

## **DERBY HOMES LIMITED**

### **MINUTES OF THE RESOURCES, REMUNERATION & REGENERATION COMMITTEE MEETING**

**Held on Thursday 12 July 2012**

The meeting started at 6.00 pm

#### **Board Members Present:**

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

#### **Officers Present:**

Shaun Bennett, Christine Hill, Michael Kirk, Jackie Mitchell

#### **12/44 Admission of Late Items**

The following was discussed as a late item.

#### **12/45 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).

Christine Hill remained at the meeting for the following confidential item. All other staff left the room and returned after the item had been discussed.

#### **12/46 Chief Executive Officer – post vacancy**

The Committee received a report as a late item following the sudden death of Phil Davies.

## **Agreed**

The Committee:

1. noted and supported the position that the responsibility for recruiting to the vacancy in a “timely and orderly fashion” was that of the Chair of the Board. This is in accordance with Derby Homes Governance Arrangements
2. agreed the levels of ordering and invoice approval for the Directors to be increased to that of the Chief Executive for a temporary period.

End of confidential business.

### **12/47 One Minute Silence**

The Committee observed a minute’s silence in memory of Phil Davies, Chief Executive, who passed away on Tuesday 3 July 2012.

### **12/48 Apologies**

Apologies for absence were received from Margaret Redfern and David Enticott

### **12/49 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.

Mark Menzies declared an interest as an employee of Derby City Council.

### **12/50 Minutes of Previous Meeting**

The minutes of the meeting held on the 26 April 2012 were accepted as a true and accurate record.

### **12/51 Matters Arising**

#### **Minute 12/31 Social Enterprise**

The Committee was updated on progress made since the last meeting.

### **Minute 12/34 Possible Purchase of Poets Corner**

The Director & Company Secretary will provide an update at the next Board meeting.

### **Minute 12/36 Oakvale House**

The proposal is now with the Council and is due to be considered at the August Cabinet meeting.

### **12/52 Training for Committee Members**

Committee members were asked to contact Susan Hill, Board & Committee Support Officer, if they have any training requests.

### **12/53 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 (g, h & j).

### **12/54 Personnel Report Quarterly Update – April – June 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.

### **12/55 Lone Working Policy**

The Committee received a rewritten policy that had been reviewed to address the introduction of new ways of working, such as hot desking, remote and home working and to incorporate health and safety responsibilities towards volunteers and work placements.

Committee requested that in future where a policy has been rewritten and tracked changes are impractical, that a summary of the key changes is included in the report.

**Agreed**

The Committee approved the amended policy on Lone Working.

**12/56 Derby Homes Medium Term Finance Strategy**

The Committee received the Derby Homes Medium Term Finance Strategy.

**Agreed**

The Committee agreed to recommend to the Board the overall financial strategy for Derby Homes and its associated risks.

**12/57 External Management**

The Committee received a report on performance against Management Agreements and Service Level Agreements of Derby Homes' management of external properties, as at 31 March 2012.

**Agreed**

The Committee noted the report.

**12/58 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 report.

**End of Confidential Business**

**12/59 Items from Part C to be discussed**

**Agreed**

The Committee agreed to discuss items C1 and C2, C4.

**12/60 Draft Annual Report and Financial Statements**

The Committee received a report accompanied by the draft annual report and financial statements for Derby Homes for the year ended 31 March 2012. The report also explained the changes made to the accounts since the period 11 forecast out-turn was presented to the Resources, Remuneration and Regeneration Committee meeting of 26 April 2012.

Regarding the letter to the Auditors PKF(UK) LLP, it was agreed to amend the word 'possible' to 'known' in the paragraph 'Litigation and claims' on page 2.

## **Agreed**

The Committee

1. recommended the Board accepts the draft annual report and financial statements at the meeting of 26 July 2012 as a true and fair view of the Company's financial affairs as at 31 March 2012 as a going concern.
2. noted the explanation of the changes made to the accounts since the forecast out-turn was presented to the Resources, Remuneration and Regeneration Committee meeting of 26 April 2012
3. recommended the Board authorises Dennis Rees, Vice Chair, and David Enticott, Company Secretary, to sign the accounts at the Board meeting on 26 July 2012
4. recommended the Board authorises Dennis Rees, Vice Chair, and David Enticott, Director and Company Secretary, to sign a letter of representation requested by PKF (UK) LLP at the Board meeting on 26 July 2012.

## **12/62 Derby Homes Management Accounts 2012/13 Period 2**

The Committee received a report tabling the 2012/13 management accounts for Derby Homes as at May 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 Committee was informed the report had been formatted slightly different this time. Committee confirmed it was happy with the new format.

The report identified the year end forecast is for a profit of £612,000, split across management fee £552,000 and maintenance £60,000.

Kitchen and bathroom refurbishment is slightly behind schedule, mainly

due to the new policy of not fitting them where tenants are in rent arrears and where the property is not falling behind the decent homes standard.

The Committee asked the Director of Investment & Regeneration to thank the Repairs Team for the good performance.

### **Agreed**

The Committee noted the current estimated forecast for 2012/13 and agreed to the development of the format of future management accounts.

## **12/63 Professional and Consultancy Fees 2011/12**

The Committee received a report summarising the expenditure on legal, professional and consultancy services during 2011/12. It also explained the process for the selection of consultants.

### **Agreed**

The Committee

1. noted the contents of the report
2. approved the continued submission of this report to the Committee on an annual basis.
3. approved the process for selecting legal, professional and consultancy services as detailed in paragraph 3.3 of the report.

## **12/64 Fraud Resilience Review**

The Committee received a report outlining the current position and future plans to strengthen Derby Homes' fraud resilience position, following recommendations from the Council's Internal Audit report in November 2011 on governance with Derby Homes and a Fraud Resilience report from the external auditors, PKF, in May 2012.

### **Agreed**

The Committee

1. noted the key control issues and recommendations Internal Audit have identified on Fraud Resilience shown in paragraph 3.1.
2. noted the key recommendations within the PKF Fraud Resilience report shown in paragraph 3.4.

3. Requested the Director and Company Secretary to complete a review of the fraud resilience position and develop an Anti Fraud policy for the Committee's approval.

## **12/65 Standing Order 12**

### **Agreed**

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

## **12/66 Procurement Strategy and Policy**

The Committee received a report recommending the introduction of the new combined Procurement Strategy and Policy.

The Committee was reminded the Procurement Policy and Strategy documents currently in use (Appendices 1 and 2) were approved in July 2010. Both documents are due for review in July 2013. Since their introduction it has become clear that the documents have significant areas of duplication and sections that are no longer relevant or over elaborate the point being made.

The Committee requested that the document includes reference to

- bad planning and not allowing enough time for approval should not be allowed, to prevent compliance
- best value issues must be taken into account on any procurement when selecting a service provider.

In addition, a capital 'R' was required on page 4 under governance and leadership.

### **Agreed**

The Committee approved the introduction of the new combined strategy and policy document, subject to the amendments above.

## **12/67 Procurement Standing Orders**

The Committee received a report recommending the introduction of the new Procurement Standing Orders.

The Procurement Standing Orders (Appendix 1) was approved in July 2010 and have been in use since. They are due for review in July 2013. Since their introduction a number of legislative changes have been introduced. These along with greater use of new procurement techniques

and the identification of changes that would allow easier and less bureaucratic ways of implementation has required the Procurement Standing Orders to be re-written.

The Committee requested that the document includes reference to

- bad planning and not allowing enough time for approval should not be allowed to prevent compliance
- best value issues must be taken into account on any procurement when selecting a service provider
- waivers should not be granted on grounds of time constraints.

### **Agreed**

The Committee recommended to the Board the introduction of the new Procurement Standing Orders, subject to the amendments above.

## **12/68 2011/12 Voids Overspend**

The Committee received an update report on the factors surrounding the 2011-12 overspend on voids of £170,000 against a base budget of £2,443,257.

### **Agreed**

The Committee noted the report.

## **12/69 Proposed Date of Next Meeting**

The Committee usually meets in mid November but because the Board meeting, at which the schedule of board and committee meeting dates is set for the year, has been put back from the end of October to the end of November, there will be no opportunity for the Board to agree a date for a Committee meeting in mid November.

### **Agreed**

The Committee agreed to recommend to the Board that its next is held at 6.00 pm on Thursday 15 November 2012.

## **12/70 Procurement Waivers**

The Committee received a report with information relating to the requests to waive Derby Homes' Procurement Standing Orders.

The Committee requested that future reports include a breakdown of how



many waivers were approved by Chief Executive, Committee and Chair of the Board.

**Agreed**

The Committee noted the report.

**12/71      Employee Survey 2012**

The Committee received a report of the outcome of the employee survey carried out in May 2012.

**Agreed**

The Committed noted the results of the survey.

**Date of next meeting**

**The next meeting will be held on Thursday 15 November 2012 at 6.00 pm at Cardinal Square.**

The meeting ended at 8.45 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 12 July 2012.