

THE RIVERSIDE GROUP LIMITED

RIVERSIDE SCOTLAND

Two Hundred and Forty Fourth Meeting of the Board held at 5.30 p.m. on Thursday 19 August 2021 at the Riverside Lodge Hotel, Irvine.

Minutes

Present:

Mr D. McEachran (In the Chair), Mrs M. Burgess, Mr G. Darroch, Mrs J. Galbraith, Mr R. Hill and Mr J. Strang

In attendance were: Mr P. Hillard, Mrs H. Anderson, Mrs D. Boyle, Mr S. Easton, Ms F. Fox, Mrs M. Hutchinson, Ms S. Petrie and Mr S. Stewart

Apologies for Absence

Mrs M. Crearie, Mrs J. Murray and Ms C. McGuinness

Declarations of Interests

No Declarations were made.

1. Preliminaries

The Chair welcomed Mr S. Easton, Ms F. Fox, Ms S. Petrie and Mr S. Stewart to the meeting and introductions were made to the Board and Executive Staff Team.

2. Apologies for Absence

Apologies for absence were received from Mrs M. Crearie, Mrs J. Murray and Ms C. McGuinness.

3. Declarations of Interest

There were no declarations of interest made in relation to the papers presented.

4. **Minutes of Previous Meeting – 243rd Board Meeting held on 30 June 2021**

The minutes of the 243rd Board Meeting held on 30 June 2021 were **APPROVED** as an accurate record.

5. **Matters Arising from the Previous Minutes**

243rd Board Meeting - Minute 20 – Managing Director’s Report

Mr P. Hillard advised that the branding change had been implemented on 26 July 2021 and the Association was now being referred to Riverside Scotland within the sector, with positive feedback generally being received and an article being featured in the news. The Board noted that correspondence had also been received from two customers, who were also shareholding members, with negative feedback regarding the change which had both been responded to. One customer had requested time to ask questions on the matter at the Annual General Meeting. After discussion, the Board agreed that, whilst this would not be part of the formal business to be considered at the Annual General Meeting, a discussion session should be arranged directly after the Meeting to give shareholders the opportunity to have any questions answered.

6. **Corporate Plan 2020 / 23 Update Report**

Mr P. Hillard reported that generally progress was being made against corporate objectives, although there had been some slippage in certain areas due to the nature of the Covid pandemic. Mr Hillard stated that the Association had tempered its ambition in first year of the Corporate Plan Delivery Plan in order to ensure it continued to deliver services to customers during the pandemic which had been the key priority for the year.

The Board commended the Executive Team on the progress made in the circumstances and thereafter noted the contents of the Corporate Delivery Plan Highlight and Milestone Reports.

7. **Managing Director Recruitment and Interim Arrangements**

Mr D. McEachran gave an update on the current recruitment process, advising that, following the recruitment panel interviews, the shortlisted candidates had been invited to the final stage interviews which would take place week commencing 6 September 2021. Mr McEachran

commented that the quality of candidates interviewed so far had been excellent.

After consideration, the Board:

- a) Approved the appointment of Morag Hutchinson as Interim Managing Director with effect from Monday 13 September 2021

[REDACTED]

- c) Noted the additional duties allocated as part of the Interim MD role.

The Board thanked Mr Hillard for his efforts over the previous 16 years. The strength of the organisation today as part of the Riverside Group had been due to Mr Hillard's efforts and the Executive Team he had built. He had been a credit to the organisation and would be sadly missed.

Mr Hillard thanked the Board for their comments and for their support over the years. In his first role as a Managing Director, he had always valued the Board and its governance of the organisation which was done on a voluntary basis, out of passion for the purpose of the organisation. He was confident that the organisation had a great future and was pleased to hear of the strength of candidates currently being considered for the Managing Director role.

8. **Nominations to the Board**

Mr P. Hillard advised that in accordance with the new Rules, the Board election process now included an additional stage which allowed the Board's consideration of all proposed nominations received.

The Board thereafter considered and agreed the proposed nominations to the Board at the Annual General Meeting.

9. **Rule 67 Statement by Secretary**

The Board noted the Company Secretary's formal statement in relation to Rule 67.

10. **Lift Safety Management Policy**

Mrs H. Anderson advised that the revised Policy formed part of the Association's suite of asset compliance policies which had been considered at the previous Board Meeting.

The Board noted that, although the Association did not currently have any lifts in its housing stock, it was considered appropriate to have a policy to ensure an understanding of the required safety management, given the Association's growth appetite and the potential to own flatted accommodation in the future.

The Board approved the revised Lift Safety Management Policy.

11. **Progress Reports on Development Projects**

Mr P. Hillard advised that the contractors at both the Tarryholme 2 and the Dundonald development sites had been experiencing supply chain issues for building materials, however, both had confirmed at this stage that they could still deliver the developments on time and within budget.

The Board noted the contractual process which would take place in circumstances which meant that there were delays to the projects and additional costs. Mr Hillard highlighted that due to both projects being design and build contracts, the risk of the effects of such issues was weighted more towards the contractors.

A discussion then took place on future business planning and the significant risk around the increased cost of new build development. The Board concurred that caution would be required when determining commitments in times when there was so much uncertainty around build costs.

The Board thereafter noted the update report on the Association's current development projects.

12. **Operational Performance Report**

Mrs H. Anderson reported on a decline in customer satisfaction during the period which was due to issues with the current repairs and maintenance contractor, [REDACTED]

[REDACTED] was impacting on service delivery to the Association and its customers. Mrs Anderson advised that the Asset Team were closely monitoring the service [REDACTED]

[REDACTED] The Board noted that staff would manage this issue as best they could with the contractor, however, it was unlikely that there would be any notable improvement in the service until the new repairs and maintenance contract began in April 2022. This would also mean a review of the timing of some planned maintenance works to ensure availability of tradesmen and that budgets for the year were appropriately utilised.

[REDACTED]

[REDACTED] The Board also agreed the importance of ensuring that the new repairs and maintenance service contract which commenced in April 2022 delivered real service improvements to the Association's customers. Mrs Anderson advised that, further to the appointment of the new contractor, there would be a clear mobilisation plan put in place, with customer care being a key priority.

Referring to the current arrears statistics, Mrs Anderson stated that there had been an increase in the arrears 4 week average, however, this was a slight improvement when compared to the previous year's trends. [REDACTED]

[REDACTED]

The Board noted that the new Income Collection service would be in place from September. This would mean that the Housing Officers could transition back to providing the front line service, rather than being purely devoted to arrears recovery. This transition and change to service provision would be closely monitored to ensure continuity of service.

In response to a query from Board, Mrs Anderson confirmed that housing staff were taking all the steps they could to progress certain cases towards eviction whilst the eviction ban remained in place. The Board noted the likelihood of significant numbers presenting as homeless when the eviction ban was lifted. Mrs Anderson reported that the Association had had to become more accepting of higher level arrears and staff were doing all they could to assist customers with advice and support during the current difficult times.

Mrs Anderson advised that the Scottish Government were currently in the process of setting up a Covid Arrears Fund. It was unclear at this stage whether the tenant or the landlord applied for the funding, however, the Association would closely monitor the introduction of this fund and seek to maximise the support available for its customers.

The Board noted the difficult balance which staff were having to maintain in being empathetic towards customers who were experiencing very difficult times, whilst also trying to ensure that the company maximised its only income stream. Where eviction was the only real option for some high level arrears cases, it was prudent to take the process as far as

possible to ensure they were promptly considered in court, given the likely delays as the courts worked their way through the high volumes of cases when the eviction ban was lifted.

The Board thereafter noted the content of the Operational Performance Report.

13. **Financial Performance Report**

Mrs M. Hutchinson reported on the reasons for the key variances between the budget and the Quarter 1 forecast. Officers were controlling costs where possible in order to offset adverse variances.

[REDACTED]

Mrs M. Hutchinson reported that the most significant risk continued to be the shortage of building materials and the potential for price increases and the increase in void turnaround times. Officers were closely monitoring these risks to ensure mitigation actions were taken if required.

The Board thereafter noted the content of the Financial Performance Report.

14. **MD Report**

The Board discussed the following points within the MD's Report:

a) **Bank Street Office**

[REDACTED]

[REDACTED]

[REDACTED]

Mr Hillard advised that it was currently planned that there would be no return to office working until at least October when it would be considered lower risk, given that the majority of staff would be double vaccinated.

[REDACTED]

b) New Working Arrangements

Mr Hillard advised the Board on the proposals for new working arrangements, which would include replacement of the current flexi-time system with a more flexible way of working for staff. These proposals would be subject to negotiation with staff through the trade union. In response to a query from Board, Mr Hillard confirmed that there would be a customer contact protocol put in place to ensure that customers were not contacted outwith the hours of 8.00 a.m. – 8.00 p.m. on weekdays and 10 a.m. and 4 p.m. at weekends. The Board noted that the customer contact centre would continue to deliver services 24 hours a day, 7 days a week.

c) Trade Union Recognition

[REDACTED]

d) Thistle Housing Services

The Board formally resolved that Mr P. Hillard be removed as a Director of Thistle Housing Services Ltd with immediate effect. Mr Hillard undertook to make the appropriate notifications.

e) External Audit Services

The Board noted that the proposed contract for Group-wide external audit services was currently being negotiated. In order to ensure that the Association’s Board formally approved the proposed external auditor for the year prior to the AGM, the Board agreed to delegate

authority to the Chair and the Chair of Audit & Risk Committee to make this decision.

f) Asset Services Risk

The Board discussed the combination of factors which were affecting and were likely to continue to impact the Association's asset services for the foreseeable future. Mrs H. Anderson undertook to manage customers' expectations by considering appropriate communications regarding any changes to service provision.

g) Housing First for Families Service

Mrs Anderson reported that the two new members of staff had begun building relationships through having initial introductory meetings with families who had been identified as requiring support and assistance. Officers were seeking to expedite the care inspectorate registration process which usually took 3-6 months.

The Board enquired on care qualification and insurance requirements. Mrs Anderson undertook to clarify the requirements and report back as appropriate.

After discussion, the Board noted the content of the MD Report.

15. Minutes/Updates

The Board noted the:

- a) Unconfirmed Audit & Risk Committee Meeting Minutes – 14 June 2021.
- b) Group Customer Experience Committee Meeting Minutes – 1 July 2021.

16. Any Other Business

a) Growth Strategy

Mr P. Hillard advised that Charing Cross Housing Association had recently advertised for expressions of interest for a potential partner.

[REDACTED]

Mr J. Strang declared an interest as former Interim Chief Executive of Charing Cross Housing Association.

b) Property Factoring Services

The Board enquired if the Association was aware of any additional requirements arising from the recently published revised Code of Conduct for Property Factors. Mrs Anderson advised that the Association had not received any notification as yet.

c) Role of Chair

The Board recognised that, given Mr D. McEachran would be retiring at the AGM, that this would be his last formal Board Meeting as Chair. Mr J. Strang paid tribute to Mr McEachran and thanked him for his support since he had joined the Board earlier in the year.

17. **Date of Next Meeting**

5.30 p.m. on Wednesday 22 September 2021 – Annual General Meeting
6.30 p.m. on Wednesday 22 September 2021 – Special Board Meeting

Both meetings at the Gales Hotel, Marine Drive, Irvine

P. Hillard
Secretary
20 August 2021
PH/db

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