

DERBY HOMES LIMITED

MINUTES OF THE RESOURCES & REMUNERATION COMMITTEE

Held on Thursday 8 February 2007

The meeting started at 6.00 pm

Board Members Present:

Sue Glithero, Fareed Hussain (until 6.35 pm), Phil Kay, Iain MacDonald(Chair), Dennis Rees, Bob Osler, Bob Troup

Officers Present:

Phil Davies, Christine Hill, Jackie Mitchell, Lorraine Watson, Pippa Wood

07/07 Apologies

Apologies for absence were received from Moz Greenshields, Unison.

Fareed Hussain advised he would need to leave the meeting early because he had to attend a council meeting starting at 6.45 pm.

07/08 Admission of Late Items

There were no late items.

The Committee agreed that as the Solicitor from Anthony Collins was unable to attend the meeting due to the weather conditions, Item C2 would be discussed with other Part C reports, at the end of the agenda.

07/09 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.

Phil Davies, Lorraine Watson and Christine Hill declared an interest in item C5 – Performance Pay Procedure. The Committee agreed they should leave the room during consideration of the item.

07/10 Minutes of Previous Meeting

The minutes of the meeting held on the 4 January 2007 were accepted as a true and accurate record.

07/11 Matters Arising

Minute 07/06 Derby Homes Draft Operating Budget 2007/8

The Director & Company Secretary advised the longer term financial plan would be presented to the Committee in April and then to the Board in May 2007.

07/12 Findings of the Employee Survey

The Committee received a presentation from Pippa Wood, Personnel Officer (Employee Performance & Development) on the findings of the Employee Survey carried out in 2006 by CSR Survey on behalf of Derby Homes.

The Committee was advised the survey revealed improvements in the categories of Manager, Performance Management, Pay and Benefits, Communication and Information and Work Environment since the last survey was carried out in 2002. However categories of Organisation and Strategy, Training and Job Satisfaction were lower.

An Employee Survey Working Group has been established to explore and address some of the areas of concern highlighted in the survey (identified on page 14, paragraph 4.6 'Action Points' of the report of the findings).

Agreed

The Committee

1. noted the findings of the Employee Survey 2006
2. requested comparative information be obtained (possibly from CSR Survey) of other similar size/type organisations to see if there are similar patterns of employee satisfaction
3. requested feedback at a future meeting on the action plan identified by the Employee Survey Working Group.

07/13 Derby Homes Management Accounts 2006/07

The Committee received the Management Accounts for period 9 – April to December 2006.

The Director & Company Secretary reported a cumulative operating surplus of £93,000, a notional cash balance of £1,306,000 and a full year forecast of £106,000 operating surplus.

The Director & Company Secretary provided an update on progress made to implement the Board Members Loss of Earnings Scheme. Following the consultation exercise carried out with tenants and leaseholders through an article in Derby Homes News, the results of which were reported to the Board in November, the Director & Company Secretary had submitted details of the scheme to the Department for Communities and Local Government (DCLG). The DCLG's comments were received in January. The Director & Company Secretary has recently contacted the Council's Solicitor, Andrew Thomas, to request the Council amend the Company's Memorandum & Articles of Association. The Council will need to issue a written resolution to empower the Board to approve the policy. The Director & Company Secretary anticipated bringing a report to the March Board meeting.

With regard to the backdating of any payments, the Director & Company Secretary has sought advice from Anthony Collins Solicitors and will also be consulting Andrew Thomas. The advice from Anthony Collins is as follows:

As identified in the Board Report of 30 March 2006, the payment of Board Members required an amendment to Clause 6 of Derby Homes' Memorandum of Association. This amendment could be made by the Council passing a special resolution to that effect, either at an extraordinary general meeting of Derby Homes or as a formal written resolution under the Companies Acts. If Derby Homes makes any payment either before this resolution has been passed or in relation to a period before this resolution has been passed, then such a payment would be ultra vires. It is clear, therefore, that the payment cannot be backdated to cover any period before the Memorandum of Association was changed.

DCLG Guidance on the payment of Board Members requires that tenants, the local authority, and other stakeholders are consulted on any proposal to pay Board Members and that the local authority first consents to this. Any payments that are made in respect of a period

before this consultation has been completed or before the local authority's (Derby City Council's) approval has been given will be a breach of this guidance.

The Chair expressed his dissatisfaction that the scheme had taken so long to implement and he felt that some Board Members had attended meetings, forfeiting earnings on the basis of their ability to be paid by Derby Homes for this loss. He felt they had not been treated fairly.

The Director & Company Secretary assured the Committee that although the matter had taken longer than had been anticipated, all actions carried out by Derby Homes had been executed promptly.

The Chief Executive confirmed with the exception of the last meeting, he did not recall the issue of backdating had been raised when the proposed scheme had been discussed previously.

Agreed

The Committee noted the Management Accounts for April – December 2006.

07/14 Review Topic – External Funding for Derby Homes

The Committee considered a report on external funding obtained by Derby Homes. The Chief Executive advised external funding has been obtained from various sources including the management fee from the Council, management of RSL properties, grant from Derwent New Deal in the Community, consultancy services provided by senior staff.

There was discussion on new business opportunities for Derby Homes and it was suggested that a report should be brought to the next Development & Regeneration Committee on the work of the Regeneration & New Business Manager.

It was proposed a working group of Board Members and staff be created to meet regularly with the Council's External Funding Unit and the Derbyshire Chamber of Commerce to ensure a more systematic approach to obtaining external funding.

Agreed

The Committee noted the report.

07/15 Procurement Procedure Rules

The Committee received a report containing the revised procurement and purchasing procedures and terms and conditions.

The Committee requested amendments to the procedure:

PPR01 – Definitions and Interpretation – definitions for ‘Authorised Officer’, ‘Chief Officer’ and ‘Firm’ to be clarified.

PPR05 – Waiver – sentence to be added at the end of the penultimate paragraph to include annual reporting to the Resources & Remuneration Committee.

PPR14 – Contracts Over £50,000 – remove two bullet points and replace with “£50,000 or more at least six tenders will be invited”.

PPR16 – Restricted Tendering Procedure – information requested by the Committee on the geographical area covered by ‘intend’.

Generally – check reference to ‘Chief Officers’ within the procedure and ensure the procedure links into the Governance Arrangements Scheme of Delegations.

Agreed

The Committee approved the Procurement Procedure Rules and Terms and Conditions subject to the amendments described above.

07/16 Performance Monitoring – Issues referred from Performance Management Committee

The Committee received a report of the Performance Management Committee highlighting key performance issues of the quarter 3 outturn for 2006/7.

The report highlighted the current situation affecting housing benefit processing times. It was noted that performance had improved just before the Christmas and New Year bank holiday of between 55-60 days. The report also outlined target processing times for quarter 4 and actions planned to try to achieve end of year target.

Agreed

The Committee

1. noted the report
2. requested future reports recommend a course of action.

07/17 Confidential Business

Under Part IV of the Derby Homes Governance Arrangements, members of the public were excluded from the meeting during discussion of the following items on grounds that it involved the likely disclosure of confidential information as defined in Standing Order 18.2(ii, x and xi).

07/18 Policy on Adopting Derby City Council's Personnel Policies

The Committee at its meeting in November requested a report on the reasons for continuing to adopt Derby City Council Personnel Policies, including the advantages and disadvantages of doing so.

The report presented to the Committee also included legal advice from Derby Homes' solicitors, Anthony Collins, on the ability to set different employment terms and conditions from those of the Council.

Agreed

The Committee noted the report and agreed to continue with the current practice of adopting Council personnel policies, presented to suit Derby Homes' requirements and to develop Derby Homes' own policies where it is appropriate to do so.

07/19 Standing Order 11

Agreed

The Committee agreed to waive Standing Order 11 to allow the meeting to continue after 8.00 pm.

07/20 Scheme Manager's Minimum Wage Update

The Committee received a report advising of progress made on the scheme manager's minimum wage claim.

Agreed

The Committee

1. noted the content of the report and in particular stressed the confidentiality of the report
2. if necessary, agreed to be involved in any decision to appeal.

07/21 Job Evaluation

The Committee received a report advising of progress with Job Evaluation.

Agreed

The Committee approved the recommendation as outlined in the report.

07/22 Performance Pay Procedure – Proposed Amendments

The Committee considered a report on a revised performance pay procedure for the Chief Executive, Directors and third tier officers.

Officers left the room to allow the Committee to discuss the report.

Phil Kay left the meeting at this point.

Agreed

The Committee deferred their decision and requested a meeting be arranged with the Chair and Vice Chairs of the Board and the consultant, to obtain further advice.

Date of next meeting

The next meeting will be held on Thursday 26 April 2007 at 6.00 pm at Cardinal Square.

The meeting ended at 9.05 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 8 February 2007.