



Meeting Minutes

Board/Committee:	The Riverside Group Ltd Board (the "Board")		
Date and time:	10am 26 January 2023		
Location:	Via Teams		
Present:	• Terrie Alafat	(TA)	Chair
	• Pauline Davis	(PD)	Vice Chair
	• Goi Ashmore	(GA)	Board Member
	• Nigel Holland	(NH)	Board Member
	• Erfana Mahmood	(EM)	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:	• Brian Chiyama	(BC)	Tenant Observer
	• Tony Blows	(TB)	Group Chief Information Officer
	• John Glenton	(JG)	Executive Director Care and Support Services
	• Ian Gregg	(IG)	Executive Director Asset Services
	• Richard Hill	(RH)	CEO of One Housing Group
	• Cris McGuinness	(CAM)	Group Chief Financial Officer
	• Patrick New	(PN)	Executive Director Customer Service
	• Sara Shanab	(SSh)	Group Director of Governance and General Counsel
	• Russell Hall	(RJH)	Head of Governance (TRGL)
	• Bruce Lister	(BL)	Managing Director, Compendium Living
	• Iain Hardman	(IH)	Director of Building Safety (TRGL)
	• Kate Henderson	(KH)	Head of Strategy and Planning (TRGL)
Apologies:			
	• Caroline Corby	(CC)	Vice Chair
	• Ingrid Fife	(IF)	Board Member

Min Ref:	Agenda Item	Action
006/23	<p><u>Apologies for Absence (Item 1.1)</u> VERBAL</p> <p>There were apologies received from Caroline Corby and Ingrid Fife.</p>	
007/23	<p><u>Declarations of Interest (Item 1.2)</u> VERBAL</p> <p>There were no declarations of interest made.</p>	
008/23	<p><u>Chair's Matters (Item 1.3)</u> VERBAL</p> <p>The Chair opened by thanking colleagues for the recent Governance Masterclass that had been well received by Board and Committee members. The Chair then outlined for the Board the key discussion items on the agenda for the meeting, including the report on the Better Social Housing Review and the Budget paper and informed the Board that RH would be providing the Board with an update on the Housing Solutions transaction and on the Victoria Quarter development, both of which had recently been discussed at the OHG Board.</p> <p>The Chair then provided the Board members with an update in relation to a new initiative being launched by the NHF called the "Chairs Challenge", which involved a public commitment to take the Board on a journey to understand how diverse and inclusive they are and to develop a vision for the future. SS confirmed that a paper would be going to the next GRC meeting but that the Chairs Challenge would sit alongside the Groups revised EDI strategy and the commitment made to focus on EDI in future Board recruitment. The Board also noted the update from the Chair on recent housing and sector related events she had attended.</p> <p>RH then provided the Board with an update in relation to the Housing Solutions transaction confirming that contracts were exchanged on 20th January, with completion set for 20th March. RH then outlined the two key risks remaining and the mitigations in place for those risks. The Board also received an update on the Victoria Quarter scheme, with RH explaining the complications obtaining planning permission and the outcome of the Judicial Review process. The Board noted the negotiations and work ongoing to find alternative solutions but also noted the need for an impairment review to be carried out and that the OHG Board had asked that colleagues look again at lessons learned around the Victoria Quarter scheme. NH offered to share his thoughts on the matter offline to RH.</p> <p>The Board NOTED the Chair's matters</p>	
009/23	<p><u>Customer Story (Item 1.4)</u> PRESENTATION</p> <p>The Board received the positive customer story relating to the help a customer with disabilities and his family had received from an Aids and Adaptations Officer and Housing Officer. The story was well received by the Board, and it was agreed that the presentation slides would be shared with Board members.</p>	RJH

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	The Board NOTED the customer story.	
010/23	<p data-bbox="300 376 954 409"><u>Chief Executive Officer's Report (Item 2.1) CONF.</u></p> <div data-bbox="300 443 1241 790" style="background-color: black; width: 100%; height: 155px; margin-bottom: 10px;"></div> <div data-bbox="300 813 1241 1227" style="background-color: black; width: 100%; height: 185px; margin-bottom: 10px;"></div> <p data-bbox="300 1249 1241 1317">Carol then updated the Board in relation to the loss of the recent telecare tender with Liverpool City Council.</p> <div data-bbox="300 1283 1241 1462" style="background-color: black; width: 100%; height: 80px;"></div> <p data-bbox="300 1485 1034 1518">The Board NOTED the Chief Executive Officer's Report.</p>	
011/23	<p data-bbox="300 1552 826 1585"><u>Better Social Housing Review (Item 2.2)</u></p> <p data-bbox="300 1619 1241 1955">KH presented the report that provided an overview of the Better Social Housing Review, which was a joint review carried out by the CiH and NHF focusing on the quality of social housing. The report made 7 key recommendations and KH reported that an initial assessment of the Riverside Group against those 7 recommendations placed the Group in a strong position. The Board noted the next steps referred to by KH and the intention that the Group would continue to work closely with the CiH and the NHF as their work on the recommendations progressed, potentially considering putting itself forward as a case study pathfinder organization.</p>	

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	<p>The Board discussed the report in detail and reflected on the need to continue to focus on the delivery of core services to customers even if that meant scaling back on some aspirational activity within the Group. The Board recognised that these discussions would continue to be discussed in the next item on Group Budget setting.</p> <p>The Board NOTED the Better Social Housing Review.</p>	
012/23	<p><u>Group Budget 2023/24 (Item 2.3) CONF.</u></p> <p>The Board received the report to present the Group Budget for 2023/24. CAM set out the key elements of the operating and economic environment by way of background and setting the scene for the budget discussion. CAM also provided the Board with background on the work done by senior colleagues to try and improve the budget position from the first draft produced in December, having recognised that over £23m of revenue savings had been driven out of the overall Group cost base. The Board noted that despite these savings, given the impact of various factors, including the rent and service charge cap, rising inflation and the rising energy prices, the £23m savings would deliver a budgeted operating margin of circa £17.1%. It was important to now consider, given the challenging operating environment, whether the Group's Operating Margin Golden Rule of 18% was still set at an appropriate level. CAM informed the Board that the Executive Team believed, in order to create some headroom between the Budget and the Operating Margin Golden Rule, it should now be set at 15%.</p> <p>The Board discussed the paper and the budget position at length, noting the challenges the Group and the wider sector faced, before discussing the core areas and services which needed to remain a key focus in the budget and those aspirational areas which might realistically need to be removed from the business plan in the short term. The Board also recognised those business areas which might return a lower margin, but which remained core to the delivery of the Group strategy. The Board also reflected on the discussions held at the strategy day which had focused on the "red lines" for the Group where delivery of services would not be compromised. The need to invest further in tackling complaints and improve complaints handling was also considered to be important by the Board.</p> <p>Whilst the Board recognised the importance of the financial Golden Rules, they asked whether the Group should consider setting some Golden Rules which focused more on operational aspects for example addressing the quality of homes, communities and services and whether any operational Golden Rules might help the Board in making investment decisions. It was agreed that the Exec Team would take this away to consider further.</p> <p>The Board:</p> <ul style="list-style-type: none"> • NOTED the contents of this Report. 	<p>Exec Team</p>

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	<ul style="list-style-type: none"> • APPROVED the change to the Operating Margin Golden Rule with a proposal to bring a wider Golden Rules review as part of the Business Planning approvals; and • APPROVED the 2023/24 Budget; and • APPROVED the minor changes to the Rent Setting Guidance set out in Section 16 and Appendix 5 	
013/23	<p><u>TRGL/OHG Integration & ToE Update (Item 2.4)</u> CONF.</p> <p>The Board received the TRGL/OHG Integration & ToE Update on progress in taking forward the Transfer of Engagements between OHG and TRGL, and on the broader process of integrating One Housing Group into the Riverside Group. RH informed the Board that a lot of work was ongoing to ensure the ToE would be completed on time, with the steering group meeting weekly and the wider project group also meeting regularly.</p> <p>RH provided an update on Communications with customers colleagues and other stakeholders, updated on progress with the project plan and then focused on merger integration matters with the Board noting the significant decision taken to adopt Salesforce as the common CRM system across the Group. In responding to questions from the Board around the impact of the ToE on the work being completed by the auditors, CAM confirmed that the auditors were aware of the ToE plans, and it was not uncommon for organisations within the sector to complete transactions of this nature for year-end so this shouldn't present any problems for BDO and their audit work.</p> <p>The Board:</p> <ul style="list-style-type: none"> • NOTED progress on the Transfer of Engagements • NOTED broader progress on merger integration. • NOTED that regular updates will continue to be provided to the TRGL Board, and the OHG Board, throughout the transition process. 	
014/23	<p><u>Compendium Living Business Plan 2023/24 (Item 2.5)</u> CONF.</p> <p>BL presented the report that set out the two-year business plan with ten-year projections (up to 2033), for the Compendium group of companies which trade as Compendium Living. In accordance with the terms of the agreement under which Compendium was established in 2005, annual shareholder approval was now required to the company's business plan. The Board noted the ten-year business plan reflected actual and forecast activity for the current year (2022) and set out future year plans in the context of current and anticipated market conditions, BL set out some of the detail within the plan with the Board noting the work done on stress testing, addressing risk and considering the mitigations to address risk.</p> <p>The Board noted that the plan had been approved by the Executive Directors and had been to GDC who had recommended it for approval by Board.</p> <p>The Board APPROVED the proposed business plan.</p>	

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015/23	<p><u>People Plan Update H1 22/23 (Item 2.6)</u></p> <p>The Board received a report that set out what had been delivered within the People Plan for the first half of 22/23 against the plan agreed and detailed within the appendices. People metrics used were as of Sep 2023, due to some challenges with data mapping which had been shared with board members recently. Board members noted that colleagues were also developing a joint TRG/OHG People Plan for the next three years which was to be approved by the Executive Directors and would then be presented to Board for approval.</p> <p>In terms of the RAG rating against the activities set out in the report, the Board recognised a lot of green compliance and JG took the Board through some of the areas highlighted as red, giving the Board some further context.</p> <p>The Board NOTED the report and progress for first half of financial year.</p>	
016/23	<p><u>Health, Safety, Environmental and Business Continuity Annual Report 2022 (Item 3.1)</u></p> <p>The Board received the Health, Safety, Environmental and Business Continuity Annual Report 2022 which provided assurance that HSE performance and risk management continued in a positive direction evident in the year-on-year reduction of major/RIDDOR incidents reported. The Board also noted the continued and improved incident reporting generally. The Board heard that the external accreditation around the Group HSE Management Framework, provided by ISO 45001, had been retained for a second year and that ISO 14001 (addressing Environmental Management) had also been achieved.</p> <p>IG provided the Board with an update in relation to H&S risk management which continued to mature, with the Group's H&S risk register giving greater visibility over key risks, risk controls and risk indicators.</p> <p>Board members also noted that the Group business continuity capability continued to mature with robust and effective plans in place to ensure the Group could maintain services in a time of crises.</p> <p>The Board noted the changes in approach to damp and mould and the increase in reporting following the Group comms to colleagues along with the publicity surrounding the death of Awab Ishak. IG confirmed the increase in reporting was positive and that this was an area of scrutiny within the Safety First Group.</p> <p>The Board members concluded their discussion on the report by reflecting on the changing environment and the move to alternative heating systems, including air/ground source heat pumps and how this might impact on H&S responsibilities in the future.</p>	

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	The Board NOTED the Health, Safety, Environmental and Business Continuity Annual Report 2022	
017/23	<p><u>Annual Building safety Report 2022 (Item 3.2)</u></p> <p>The Board was provided with the annual report on building safety noting that the Group had continued to embed the Building Safety Framework and developed new strategic priorities. The Board noted the significant change in risk profile following the merger with OHG, in particular the increased number of tall buildings, and the changes to the approach to risk following the merger.</p> <p>IG explained how the Group had reduced its risks through completion of circa 78,000 statutory and regulatory inspections, identified and completed over 10,400 remedial actions from those inspections and completed over 16,700 Building Safety inspections and actioned over 25,000 hazards with an overall investment in customer safety of circa £29m.</p> <p>The Board also heard that additional insight from customers was being provided by new customer transactional surveys. The Board noted the new legislation coming into force later in 2023 and also noted that a number of independent audits had been completed on Riversides approach to Building Safety which provided additional assurance.</p> <p>The Board discussed the changes which would be forthcoming with the introduction of the new Building Safety Regulator before again touching on the issues around damp and mould and specifically around the Awab Ishak case and the challenges which had been presented in that particular scenario with language differences. IG was able to provide some of the practical solutions the Group implemented to handle similar practical challenging situations which provided assurance to the Board.</p> <p>In response to questions IG also provided further clarification to the Board around the third-party Assurance Assessments at Appendix 2, providing some context around industry standards which provided further assurance to the Board.</p> <p>The Board REVIEWED the Annual Building safety Report 2022</p>	
018/23	<p><u>Combined Risk Register (Item 3.3) CONF.</u></p> <p>The Board received the paper on the Combined Risk Register from CMM. The significant changes were highlighted since the register was last reported to Board, which included the continued focus on damp and mould, the current economic challenges and the impact on both customers and the Group and the ongoing ToE work.</p> <p>The Board REVIEWED the Risk Register and NOTED the changes</p>	
019/23	<u>Minutes of Previous Meeting (Item 3.4)</u>	

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	The minutes of the meetings held on 15 December 2022 and 12 January 2023 were APPROVED as an accurate record.	
020/23	<p><u>Matters Arising from Previous Meeting (Item 3.5)</u></p> <p>The updates provided on Matters Arising from previous meetings were NOTED.</p>	
021/23	<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 and who were present in the meeting provided brief updates. The following updates were given at the meeting:</p> <ul style="list-style-type: none"> • PN commented on the meeting of Riverside Scotland, focusing on the, “big conversation” which had taken place and customer feedback. PN then updated the Board on the actions flowing from that feedback. The Board also noted that the Riverside Scotland meeting was to be held that evening and one of the key items for approval was to agree the rent increase for 2023. PN also provided the Board with an update on Riverside Scotland’s access to Foundation funding. • A short update was provided on the activity from the GRC with Board noting the succession planning update, the update on the Code of Conduct and CiH membership in particular. • BC gave a short update on RCVE, noting there were no concerns at present • SS provided an update on the CEC meeting with the Board noting the detailed summary provided in the Update paper. Key areas of focus remained the call centre and complaints handling, and damp and mould was an area for future scrutiny. • RH provided an update on OHG confirming the Board had agreed the 23/24 budget and that the Baycroft transaction had progressed into heads of terms. In response to a query from the last Board meeting RH also confirmed that in terms of Helping Hands funding for OHG customers the position had significantly improved from when it had been reported in December. <p>The Board NOTED the updates provided on the Committee and Subsidiary Board Activity for the period 30 November 2022 to date.</p>	
022/23	<p><u>Operational Performance Report (Item 4.2)</u></p> <p>IG provided the Board with an update on operational performance, confirming to the Board that there would be a revised and improved format for the next round of reporting.</p> <p>Performance against the key KPI’s was considered by the Board with the report splitting out Riverside and OHG performance as well as a combined Group version. IG took the Board through some of the key highlights from the Dashboard with the Board noted the ongoing challenges getting the Riverside colleague dashboard into the report.</p>	

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	<p>The Board queried the data provided on complaints, in particular wanting to understand whether the complaints as a percentage of households was comparable with peer organisations and PN agreed to take this away and try to establish some benchmarking data. SS confirmed to the Board that the CEC also received this data and considered it in detail and would be getting an update on certain KPI's including the data presented on the high-risk overdue actions KPI and further context around the figures reported.</p> <p>The Board NOTED the contents of the November 2022 Executive KPI dashboards.</p>	<p>PN</p>
023/23	<p><u>Financial Performance Update (Item 4.3) CONF.</u></p> <p>CAM presented the financial performance report to the Board as at Period Eight of the Financial Year. The key highlights included</p> <p>The Board noted that in relation to the overall performance of the Group, YTD operating margin was 1.7% adverse to Forecast but YTD Net Margin was 1.7% favourable to Forecast. Riversides operating surplus was £50.51m which was £2.03 favourable to Q2F. Net surplus was £27.69m which was £2.23m favourable to Q2F. the Board also noted the position for OHG. Overall potential impact of risks and opportunities for Riverside and OHG were discussed with the Board noting the overall combined opportunity from a consolidated group position. The Board also noted in particular the 6 red early warning signs contained within the report.</p> <p>The Board:</p> <ul style="list-style-type: none"> • NOTED the report, in particular the six red Early Warning Signs in Section One and Appendix 2. • NOTED the Risks and Opportunities in Appendix 5 and 6. 	
024/23	<p><u>Quarterly Treasury report (Item 4.4)</u></p> <p>The Board received the report that provided an update, via the Group Treasury Committee, as to key treasury matters arising over the quarter ended 30 September 2022. This report incorporated information regarding key treasury developments since the previous report to the Board.</p> <p>CA provided the Board with some additional thoughts on the current position before the Board noted its thanks to Emma Turner and her team for all the hard work to date.</p> <p>The Board NOTED the Quarterly Treasury report.</p>	
025/23	<p><u>Quarterly Development Update (Item 4.5)</u></p> <p>The Board received the report that provided a summary of the development activity across The Riverside Group Limited for the quarter</p>	

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	<p>ended 31st December 2022. The Board noted that this report had also been reviewed by Group Development Committee. The Board noted that the report did not intend to replace the monthly reporting via the Development and Investment Appraisal Panel (“DIAP”) but was intended to summarise and complement that reporting. The Board also noted that the report had been to GDC.</p> <p>CAM provided the Board with an update around customer satisfaction levels which were at 87% for TRGL and performance on defects sitting at 62% completed in target and Board noted that complaints regarding TRGL development had been on a steady decline with circa 3 per month during 2022.</p> <p>Within TRGL 554 new homes had been completed in the first 9 months of the year, only 13 down on target and broadly in line with business plan assumptions on cost. In OHG 64 homes had been completed over the same period against a target of 99.</p> <p>The Board NOTED the Quarterly Development Update.</p>	
026/23	<p><u>Customer Satisfaction Improvement Plan Update (Item 4.6)</u></p> <p>The Board received the report that provided members with a progress update on the key activities included within the Customer Satisfaction Improvement Plan 2022/23 and drew attention to the recently published research that has been completed by the Department for Levelling Up, Housing and Communities (DLUHC) into customer satisfaction across the sector.</p> <p>PN explained that the CEC reviewed the plan and progress at every other meeting. The plan is driven by customer insight and focuses on the four key themes of customer dissatisfaction which were set out in the report. PN confirmed that additional context was provided by including results from the recently published DLUHC customer satisfaction research and compares those results with results from TRGL, which show TRGL compares favourably to the wider sector results, with positive trends in most areas.</p> <p>The Board NOTED the Customer Satisfaction Improvement Plan Update.</p>	
027/23	<p><u>Any Other Business (Item 5)</u></p> <p>There were no matters of AOB.</p>	
028/23	<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, noting that the papers allowed the Board members to focus many of the discussions on the Group’s core purpose and on customers</p>	
029/23	<p><u>Date of Next Meeting – 15/16 March 2023 (In Person London) (Item 7)</u></p>	

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	The date of the next scheduled meeting was noted, albeit the Board recognised that the intention for it to be in person may be dependent on matters like the rail strikes	
	There being no further business the meeting was closed.	

Signed:

Terrie Alafat, TRGL Board (Chair)

Date