



Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the "Board")		
Date and time:	9am 12 May 2022		
Location:	Hunday Manor, Winscales, Workington, Cumbria, CA14 4JF		
Present:	• Terrie Alafat	(TA)	Chair
	• Pauline Davis	(PD)	Vice Chair
	• Caroline Corby	(CC)	Vice Chair
	• Goi Ashmore	(GA)	Board Member (part of the meeting via Teams)
	• Stewart Davenport	(SD)	Board Member (via Teams)
	• Ingrid Fife	(IF)	Board Member
	• Olwen Lintott	(OL)	Board Member
	• Erfana Mahmood	(EM)	Board Member
	• Sandy Murray	(SM)	Board Member (via Teams)
	• Rommel Pereira	(RP)	Board Member
	• Sam Scott	(SS)	Board Member (via Teams)
	• Carol Matthews	(CMM)	Co-opted Board Member
In attendance:	• Paula Simpson	(PS)	Tenant Observer (via Teams)
	• Tony Blows	(TB)	Chief Information Officer
	• John Glenton	(JG)	Executive Director Care and Support Services
	• Richard Hill	(RH)	CEO of One Housing Group
	• Cris McGuinness	(CAM)	Chief Financial Officer
	• Patrick New	(PN)	Executive Director Customer Service
	• Hugh Owen	(HO)	Director of Strategy and Public Affairs
	• Sara Shanab	(SSh)	Director of Governance and General Counsel
	• Chyrel Brown	(CB)	Chief Operating Officer One Housing Group (Observing)
	• Helen Rees	(HER)	Senior Governance Officer (Secretary)
	• Jayne Furber	(JF)	EA to Group Chair and Chief Executive (Observing)
Apologies:	• Ian Gregg	(IG)	Executive Director Asset Services

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70/22	<p><u>Apologies for Absence (Item 1.1)</u> VERBAL</p> <ul style="list-style-type: none"> • Apologies were noted from Ian Gregg. 	
71/22	<p><u>Declarations of Interest (Item 1.2)</u> VERBAL</p> <ul style="list-style-type: none"> • Sandy Murray declared an interest in item 3.6 - Appointment of Sandy Murray as Trustee of Riverside Foundation – Remuneration. 	
72/22	<p><u>Chair's Matters (Item 1.3)</u> VERBAL</p> <ul style="list-style-type: none"> • The Chair welcomed Tony Blows and Chyrel Brown to their first Group Board meeting. • The Chair expressed thanks to Jayne Furber for organising the events of the last two days and to Andrea Thorn for the site visits. • The Chair highlighted the positive nature of last night's discussions, focused on Customer Satisfaction and tangible ways to improve performance, attached as an addendum to the minutes. • The Board noted that further discussions as to 'what does good look like' in the context of the change in operating environment and consumer regulation would be held during September's Strategy Day. • The Chair thanked Hugh Owen for the recent Stakeholder Strategy Day. • The Board were shocked and saddened by the sudden death of Steve Douglas, former Chair of OHG Board, and the Chair highlighted his commitment and contribution to the sector. 	
73/22	<p><u>Customer Story (Item 1.4)</u> PRESENTATION</p> <ul style="list-style-type: none"> • The Board NOTED the Customer Story presented an example of improvements made to a repairs process. Following the customer not being aware of scaffolding having been erected at their building, Riverside worked with Evolve and Riverside Direct to put in place a process to ensure customers always received a letter well in advance of any scaffolding works, which previously, had not been standardised for routine repairs and only carried out for planned maintenance works. • Following the presentation, PN highlighted that this story emphasised the importance of communications with customers and the Board agreed that focusing on how the customer 'feels' was key. 	
74/22	<p><u>Chief Executive Officer's Report (Item 2.1)</u> CONF.</p> <ul style="list-style-type: none"> • The Board NOTED the Chief Executive Officer's Report. • CMM highlighted the Social Housing Regulation Bill and the recent Queen's speech containing a significant amount of Social Housing related reform, 	

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	<p>including the Levelling Up and Regeneration Bill focused on Levelling Up, regeneration and building the right homes in the right places. The Board noted regeneration measures included a new Infrastructure Levy to replace Section 106 payments system, and that this would be a key area of interest for Riverside in understanding the impact on delivery of new affordable housing.</p> <ul style="list-style-type: none"> • The Renters' Reform Bill would provide additional security for tenants in the private rented sector and aimed to provide a more effective legal framework for landlords. • The Board noted the potential for an increase in tenant requests and complaints as the Social Housing Regulation Bill would ensure tenants were able to request information from their landlord in the same way the Freedom of Information Act worked for tenants of Local Authority landlords. • RP highlighted the Prime Minister's recent comments in relation to Right to Buy (RTB) and requested further consideration of Riverside's positioning for the 2023-26 Corporate Plan. • The Board also noted the NHF and CIH initiative to rebuild trust in the sector and PD highlighted the importance of addressing and influencing perceptions of so called 'slum' landlords. • The Board was pleased to note the number of Business Change and Business Led projects delivered and acknowledged the great work. 	HO/CMM
75/22	<p><u>TRGL/OHG Integration Update (Item 2.2)</u> CONF.</p> <ul style="list-style-type: none"> • The Board NOTED the TRGL/OHG Integration Update, including, the Integration 'Plan on a Page' and highlighted the progress made with corporate appointments which had helped drive change. • The Board also noted priorities for the May Merger Integration Panel (MIP) included the implementing of SHPS exit for OHG staff and that a recommendation would be made to OHG Board to complete the exit this year. • The Board requested an update on progress with IT, noting that the finance system would be undergoing option appraisal and further analysis would be available in the autumn. The Board also requested a Masterclass on Cyber Security/Data/How it all fits together. 	TB
76/22	<p><u>Equality, Diversity and Inclusion: Annual Report and Action Plan for 2022/23 (Item 2.3)</u></p> <ul style="list-style-type: none"> • The Board received and discussed the Equality, Diversity and Inclusion: Annual Report and Action Plan for 2022/23. The Board NOTED progress made in achieving the objectives set in the Equality, Diversity and Inclusion Plan (2021/22) and results against the agreed suite of impact metrics. • The Board highlighted, in particular, the significant activity to support LGBTQI+ colleagues, recognised by Stonewall, who had ranked Riverside at 	

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	<p>number 12 in their recently published Top 100 Employers 2022 list based on their workplace equality index, making Riverside the highest placed social housing provider in the country.</p> <ul style="list-style-type: none"> Focus is on developing an integrated approach to EDI with OHG through creating a joint strategy and bringing colleague groups together. Following due and careful consideration, the Board APPROVED the Equality, Diversity and Inclusion Action Plan for 2022/23. 	
77/22	<p><u>Equality, Diversity and Inclusion Policy (Item 2.4)</u></p> <ul style="list-style-type: none"> The Board received and considered the Equality, Diversity and Inclusion (ED&I) Policy that had been reviewed in line with the requirements of the Group Policy Framework every three years. The Board noted the policy commitment to devising an overarching group-wide strategy and publishing an annual report and requested the ED&I Strategy incorporate 'hearts and minds' and address the limited metrics reported to Group Board through a new dashboard. Following due and careful consideration, the Board APPROVED the revised ED & I Policy. 	HO
78/22	<p><u>Climate Responsibility Strategy (Item 2.5)</u></p> <ul style="list-style-type: none"> The Board received and considered the Group's first Climate Responsibility Strategy, setting out actions Riverside would take in the period 2022-26 to reduce carbon emissions associated with stock and working practices, and prepare to put in place a comprehensive plan to achieve net zero carbon by 2050. The Board was impressed by Switchee, a smart thermostat and analytics solution, which would enable better understanding of stock condition, energy use and performance, improved communication through a digital two-way communication system and save residents money on their energy bills. CAM confirmed that costs had been stress tested and a reasonable estimate for the increase in material costs had been made within the Business Plan. Provisions for costs to future proof new build homes had also been reflected in the current Business Plan. The Board noted the recruitment of a Head of Sustainability and highlighted that buy in from subsidiaries was important. The Board requested communications to customers on the Strategy to manage the message to customers worried about the impact on their bills and VFM. Following due and careful consideration the Board APPROVED the Climate Responsibility Strategy, subject to a review in 12 months' time to reflect the 	PN

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	<p>new Corporate Plan and ensure the strategy took full account of One Housing Group.</p> <ul style="list-style-type: none"> The Board expressed their thanks to everyone involved in developing the strategy and for particular thanks to be passed on to Andy Douglas. 	
79/22	<p><u>Business Plan (Item 2.6) CONF.</u></p> <ul style="list-style-type: none"> The Board received the Business Plan setting out the recommended thirty-year Business Plan for TRGL, noting TRGL was a complex organisation with many moving parts, and as with any business, the Business Plan had been based on a set of assumptions at a fixed point in time and that this report identified the current position as at 5 May 2022. That said, the plan was built on a prudent basis and covenants were met throughout the plan. [REDACTED] CAM advised that whilst two of TRGL Golden Rules required changing as a result of the Group now having different challenges, neither was covenant backed at TRGL level. Operating margin was 18% for Years 1 to 3, reverting back to 20% in year 4, and a one-year adjustment for EBITDA MRI to 80% for Year 1, reverting to 110% in Year 2 onwards. The Board noted the commitment to driving the business back to the original Golden Rules as soon as possible. The Board raised concern as to whether the risk of falling below Golden Rules would have an impact on the Strategic Partnership with Homes England and were assured that focus for the Strategic Partnership would be on delivery of new homes. The Board requested regular reporting back to Board on the rebuilding of EBITDA-MRI and SH-EBITDA-MRI. [REDACTED] The Board noted the plan contained the pledges from Gate 4, back-office savings of £7.5m, additional expenditure included £2.5m for tenancy sustainment customer initiatives per annum, £3m per annum (for three years) for damp and mould cases and an additional £500m for the sustainability agenda and the journey to net zero carbon. In terms of stress testing, the plan was less resilient in the earlier years, and stronger in the later years, however, covenant backed golden rules were not broken. The Board noted the early warning indicators that enabled early sight of issues would be provided to every meeting as part of the financial performance reporting, and that these included regular monitoring of interest rates, the strength of sterling, employment levels and cost movements. 	CAM

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	<ul style="list-style-type: none"> • The scale of funding required to deliver the plan was nearly £1bn over the next three years. • CAM shared an error in Appendix 8 – Mitigation Tiers and CAM undertook to amend. The issue did not impact the conclusion or assurance of the report. • Following due and careful consideration, the Board: <ul style="list-style-type: none"> ○ NOTED the range of single and multi-variant stress testing and considered the long term, cyclical nature of economic factors that impacted on the business as well as internal business risks. Members were comfortable that the mitigations identified sufficiently alleviated the impacts of stress testing. ○ APPROVED the proposed delegation of approval to CEO and CFO for any immaterial changes arising from the Financial Forecast Return (FFR) sign off process. ○ APPROVED the proposed short-term changes to the EBITDA-MRI and Operating Margin Golden Rules; and ○ APPROVED the revised Budget for 2022/23 as set out in Section Two of the report and APPROVED the Group Business Plan. 	CAM
80/22	<p><u>Annual Treasury Matters Update (Item 2.7)</u></p> <ul style="list-style-type: none"> • The Board received and considered the Annual Treasury Matters Update and noted that the annual review of the Group Treasury Policy, the Group Investment Policy and the Treasury Strategy had been undertaken by the Director of Treasury and Corporate Finance, along with an independent review undertaken by Centrus Treasury Advisers as appropriate and had been discussed at length by the Group Treasury Committee (GTC) at their meeting on 3 May 2022. • It was noted that there were no significant changes to the Group Investment Policy, however, a policy exception from the policy for OHG was being requested in the short term due to ongoing work to ensure OHG complied with the existing TRGL investment policy. The intention was to review the OHG policy and then, in time, move to a single Group investment policy. • [REDACTED] • The Board noted the risks associated with the Treasury Strategy, but that this was the right strategy for the Group and was supported by GTC. [REDACTED] 	

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	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
82/22	<p><u>Annual review of Tax Strategy (incorporating Statement of Tax Policy) (Item 2.9)</u></p> <ul style="list-style-type: none"> The Board received the annual review of the Tax Strategy and Policy, noting that Executive Directors had approved and were happy to recommend to the Board and minor changes had been made for roles and the addition of OHG. Following due and careful consideration the Board APPROVED the Tax Strategy (incorporating the Tax Policy to be shared externally) for the year ending 31 March 2023. 	
83/22	<p><u>Project Storm Update (Item 2.10) CONF.</u></p> <ul style="list-style-type: none"> The Board REVIEWED the Project Storm Update, including the Intaforensics report and Action Log being managed through the Information Governance Group (IGG). The Board was pleased to note that the ICO had confirmed that they considered the case closed and assuming circumstances did not change, would be taking no further action against the Group. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] The importance of lessons learnt in relation to business continuity, delivering change and managing risks was highlighted and the Board agreed that claims and grievances should be managed in line with Riverside's values. The Board was pleased to note the oversight provided by the Information Governance Task and Finish Group, and the additional support being provided by the CIO, and highlighted that data safeguarding/security was not just the role of IT. The Board noted progress against the Action Log would be scrutinised by the GAC. 	
84/22	<p><u>Combined Risk Register (Item 3.1) CONF</u></p> <ul style="list-style-type: none"> The Board REVIEWED the Combined Risk Register report that had been updated to incorporate feedback from Group Board and Group Audit Committee in March and re-validated by Executive Directors at their meeting on 26 April. 	

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	<ul style="list-style-type: none"> The Board RECIEVED and CONSIDERED the report requesting approval of an exception to the Non-Executive Remuneration Policy to appropriately reward Sandy Murray for undertaking the role of Group Board nominee to the Riverside Foundation Trustee Board. The Chair thanked Sandy for taking on this role and providing an important link between the Board and Riverside Foundation. Following due and careful consideration, the Board APPROVED an increase in the annual fee paid to Sandy Murray of £3k on the basis of her undertaking three roles for the Riverside Group (Group Board Member, Group Audit Committee Vice Chair and Riverside Foundation Trustee) and with effect from the date of her appointment as a Riverside Foundation Trustee being 26 April 2022. 	
90/22	<p><u>Harmonisation of OHG Finance Regulations (Item 3.7) CONF.</u></p> <ul style="list-style-type: none"> The Board REVIEWED the report that had been approved by the Group Audit Committee in March 2022 and submitted to Group Board for final approval. The Board noted that this was a step ahead of full harmonisation and that the revised set of OHG Financial Regulations aligned approval and control limits to those operated at TRGL where appropriate. CAM advised that amendments reflected role and governance changes and that some of the maximum financial limits for post holders in OHG were higher than TRGL due to expenditure on fire safety and cladding works. Following due and careful consideration and following a recommendation by Group Audit Committee and OHGL Board, the Board APPROVED the amends to the OHG Financial Regulations. 	
91/22	<p><u>Committee and Subsidiary Board Update (Item 4.1)</u></p> <ul style="list-style-type: none"> The Board NOTED the report. RP reported that Group Audit Committee had received a helpful Committee Responsibility Matrix at its March meeting and the Board asked that this be added to the Convene document library. CC advised of OHG Board's focus on frontline delivery and costs and of several OHG leavers, including the Finance Director, Governance lead, Treasurer and two Non-Executive Board Members and that recruitment for a resident Board Member was underway. IF advised that the importance of the link between operational committees and GAC had been raised at the Joint Meeting of CEC/C&SC. The Board asked that GRC consider appointing a link member between GAC and CEC at their next meeting. 	<p>SSh/HER</p> <p>SSh</p>

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	<ul style="list-style-type: none"> The Board noted Riverside Scotland Board had approved the appointment of a new repairs contractor and it was hoped that this would drive improved performance. The Board noted significant progress made with Riverside Foundation, including the recruitment of three new Trustees, two of which were on a short-term basis. SS advised that the CEC had discussed PS' visit to the CSC and systems, approved Customer Satisfaction and Home Ownership Improvement Plans and received a spotlight on Repairs and had agreed to give greater focus to service delivery. 	
92/22	<p><u>Our Riverside Plan - Year-end Strategic Performance Report - 2021/22 (Item 4.2)</u></p> <ul style="list-style-type: none"> The Board NOTED the 2021-22 year-end 'Our Riverside Plan' (ORP) Strategic Performance Report, setting out a summary of progress against both KPIs and objectives in the context of the current operating environment and challenges faced. The Board noted progress made in what had been a particularly challenging period since the plan was approved in March 2020. Performance against both KPI targets and last year's results had generally declined, particularly for measures associated with the 'People' objective, which may have been impacted by an artificial pandemic 'bounce' in 2021/21 as expectations changed during the crisis and additional measures to support wellbeing. The Board acknowledged progress with extra care schemes and homelessness services. PN highlighted that customer satisfaction performance had been impacted last year by Social Housing restructure, CSC issues with IT outages, turnover resulting in recruitment issues and repairs SLA at 56 days rather than 28 days, resulting in backlogs. The Board recognised the challenges over the past year, the strong performance within the development space and requested further strategic discussions be held at September Board Strategy Day. 	HO
93/22	<p><u>Operational Performance Report (Item 4.3)</u></p> <ul style="list-style-type: none"> The Board NOTED the contents of the March 2022 month-end Executive dashboards. The Board highlighted, in particular, overall customer satisfaction remained static and work to drive improvement in Retirement Living performance had resulted in an increase in C&S satisfaction levels in this period from 68.4% to 71.3% and a 5.1% increase in listening to views, reflecting the positive impact of staff returning to sites. 	

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94/22	<p><u>Quarterly Development Update (Item 4.4) CONF.</u></p> <ul style="list-style-type: none"> The Board NOTED the report providing a summary of the development activity across The Riverside Group Limited (excluding OHG, which would be included in the next quarterly update) reflective of the quarter ended 31 March 2022. The Board noted 1,129 new homes had been built in line with cost assumptions in 2021/22 and that of the 1530 homes in the 2021-26 Homes England Strategic Partnership Programme SP Programme, 409 (27%) were on site at year end and was now over 30%. CAM advised that management of the London Regeneration Programme had been moved into the OHG development function from 1st April 2022. The Board was pleased to note the progress that the London Regeneration Team had made during the last year, with on site at Lambeth and Gillan Court, Planning at Pike, a positive customer vote at Calverley and entering into a JV with Mount Anvil at Friars Close. CAM highlighted Prospect's Brook View had sold out and delivered above the budgeted margin and Prospect now had a strong pipeline of 451 homes. The Board was pleased to note that Prospect was one of the very few construction companies to achieved ISO45001 qualification, the highest possible international standard for H&S management and 4 star builder status. 	
95/22	<p><u>Joint Venture Update (Item 4.5)</u></p> <ul style="list-style-type: none"> The Board NOTED the third Joint Venture update to the Board, and the first of which includes One Housing Group's (OHG) Joint Ventures, providing an overview of JVs in the context of the five key themes set out in the NHF Code of Governance 2020 (Accountability, Performance, Compliance, Risk Management and Governance). 	
96/22	<p><u>Financial performance report (Item 4.6)</u></p> <ul style="list-style-type: none"> The Board RECEIVED and CONSIDERED the Financial Performance Report (FPR) summary for March (excluding One Housing Group), compared to Quarter Three Forecast (Q3F). It was noted that TRGL Operating Surplus (not including OHG) was £73.45m, slightly favourable (by £180k) to the Q3F of £73.27m. CAM reported that since the report had been produced, additional items had been identified, resulting in performance £0.3m worse than Q3F. OHG numbers for March had been received, with income £5.71m better than budget at £193.21m, and expenditure £15m worse than budget at £160.01m and operating surplus was £9.53m worse than budget at £33.20m and £2.87m worse than their most recent forecast. The combined result was therefore an operating surplus of £106m, against a forecast of £109m. This represented an operating margin of c 18.5%, a margin of 17.2% at OHG and 19.1% at TRGL. Excluding Land and Property surpluses at TRGL this became 	

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	<p>a £65.3m operating surplus or 17.1% operating margin and at OHG a £2.33m operating loss (operating margin of negative 1.2%). The Board noted that OHG's reliance on land and property sales had been the subject of a rigorous discussion at their Board.</p> <ul style="list-style-type: none"> The Board NOTED the four red and three amber Early Warning Signs. The Board discussed TRGL's current reporting approach, which differed to that of OHG's, and the focus on quarterly forecasts rather than budget, and agreed to continue with TRGL's current reporting approach. CAM highlighted that the Q1F would capture any differences to budget. 	
97/22	<p><u>Any Other Business (Item 5)</u></p> <p>[REDACTED]</p> <ul style="list-style-type: none"> [REDACTED] [REDACTED] <p>[REDACTED]</p> <ul style="list-style-type: none"> [REDACTED] <p>[REDACTED]</p> <ul style="list-style-type: none"> [REDACTED] [REDACTED] 	
98/22	<p><u>Chair's Summary (Item 6)</u></p> <ul style="list-style-type: none"> The Chair decided in the interests of time there was no need to summarise the meeting. 	
99/22	<p><u>Date of Next Meeting – 10am 14 July 2022 via Teams (Item 7)</u></p> <ul style="list-style-type: none"> The date of the next meeting was noted. <p>There being no further business the meeting was closed.</p>	

ADDENDUM TO BOARD MINUTES 12 MAY 2022– GROUP BOARD DISCUSSIONS ON CUSTOMER SATISFACTION 11 MAY 2022

The Board received presentations from Andrea Thorn, Director of Homes and Communities, Chyrel Brown, Chief Operating Officer OHG, Helen Reddington, Director of Home Ownership and Diana MacLean, Managing Director Riverside Scotland, and acknowledged that the various Customer Improvement plans outlined in the session were being overseen and reviewed regularly by Customer Experience Committee (CEC), Care and Support Committee (C&SC) and Riverside Scotland board.

The Board highlighted the following main points:

- How to drive the culture change necessary for improving customer service when some people did not want to change? Noting that focus on changing the culture when people were unwilling to change then became a matter of performance management. The need to ensure that expectations were clear and tackling underperformance where those expectations were not met
- The need to tackle non-use of Salesforce, including identifying how many people should be using it but weren't, and dealing with non-compliance as a matter of urgency
- How to get further granular detail on which customers were dissatisfied to address specific concerns, rather than lump all customers together which implied that all customers had the same needs? CB highlighted the need to adopt a targeted approach driven by insight
- Will improving customer service cost more or less? PN highlighted that by eliminating waste, delivering service right first time, correctly diagnosing repairs and issues, and directing issues/complaints to the correct person, Riverside would reduce the cost of service delivery whilst also improving customer satisfaction
- It was vital to stay focused on improving customer service whilst integrating TRGL and OHG businesses together
- What does the 'happy path' look like? ie where do we want to get to in terms of satisfaction. CMM highlighted that top quartile was the ambition, however, this would be discussed in more detail in September once further work had been done, to clearly articulate what good looks like for Social Housing, Riverside Scotland and Home Ownership
- The Board requested better use of videos to bring to life our customer offers, just as OHG were doing.

The Board agreed that at the September Strategy Day there should be further discussions in relation to:

- Culture - What are the key aspects of culture change or improvement required to underpin the journey to high customer satisfaction?
- An overview of what top quartile performance is in the sector across a range of customer service aspects, who are we mapping against in that top quartile? how far off them is Riverside and what improvement rate per annum might be required to achieve them? Is this a deliverable aspiration for the 2023/26 plan across each of our business streams recognising customer expectations were rising and therefore top quartile would also change. We need to consider what is happening to national customer expectations across a wider range of sectors and society, how are they changing/shifting and what does this mean for direction of travel for Riverside?

- Will there be clarity by then on the TSMs which will be mandatory to measure ourselves upon and what else should we embrace as a key measure i.e.-ease/trust etc.

In addition, when the Board considered their aspirations and priorities for the 2023/26 Corporate Plan, Officers were asked to provide:

- A stock take on how the improvements plans were progressing, have we returned to the higher results of March 21 and if not when can we anticipate we will be there?
- Board reiterated that the priorities for customers were repairs and getting through on the phone and ensuring that attention was focused on addressing those areas.