

DERBY HOMES LIMITED

MINUTES OF THE BOARD MEETING

Held on Thursday 26 July 2018

The meeting started at 6.00 pm

Board Members Present:

Mike Ainsley (Chair), Rob Cooper, Fareed Hussain, Bob MacDonald, Iain MacDonald, Dennis Rees, Jsan Shepherd

Officers Present:

Maria Murphy, Managing Director
David Enticott, Finance Director & Company Secretary
Shaun Bennett, Director of Investment & Maintenance
Jackie Mitchell, Governance Services Manager

Others Present:

Councillor Roy Webb, Cabinet Member for Adults, Health & Housing (left at 7.35 pm)
Jess Jackson, Derby Pause (Item A6 only)

The Chair welcomed Dennis Rees back onto the Board and advised that Dennis has been nominated by the DACP to fill the casual vacancy until the AGM in November.

18/79 Apologies

Apologies for absence were received from Lucy Care and Christine Durrant.

18/80 Admission of Late Items

The Chair advised that the confidential report Derby Pause Project would be moved from Item B8 to A6.

18/81 Declarations of Interests

The Council Board Members were noted as declaring their interest in matters relating to Derby City Council.

The Tenant Board Members declared their interests as tenants (as defined in the Memorandum and Articles of Association) of Derby City Council.

18/82 Minutes of Previous Meeting

The minutes of the meeting held on the 31 May 2018 were accepted as a correct record.

18/83 Matters Arising

Minute 17/141 Benefit to Society

Catherine Little, the campaign lead, has moved from Soha to Broadlands Housing Association.

Minute 18/28 Announcements from the Chair

Unfortunately Jsan Shepherd's mentor is still unable to attend the meeting.

Minute 18/66 Finance Update

The purchase of the property at Upperdale Road has now gone through.

18/84 Announcements from the Chair

The Chair made the following announcements.

OSCAR has ceased to exist. He said that Derby Homes fully respects the decision of the individuals concerned, and that Derby Homes has done some good work together with the organisation for the community.

Mick Whitehead, Chair of OSCAR has done a fantastic amount of work over the past few years and OSCAR made a big difference to the area, including the Marble Hall and the community led bid for housing.

Mick Vernon, from the Sinfin Community Exchange, had been working with OSCAR and has a good overview of the Osmaston area. The Exchange covers the whole Sinfin ward and will engage with the community for future work or involvement in the area.

The property used by the organisation at Addison Road will be for community use; it is proposed that the top floor could be used by the Council's area co-ordination team and Enthusiasm is to consider relocating into the ground floor from Hawthorn Street.

Derby Homes has come 50th in Housing24's Top Landlords 2018 and one of the top 5 ALMOs.

Last week the Chair and Managing Director met with the new Leader of the Council, Councillor Chris Poulter and Roy Webb. The Leader was provided with details of Derby Homes' history, how the organisation is working with the Council and how it can do more. It was a positive meeting with a willingness to listen which was very welcome.

Roy Webb concurred that it was a very successful meeting and added that 'the message' has been passed further up the Conservative Group.

18/85 Statements from Members of the Board

There were no statements from Members of the Board.

18/86 Questions from members of the public

There were no questions from members of the public.

18/87 Committee Chairs' Feedback

The Committee Chairs provided feedback from recent meetings:

- a Operational Board – 28 June 2018
- b Audit – 9 July 2018

Agreed

The Board noted the feedback from recent meetings.

18/88 Outstanding Actions

Minute 18/69 Investment & Regeneration Update - action carried forward.

Minute 18/73 Delivery Plan – actions completed

GV3.9 relates to the private sector DFGs budget.

GV3.16 – the new system is unable to facilitate a chain of mutual exchanges and officers will look at opportunities manually.

18/89 Confidential Business

Agreed

The Board agreed, under Part IV of the Derby Homes Governance Arrangements, members of the public be excluded from the meeting during discussion of the following items on grounds that it involves the likely disclosure of confidential information as defined in Standing Order 20.2 (e, f, g, h and n).

18/90 Managing Director's Report

The Board considered a report on strategic and key issues currently affecting Derby Homes.

Agreed

The Board

1. Noted the successful funding application to the Government's Rough Sleepers Fund and subsequent progress towards implementing actions and congratulated the officers who have been instrumental in securing the additional funding for the City.
2. Noted the update on the Grenfell Tower Inquiry.
3. Appointed Bob MacDonald as the Board Customer Service Champion.

18/91 Procurement Waivers

The Board received an update on the position with regards to procurement standing order waiver requests approved and currently in force.

Agreed

The Board noted the report.

18/92 Investment & Regeneration Update

The Board considered updates on current issues within the Investment & Maintenance Directorate.

Agreed

The Board noted the report.

18/93 Approval of Contracts & Frameworks

The Board considered a report requesting approval of framework agreements.

Agreed

The Board approved the Frameworks.

18/94 Derby Pause Project

The Board considered a report on the Derby Pause Project which supports vulnerable women to secure safe and secure housing and has been running in Derby since April 2017.

Agreed

The Board approved the report recommendation.

End of Confidential Business

18/95 Items from Part C for discussion

Agreed

The Board did not raise any items from Part C for discussion.

18/96 Health & Safety Update

The Board considered details of recent health and safety performance and current issues.

An update was provided from the Health & Safety Forum which took place earlier in the day:

- RoSPA Presidents Award
- Milestone House
- V&A and Accident & Incidents

Agreed

The Board noted the Health & Safety Update.

18/97 Modern Slavery Act 2015 Statement

The Board considered Derby Homes' Statement for 2018.

Organisations are required to provide a slavery and human trafficking statement where certain conditions are met. Those conditions are met by Derby Homes, and therefore there is a need to provide a statement.

The Statement sets out the steps taken during the financial year to ensure that Modern Slavery is not taking place in any of Derby Homes' supply chains or in any part of its own business.

Agreed

The Board approved the publication of Derby Homes Modern Slavery Act 2015 Statement in a prominent place on the website and signposted to this in the financial statements.

18/98 Finance Update

The Board considered a report covering recent government announcements relating to Council Housing finance and their impact on Derby Homes, an update on recent developments in regulations and details of recent urgent action taken by the Chair and Vice Chairs.

Government Council Housing Finance developments

The report advised of the impact on Derby of the Ministry of Housing, Communities and Local Government (MHCLG) proposals for a partial lifting of the debt cap on Councils' Housing Revenue Accounts (HRA) and also the new £2bn fund for additional social rented housing.

Value for Money

Derby Homes end of year accounts (also on the agenda of this meeting) have a new Value for Money section which details specific measures that in theory can be directly compared with other Registered Providers. The Board was advised it will need to consider which measures if any to adopt as targets within overall plans.

A number of measures were outlined in the report. Most of the measures are not suitable for Derby Homes or ALMOs; a small number are more suitable. However, the Chair has raised the unsuitability of the measures for ALMOs with the NFA, who is taking up the matter with the regulator or government.

Urgent Action: Appointment of Councillor Board Members to Committees

The report advised of urgent approval obtained on 26 June to appoint Councillor Rob Cooper to the Operational Board and Councillor Lucy Care to the Audit Committee. Urgent approval was required in order that they could attend meetings that took place prior to this Board meeting.

Agreed

The Board

1. Noted recent developments with regard to Council housing finance and regulatory requirements.

2. Agreed to continue with the three key Value for Money measures outlined in paragraph 4.10 of the report and requested a further report on the issue.
3. Noted the urgent action taken by the Chair and Vice Chairs in respect of the appointment of Councillor Rob Cooper to the Operational Board and Councillor Lucy Care to the Audit Committee.

18/99 Annual Report of Audit Committee – Internal Controls

The Audit Committee, at its meeting of 9 July 2018, considered a report from the Senior Management Team on the internal controls in place across the company. As a result, the Audit Committee reported that it considers the system of internal controls to be adequate in order that the Board can state that internal controls are, in its consideration, acceptable.

Agreed

The Board noted the report and approved the statement on internal controls assurance, shown at Appendix 1, within the Report of the Directors on the financial statements for the year to 31 March 2018.

18/100 Annual Report & Financial Statement 2017-18

The Board considered the draft annual report and financial statements for Derby Homes for the year ended 31 March 2018.

In addition, appended to the report were letters of representation from the Council and from the Board to be signed by the Chair and Company Secretary.

The draft accounts and an external audit management letter were discussed and formally accepted by Audit Committee at their meeting on 9 July 2018.

Agreed

The Board

1. Accepted the draft annual report and financial statements as a true and fair view of the Company's financial affairs as at 31 March 2018 and as a going concern.
2. Authorised the Chair and the Company Secretary to sign the accounts at this Board meeting.
3. Authorised the Chair to sign a letter of representation, requested by BDO (LLP) Ltd, at this Board meeting.

18/101 Social Value Strategy

The Board considered a report proposing the implementation of a more structured approach to social value initiatives in the procurements Derby Homes undertakes to ensure that the maximum social value is achieved from investments within our communities.

The Board was concerned that contractors may increase their costs to compensate for the required additional 1% of the contract expenditure or that contractors may be appointed on the basis of the amount they contribute.

The Board was assured that this was unlikely as many large contractors have a social value pot that would cover the cost. In addition, clear research has shown that this isn't happening within the industry, but monitoring will be done and costs can be compared with the BIS price index.

Agreed

The Board

1. Approved implementation of the social value requirements in conjunction with the procurements undertaken by Derby Homes as described in section 3 of this report. The change to take effect on all procurements commenced from 1 October 2018.
2. Approved that the Social Value Budget is managed by the Customer Engagement and Community Development Manager and bids against the budget are approved by the Operational Board.
3. Requested six monthly updates from the Operational Board on bids approved and spend against the budget.
4. Requested an update in 18 months.

18/102 Insurance Act 2015

Under the Act Derby Homes is obliged to disclose to insurers "relevant information" at both the insurance tender / renewal time and within the year if relevant issues occur.

The Board considered whether there was any new relevant information that should be disclosed to the insurer under the Insurance Act 2015.

Agreed

The Board, having considered whether there is any new relevant information that should be disclosed to insurers, as required under the Insurance Act 2015, agreed it was not aware of any such information.

18/103 Draft Minutes of Committees of the Board

The Board received the draft minutes from recent meetings:

- a Operational Board – 28 June 2018
- b Audit – 9 July 2018

Agreed

The Board noted the draft minutes.

18/104 Performance Monitoring Quarter 4

The Board received a summary of the performance of Derby Homes for 2017/18 for key performance measures reported to Derby City Council.

Agreed

The Board noted the 2017/18 performance results.

18/105 Forward Plan of Agenda Items

The Board received the Forward Plan of Agenda Items for the six months period August 2018 – January 2019.

Agreed

The Board noted the Forward Plan of Agenda Items.

Date of next meeting

The next meeting will be held on Wednesday 26 September 2018 at 6.00 pm in the Board Room at London Road.

The meeting ended at 8.30 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 26 July 2018.