

THE RIVERSIDE GROUP LIMITED

RIVERSIDE SCOTLAND

Two Hundred and Forty Fifth Meeting of the Board held at 5.30 p.m. on
Thursday 2 December 2021 via MS Teams.

Minutes

Present:

Mr J. Strang (In the Chair), Mrs M. Crearie, Mr R. Hill (From Item 10), Mr S. Easton, Ms F. Fox, Ms C. McGuinness, Mr T. McInnes, Mrs S. Petrie and Mr S. Stewart.

In attendance were: Mrs D. MacLean, Mrs H. Anderson, Mrs D. Boyle, Ms G. Gascoigne (Item 14), and Mrs M. Hutchinson.

Apologies for Absence

Mrs M. Burgess, Mr G. Darroch and Mrs J. Galbraith

Declarations of Interests

No Declarations were made.

1. Preliminaries

The Chair welcomed everyone 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. Burgess, Mr G. Darroch and Mrs J. Galbraith.

3. Declarations of Interest

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

4. **Minutes of Previous Meetings – 244rd Board Meeting held on 19 August 2021**

The minutes of the 244th Board Meeting held on 19 August 2021 were APPROVED as an accurate record on the proposal of Mrs M. Crearie, seconded by Ms McGuinness.

The minutes of Special Board Meeting held on 22 September 2021 were APPROVED as an accurate record on the proposal of Ms F. Fox, seconded by Ms M. Crearie.

The minutes of the Special Board Meeting held on 21 October 2021 were APPROVED as an accurate record on the proposal of Mr T. McInnes, seconded by Mrs S. Petrie.

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

There were no matters arising from the previous sets of minutes to report.

6. **Financial Plan**

Mrs M. Hutchinson advised that the Board were being asked to consider and give officers a steer on the financial planning assumptions in relation to the proposed rent increase, the operational budget and the long-term Financial Plan to be worked on. Board would thereafter consider and approve these matters formally at the January 2022 Board Meeting.

Mrs Hutchinson reported that customers had been consulted on a proposed rent increase range of 3.5% or 4.0% with initial feedback suggesting that 3.5% was the preferred option.

Mrs Hutchinson highlighted that due to the increase in CPI which was at 3.1% in September, and despite a projected increase of CPI+0.5% in the current Financial Plan, the annual budget had been based on a 3.1% rent increase, given concerns about affordability issues if this figure was increased. The Board thereafter noted the impact of the different rent increase options on the average rent, the average weekly rent and also the customers who continued to pay an additional supplement as part of the ongoing rent harmonisation process.

Mrs Hutchinson highlighted that given the CPI figure was continuing to increase, Board may wish to consider if the proposed 3.1% rent increase was appropriate or if a higher increase should be considered.

A discussion followed and Board expressed the view of trying to keep the rent increase as low as possible given the difficult financial circumstances that customers would be experiencing. The Board instructed officers to prepare the draft budget based on a rent increase of 3.1%, however, if it was possible for a lower again increase, whilst still making the Financial Plan work then this should also be considered.

Mrs Hutchinson advised on the significant increase in costs in the next financial year, a significant part of which would be the new repairs and maintenance contracts which would increase year on year in the Financial Plan and was an area of concern. The increased costs for programmed repairs and EESSH works contracts would also require additional spend in order to remain on track. The Board recognised the significant cost increases being experienced in the construction sector and for these cost increases to continue in the short to medium term.

Mrs Hutchinson, referring to the void and bad debt assumptions in the draft Financial Plan, stated that challenging targets had been set, however, they were based on the current year's performance and were currently considered achievable. She highlighted that the interest rate assumptions were based on Group's assumptions and that they applied to variable loan rates only, whereas the majority of the Association's loans were now fixed.

The Board thereafter INSTRUCTED officers to prepare the annual budget and Financial Plan based on the discussions in relation to the proposed rent increase.

7. **Chair's Action Procedure**

Mrs M. Hutchinson advised that following contact from the Scottish Housing Regulator regarding a possible misinterpretation of current guidance in relation to SHQS data reported in the ARC, it had come to light that the Association required to amend its submission. Due to the timescales involved in the re-submission of this data, the amended submission had been approved under the Chair's Action Procedure.

The Board thereafter NOTED the Chair's decision in relation to the submission of the ARC data correction.

8. **OSCR Annual Return**

Following consideration of the proposed Annual Return to OSCR, the Board APPROVED the on-line submission of the Return to OSCR.

9. **Loans – SONIA Transition**

Mrs M. Hutchinson advised on the changes which were required to loan documentation to reflect the move from using LIBOR, for the basis of the calculation of interest on loans, to SONIA by the end of the year. The Board noted that Group’s lawyers and the Association’s lawyers were advising on the production of the appropriate loan documentation.

[REDACTED]

Mrs Hutchinson advised that delegated authority was sought for the Authorised Signatories to execute the appropriate documentation to reflect these changes prior to 31 December 2021.

The Board NOTED the contents of the report and the Board Resolution at Appendix One and thereafter:

- APPROVED the Resolution as attached in full at Appendix One; and
- DELEGATED AUTHORITY to the usual list of Authorised Signatories for this loan to execute all legal documentation required to give effect to the transition of the Lloyds loans from LIBOR to SONIA as required.

10. **Board Member Recruitment**

Mrs M. Hutchinson advised on the proposed outline programme for the proposed Tenant Board Member Recruitment, with a social media campaign commencing in December, applications being invited during January, interviews being held during February and Board considering the successful candidate’s appointment to the Board at its meeting in March. The Board noted the proposed arrangements for agreeing a Recruitment Pack with the Chair.

Following discussion, the Board:

- a) AGREED that Officers should seek to recruit a further Tenant Member to the Board.
- b) APPROVED the proposed Tenant Board Member recruitment process.
- c) AGREED that the Chair should consider and agree the proposed membership of the Tenant Board Member Recruitment Panel.

Mr R. Hill joined the meeting.

11. **Complaints Policy**

Mrs H. Anderson advised that the revised Complaints Policy had been updated to take account of Group's recently updated Complaints Policy and also the Scottish Public Service Ombudsman's guidance.

Mrs Anderson highlighted the key changes to the Policy were reducing the response times for Stage 2 complaints, there being a greater focus on the lessons learned with a view to service improvement and complaints not being closed down until the customer was satisfied.

The Board enquired if the new target dates were viewed as achievable. Mrs Anderson confirmed she was comfortable with the target timescales set which were around acknowledging the complaint and keeping the customer informed.

The Board referred to the exclusions at section 3 of the Policy and enquired if officers were content that all matters referred to could be dealt with outwith the complaints process. Mrs Anderson confirmed she was content that these matters could be dealt with under other existing policies and procedures.

The Board thereafter APPROVED the revised Riverside Scotland Complaints Policy.

12. **Contract Tender Awards**

Mrs H. Anderson reported on the previous options appraisal carried out by Echelon which had driven the Association's approach to tendering the contracts presented, with the aim of achieving best value and improved service delivery. Mrs Anderson then advised on the tender evaluation process referring to the detailed evaluation reports presented. Subject to the contracts being approved, as part of the mobilisation process to begin the new service delivery from 1 April 2022, the integration process would commence early in the New Year and a steering group, including Group IT colleagues and the Asset Team had been set up.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Subject to clarification with the Procurement Team on the points raised by the Board and communication of the appropriate response, the Board APPROVED the tender awards for the following Contracts, which had a maximum term of up to 15 years (10 + 5):

Service and Supplier Name	[REDACTED]	[REDACTED]
Gas Servicing and Maintenance (Ayrshire) - James Frew	[REDACTED]	[REDACTED]
Gas Servicing and Maintenance (D&G) - James Frew	[REDACTED]	[REDACTED]
Responsive Repairs and Voids - Bell Group	[REDACTED]	[REDACTED]

13. **Progress Reports on Development Projects**

Mrs M. Hutchinson advised that the Tarryholme Phase 1 and Holmelea developments were currently in the defects liability period. The Association currently had 3 new build developments on site at Dundonald, Tarryholme Phase 2 and Monkton which would result in 190 new properties being available on completion.

The Board enquired if any common themes had been reported as part of the defects liability phases. The Board noted that there had been reports of drainage issues with the wet floors in the bungalows at the Tarryholme development and the length of time taken to resolve the

issue. Concerns were also being expressed by customers in relation to the levels of traffic entering and leaving the Tarryholme estate and potential impact the additional housing being built at Tarryhome 2 would have. Mrs H. Anderson undertook to report these matters to the Development Team.

The Board commented on the favourable press coverage in relation to the first handovers at the Dundonald development and encouraged the increased publication of good news stories.

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

14. **Income Collection Performance Report**

Ms G. Gascoigne joined the Meeting.

[REDACTED]

Ms G. Gascoigne reported that arrears levels had increased during the period, [REDACTED]

[REDACTED] Ms Gascoigne reported that the ban on evictions until September had now been lifted. The team would, however, exhaust all other avenues first, with eviction very much being a last resort action. Both teams were working closely together to seek to maximise the uptake of the housing grant scheme created by the Scottish Government to assist those in need. The Board noted that the removal of the £20 uplift to Universal Credit payments during the pandemic was also having an impact on arrears, as was the end to the furlough scheme and increasing energy costs.

[REDACTED]

Mrs Anderson confirmed that a key element of the service was tenancy sustainment. Any proposed eviction action would require ultimate sign-off by the Association's Managing Director, Mrs D. MacLean.

The Board requested that measures of success be developed in order for the Board to be able to track the progress towards achievement.

The Board concurred with the approach to avoid eviction action if at all possible, recognising this difficult decision-making process. Ms Gascoigne confirmed that everyone was treated on a case-by-case basis, with everyone's individual circumstances taken into account.

The Board commented that understanding the core reasons for customers getting into difficulty was key in order to align the service appropriately. Mrs Anderson advised that homelessness prevention was a key element as it was a statutory requirement to provide homes for homeless households. It was therefore more effective to support customers to sustain their tenancies in order to prevent a "revolving door" scenario. Ms Gascoigne stated that early intervention and support were essential elements of service delivery and elaborated on the planned customer tailored approach to early interaction by the Income Collection team and the agreed stages of handover to the Housing team in order to link in with other support networks and to deal with the more complex cases, where face to face contact and customer relationship management was required.

The Board thereafter NOTED the content of the Income Collection Performance Report.

Ms G. Gascoigne left the Meeting.

15. **Operational Performance Report**

Mrs H. Anderson reported that customer satisfaction levels had reduced in the period and since the beginning of the financial year when the impact of customer welfare calls had seen an increase in satisfaction levels. Since the Association had returned to normal service delivery, customer expectations had increased. Officers were now working through the actions identified in the Customer Plan.

The Board noted the current actions which were being progressed such as the annual customer contact calls by housing staff and training for customer service staff in relation to first contact resolution. Mrs Anderson stated that the training on trauma informed practice was also being rolled-out in order to understand certain behaviours and be able to appropriately tailor services to customers' needs.

Mrs Anderson advised that the repairs and maintenance service was a key driver of customer satisfaction [REDACTED]

[REDACTED] Close monitoring by the Asset Team and liaison with the contractor was helping to address some of these issues. The Board suggested that appropriate

communications with customers advising of the future transition of the repairs and maintenance contractor in order to mitigate any further impact on satisfaction levels. Mrs Anderson confirmed that she was working with the marketing team to keep customers informed as appropriate.

Mrs Anderson also reported on an improved performance on relet days due to the removal of the additional day required for deep cleans. In response to a query from the Board, Mrs Anderson confirmed that deep cleans would be re-instated should government guidance change again.

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

16. **Financial Performance Report**

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The Board noted that the Association's covenants remained fully compliant.

Mrs Hutchinson highlighted that the biggest risk for the Association currently related to Asset Services, where price increases and a shortage of materials could impact its ability to deliver planned works.

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

17. **Repairs and Maintenance Service – Risk Mitigation**

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Board thereafter NOTED the planned actions to be implemented by the Senior Management Team to effectively manage the responsive repairs and maintenance service delivered by Mitie through to the end of the contract in March 2022 to ensure continuity of service to customers.

18. **Equality, Diversity and Inclusion Action Plan**

Mrs M. Hutchinson advised that all items on the Action Plan were being progressed and there had been no slippage in the completion of targets.

The Board commented on the increased regulatory focus on equality and diversity being considered in all aspects of service delivery and suggested that board reports contain a statement.

The Board also enquired if consideration was given to these matters as part of the procurement process. Ms C. McGuinness confirmed that equality scoring was included as a matter of course as part of the evaluation scoring matrix.

The Board thereafter NOTED the contents of the 2021 EDI Action Plan Monitoring Sheet.

19. **MD Report**

The Board expressed its thanks to Mrs M. Hutchinson carrying out the role of Interim Managing Director for the previous 3 months until Mrs D. MacLean's employment commenced.

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

[REDACTED]

[REDACTED]

[REDACTED]

b) **NHF Code of Governance**

Mrs Hutchinson advised that Group and its subsidiaries were required to formally adopt the NHF's Code of Governance by 31 March 2022. Staff would be working on the review of this Code in the New Year and a report would be brought to the Board in January advising on the proposed adoption of the Code and highlighting if any exceptions were required due to the Association being subject to the Scottish regulatory environment. The reasons for any highlighted exceptions would be explained in the report as appropriate.

c) [REDACTED]

[REDACTED]

[REDACTED]

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

20. **Minutes/Updates**

The Board NOTED the:

- a) Unconfirmed Audit & Risk Committee Meeting Minutes – 4 October 2021.
- b) Group Customer Experience Committee Meeting Minutes – 23 September 2021.
- c) Group Board Core Brief – July 2021.

21. **Any Other Business**

[REDACTED]

[REDACTED]

[REDACTED]

b) CIH Annual Conference

The Chair advised that the Scottish Chartered Institute of Housing Annual Conference was scheduled to take place in March 2022 and suggested that this would be good opportunity to promote the Riverside Scotland brand through Board Member attendance and consideration of sponsorship options.

c) 2022/23 Meeting Schedule

The Chair referred to the proposed meeting schedule for 2022/23 and requested that the Board contact Mrs D. Boyle should there be any issue with the dates proposed.

d) CIH Awards Dinner

The Chair reported that unfortunately, despite being shortlisted for 2 awards, the Association had been unsuccessful in winning any awards on the evening. It had, however, been positive to note that the Wee House Company, currently developing the Dundonald site for the Association, had won an award on the night.

22. **Date of Next Meeting**

5.30 p.m. on Thursday 27 January 2022 via MS Teams.

D MacLean
Secretary
3 December 2021
DMcL/db

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