

DERBY HOMES LIMITED

MINUTES OF THE RESOURCES, REMUNERATION & REGENERATION MEETING

Held on Thursday 7 July 2011

The meeting started at 6.00 pm

Board Members Present:

Paul Bayliss, Tony Holme, Iain MacDonald (Chair), Dennis Rees

Officers Present:

Shaun Bennett, Phil Davies, David Enticott, Mark Fairweather (for items B7 and B8 only) Jackie Mitchell

Others Present:

Ita Cooke, Associate Consultant, Board Development Agency

11/40 Apologies

Apologies for absence were received from Bob Osler and Margaret Redfern.

11/41 Admission of Late Items

There were no late items.

11/42 Declarations of Interests

The Council Board Member was 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.

David Enticott, Director & Company Secretary, declared an interest in Item A4.

The Chair advised Item A4 would be moved to the end of the agenda.

11/43 Minutes of Previous Meeting

The minutes of the meeting held on the 21 April 2011 were accepted as a true and accurate record.

11/44 Actions and Matters Arising

There were no matters arising.

11/45 Training for Committee Members

Agreed

The Chair requested Committee Members to inform the Governance Services Manager of any training needs.

11/46 Confidential Business

Agreed

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

11/47 Review of Board Member Payment

The Committee considered options identified through a review of Board Member Payment.

Agreed

The Committee made recommendations to the Board on Board Member Payment.

11/48 Terms and Conditions of Employment

The Committee received an update on potential changes to employee terms and conditions of employment, following consideration of this matter at the last meeting.

Agreed

The Committee noted the contents of the report and agreed further update reports are provided at future meetings.

11/49 Review of Secondment Arrangements

The Committee received a report on secondment arrangements, as requested at their last meeting.

Agreed

The Committee agreed the recommendations in the report.

11/50 Risk Register Exception Report

The Committee received a report presenting the quarterly exception report to highlight any changes following the Executive Team and Heads of Service quarterly review.

Agreed

The Committee agreed the recommendations in the report.

11/51 New Business, Extra Care, Development & Regeneration Update

The Committee received a report showing the ongoing progress of the range of new business activities in development.

Agreed

The Committee noted the progress in New Business, Extra Care, Development and Regeneration.

End of Confidential Business

11/52 Part C items to be discussed

Agreed

Tony Holme stated he wanted to raise questions on each of the items.

11/53 Draft Annual Report and Financial Statements 2010-11.

The Committee received a revised copy of the draft Annual Report and Financial Statements for the year ending 31 March 2011, which had been amended to take in comments from the Audit Committee meeting held on Monday 4 July.

The report explained the changes made to the accounts since the period 11 forecast out-turn was presented to the Committee at its meeting in April.

Attached to the report was a copy of the External Audit Management Letter prepared by PKF (UK) LLP, a representation letter from Derby City Council to PKF enabling PKF to give an audit opinion that the financial statements give a true and fair view of the state of the Company's affairs at 31 March 2011, and a management representation letter from Derby Homes to PKF to be signed by the Chair, following Board approval of the accounts.

The Chief Executive highlighted savings achieved as a result of work done by the Director of Investment & Regeneration and the Repairs Team.

The Committee considered the draft Annual Report but did not raise any concerns, with the exception of a query as to whether John Keith should be included in the list of Directors as he was appointed in 2011/12 financial year.

The Director & Company Secretary thought this was because although John Keith had been appointed as a Director after the 31 March 2011, he was a Director in the period the Accounts were being prepared, however, undertook to confirm this with the External Auditors.

Agreed

The Committee

1. Recommended the Board accept the draft annual report and financial statements at the meeting of 28 July 2011 as a true and fair view of the Company's financial affairs as at 31 March 2011 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 21 April 2011.
3. Recommended the Board authorises the Chair and Company Secretary to sign the accounts at the Board meeting on 28 July 2011.
4. Recommended the Board authorises the Chair, Chief Executive and Director and Company Secretary to sign a letter of representation requested by PKF (UK) LLP at the Board meeting on 28 July 2011.
5. Recommended the Board authorises the Chair to sign the Statement on Control Self Certification and Internal Reporting at the Board meeting on 28 July 2011.
6. Approved the change in depreciation policy applied in the drafting of the financial statements.

11/54 Derby Homes Medium Term Finance Strategy

Director & Company Secretary presented the Medium Term Finance Strategy for Derby Homes which set a budget framework for the next three years. The strategy incorporates the budget process and Business Transformation savings.

The Committee was informed that Derby Homes was unable to bid for the public buildings contract as the Council is using the East Midlands Property Alliance framework. Derby Homes is ineligible to participate in the framework because it cannot work outside City and the uncertainty of Derby Homes' contract with the Council at that time.

It was also noted that FIP funding from the Estates Pride budget will reduce in 2012/13 and lost in 2013/14, however Derby Homes is hopeful of funding from Public Health. Estates Pride funding also reduces in 2013-15. Paul Bayliss commented that the lack of support for funding of the FIP was short sighted as the FIP was undoubtedly saving costs for other agencies.

The Committee was assured the modernisation of IT is still on programme, the core needs have been identified and officers are ensuring the depreciation budget will covers this.

Agreed

The Committee noted the report and appendices and recommended the Medium Term Finance Strategy to the Board at its meeting on 28 July 2011.

11/55 Derby Homes Management Accounts 2010/11 Period 2

The Committee received the management accounts for Derby Homes for the two months to May 2011. The report compared actual expenditure for April and May against budget and extracted a difference.

Agreed

The Committee noted the report and appendices.

11/56 Procurement Strategy Savings

The Committee received a report containing information relating to savings and potential savings through effective re-procurement of existing services.

The Committee was advised that a significant reduction in costs had been achieved by procuring through the Efficiency East Midlands consortium and Procurement for Housing.

It is anticipated that £400-£500K savings will be achieved by the end of task.

The Chair suggested we should publicise the savings achieved. The Chair of the Board and Chief Executive have written to all repairs staff and they have also discussed publicity. Tony Holme suggested the savings are discussed at the Value For Money meeting.

Agreed

The Committee noted the report.

11/57 Professional and Consultancy Fees 2010/11

The Committee received a summary of expenditure on legal and professional services during the financial year ended 31 March 2011 and an explanation of the process for the selection of consultants.

Agreed

The Committee noted the report and confirmed the report should be submitted on an annual basis.

11/58 ICT Strategy 2011-14

The Committee considered a rewrite of the Information and Communication Technology (ICT) Strategy for Derby Homes. The strategy set out the main workloads faced by Derby Homes and the way in which ICT will help provide an efficient and cost effective service to its tenants.

Mark Fairweather, IT Manager, presented the report and asked Committee to note the following changes:

Paragraph 8.1 insert a final bullet point 1 to read 'Integrating with DCC Customer Relationship Management Software'.

Paragraph 9, delete fourth bullet point and replace with 'Common Room review may lead to ICT requirements'.

Paragraph 9.1, second bullet point amend to read 'Retendering of the IT Facilities Management Contract to commence in 2014 for an April 2015 commencement.

Dennis Rees referred to comments by staff regarding speed of accessing information on computers and queried the roll out of PCs.

The IT Manager advised the roll out of computers was programmed for computers over 4 years old, although only 10 or 15% were over that age.

Depreciation rules have changed and we may have to revisit the 4 year rule. He added that issues of speed of computers was down to the location of servers rather than age of the computer.

The Chair thanked the IT Manager for his report.

Agreed

The Committee noted the Strategy and delegated approval of the final version to the Chief Executive.

11/59 Standing Order 12

Standing Order 12 was waived at 8.00 pm in order to allow the meeting to continue.

11/60 Information Security Policy Review

The Committee received the Derby Homes Information Security Policy. The policy, which covers the safekeeping of all forms of information to protect its confidentiality, integrity and availability, has been reviewed and amendments contained in Appendix 1 to the report.

Agreed

The Committee approved the amendments to the Information Security Policy and noted that a further review will be carried out in June 2014.

11/61 Bright Ideas Procedure Review

The Committee received a report reviewing the Bright Ideas procedure which had been amended to allow for the best 4 ideas – one for idea of the year and three runners up – to be selected from all the ideas received.

Agreed

The Committee approved the revised Bright Ideas procedure.

11/62 Performance Monitoring

The Committee received a report highlighting key performance issues arising from the discussion of quarter 4, 2010/11.

Tony Holme queried the variation in targets from year to year. He was informed that targets are changed on the basis of the previous year's achievement.

Dennis Rees raised concerns about the level of arrears between different areas.

The Chief Executive advised this year's arrears had risen to £1.3M quickly, but now appears to have stabilized. He said Housing Benefits has kept on top of the backlog and he hoped to keep arrears at that level for some months and brought down to £1M by end of year.

Agreed

The Committee noted the contents of the report.

11/63 Procurement Waivers

The Committee received information relating to requests to waive Derby Homes Procurement Standing Orders.

The Director & Company commented on the criteria in place to agree waivers. He said it depended on the head of procurement making a sensible choice, usually either on the grounds that it was urgent or unique/no alternative supplier. Each case is looked at individually.

The Chair suggested that where the estimated total value is shown as 'Unknown' this should read 'Unknown at this stage'.

Agreed

The Committee noted the report.

Date of next meeting

The date of the next meeting will be confirmed at the AGM.

The meeting ended at 20.45 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 7 July 2011.