

DERBY HOMES LIMITED

MINUTES OF THE RESOURCES, REMUNERATION & REGENERATION COMMITTEE MEETING

Held on Thursday 15 November 2012

The meeting started at 6.00 pm

Board Members Present:

Mike Ainsley, Mark Menzies, Tony Holme, Iain MacDonald (Chair),
Bob Osler, Margaret Redfern, Dennis Rees, Roy Webb.

Officers Present:

Shaun Bennett, Director of Investment and Regeneration
David Enticott, Director and Company Secretary
Christine Hill, Personnel Manager
Michael Kirk, Head of Finance
Andrew McNeil, Head of Development
Julie Wren, Secretary to the Directors (minute taker)

12/72 Apologies

There were no apologies.

12/73 Admission of Late Items

There were no late items.

12/74 Declarations of Interests

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

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

12/75 Minutes of Previous Meeting

The minutes of the meeting held on the 12 July 2012 were accepted as a true and accurate record subject to the following amendments.

Minute 12/59

Correct spelling of the word 'Agreed'.

Minute 12/66 Procurement Strategy and Policy

Remove comma from the sentence starting "bad planning" in the first bullet point.

12/76 Matters Arising**Minute 12/34 Possible Purchase of Poets Corner**

The Committee received an update on the purchase of Poets Corner.

12/77 Training for Committee Members

Committee members were asked to contact Jackie Mitchell, Governance Services Manager, if they have any training requests.

12/78 Confidential Business**Agreed**

The Committee agreed that 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 (b, g, h & n).

12/79 Personnel Report Quarterly Update – July - October 2012

The Committee received a report providing an update on key activities relating to the employment and management of employees at Derby Homes.

Agreed

The Committee noted the report.

12/80 Derby Homes Risk Register

The Committee received a report providing information on the quarter one and quarter two updates for the strategic and operational risks for 2012/13.

Agreed

The Committee

1. Noted and approved the risk ratings on the strategic risk register for quarters 1 and 2 2012/13 as detailed in Appendix 1.
2. Noted the operational risk register updates for quarters 1 and 2 2012/13 as detailed in Appendix 3.

12/81 HRA Risk Register

The Committee received a report providing information on the HRA Risk Register 2012 together with updates and outcomes of the review for quarters 1 and 2.

Agreed

The Committee noted and approved the risk ratings on the HRA register as detailed in Appendix 1.

12/82 External Management Report

The Committee received a report detailing performance against Management Agreements and Service Level Agreements of Derby Homes management of external properties as at 30 September 2012.

Agreed

The Committee noted the information detailed in Appendix 1 of the report.

12/83 New Business, Development & Regeneration Update

The Committee received a report, showing the ongoing progress of the range of new business activities in development. It highlighted the current situation in regard to funding, talked about initiatives Derby Homes is driving forward to deliver new homes, and provided an update on the Osmaston Vision Programme.

Agreed

The Committee

Noted the progress on New Business, Development and Regeneration.

12/84 Building Materials Supply Procurement

The Committee received a report containing an update on the progress made regarding Derby Homes Building Materials Supplies Contract 2013.

Agreed

The Committee agreed to

1. undertake our own EU procurement exercise.
2. To engage with Anthony Collins Solicitors throughout the process.

12/85 Items from Part C to be discussed

Agreed

The Committee agreed to discuss item C2.

12/86 Derby Homes Management Accounts 2012/13 – Period 6

The Committee received a report tabling the 2012/13 management accounts for Derby Homes as at September 2012. The report concentrated on key variances in actual income and expenditure at May 2012 and also provided an initial overall forecasted year end position.

The year end forecast shows a drop in the operating surplus to £356.000. London Road developments have been taken out as a one off cost.

Roy Webb referred to the table within paragraph 3.4 and asked that the section Pension and Asbestos Contingency is split into two separate lines.

Dennis Rees asked about the recent problems with the upgrade of the Oracle financial system. Michael Kirk stated for the last two weeks Derby Homes has not been able to pay Contractors which has caused hardship for the smaller ones. A payment run through Oracle took place today with £900K paid out and we now hope that the bug is fixed.

Reference was made to paragraph 3.7 and the removal of asbestos. Shaun Bennett advised that there is a register set up to manage these properties. A lot of this work was within the work carried out to lofts. A

review is taking place regarding the cast iron properties and how best to go forward. All other work picked up is incidental. Iain MacDonald spoke of the health and safety and legal requirements and suggested that any required funds be set aside for this work. Shaun Bennett was asked to come back on this matter if there are any problems.

Agreed

The Committee noted

1. the current estimated forecast for 2012/13
2. the planned use of reserves as summarised in 4.2
3. the revised reporting plans for Period 7 (October 2012) management accounts, due to an upgrade of the finance system as detailed in 3.13.

12/87 Bright Ideas Update

The Committee received a report providing a summary of the Bright Ideas which have received implementation awards since June 2010, together with an update of the savings made from these ideas.

The Committee was advised that this report should have been a C report, for noting.

Bob Osler commented on this being a worthwhile scheme and the good ideas that come through. Iain MacDonald suggested that at interviews for jobs the applicant could be asked if they have any ideas to put forward.

Reference was made to the suggestion regarding writing off tenants' debts. David Enticott clarified that rent arrears are not written off so should a tenant apply for housing in the future the debt is picked up. While arrears can only be claimed legally for 6 years, former debts can be a reason to refuse future housing requests and the data is therefore retained.

Agreed

The Committee noted the report.

12/88 Social Enterprise Update

The Committee received a report providing an update on the Social Enterprise since the Board report presented on 26 April 2012. The Committee was advised that Derby Homes has not had agreement from the Council to set up a Social Enterprise CIC. It is therefore proposed to set up an in-house model. The aim will be to

capture all activity and use our own in-house teams. Annabelle Barwick will be leading on this on a part-time basis and will be working with Andy Higginbottom and the Planned Maintenance Team.

Training support and placement within teams will take place. The expectation is to create 27 apprenticeship placements and hopefully up to 75 work experience and volunteer opportunities.

Tony Holme referred to the original proposal that a Social Enterprise would make money. Shaun Bennett said that they will bed this in internally and then move to a CIC with profit making ability.

Bob Osler stated his disappointment that approval has not been gained from the Council and that Derby Homes has lost the opportunity to carry out work on our estates.

Iain MacDonald referred to paragraph 5.5 and the change of funding required. The Board had previously given their approval for an amount of £400K on the basis of a pay back to Derby Homes. He questioned whether the change of what was originally approved will need to be taken back to the Board.

David Enticott said that approval of the Board has not been given yet and that the governance position is that we are awaiting a response from the Council. Bob Osler said that this should have been chased up and flagged up at a Board meeting if there was a problem. A business case and model was in place and if this was not working the Board should have been made aware and advised that it would need altering. Iain MacDonald agreed and said that a report should have been brought back.

Roy Webb said that when the Board gave approval this was initially low level and was told that there was a lot more opportunities in the pipeline so why did they not look for other options within the Business Plan. Shaun Bennett advised that there was TUPE implications with cleaning and that fencing would require a service charge which we cannot recover through Housing Benefit.

Tony Holme asked if a change is needed to the recommendation. Bob Osler asked that this matter be taken to the next Board meeting if possible. Tony Holmes suggested it should be discussed at the Budget Scrutiny meeting too.

Agreed

To take a report back to a future Board meeting.

12/89 Whistle Blowing Policy – Review

The Committee received a report containing amendments to the Whistle Blowing Policy.

Margaret Redfern asked that Derby Homes is mindful of the changes to the FOI legislation.

Agreed

The Committee agreed to the amended Whistle Blowing Policy.

12/90 Fraud Resilience Review

The Committee received a report proposing two new policies, on Anti Fraud & Corruption and Anti Money Laundering and also a fraud response plan.

Agreed

The Committee agreed to recommend to the Board the adoption of the Anti Fraud & Corruption Policy and the Anti Money Laundering Policy.

12/91 Standing Order 12

Agreed

The Committee agreed to waive Standing Order 12 to allow the meeting to continue after 8.00 pm.

12/92 Grant Policy Review

The Committee received a report presenting the outcome of a review of the Derby Homes Grant Policy.

Agreed

The Committee agreed to

1. delete the existing Grant Policy and redirect £10K from the original budget into the Community Initiatives budget.
Note that a new Grant Policy will be brought to a future meeting of this Committee.

12/93 Performance Monitoring Quarters 1 and 2

The Committee received a report detailing performance in the areas of rent arrears, invoices and staffing for the first 2 quarters of this year.

Agreed

The Committee noted the report.

12/94 Business Transformation Update

The Committee received a report containing an update on the Business Transformation programme.

David Enticott reported that the target savings of £2.2M will be achieved by the end of the year. Bob Osler commented on the fantastic achievements made both past and present.

Agreed

The Committee noted the successful implementation of the Business Transformation programme and that the outcome is well ahead of target, generating short term surpluses.

Date of next meeting

The next meeting will be confirmed at the November Board Meeting.

The meeting ended at 8.10 pm.

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CHAIR

Signed as a true and accurate record of the meeting held on Thursday 15 November 2012.