

## **DERBY HOMES LIMITED**

### **MINUTES OF THE GOVERNANCE COMMITTEE MEETING**

**Held on Monday 21 September 2020**

The meeting started at 5.00 pm

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

Mike Ainsley, Lucy Care, Alan Graves, Bob MacDonald, Iain MacDonald,  
Jsan Shepherd (Chair), Sarah Russell

#### **Officers Present:**

Maria Murphy, Managing Director  
David Enticott, Finance Director & Company Secretary  
Michael Kirk, Head of Finance & Income  
Jackie Mitchell, Governance Services Manager

#### **20/01      Apologies**

There were no apologies for absence.

#### **20/02      Admission of Late Items**

There were no late items.

#### **20/03      Declarations of Interests**

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

The Tenant Board Member declared their interest as a tenant (as defined in the Memorandum and Articles of Association) of Derby City Council.

Lucy Care declared an interest as a member of Derbyshire County Council's Pensions & Investments Committee.

Maria Murphy and David Enticott declared an interest as members of the Local Government Pension Scheme and potentially affected by the 85 year rule.

## **20/04 Minutes of Previous Meeting**

The minutes of the meeting held on the 26 September 2019 were accepted as a correct record.

## **20/05 Matters Arising**

Alan Graves queried why the previous meeting minutes were in the confidential section of the meeting. Maria Murphy apologised and agreed that in future separate confidential and public minutes would be issued where appropriate.

### **Minute 19/26 Honorarium Request**

Alan Graves asked that the employee's qualifications should be identified. However, it was not agreed as this could identify the employee, being the only person in the organisation who has this particular qualification.

## **20/06 Request for Voluntary Early Retirement**

The Committee considered a request for voluntary early retirement. The approval for this request was sought on the basis that it is in the interests of Derby Homes and there is a clear business benefit to the company. As a result of the request a positive restructure of the team can be facilitated, resulting in an annual saving.

Alan Graves questioned why so many items appear in the confidential section.

The Finance Director & Company Secretary advised that traditionally, items regarding individual employees have always been in the confidential section.

There was further debate about naming individual employees within reports.

Iain MacDonald said that it was important that such requests were considered to be in the interests of Derby Homes and assurance provided by management that any structural changes would not be detrimental. He felt that naming employees in reports could cloud Committee Members' judgement.

Overall 3 fte posts are being deleted and 2.2 fte posts created. The new structure will result in a stronger and more resilient structure. Deletion of this post will repay the pension shortfall costs within 18 months as required by the policy. Michael Kirk confirmed the savings for the whole restructure is greater than the savings achieved by the deletion of this one post.

The Chair suggested if Members wanted any further information, they should contact Maria Murphy outside of the meeting.

### **Agreed**

The Committee approved the request for the Voluntary Early Retirement on the grounds of efficiency as detailed in the report.

## **20/07 Rule of 85 Application and Clarification**

The Committee considered a report detailing a request to “switch on” the 85-year rule for an employee who is leaving Derby Homes. The approval to “switch on” the 85-year rule for the employee’s request is sought on the basis that it is in the financial interests of Derby Homes.

The report also sought to confirm the basis that the Governance Committee will appraise requests made under the Employer Pensions Discretions policy. Confirming the criteria that requests made under the Employer Pension Discretion policy match that already in place for VER, will provide clarity for all parties when assessing the viability of future requests.

Alan Graves asked why the report and appendices were confidential.

David Enticott advised the policy is a public document and it will be made public if approved, but the report also identified an employee.

It was agreed that the Chair of Governance Committee will update the Board at the meeting this week of the Committee’s decision.

Iain MacDonald asked if it was possible that people could be treated unfairly because they are not a good employee and the organisation wished to get rid of them, whilst a good, valued employee could be refused such a request because the organisation wished to keep them.

Maria Murphy suggested a way forward would be to continue with the approval process where there is a financial cost to Derby Homes but bring a report to the Committee for noting every 6 months on applications that have been declined, this would give Committee Members opportunity to challenge the decision.

## **Agreed**

### **The Committee**

1. approved the request to “switch on” the 85-year rule for the leaving employee on the grounds of efficiency (detailed in paragraph 4.2 of the report).
2. approved a recommendation to the Board that the criteria upon which Employer Pension Discretion requests are appraised are to replicate those in place for Voluntary Early Retirement (VER) requests:

“The Governance Committee will balance the benefit to Derby Homes of the proposals against the cost and will not normally approve a VER unless it is in the interests of Derby Homes. This would normally involve a significant saving and recovery of any cost chargeable to Derby Homes within 18 months of the proposed change.”.

### **Date of next meeting**

The next meeting will be held on Thursday 12 November 2020 a 5.30 pm

The meeting ended at 5.40 pm

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CHAIR

Signed as true and accurate record of the meeting held on 21 September 2020