



Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the "Board")		
Date and time:	10am 13 October 2022		
Location:	Via Teams		
Present:	• Terrie Alafat	(TA)	Chair
	• Pauline Davis	(PD)	Vice Chair
	• Caroline Corby	(CC)	Vice Chair
	• Goi Ashmore	(GA)	Board Member
	• Nigel Holland	(NH)	Board Member
	• Ingrid Fife	(IF)	Board Member
	• Olwen Lintott	(OL)	Board Member
	• Sandy Murray	(SM)	Board Member
	• Rommel Pereira	(RP)	Board Member
	• Sam Scott	(SS)	Board Member
	• Carol Matthews	(CMM)	Co-opted Board Member
In attendance:	• Paula Simpson	(PS)	Tenant Observer
	• Tony Blows	(TB)	Chief Information Officer
	• Ian Gregg	(IG)	Executive Director Asset Services
	• Patrick New	(PN)	Executive Director Customer Service
	• John Glenton	(JG)	Executive Director Care and Support Services
	• Richard Hill	(RH)	CEO of One Housing Group
	• Cris McGuinness	(CAM)	Chief Financial Officer
	• Sara Shanab	(SSh)	Director of Governance and General Counsel
	• Russell Hall	(RJH)	Head of Governance
	• Nick Jones	(NJ)	Director of Development – non London (Item 2.4)
Apologies:			
	• Erfana Mahmood	(EM)	Board Member

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137/22	<p><u>Apologies for Absence (Item 1.1)</u> VERBAL</p> <p>There were apologies received from Erfana Mahmood</p>	
138/22	<p><u>Declarations of Interest (Item 1.2)</u> VERBAL</p> <p>There were declarations of interest declared from both RH and TB in relation to item 2.3 SHPS DB and DC exit.</p>	
139/22	<p><u>Chair's Matters (Item 1.3)</u> VERBAL</p> <p>The Chair confirmed that she would like all non-executive Board members to remain on the call at the end of the Board meeting for an informal catch up. The Chair also reflected on the recent Board Strategy event which she felt had been very helpful and thanked the Executive team and other colleagues involved in pulling the event together.</p> <p>TA also informed Board members that she, CMM and CAM had recently met with the Regulator for one of the regular meetings. It had been a good meeting where they had discussed details around governance, stress testing scenarios and mitigations. The forthcoming IDA had also been discussed and it was confirmed that this would not take place before June 2023.</p> <p>The Board NOTED the Chair's matters</p>	
140/22	<p><u>Customer Story (Item 1.4)</u> PRESENTATION</p> <p>The Board NOTED the Customer Story video that had been shared with Board members prior to the meeting. PN shared some of the background context to the video explaining how a steering group made up of colleagues from the Housing Team and the Support Team had been created and had drawn up an action plan to ensure that all colleagues worked in a more collaborative way to tackle the housing of people who had challenging behaviours or who were involved in wider support services. The video shared some evidence of how that relationship was working and helping customers.</p> <p>Board members commented that they liked the video presentation and PD reflected that she had seen the improved collaboration referred to in the video, throughout her time on the Board and congratulated colleagues on their achievements.</p>	
141/22	<p><u>Chief Executive Officer's Report (Item 2.1)</u> CONF.</p> <p>CMM reported on the meeting with the Regulator. Board noted that Riverside had shared its response on the rent cap consultation and that the expectation was the decision on a rent cap may be known early in December. It was agreed that the Riverside response would be shared with Board members for information.</p> <p>CMM commented on the new Government and their emerging policy direction which seemed to be one of "deregulation". She also commented</p>	RJH

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	<p>on the current economic situation and the likely impact on customers and the Riverside business.</p> <p>TA asked for an update in relation to the Royal Quays scheme and whether or not an allowance would be required in the accounts. In response SSh confirmed that professional reports had been commissioned and the conclusions of those reports would inform any decision around allowances.</p> <p>The Board NOTED the Chief Executive Officer's Report.</p>	
142/22	<p><u>TRGL/OHG Integration Update (Item 2.2)</u> CONF.</p> <p>The Board received an update on integration and signaled that they were comfortable with overall progress to date. In discussion, there was also helpful feedback about the need to maintain, and increase, the pace of integration and to achieve the business plan savings earlier if possible. There was also a steer towards looking to optimise existing systems – choosing the best from both organisations rather than looking to go to market and procure entirely new systems. The Merger Integration Panel would pick up these points and progress would be reflected in the next Board update.</p> <p>The Board NOTED the TRGL/OHG Integration Update on progress in taking forward the integration of OHG into the Group. They also NOTED that progress with integration was discussed at the TRGL Board Away Day on 28-29 September.</p>	
143/22	<p><u>SHPS DB and DC exit - OHG (Item 2.3)</u> CONF.</p> <p>The Board REVIEWED a report that set out the proposal for OHG to exit the Social Housing Pension Scheme ("SHPS"), (both Defined Benefit ("DB") and Defined Contribution ("DC")), at the end of the current financial year, (noting that this is likely to be communicated as occurring on 1 April 2023 in line with previous exits). Exiting from SHPS was in accordance with the pensions strategy that Riverside has been following for a number of years, which was to completely exit DB pension schemes wherever possible.</p> <p>The Board NOTED that The Pensions Trust ("TPT") did not permit an exit from SHPS DB without exiting SHPS DC at the same time. Therefore, the recommendation discussed by the Board was to exit from both schemes, with OHG's DC provider becoming Legal and General in line with TRGL.</p> <p>In response to a question around whether the current uncertainty in the economy, and particularly with pension funds, had an impact on the proposal being put forward, CAM confirmed it didn't. This was supported by GA who provided more context on the current pension fund issue along with the Bank of England interventions and explained how it would not impact the proposal being put forward here.</p>	

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	<p>The Board noted that the decision to exit was not entirely TRGL/OHG's and that the trustees of the TPT also had to be convinced of the covenant strength of OHG before it could go ahead. A meeting with TPT was due to take place before the next Board meeting and CAM would provide a further verbal update at the December Board meeting.</p> <p>The Board also recognised that if the estimated exit fee was to exceed £5m the decision whether or not to exit would be brought back to the Board. CAM confirmed that if a decision was taken at that point not to exit, it was likely that TPT's fees, referred to in the report, would still need to be paid.</p> <p>The Board:</p> <ul style="list-style-type: none"> • APPROVED the exit of SHPS DB and DC, subject to the exit debt payable not being in excess of £5m (beyond which further approval from the Board would be required); • DELEGATED AUTHORITY to any two members of the Executive team (one of whom must be either the Group CEO or Group CFO) to make the final decision to exit SHPS in March 2023 when updated exit costs are known (up to £5m, beyond which, further approval must be sought from the Board); and • DELEGATED AUTHORITY to those holding Power of Attorney at the relevant time to execute all required legal documentation (including the execution of any Deeds that might be required) to exit SHPS DB and DC across March and April 2023 (or later as the case might be), in the forms as required at the time of signing. 	<p>CAM</p>
144/22	<p><u>Neighbourhoods Matter – Runcorn Regeneration Programme (Item 2.4)</u></p> <p>The Board received an update report in relation to the Runcorn Regeneration scheme, noting the report had also been to DIAP and GDC. An update was provided on both the master planning and the position on funding the programme. [REDACTED]</p> <p>[REDACTED]</p> <p>The Board also noted an update around the planning process and likely timescales, with the possibility of drawing up a Planning Performance Agreement, (PPA) with the local authority. The Board noted that the aim was to submit planning permission in February with an approval decision hoped for in July and a start on site in Quarter 3. The Board discussed the merits of the PPA and the need to keep a keen eye on financial</p>	

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	<p>viability of the future phasing, particularly in light of the current inflationary environment.</p> <p>The Board NOTED the report and the updates provided.</p>	
145/22	<p><u>ORP – Mid-year (P5) Strategic Performance Report - 2022/23 (Item 2.5)</u></p> <p>CMM introduced the report, setting out a summary of the progress made against both KPI's and objectives in the context of the current operating environment and challenges. The Board noted that performance had been heavily impacted by Covid19 and the other factors contained in the report, and that a significant number of the 23 KPI's were below target. Responding to a question from the Board PN confirmed that Riverside would get closer to some of the KPI's by the financial year end but not on all, for example the expectation was that the KPI's around Voids and Arrears would finish below target.</p> <p>The Board also challenged the results around digital participation and in response CMM highlighted some of the recent investment made into digital. PN also informed the Board that Riverside had taken further positive action on this and had recruited a new Head of Digital who was investigating the reasons why performance against the KPI target was not where it should be and the intention was to bring a report following this review to the CEC who had already raised the question of digital participation at their last meeting and were keen to look at the issue in further detail. It was agreed that a further report would also be brought back to the Board following this “deep dive” into digital participation.</p> <p>The results against high-risk actions were also challenged by the Board and IG explained that the reason the outstanding actions looked higher was explained by a specific national issue around fire doors availability which was largely out of Riversides control, but it was being closely monitored.</p> <p>The Board NOTED the report.</p>	PN
146/22	<p><u>Quarterly Treasury Report (Item 2.6)</u></p> <p>CAM presented the Quarterly Treasury Report setting out the key treasury matters arising in the quarter to 30 June 2022, with the Board noting progress against the Treasury Strategy and the work completed on the OHG asset portfolio. The Board also noted that testing of interest cover, assuming an EBITDA-MRI methodology remained Riverside's tightest performance measure and was being monitored closely. The Board also received an update in relation to the asset disposal to Housing Solutions, noting that the intention was for exchange late October and completion in January. The Board also considered the potential impacts and subsequent mitigations around OHG covenant performance if the strategic asset disposal did not proceed as planned.</p> <p>CAM also confirmed that offers had been received for bridging facilities from key lenders to the Group, providing access to liquidity from the capital markets and flexibility over when the decision to issue could be</p>	

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	<p>taken, with the Board noting this was important given the current volatile market conditions.</p> <p>After the Board received an update from CAM in relation to recruitment into the treasury team, and CC confirmed that the OHG were keeping the banking covenant position under close scrutiny, TA wanted to thank colleagues on the progress that had been made through the last quarter.</p> <p>The Board NOTED the Quarterly Treasury Report.</p>	
147/22	<p><u>Combined Risk Register (Item 3.1) CONF.</u></p> <p>The Board received the paper on the Combined Risk Register from CMM, noting that the Register had been reviewed by Executive Directors and was a standing item at each meeting of TRGL Board and Group Audit Committee. CMM took the Board through the main changes to the Register, particularly the risk scores that had been updated since the last version was considered with the Board. The Board recognized that it was a “living document”, particularly in the rapidly changing economic and political environment.</p> <p>The Board also discussed business continuity plans for any energy shortage/blackout issues which might occur over the winter, noting that plans were in place for localised issues, which included back up and emergency supplies. It was also noted that the head office was located on a part of the network which included the airport and one of the main ambulance centres so was in an area which was less likely to be impacted should any issues arise. JG provided further information around planning for any issues customers experienced, including those in schemes which only had an electricity supply and TB provided some additional information to Board about accelerated progress on transferring data to third party data providers where back up power was part of the contractual arrangements.</p> <p>The Board spent some time discussing risk R4 and fire safety in light of some of the supply chain issues discussed earlier and questioned whether the risk was recorded at the right level. Ian provided some additional context around the supply issues and in particular in relation to fire doors, and the Board noted the mitigations and actions in place to ensure customer safety. SS confirmed that these issues were also comprehensively discussed at CEC. OL also added her direct experience as a customer confirming she had a property with fire safety doors and she was confident that they were compliant and that she felt safe in her home.</p> <p>CMM concluded the discussion by making the Board aware that the Group was conscious of the rising Covid19 rates and was implementing changes to some HR practices to minimize the impact on staffing, including accelerating on-boarding practices for new colleagues joining the Group.</p>	

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	The Board REVIEWED the Risk Register and NOTED the changes	
148/22	<p><u>Minutes of Previous Meeting (Item 3.2)</u></p> <p>The minutes of the meetings held on 14 July and 20 September 2022 were APPROVED as an accurate record.</p>	
149/22	<p><u>Matters Arising from Previous Meeting (Item 3.3)</u></p> <p>OL informed the Board that in relation to action 108/22, she was due to have a conversation with colleagues around the new online recruitment process.</p> <p>The updates provided on Matters Arising from previous meetings were NOTED.</p>	
150/22	<p><u>Written Resolutions and Chair's Actions (Item 3.4) (CONF.)</u></p> <p>Decisions taken via Chair's delegated authority and Written Resolution since the Board last met were NOTED.</p>	
	NB: The Board took a short comfort break at this point in the meeting.	
151/22	<p><u>Asset and Liability Register Update (Item 3.5)</u></p> <p>SS presented the paper on the ALR to the Board. The Board noted the appointment of the new Group Head of Corporate Compliance and Risk and how overall responsibility for Group wide compliance was moving to his team. The Board also noted that the ALR was considered by the Executive Team and by GAC before being reported to Board, and that both were assured the ALR was thorough, accurate and up to date, with all named ALR leads having reviewed and confirmed compliance.</p> <p>The Board specifically requested additional information around the JV's in relation to the ALR and SS provided the Board with assurance around JV reporting and visibility to the Executive team and reporting via GDC and GAC.</p> <p>The Board:</p> <ul style="list-style-type: none"> • NOTED that the Group Audit Committee receive and scrutinise a quarterly update report on the ALR, with the last report in September 2022 • NOTED the ALR Dashboard Summary at Appendix 1 and that all named leads had reviewed their ALR sites, that all documents were up to date and that Riverside has an accurate and up to date ALR in compliance with the Regulators expectations. 	
152/22	<p><u>NHF Code of Conduct 2022 (Item 3.6)</u></p> <p>SS presented the paper on the NHF Code of Conduct informing the Board that the previous Code adopted by the Group, had been replaced by the</p>	

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	<p>2022 Code of Conduct. The Board noted it was the intention that the Governance Team would be completing a review and gap analysis report in order that the Riverside Board could make a decision on whether to adopt the new Code</p> <p>The Board</p> <ul style="list-style-type: none"> • NOTED that the NHF had published a revised 2022 Code of Conduct • AGREED that the Governance Team should review the new Code of Conduct, complete a gap analysis on compliance with the new Code and report back to GRC to allow the Committee to decide whether to recommend adopting the NHF 2022 Code of Conduct to the Board of TRGL. 	
153/22	<p><u>Proposed Board meeting Schedule (Item 3.7)</u></p> <p>The Board reviewed a report that set out an update on the proposed meeting schedule for TRGL Board meetings from October 2022 through to March 2024. SS confirmed that Board members should cross check their diaries and if they had not already done so, accept the electronic meeting invitations in their diaries so the Governance team could see who had accepted, or alternatively alert the Governance team of any clashes or unavailability.</p> <p>TA reiterated the need for Board members to be present at the in-person meetings to avoid issues around technology as some of those meetings may take place in venues with inadequate facilities for Board members to join remotely.</p> <p>The Board also asked if it was possible for a full schedule of all Board and Committee meetings to be circulated.</p> <p>The Board REVIEWED and APPROVED the proposed meeting schedule through to March 2024.</p>	RJH
154/22	<p><u>Committee and Subsidiary Board Update (Item 4.1)</u></p> <p>The Chairs of the Committees where meetings had taken place since the last Board meeting provided updates. The following updates were given at the meeting:</p> <p>IF provided an update in relation to engagement with RCVE, on the CQC paper which might mean a change to the CQC inspection regime and reminded Board of the changes the Committee had requested to reporting generally to improve visibility on performance across the Group care and support activities. CAM explained that progress was being made on areas like profitability reporting but that there was still work to do to bring the operational finance functions across TRGL and OHG together.</p> <p>NH reported on GDC activity and despite being a relatively new Committee, and despite the economic and political turmoil within the development space, he confirmed the Committee was operating</p>	

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	<p>effectively. NH also confirmed that he was working alongside the Executive team to ensure the focus of the Committee was on receiving and reviewing the right reports to provide the correct levels of assurance under their terms of reference.</p> <p>CC provided an update on OHG Board noting in particular the recent EDI activities, the report on the Building Safety programme and the progress being made against the transition to 4C's reporting.</p> <p>SS updated the Board on the CEC activity. Board noted the update in relation to their away day and their review of Committee effectiveness. SS specifically brought to the Boards attention the discussion the Committee had had around IT downtime, the impact on the Customer Service Centre and the knock-on effect on Customer Service KPI's, particularly those around digital participation. Board noted the link to the action referred to under minute 145/22 and the report that would go to CEC and then be brought back to the Board.</p> <p>RP drew the Boards attention to 2 specific matters from the GAC. The first related to the robust discussions on the audited accounts and year end adjustments and the lessons learned work that CAM and her team would be working on with the Auditors. The second matter was around the risk discussion the Committee had had, specifically around organizational resilience in light of the challenging external environment.</p> <p>PD provided a short update in relation to the GRC activity, noting that the Committee was supported well by SSh and the Governance team. The Board noted the discussion that had taken place in relation to EDI KPI's and the approach the Committee had agreed to adopt.</p> <p>The Board NOTED the updates provided on the Committee and Subsidiary Board Activity for the period 14 June 2022 to date.</p>	
155/22	<p><u>Operational Performance Report (Item 4.2)</u></p> <p>IG provided the Board with an update on operational performance. With the Board noting the challenges referenced on the cash and colleague dashboards. JG provided additional commentary and narrative in relation to the care and support activity as set out in the report.</p> <p>The Board noted that the combined Riverside/One Housing dashboards for Customer, Cash Leakage & Colleague are in the final stages of sign off and will be included in the next report.</p> <p>PN also provided the Board with an update in relation to the work on arrears and the focus of the team on the controlled debt elements which removed the external factors out with Riverside control. TA and the Board agreed that they would like to see additional information around the actual figures around controlled debt and its relationship to overall arrears, they agreed it would also be good to have some comparators if possible, so the Board could understand what "good" looked like in this context.</p>	<p>IG</p> <p>PN</p>

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	The Board NOTED the contents of the August 2022 Executive KPI dashboards.	
156/22	<p><u>Financial Performance Update (Item 4.3) CONF.</u></p> <p>Cris presented the financial performance report with the Board noting that some of the figures were those that had been presented at the recent Board strategy event. The Board also received an update from Cris in relation to the half year financial performance.</p> <p>The Board noted the position in relation to the limited covenant headroom for OHG and that if the OHG risks referred to in the report fully materialised, that may significantly reduce that already limited covenant headroom.</p> <p>RP asked about planning for the uncertain economic future and the potential for rent caps and how that might impact on the Group activities, particularly on areas like the investment programme, care and support, maintenance activity and sustainability. CAM replied by confirming that this work would be presented to the Board through the budget planning and approvals process.</p> <p>The Board NOTED</p> <ul style="list-style-type: none"> • the Financial Performance Report, in particular the eight red Early Warning Signs in section 1 and Appendix 2. • The Risks and Opportunities in Appendix 5 and 6 of the report. 	
157/22	<p><u>CQC services annual update (Item 4.4)</u></p> <p>JG presented the annual update on CQC services to the Board, with the Board recognizing that the report and the format were a requirement of the CQC standards in terms of supplying an annual update, therefore the content reflected the key components as required under the fundamental standards. The Board noted that all services were registered as “Good” and JG provided the Board with some sector context around ratings. JG also drew the Boards attention to the collaborative working of colleagues across TRGL and OHG preparing for the new CQC inspection process. The Board also noted the financial performance data contained within the report.</p> <p>The Board NOTED the report that gave an annual update on the Riverside Care Quality Commission (CQC) Registered Care services.</p>	
158/22	<p><u>Any Other Business (Item 5)</u></p> <p>There were no matters of AOB raised.</p>	
159/22	<p><u>Chair’s Summary (Item 6)</u></p> <p>The Chair thanked report authors and members for contributing to the discussions on the reports.</p>	

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160/22	<u>Date of Next Meeting – 14/15 December 2022 (Item 7)</u> The date of the next scheduled meeting was noted.	
161/22	<u>People Strategy/Values Session at 2pm (Item 8)</u>	
	There being no further business the meeting was closed.	

Signed:

Terrie Alafat, TRGL Board (Chair)

Date