

DERBY HOMES LIMITED

MINUTES OF THE RESOURCES, REMUNERATION & REGENERATION COMMITTEE MEETING

Held on Thursday 6 January 2011

The meeting started at 6.00 pm

Board Members Present:

Mick Barker, Tony Holme, Iain MacDonald (Chair), Bob Osler,
Margaret Redfern, Dennis Rees, Roy Webb

Officers Present:

Phil Davies, Phil Diffey, David Enticott, Susan Hill, Mark Fairweather

11/01 Apologies

Apologies for absence were received from Paul Bayliss.

11/02 Admission of Late Items

There were no late items.

11/03 Declarations of Interests

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

Roy Webb declared an interest for item A4 'New Business, Extra Care, Development and Regeneration Update' as the Cabinet Member for Adult Social Care and Health.

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

The Committee agreed to discuss Item B5 ICT Policies Review report after the confidential items.

11/04 Minutes of Previous Meeting on 18 November 2010

The minutes of the meeting held on 18 November 2010 were accepted as a true and accurate record with the exception that in Minute 10/53

at the top of page 5, Tony's surname should be spelt 'Holme' and in Minute 10/66 on page 9 in the first paragraph insert 'Care' so that it reads 'Extra Care'.

11/05 Actions and Matters Arising

There were no matters arising.

11/06 Training for Committee Members

The Chair commented that Committee members attended the Risk Management training today and asked if there were any other issues on training to let him know and it will be discussed at future meetings.

The Chief Executive informed the Committee that there will be a further Housing Finance training session on 3 March. Steve Partridge, ConsultCIH, will be delivering the training. All Board Members, Councillors Ingall and Jennings and certain staff will be invited.

Agreed

The Committee noted the Housing Finance training session on 3 March 2011.

11/07 Confidential Business

Agreed

The Committee agreed, under Part IV of the Derby Homes Governance Arrangements, to exclude members of the public 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, h, j & n).

11/08 Derby Homes Risk Register

The Committee received a report providing information on the third quarter updates for strategic and operational risks for 2010/11.

The Committee noted the summarised operational risk updates in paragraph 3.4.3 of the report.

Agreed

The Committee

1. approved the strategic risk register on the
 - updates for quarter 3, 2010/11
 - actions and controls of new risk proposed at the meeting held on 18 November 2010.
2. noted the operational risk register updates for quarter 3, 2010/11 and the deletion of Operational Risk 13.
3. agreed to review strategic and operational risks by exception in future.

11/09 Hire or Pool Cars For Business Use

The Committee received a report proposing the limited use of hire or pool cars for business travel.

Agreed

The Committee agreed

1. to amend the Business Travel Policy as set out in paragraph 3.4, 3.5 and 3.6
2. to review and report back in a year's time.

11/10 New Business, Extra Care, Development and Regeneration Update

The Committee received a report which showed the extensive ongoing progress of a range of activities.

Agreed

The Committee noted the report.

End of Confidential Business

11/11 ICT Policies Review

The Committee received a report on key ICT policies which had been reviewed and needed no major amendments or re-consultation. The policies were

Data Protection Act
Freedom of Information Policy and Publication Scheme
Anti-Virus
Email and Internet Usage and Monitoring.

Roy Webb referred to page 15, Email and Internet User Policy, and suggested that the policy should include that hyperlinks should be used instead of attachments in emails. This would reduce the capacity of the email. The IT Manager agreed.

Tony Holme commented that the Derby Homes' email disclaimer is repeated every time when emails are sent and replied to. He asked was it possible to shorten the disclaimer or make it a smaller font. The IT Manager replied the disclaimer could not be reduced but he will look at reducing the font.

Agreed

The Committee approved the revised Data Protection, Freedom of Information Policy and Publication Scheme, Anti-Virus and Email and Internet Usage and Monitoring Policies with the amendment that hyperlinks should be used wherever possible when attaching large documents to emails

11/12 Derby Homes Draft Operating Budget 2011/12

The Committee considered a report presenting the Derby Homes' draft operating budget for 2011/12.

The Director and Company Secretary informed Committee of the overall summary of the changes to the budget, paragraph 3.12, and that there had been a saving of £424,000 towards our target of £1.2m under business transformation.

Bob Osler queried if the Business Transformation process was saving enough and suggested that the process should be speeded up. The Chair referred to paragraph 3.6 of the report relating to the income being withdrawn for the Family Intervention Project (FIP) and questioned the impact of this on redundancies and whether the policy of avoiding compulsory redundancy was appropriate. The Chief Executive replied that Derby Homes can achieve its business transformation by redeploying employees this year and next year and avoid compulsory redundancies. He added there is uncertainty for years 3 and 4, but there are a number of areas of saving still to be examined in detail. He stated that the policy of no compulsory redundancies would be kept under review as the business

transformation plan develops. The Chair commented that it was a long run process and should be looked at sooner rather than later.

Bob Osler informed Committee that he has a meeting with Jo Davidson, Interim Strategic Director for Children and Young People, next Monday to discuss the FIP fund. He also commented that he was aware of an organisation that had made a 20% cut in staff in one go. The company consulted with the employees, used different initiatives; for example offering a training break and allowing them to come back to the organisation in a year's time. This exercise was completed within two and half months and Derby Homes is doing its process over a four year period. Derby Homes has to be tougher. Roy Webb replied that there is employment legislation that requires 90 days consultation over redundancy notices. Bob Osler added that it was not value for money over a four year period. Margaret Redfern commented that public service employees had their pension rights.

The Chief Executive replied that the business transformation programme was discussed and agreed at Executive Away Day and then approved by this Committee and then by the Board. It is based on staff turnover and other initiatives. It was also agreed the business transformation could be managed over four years. He urged the Committee not to change this approach so soon after it had been agreed. The Chair agreed with Bob's comments and that it would be quicker to follow the example that Bob had suggested, being efficient, however he agreed with the Chief Executive that the Business Transformation process had recently been agreed by the Board and so it was not appropriate to change it. Bob Osler added that the business transformation was agreed by the Board and it could go back to the Board; it was an issue to keep under review.

Bob Osler commented about supporting Enthusiasm at a cost of £109,000 and could this finance not be used for the FIP project. Tony Holme added that the finance is to help the youth of today. The Director and Company Secretary replied that altering the balance of spending from the Estates Pride funds would not change the underlying need for business transformation savings.

The Chair suggested reviewing the core business we support and which ones are essential as Derby Homes cannot support all of them. Bob added that savings could be made on this. The Chief Executive replied that non-core activities had been identified as part of the Business Transformation process and he would report back on the list of non-core business and the proposed action plan, at the next meeting.

Agreed

The Committee

1. recommended the operating budget for 2011/12 to the Board for approval at the meeting on 27 January 2011
2. to receive a further report on van fleet restructuring proposals
3. to receive a report on actions planned to review Derby Homes' non-core business.

11/13 Standing Order 12

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

11/14 Derby Homes Management Accounts Period 8 2010/11 (Management Fee and Repairs Team)

The Committee received a report on the management accounts for Derby Homes. The accounts covered a trading period of eight months to November 2010 for the continuing operations and six months to November 2010 for the operations of the Repairs and Investment Team. The report compared actual expenditure for November and for the year to date against budget and extracted a difference.

The Director and Company Secretary referred to paragraph 3.14 of the summary forecast out-turn and commented that the Housing Repairs Team's current system does not allow for any commitment accounting. The recent bad weather had added to the uncertainty of this forecast. Bob Osler commented that they should know what their daily spending is, especially material costs. The Director and Company Secretary replied that Derby Homes operates a system that the Housing Repairs Team had inherited from the Council's Environmental Services Department. Efforts would continue to reduce costs and avoid an overspend.

Agreed

The Committee noted the report and appendices.

11/15 Consultation on Housing Revenue Account 2011/12

The Committee received a report on the Council's consultation on its proposals for the Housing Revenue Account for 2011/12.

The Director and Company Secretary informed Committee of the

reduction in the management fee by £1m in real terms over the next four years and of changes to funding of other services funded directly by service charge income rather than the management fee.

The Chief Executive informed Committee that he proposed that the Director and Company Secretary reply in advance of the Board meeting in order for the Council to have sufficient time to take Committee's response into consideration.

Agreed

The Committee agreed

1. the Director and Company Secretary replies in advance of the Board meeting in order for the Council to have sufficient time to take Committee's recommendations into consideration, as shown below:
2. to support the overall proposals
3. the reduction in the management fee by £1m in real terms over the next four years
4. to request that the cleaning and caretaking services also be brought into being funded directly by service charge income rather than the fee to make the position reflective of the actual situation (on the same basis as for tenancy sustainment and grounds maintenance services)
5. to make representations about the value of the Family Intervention Project (FIP) to the Council and suggest that Supporting People funding for this service be maintained and other funding from Children and Young Persons Services be considered.

11/16 Consultation on Rents and Service Charges 2011/12

The Committee received a report on the Council's consultation on rent and service charge increases for 2011/12.

Margaret Redfern asked if tenants on Housing Benefits were consulted because she had concerns for those who are not on Housing Benefit, there will be tenants who will be affected with the rent increase and they should be looked at first to be fair. The Director and Company Secretary replied that it would be difficult to separately consult with tenants on Housing Benefit rather than as a whole, as it would not be appropriate in a public consultation to ask which tenants were on Housing Benefits. The Chief Executive added that 63% of tenants will not see the increase because it is automatically protected by Housing Benefit.

The Chief Executive informed Committee that he proposed that the Director and Company Secretary reply in advance of the Board meeting in order for the Council to have sufficient time to take Committee's response into consideration.

Agreed

The Committee agreed

1. the Director and Company Secretary replies in advance of the Board meeting in order for the Council to have sufficient time to take Committee's recommendations into consideration
2. to recommended supporting the proposed move for void properties going straight to target rent, but seek clarification on succession and mutual exchanges cases
3. to raise concerns about the potential rise in rent arrears and debts for tenants in future years and the need for the money advice service and Derby Homes to work closely together in the future.

11/17 Partnership Register 2010/11

The Committee received a report on the partnership register used by Derby Homes to monitor and evaluate its involvement in partnerships and identify any possible risks or benefits. The register is reviewed on an annual basis and covers the period 2010/11. A further development to the register is the review of significance and relevance of each partnership in relation to achieving the strategic objectives.

The Chair suggested for future reference that any further requests for partnership support is presented to the Board.

Agreed

The Committee noted the report and agreed that further requests for partnership support will be presented to the Board.

Date of next meeting

The next meeting will be held on Thursday 21 April 2011 at 6.00 pm at Cardinal Square.

The meeting ended at 8.40 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 6 January 2011.