

NEW BUSINESS OPPORTUNITIES

Report of the Director of Derby Homes

SUMMARY OF REPORT

1. This report sets out potential new business opportunities for Derby Homes.

RECOMMENDATIONS

2. That Committee approves the proposals in this report to develop new business opportunities, and asks the Committee to accept this strategy.

MATTER FOR CONSIDERATION

- 3.1 Derby Homes' objects in its Memorandum of Association allow it to engage in a wide range of activities for the benefit of tenants and residents of Derby.

- 3.2 Broadly, these are:

- manage and maintain City Council housing stock
- provide amenities and services for residents of houses owned or managed by the Council (such services can also be extended to other residents)
- provide assistance to tenants of City Council and applicants for housing advice
- regeneration or development in Derby, such as:
 - creating an attractive and safe environment
 - preventing crime
 - providing or improving housing or social and recreational facilities for the benefit of people who live in the houses
 - providing employment for local people
 - providing training, education or health facilities and services
 - meeting special needs
- provide, construct, improve or manage housing for letting
- provide, maintain, improve or manage accommodation for temporary use
- assess applicants for housing assistance
- "Right to Buy" assessment
- provide services of any description for the City Council.

- 3.3 Within this framework, it would be possible to develop a Business Development Plan that aims to increase the levels of activity and income to Derby Homes. Areas of activity could include:

- 3.4 **Management of housing association stock:** Derby Homes already manages thirty properties for housing associations. We are in discussion with two housing associations currently, which, if successful, would bring 250 additional properties under Derby Homes.
- 3.5 **Management of privately owned properties:** Derby Homes could manage individual properties available for letting or temporary accommodation, particularly those near or on council estates. This may include long leases of properties for homeless applicants.[
- 3.6 **Training and consultancy:** We have arranged a further conference on 28 February in the Assembly Rooms on our experience of creating Derby Homes. We are continuing to carry out a mentoring role with Corby District Council, and may do a similar exercise with another council considering creating an ALMO.
- 3.7 **Maintenance services for RTB properties:** It would be possible to provide services to neighbouring houses requiring maintenance
- 3.8 **Management of City Council services:** There are areas of activity that are currently run by the City Council which Derby Homes could manage. Examples from housing services would include:
- administration of RTB
 - central control
 - mobile warden service
 - Homefinder service
 - waiting list administration.
- 3.9 This proposal has been raised with the City Council, who has stated that it is too early to make major alterations to the functions designated to Derby Homes. However, we are in discussion with the City Council on managing their homeless hostel, temporary accommodation for homeless, and cash collection duties at the Pear Tree Home Improvement Centre.
- 3.10 **New services provided for local offices:** These could include collection of water rates, utility bills and TV licence payments. Energy card payment system or machines could also be installed.
- 3.11 **New partnerships:** An example would be to enter into an agreement with an energy provider as a preferred supplier to council housing properties. This might attract additional funds to Derby Homes, and provide a service that tenants could benefit from.
- 3.12 **Additional funds:** Derby Homes already receives grant funding from a range of sources, such as SRB, New Deal and Neighbourhood Renewal Fund. However, other sources of funds, such as European funds and Lottery bids, have not been fully used to date.

CONSULTATION IMPLICATIONS

4. These business proposals will be developed in consultation with tenants and the City Council.

FINANCIAL AND BUSINESS PLANNING IMPLICATIONS

- 5.1 Derby Homes' income is dependent upon its fee from the City Council. The City Council has indicated that it will want to reduce its fee to reflect future "Right to Buy" sales. This may put Derby Homes' financial position under pressure in the future.
- 5.2 These proposals aim to produce an additional source of funds independent from the Council fee. I would expect such schemes to bring in an additional £30,000 a year in 2004/5, rising to over £100,000 in 2006/7.
- 5.3 In order to pump prime such initiatives, it is proposed to set aside a £20,000 contingency fund out of any surplus in 2002/3, and to maintain this level of pump priming out of the funds achieved from these schemes in future years.

LEGAL AND CONFIDENTIALITY IMPLICATIONS

6. Derby Homes, as a company, is required to work within its objects set out in Clause 3 in the Memorandum of Association. The Memorandum includes a general power to trade in the course of carrying its objects and to charge for services.

PERSONNEL IMPLICATIONS

7. There is a substantial workload in progressing new business plans and bids and then implementing these proposals. To deal with this, a post of Business Development Officer has been created.

ENVIRONMENTAL IMPLICATIONS

8. Enhanced services could include schemes to improve the appearance of estates.

EQUALITIES IMPLICATIONS

9. Any business opportunities would need to comply with Derby Homes' equalities policies.

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