</p> <p>Financial performance showed a return to profit in P4 and P5 from a £1.4m loss in P3. Responsive repairs has return to previous year comparables, planned income is adverse to budget by £0.3m due to delayed mobilisation.</p>
Recommendations	There were no recommendations to Group Board.

Neighbourhood Services Committee 24 September 2020

Business dealt with	<ul style="list-style-type: none"> • Reviewed the RHO Risk Register • Reviewed the Internal Audit Highlights Report • Received and noted a Safeguarding Assurance Update • Received and noted a Warning Marker Update • Reviewed reports on operational and financial performance 	<ul style="list-style-type: none"> • Noted a Building Safety Performance Report • Noted the Building Safety Action Plan Update • Received and update on PFI and Contracts, South and Central • Reviewed the Defects Performance Report • Received an update on Community Safety
Key matters arising	<p>The Committee received the Executive Director of Asset Services Update and noted a further update following the recent Government announcement, in particular the pause on a broader return to office working the continuing focus on both customer and colleague safety.</p> <p>The Committee reviewed the RHO Risk Register, highlighting the increased risk around unsold shared ownership units and that risks around sinking funds were being regularly scrutinised by Executive Directors and a strategic plan developed.</p> <p>The Committee noted the key findings from audits considered by GAC in September and was particularly pleased with progress made with Safeguarding, with the two Grade 1 recommendations having now been closed off. The Committee requested a summary of risks to be provided to future meetings.</p> <p>The Committee received further assurance from the Safeguarding report and the steps taken to ensure delivery of Safeguarding responsibilities including further training and awareness campaign, however, highlighted that further assurance as to a clear escalation procedure for referrals to the appropriate Local Authority was required.</p> <p>A Warning Marker update report and implementation plan was also well received and provided assurance to the Committee.</p>	

The Committee scrutinised the Operational and Financial Performance Updates, highlighting, in particular, that Arrears levels were continuing to increase, however, customer contact was continuing as part of the 'Let's Talk Rent' campaign, with analysis of its impact to be carried out at the end of this month. The Committee also noted the positive Void Rent Loss performance. The challenges to achieve the budgeted Operating Margin was also highlighted as was the focus on budgeting of Service Charge expenditure.

The Committee noted Customer Services performance update, in particular, the improvement in First Contract Resolution, attributed to the Salesforce system and CX Squad and increase in registered users of My Riverside. The Committee also highlighted their concern at both the increase in abandonment rates and missed Helpline calls and noted the actions being taken to address. An overall Strategic Plan around customer satisfaction would be presented at the NSC Away Day.

An update on Building Safety Compliance was noted, with significant improvement in Gas Safety and Electrical performance. The Committee also noted progress with the Building Safety Regulatory Framework and welcomed the comprehensive implementation plan.

The Committee was provided with an overview of the Community Safety function within Riverside, key projects and milestones undertaken and additional challenges faced by Covid-19. The Committee highlighted community safety as a critical issue for customers, congratulated the team for the support and training being provided to the CSC and noted the next steps included the development of fit for purpose ASB case management system. The Committee requested priority be given to the development of this system through Salesforce to provide analysis, performance reporting and assurance through monitoring of KPIs.

Recommendations	There were no recommendations to Group Board
-----------------	--