



Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the "Board")		
Date and time:	10am, 7 October 2021		
Location:	Microsoft Teams Video conference		
Present:	• Terrie Alafat	(TA)	Chair
	• Pauline Davis	(PD)	Vice Chair
	• Goi Ashmore	(GA)	Board Member
	• Ingrid Fife	(IF)	Board Member
	• Sandy Murray	(SM)	Board Member
	• Peter White	(PW)	Board Member
	• Carol Matthews	(CMM)	Co-opted Board Member
	• Erfana Mahmood	(EM)	Board Member
	• Sally Trueman	(ST)	Board Member
In attendance:	• Cameron Dougherty	(CD)	Tenant Observer
	• Caroline Corby	(CC)	Chair of One Housing Group
	• Chris Nove	(CN)	Head of Business Information and Insight (Item 2.2)
	• Cris McGuinness	(CAM)	Chief Financial Officer
	• Ian Gregg	(IG)	Executive Director Asset Services
	• Jo Lucy	(JL)	Executive Director Business Support
	• John Glenton	(JG)	Executive Director Care and Support Services
	• Maxine Cousens	(MC)	Director of People and Culture (Item 2.2)
	• Patrick New	(PN)	Executive Director Customer Service
	• Richard Hill	(RH)	CEO of One Housing Group
	• Sara Shanab	(SS)	Director of Governance and General Counsel
	• Anne-Marie Owens	(AMO)	Governance Manager (Secretary)
	• Fran Stulberg	(FS)	Facilities Coordinator (Observing)
Apologies:	• Lisa Tennant	(LT)	Board Member

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133/21	<p><u>Apologies for Absence (Item 1.1) VERBAL</u></p> <ul style="list-style-type: none"> • Apologies were noted from Lisa Tennant. • The Chair welcomed Fran Stulberg to the meeting and noted that it was the last meeting for Cameron Dougherty who had completed his 12 month term as Board Observer. On behalf of the Board, the Chair extended thanks to Cameron for his input and participation and noted that Paula Simpson would be joining the next meeting as the new Board Observer. • The Board noted that Lisa Tennant had that week tendered her resignation [REDACTED]. It was noted that carrying out a full recruitment exercise was not feasible now considering the significant work taking place in the governance space under Project Neo. It was noted that Sam Scott had acted as interim Chair for the Customer Experience Committee (CEC) meeting in September and following discussions, it was proposed by the Governance and Remuneration Committee that he be appointed as interim CEC Chair and Board Member until the end of the financial year. This would provide continuity to the Committee pending a recruitment exercise to commence in January 2021. The Board agreed to receive a Written Resolution on this matter in due course and that its thanks and best wishes be extended to Lisa Tennant. 	
134/21	<p><u>Declarations of Interest (Item 1.2) VERBAL</u></p> <ul style="list-style-type: none"> • Interests were declared by Board Members for item 8, Project Neo in which Board Member remuneration would be discussed. • The Chair and PD declared an interest in the same item under which their appointments would be discussed. 	
135/21	<p><u>Chair's Matters (Item 1.3) VERBAL</u></p> <ul style="list-style-type: none"> • The Chair advised that she had recently visited Riverside offices and sites in Scotland and Carlisle. It was noted that a new Managing Director would be joining Riverside Scotland shortly and an interim MD was in place. The Chair reflected that colleagues in Scotland can feel somewhat isolated and noted the importance of meaningful engagement and collaboration in Group initiatives. The Board noted that the Chair had met with the Scottish Regulator as part of Riverside's objective to raise its profile in Scotland. The Chair described the new developments taking place in both Scotland and Carlisle and noted with respect to Carlisle there were decisions to be taken in due course on stock management. • It was noted that all resolutions were passed by the Shareholders at the Annual General Meeting on 8 September 2021. • It was noted that feedback on the joint event with One Housing Group colleagues on 8 and 9 September had been very positive. The Board extended its thanks to staff who had organised the event. It was further noted that CMM and the Chair had attended the recent OHGL Board Meeting which had been very useful. 	
136/21	<p><u>Customer Story (Item 1.4).</u></p> <ul style="list-style-type: none"> • The Board noted the customer's story presented. 	

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	<ul style="list-style-type: none"> • It was noted that the Tenancy Sustainment Fund was under discussion as part of the Project Neo Merger Pledges and the Customer Story presented was a good example of how Riverside can impact customers' lives with a relatively small amount of money. • The Board asked that information be brought back at an appropriate point, demonstrating how these customer case studies have been used to influence behaviours and systems to deliver meaningful improvement to the customer experience. It was also requested that information be provided on how the customer stories have been communicated to the wider stakeholder group. • The Board asked that its thanks be extended to the customer for sharing their story. 	<p style="text-align: center;">PN</p> <p style="text-align: center;">PN</p>
137/21	<p><u>Chief Executive's Report (Item 2.1) CONF.</u></p> <ul style="list-style-type: none"> • The Board noted the CEO's update. • PN reported that the Impact integration had been successful and that the staff involved from all parts of the business had been thanked for delivering what had been a substantial and complex project. It was noted that a detailed lessons learned exercise would be carried out. CMM offered thanks to PW who had been on the Impact merger and integration journey from the beginning. It was noted that the project had been delivered at the same time as the Guinness acquisition requiring a great deal of commitment and hard work from colleagues. • The Board discussed the pressures being felt in the sector arising from inflation and impacts on costs and rent setting. It was noted that the prevailing position in the sector was to set rents at CPI plus 1% however Riverside were taking a prudent approach and modelling various scenarios to be well placed to respond as the position clarified in the New Year. It was noted that work on the budget and Combined Business Plan continued and there would be numerous strategic decisions to be made in due course. It was noted that the discussion would continue in December and the business would continue to scan the external horizon. The Board noted the likelihood of financial difficulty increasing for customers and agreed that this would be a key consideration in its decision making. The Board noted that it needed to prepare for a future discussion on the impact of the challenging operating environment on golden rules and financial risk appetite and sustainability considering Regulator expectations. • It was noted that vacancy levels were currently high, particularly in Care & Support, and reflected the extraordinary situation with the current employment market. It was noted that discussion had commenced on how Riverside should respond to this challenge and these would continue. • The Board noted the Hull PFI Improvement Plan and, while disappointed with the issues arising, were content with the response and actions being taken. • The Board noted that an increase in repair demand of 21% compared to the same period in 2019 / 2020, coupled with 20% vacancies in the repair trade teams had delayed the reintroduction of the 28-day routine repairs target. The Board noted actions being taken to address the issues. It was acknowledged that the position would impact on customer satisfaction which was for the moment holding steady however the impact would be more clearly seen in December. 	

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138/21	<p data-bbox="284 226 1139 255"><u>Pay Gap Report; Gender; Ethnicity; LGBTQ+; Disability (Item 2.2)</u></p> <p data-bbox="284 259 663 288">MC & CN joined the meeting.</p> <ul data-bbox="284 327 1321 1305" style="list-style-type: none"> <li data-bbox="284 327 1321 394">• The Board received and noted the report and a presentation. The following matters were raised: <li data-bbox="284 432 1321 898">• The Board welcomed the paper and presentation which gave a clear picture of the relevant matters. It noted that the focus appeared to be on improving representation in the higher salary quartiles and queried what analysis of pay in the lower quartiles was carried out. The Board reflected that Riverside was a large enough organisation to make an influential change on salary setting in the Care & Support sector. JG advised that Riverside was active in evidence based lobbying to increase funding however, while costs were rising income remained static within the Local Authority capped budget envelope and subject to a competitive process. It was noted that the overall package for Care & Support employees was attractive, however raising hourly rates while ensuring schemes were not loss making was a challenge. JG added that Riverside were exploring opportunities to increase salaries wherever possible and had, for example, recently won a contract in Cambridge with a contract value increase to allow an uplift in salaries. <li data-bbox="284 936 1321 1070">• MC reported that vacancies in Care & Support were subject to weekly monitoring and work was underway to establish a recruitment plan and ensure that new and current staff members had a positive working experience with a full range of support provided. <li data-bbox="284 1108 1321 1305">• The Board noted that OHGL's pay gap data was largely similar with slightly better performance on ethnicity and slightly worse on gender. RH commented that removing Care & Support data removes the gender pay gap. CC noted that a refreshed EDI Strategy was in place and there was a focus to bring BAME colleagues onto the first stage of management to improve representation in the top quartile. <p data-bbox="284 1344 655 1373">MC and CN left the meeting.</p>	
139/21	<p data-bbox="284 1379 1121 1408"><u>Budget Timetable and Economic Assumptions (Item 2.3) CONF.</u></p> <ul data-bbox="284 1447 1321 1989" style="list-style-type: none"> <li data-bbox="284 1447 1321 1514">• The Board received and considered the 2022/23 Budget and Group Business Plan Approach and approval dates. <li data-bbox="284 1552 1321 1686">• It was noted that the potential merger with OHG presented additional challenges however it was important to maintain the proposed Budget and Business Planning timeline notwithstanding the changing operating environment. <li data-bbox="284 1724 1321 1859">• The Board considered and were content with the summarised proposed economic assumptions and the basis on which they were made. CAM noted that economic assumptions were agreed with the business through consultation with senior finance business partners. <li data-bbox="284 1897 1321 1989">• It was noted that voids in Care & Support were assumed to be higher than in the current Business Plan and CAM explained that the primary cause was policy voids and action was being taken to improve this position. 	

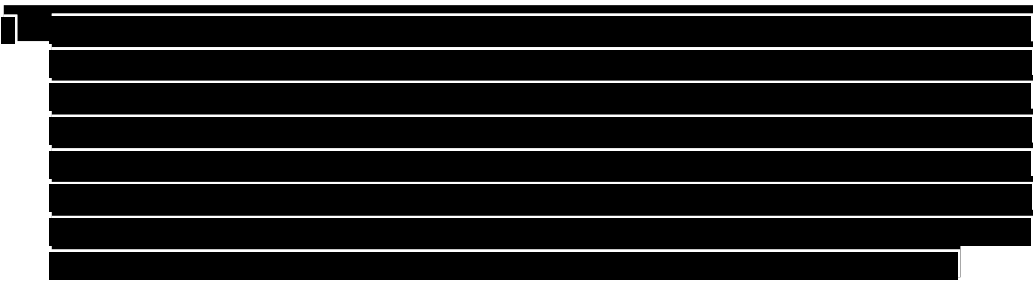
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	<ul style="list-style-type: none"> CAM advised that the approach taken to date had been to establish challenging budgetary targets to drive performance while carrying out robust stress testing across various scenarios to understand where headroom can be optimised. Following due and careful consideration, the Board APPROVED the content of the report. 	
140/21	<p><u>Stock Condition Survey (SCS) (Item 2.4)</u></p> <ul style="list-style-type: none"> The Board received and noted the report, detailing the outcomes of the recent stock condition survey from Savills. [REDACTED] The Board agreed that the strategic approach to stock issues should be a primary focus of discussion over dinner in Hull in December. It was noted that Riverside was in a sensible position with respect to Zero Carbon and would use the next two years, through the Asset Management Strategy, to ensure that priority matters were focussed on and appropriate resourcing allocated to ensure Zero Carbon requirements were met. In response to a query, IG explained that there were still several unknowns including the Government's Heating Strategy and how the relevant technology would develop in the coming years and the SCS was based on what was currently known with the position crystallising over time. The Board agreed that Zero Carbon activities needed to be defined within the wider context of Riverside's social purpose and other strategic considerations and Government lobbying on this matter should reflect this. The Board asked that the Executive explore how new technologies could be tested on a localised scale through new development and regeneration schemes. Following due and careful consideration, the Board APPROVED the adoption of Scenario 13 which is an increase of £500M on expenditure on our homes from the existing Business Plan provisions. 	<p>CMM</p> <p>IG</p>
141/21	<p><u>Social Housing White Paper Update (Item 2.5)</u></p> <ul style="list-style-type: none"> The Board received and noted the report that provided an update on the Social Housing White Paper and overview of the work undertaken to date. PN reported that good progress was being made and while several legislative changes were still unconfirmed, Riverside were moving ahead through strategic and operational working groups, all with customer representation, as well as maintaining a presence on the Government's Social Housing White Paper consultation group and liaising with the Regulator to influence customer satisfaction metrics. It was noted that Stakeholders had requested clarity on how the various work strands fitted together, and in response a paper had been provided to CEC and a masterclass on this topic arranged for the following week. 	
142/21	<p><u>Ending Homelessness Together (Item 2.6)</u></p>	

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	<p>the Policy and updates were primarily to articulate more clearly what happened in practice.</p> <ul style="list-style-type: none"> SM confirmed that the Policy had been reviewed by Group Audit Committee which recommended its approval. Following due and careful consideration, the Board APPROVED the Risk Management Policy. 	
146/21	<p><u>Group Risk Register (Item 3.2) CONF.</u></p> <ul style="list-style-type: none"> The Board received and noted the updated Group Risk Register. GA advised that shortages in IT personnel were being seen outside of London and the South East. JL gave assurance that vacancies were being closely monitored and this was not currently an issue. The Board noted that IT digital business security capability was being actively managed. The Board queried how the Risk Register would reflect Project Storm and the controls and mitigations in place and planned. CAM assured the Board that, as the Register was a live document, the impact of Project Storm had not yet been reflected but this work would be carried out in the coming days. 	
147/21	<p><u>Minutes of Meetings 15 July 2021 and 8 September 2021 (Item 3.3)</u></p> <ul style="list-style-type: none"> The minutes of the meetings held on 15 July 2021 and 8 September 2021 were APPROVED as an accurate record. 	
148/21	<p><u>Matters Arising (Item 3.4) CONF.</u></p> <ul style="list-style-type: none"> Updates provided on Matters Arising from previous meetings were noted. 	
149/21	<p><u>Chair's Actions and Written Resolutions (Item 3.5)</u></p> <ul style="list-style-type: none"> Decisions taken via Chair's delegated authority or Written Resolution since the Board last met were noted. 	
150/21	<p><u>Group Board Appraisal – Summary Report (Item 3.6) CONF.</u></p> <ul style="list-style-type: none"> The Board received and noted the report that set out responses to Group Board Appraisal findings for 2021 and recommended an associated improvement action plan. It was noted that a significant number of findings and recommended actions from Campbell Tickell, were already identified and either planned or in train as part of Riverside's governance improvement agenda. The Board agreed that relationships and team working had inevitably been impacted by the COVID-19 restrictions and supported actions proposed to support the Board dynamic, while working within any ongoing restrictions to keep colleagues safe. The Board discussed the potential for increasing Board Member representation on Committees and noted that this needed to be balanced 	

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	<p>against time commitment and managing the number of roles held by individuals in the governance structure. It was noted that this would be kept under review and revisited at an appropriate point following (and subject to) the merger with OHG.</p> <ul style="list-style-type: none"> • Following due and careful consideration, the Board APPROVED the Group Board Action plan. 	
151/21	<p><u>Power of Attorney (Item 3.7)</u></p> <ul style="list-style-type: none"> • The Board received and noted the report, which recommended changes to the use of Power of Attorney and the associated process following a review carried out by the governance team of current arrangements. • It was noted that the objective of the review carried out was to improve the control framework around the Execution of Deeds and embed consistent and robust practices across the Group, which supported business operations while effectively managing risk. • Following due and careful consideration, and on the recommendation of the Executive Team, the Board APPROVED: <ul style="list-style-type: none"> ○ Changes to POA signatories as set out in Appendix 1 of the report ○ To Delegate Authority to the Director of Governance and General Counsel and one other Executive Director to approve: <ul style="list-style-type: none"> ▪ the monthly updating of the POA for starters and leavers in the approved positions ▪ the immediate removal of leavers and updating of the POA (and the removal of authority for leavers to sign in their notice period). 	
152/21	<p><u>Governance Best Practice – Directors’ Duties (Item 3.8)</u></p> <ul style="list-style-type: none"> • The Board received and noted the annual report detailing the responsibilities, duties and liabilities of Board Members. It was noted that the advice had been subject to review by external legal advisers to ensure it remained current and accurate. There were no matters raised for discussion. 	
153/21	<p><u>Board Meetings Plan (Item 3.9)</u></p> <ul style="list-style-type: none"> • The Board received and noted the report proposing a hybrid model for Board meetings up until March 2023 following the lifting of COVID-19 restrictions. • The Chair asked Board Members to share ideas for strategic topics for discussion or guest speakers at Board dinners to SS. • Following due and careful consideration, the Board APPROVED the proposed meeting arrangements. 	
154/21	<p><u>RCVE Constitution Update (Item 3.10)</u></p> <ul style="list-style-type: none"> • The Board received and noted the report, detailing the changes in the constitution of the Riverside Customer Voice Executive (RCVE). It was noted 	

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	<p>that the Riverside Customer Voice constitution defined the purpose, including the aims and objectives, of RCVE.</p> <ul style="list-style-type: none"> Given the requirement in Riverside's Corporate Plan to renew customer engagement structures to ensure they reflected the redesigned organisation, the RCVE had agreed that their constitution should be refreshed and aligned accordingly, and the updated document was presented to Board for noting. CD undertook to arrange the update of the constitution to refer to Riverside Scotland. CD thanked all colleagues for their support and collaboration during his tenure as Board Observer and noted that his successor, Paula Simpson was very much looking forward to taking up her role. 	
155/21	<p><u>Committee & Subsidiary Boards Update (Item 4.1)</u></p> <ul style="list-style-type: none"> The Board received and noted the update on Subsidiary Board and Committee activity in the reporting period. Each Chair present was invited to provide any additional reflections to the report provided and all were content that the report captured key matters to be reported to Board. There were no material matters of concern or comments raised for discussion. 	
156/21	<p><u>Our Riverside Plan (ORP) 2020-23 – Strategic Performance Report (Item 4.2)</u></p> <ul style="list-style-type: none"> The Board received and noted the report detailing outcomes against strategic KPIs included within the ORP performance dashboard and a high-level summary of activity-based progress against the delivery plan from April to the end of August 2021. There were no material matters of concern or comments raised for discussion. 	
157/21	<p><u>Annual Care Services Report (CQC) (Item 4.3) CONF.</u></p> <ul style="list-style-type: none"> The Board received and noted the report that provided an update on the performance and compliance of Care Quality Commission (CQC) regulated services. The Board noted the new services coming online and preparations for such, as well as regulatory changes on the horizon. The Board was pleased to note that the results of the employee engagement survey at the beginning of 2021 were outstanding and highlighted as best practice. It was further noted that the response rate was low due to the number of staff who were not desk based and in response, for the next survey all staff would be given timeslots to take part in the survey. 	
158/21	<p><u>PFI Update Report – Customer Service (Item 4.4)</u></p> <ul style="list-style-type: none"> The Board received and noted the report that provided an update on the end of year financial and operational performance across the four PFIs managed by the Customer Service Team. PN advised that a more detailed version of the report had been previously presented to CEC along with a separate assurance report on domestic 	

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	<p>electrical testing. The Committee was closely monitoring testing compliance and would receive an update at its next meeting.</p> <ul style="list-style-type: none"> The Board were reassured that changes in the call handling prioritisation of the Sandwell PFI would not negatively impact on performance at Hull PFI. 	
159/21	<p><u>Operational Performance Report (Item 4.5)</u></p> <ul style="list-style-type: none"> The Board received and noted the report that reflected August 2021 month-end. The Board was pleased to see the progress in addressing high risk overdue actions and noted that, while complaint handling and customer satisfaction remained areas of concern, these were being proactively managed and monitored to drive improvement. The Board asked the Executive to explore how EDI performance indicators could be built into current staff and customer satisfaction metrics. The Board queried the causes of increases seen in Former Tenant Arrears and was this due to a higher number of former tenants or an increase in the level of debt for individuals. PN advised that the data indicated the amount of debt transferred to the Former Tenant Arrears Team which had now been combined with the income management team. The Board noted actions planned to improve performance and PN agreed to circulate additional data to assist in clarifying what was driving the increase. 	<p>PN</p> <p>PN</p>
160/21	<p><u>Financial Performance Update (Item 4.6) CONF.</u></p> <ul style="list-style-type: none"> The Board received and noted the Financial Performance Report (FPR) Summary for August (Period Five), the risks and opportunities report and the three red Early Warning signs. It was noted that financial performance remained steady however the operating environment was becoming more challenging and would continue to do so into the following year. 	
161/21	<p><u>Quarterly Treasury report (Item 4.7)</u></p> <ul style="list-style-type: none"> The Board received and noted the Quarterly Treasury report for the period ended 30 June 2021 which had previously been provided to Group Treasury Committee. The Board noted that there had been a one day breach of the minimum cash holding policy which the GTC had granted retrospective approval for an exception to the Policy for the date in question. As such, the potential breach of Policy had been rectified and was no longer a matter of concern. The Board noted that the circumstances leading to this position were highly unusual and it was not anticipated that a similar situation would arise again in the future. The Board noted that testing of interest cover assuming an EBITDA-MRI methodology remained the tightest performance measure and whilst TRGL did not actively have this covenant in any of its current loan agreements, OHG did, and this was being managed under the treasury element of the merger plan. 	

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164/21	<p><u>Any Other Business (Item 5)</u></p> <p>There was no other business raised.</p>	
165/21	<p><u>Chair's Summary (Item 6)</u></p> <p>The Chair asked Board Members to provide feedback on how the restructured agenda had worked.</p>	
166/21	<p><u>Date of Next Meeting – 16 December 2021 (Item 7)</u></p> <p>The Board noted that further details on the event in Hull in December would be shared in due course and that it would be the last meeting for PW and ST.</p> <p>RH and CC left the meeting.</p>	
167/21	<p><u>Governance Update – Project Neo (Item 8) CONF.</u></p> <ul style="list-style-type: none"> • The Board received and noted an update on progress against the overall Merger Governance Plan as well as key items within the plan; Non Executive Director recruitment, Non Executive Director Remuneration and Committee Terms of Reference and asked for Board approval for a number of decisions which were required at this stage of the project. • The Board noted the significant amount of work undertaken to reach the current stage of delivery of the Governance Merger Plan. • The Board considered the remuneration proposals and noted that external benchmarking from both organisations had been used to define a fair and prudent fee structure for the new combined Group. It was noted that while there would be a relatively short term uplift in costs. over time deliver savings would be made on the Group Non Executive remuneration costs. • The Board noted the update on recruitment activity. • It was noted that work had commenced on a Combined Strategic Risk Register and an update would be provided at Gateway 4. • There was significant discussion of the impact on OHG of adopting Riverside's budget and business plan approach and timescales. It was acknowledged that this would be a challenge for OHG in that is presented an accelerated timeframe however Riverside would offer all possible support to assist them in achieving targets. <p>  </p>	

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	<ul style="list-style-type: none"> • In response to a query, CAM confirmed that budget assumptions were challenging but achievable for both organisations with the 20% margin in year 1 being the most testing of the assumptions. • The Board discussed all internal and external factors placing pressure on Riverside's margin and agreed that a discussion on all strategic factors would take place in December in advance of approval of the Budget and Business Plan. • CMM asked Board Members to hold the 8 December for a merger celebratory event at Arlington House. • Following due and careful consideration, the Board: <ul style="list-style-type: none"> • AGREED that, Terrie Alafat and Pauline Davis will continue in the roles of Group Board Chair and Group Board Vice Chair/GRC Chair following the merger of The Riverside Group Limited and One Housing Group; • AGREED in principle, that Caroline Corby will be appointed to the roles of Group Board Vice Chair and member of the Governance and Remuneration Committee with effect from Day 1 of the merger; and • APPROVED the remuneration proposals for the merged entity as set out in section 3, Table 1 of the paper. 	

Signed:

Terrie Alafat, TRGL Board (Chair)

Date