

## **DERBY HOMES AREA BOARDS**

Report of the Director of Derby Homes

### **SUMMARY OF REPORT**

1. This report outlines discussions that have taken place to date concerning the formation of Derby Homes Area Boards. It proposes that a number of Board Members be appointed to consider the matter further, meet key stakeholders and report back.

### **RECOMMENDATIONS**

2. It is recommended that the Board appoint 3 members, one council member, one tenant member and one independent member to
  1. consider the draft terms of reference
  2. meet key stakeholders to discuss the matter
  3. report back to the Board.

### **MATTER FOR CONSIDERATION**

- 3.1 The successful bid for a pre-conditional allocation of arms length resources submitted to DTLR in September 2001 said that area boards would be established. This was stated, in response to DTLR guidance, that unless these arrangements were in place, bids from authorities with over 12,000 stock would not be supported.
- 3.2 Derby's successful bid was subject to the Secretary of State's consent being obtained under section 27 of the Housing Act 1985 by 22 February 2002. This consent allows the City Council to delegate housing management responsibilities to Derby Homes.
- 3.3 In considering applications for consent the Secretary of State wished to be satisfied that "where area or other subsidiary bodies are established they have the maximum possible delegation at a local level".
- 3.4 At the time of seeking consent in February 2002, Derby City Council did not feel able to give a commitment to meet these criteria since maximum possible delegation at area level could damage tenant existing participation arrangements and conflict with the views of tenants and other key stakeholders. For this reason the Council asked for its application for consent to be considered as a single ALHMO without any delegation to area boards.

- 3.5 An illustrative set of terms of reference were, however, submitted to show a possible set of arrangements that might be established. These are not being recommended for approval. They are presented for information to show what has been submitted to date to DTLR. These are attached at Appendix A.
- 3.6 These show two Area Boards: Derby West and Derby East, initially operating on a shadow basis and moving over time to delegation of responsibilities from the Main Board. This phased approach was supported by Derby Association of Community Partners.
- 3.7 In giving consent, in March 2002, DTLR stated that there should be further discussions between the Council and DTLR and agreement “on whether Area Boards should be established and, if so, when and with what delegated responsibilities shall be reached *before [my emphasis]* he (the Secretary of State) will consider any application from the Council for release of any of conditional allocation of additional resources’.
- 3.8 The Memorandum and Articles of Derby Homes enables the Board to establish sub-committees, such as Area Boards, delegating powers to them as it sees fit. There is no requirement in the Memorandum and Articles that Area Boards must be established.
- 3.9 In order to trigger the release of the additional resources however, the Council is required to arrive at agreement with DTLR on the matter. In practice this means that an agreement is needed between the Board, the City Council and DACP. Any terms of reference agreed locally must also be acceptable to DTLR in order to secure release of the resources conditionally allocated, or alternatively DTLR have to be convinced that these need not be established.
- 3.10 To date DTLR have regarded the Council’s proposals as meaning that Area Boards will be primarily advisory and consultative and lacking in decision making powers. Discussions locally have, however, suggested that a commitment to move beyond these proposals may not command sufficient support amongst all key stakeholders. In addition enquiries with other ALHMOs suggest that the terms of reference developed in Derby are similar to those being developed elsewhere, with the apparent acceptance of DTLR.
- 3.11 In order to submit a final application for the release of additional resources, agreement with DTLR is required no later than the end of October 2002. DTLR has indicated that from the point of agreement a five month lead in period will be acceptable in which Area Boards can be elected, trained and prepared through a shadow period. This would enable Area Boards with delegated powers to be in operation by April 2003 if it is agreed that they be established. A phased approach thereafter could be pursued with these arrangements being subject to review which could increase the level of delegation where appropriate.

## **CONSULTATION IMPLICATIONS**

4. Consultation has been undertaken to date with the City Council, DACP and DTLR. Further discussions with all these are proposed.

## **FINANCIAL IMPLICATIONS**

5. None arising directly from this report. The establishment and support of Area Boards may, however, be a future cost pressure.

## **LEGAL IMPLICATIONS**

6. The Memorandum and Articles give the Board power to delegate functions to sub-committees, including Area Boards.

## **PERSONNEL IMPLICATIONS**

7. None directly arising from this report. The servicing of the Boards would, however, have personnel implications.

## **ENVIRONMENTAL IMPLICATIONS**

8. None.

## **EQUALITIES IMPLICATIONS**

9. None.

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