

DERBY HOMES LIMITED

MINUTES OF THE BOARD MEETING

Held on Thursday 25 March 2021

The meeting started at 6.04 pm

Board Members Present:

Mike Ainsley (Chair), Charlene Bhurton, Jenn Layton Annable, Alan Graves, Iain MacDonald, Bob MacDonald, Lucy Care, Sarah Russell and Jsan Shepherd

Officers Present:

Maria Murphy, Managing Director
David Enticott, Finance Director & Company Secretary
Shaun Bennett, Director of Property
Clare Mehrbani, Director of Housing Services
Jackie Mitchell, Governance Services Manager
Paul Cole, Customer Communications Manager

Others Present:

Councillor Roy Webb, Cabinet Member for Adults, Health & Housing
Rachel North, Strategic Director for Communities & Place

21/31 Apologies

There were no apologies for absence.

21/32 Admission of Late Items

The Chair admitted two late items on Right to Buy Reforms (A15) and Contract & Framework (B7 - confidential).

21/33 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.

The Chair declared an interest in Item A12 Recruitment and Appointment of Board Members and asked Vice Chair Sarah Russell to chair the meeting during discussion of the item.

The Chair also advised of a slight amendment to his declared interests; previously he was Chair of the Governors at Leesbrook Community School, the multi academy trust has been taken over and he is now Chair of the Academy Advisory Board.

Bob MacDonald advised he has received confirmation he is now a Derby Homes representative on the Housing Ombudsman's resident panel.

21/34 Minutes of Previous Meeting

The minutes of the meeting held on the 28 January 2021 were accepted as a correct record.

21/35 Matters Arising

There were no matters arising.

21/36 Announcements from the Chair

Derby Homes new website is now live and encouraged Board Members to pass on any feedback.

Maria Murphy's blog for the online version of Inside Housing and is now also in this month's printed version.

As this was Sarah Russell's last meeting, the Chair thanked her for all her contributions as a Board Member and also as a previous Cabinet Member.

Maria Murphy thanked Sarah on behalf of all the staff who have worked with her over the years.

21/37 Statements from Members of the Board

Sarah Russell thanked Board Members for all their support over the years.

21/38 Questions from members of the public

There were no questions from members of the public.

21/39 Committee Chairs' Feedback

The Committee Chairs provided feedback from recent meetings:

- Audit – 22 February and 22 March 2021
- Operational Board – 25 February 2021

Agreed

The Board noted the feedback from recent meetings.

21/40 Outstanding Actions

The Board considered the outstanding actions arising from previous meetings.

Agreed

The Board noted the outstanding actions.

21/41 Urgent Action taken since the last meeting

The Board received details of urgent action taken by the Chair and Vice Chairs of Derby Homes.

The Government invited responses to a consultation paper on proposed changes to the Monetary Eligibility Criteria for Debt Relief Orders. The deadline for response was 26 February 2021, therefore the Chair and Vice Chairs of the Board's approval was sought and given on the 11 February.

Agreed

The Board noted the urgent action.

21/42 Items from Part C for discussion

Agreed

The Board did not raise any items from Part C for discussion.

21/43 Managing Director's Report

The Board considered a report from the Managing Director providing an update on strategic and key issues.

Renewal of Derby Homes Partnership Agreement has been agreed by Derby City Council's Cabinet for a period of 10 years from 2022.

Rachel North provided some background to the Council's Review of Derby Homes, particularly Derby Homes good performance and successful partnership working with the Council. This was endorsed by Councillor Roy Webb and he congratulated Board Members and staff.

The Council has also agreed to transfer several of its larger, higher value assets to the Housing Revenue Account for the provision of new affordable housing and implemented a new build and acquisition programme.

The report advised of other items on the Cabinet's agenda including the acquisition of 10 newly converted homes in the Abbey Ward to be managed by Derby Homes and partnership working with Children's Services providing one property from the HRA and one from Derby Homes, used for young people's accommodation.

An update was also provided on Better Together and Locality Working. Strategies to enable the growth of a strong and safe city are being developed by a Partnership Board; the Council's Neighbourhood Teams have informally moved under the management of Derby Homes to design a new template for locality working.

The Board was requested to consider committing up to £1m from Derby Homes surplus over the next 3 years to support the initiative.

Agreed

The Board

1. Noted the Cabinet decision to renew the Partnership Agreement with Derby Homes for a period of 10 years from 2022.
2. Noted the Cabinet decisions in relation to the transfer of assets to the Housing Revenue Account, acquisition of new affordable housing and partnership working with Children's Services.
3. Approve that Derby Homes supports the new locality working strand within the wider 'Better Together' project through the use of up to £1m over the next three years. It is proposed to add £300,000 to the 2021/22 budget and £350,000 a year for the following two years.

21/44 Finance Update

The Board considered a report from the Finance Director providing an update on various financial issues and asking for approval for a virement and possibly to change the Treasury policy.

A large, significant shift is expected this year to the Pension Fund deficit as a result of falling interest rates. The Council provides written confirmation that they will underwrite the pension fund deficit.

Due to the impact of COVID on delivering some services, particularly painting and repairs prior and the need to catch up with day to day repairs it was proposed to vire £0.5m from the painting budget to the day to day budget for this year only, to cover the likely scale of the backlog of repairs to be dealt with next year.

In line with the Treasury policy, Derby Homes has set up a couple of Money Market Funds (MMFs) and are continuing to set further ones up to spread the cash over more holdings. The Council has been asked to consider a direct facility with the Council (as our owner) which would attract no interest on our deposits as a means of bringing the cash balance with Lloyds, our joint bankers, down to an acceptable level of £15m jointly. The Council has now suggested it would like to bring the joint total investment down further to £7m, requiring the current Treasury policy to be amended to reduce the maximum 'normal' balance from £8m to £4m from July 2021.

The Council and Derby Homes have agreed an outline arrangement with Padley to help them restructure their homelessness services for Derby, details of which were outlined in the report. This would involve moving from the current shelter to a dispersed accommodation model using properties owned by Derby Homes. The outline plan is for a minimum of 18 units of accommodation to replace Padley's 12 bed hostel.

Agreed

The Board

1. Noted the possible impacts of the likely pension fund deficit.
2. Approved a virement of £500,000 on a one off basis from repairs prior to painting and painting budgets to day to day repairs to cover the likely scale of the backlog of repairs to be dealt with next year.
3. Approved a change to the Treasury Policy to reduce the maximum balance with Lloyds Bank to £4m from £8m from July.

21/45 Property Update

The Board considered an update from the Director of Property on current issues within the Property Directorate.

SAP ratings for the War Memorial Village (WMV) have been received, ratings range from an impressive 105 to 109 depending on property type, with estimated energy costs around £300 a year and all have an A+ rating.

Lucy Care suggested arranging publicity with tenants of the WMV bungalows and support for them to manage the energy efficiency of their homes.

Jenn Layton Annable suggested that Derby Homes could produce virtual house tours and provide a link on the website.

Maria Murphy said she is hoping to support the WMV to have an official opening in July/August and hopefully get them some very well deserved publicity for their investment.

The Council has transferred several medium and large sites to the HRA that will enable Derby Homes to work in partnership to deliver many much needed new homes over the coming years.

Homes England recently carried out a compliance audit on one of Derby Homes recently completed projects and was given a green rating with no breaches or issues identified.

Non urgent repairs have now recommenced and the service was opened online from March and the plan is to open the service fully through all contact routes by April. The kitchen and bathroom replacement programme is due to restart from April.

Contracts for the Green Homes Grant and working protocols with the Council are being finalised and are planned to start in April.

The third quarter update on the six areas of compliance was appended to the report.

Agreed

The Board noted the report.

21/46 Housing Services Update

The Board considered a report from the Director of Housing Services on strategic and key issues in relation to Housing Services.

On 4th March the Leader of the Council approved the submission of Derby's Rough Sleepers Initiative bid 2021/22 up to a maximum of £984,962, The delivery period for this bid, if successful, will be 1st July 2021 to 31 March 2022.

The Office of the Police and Crime Commissioner (OPCC) and Derby Homes wish to enter into a further collaborative working relationship to support the ongoing work of the Safe Space Assessment Hub for those at risk of rough sleeping, rough sleeping or recovering from rough sleeping, initially from 1st April 2021 to 30th June, with an option to extend from 1st July to 31st March 2022.

An update was also provided on progress made on the Private Rented Sector Recovery Plan, which included increased time limited resources in the private sector initiatives team, call b4 you serve landlord service and the launch of a high visibility prevention campaign.

Lucy advised that a number of private landlords are selling their properties at the moment. Clare Mehrbani said this was a concern that had been flagged up through call b4 you serve and the landlords forum and landlords are being actively encouraged to stay in the market.

Agreed

The Board

1. Noted the Rough Sleepers Initiative Bid 2021/22.
2. Noted the proposed Safe Space Partnership Agreement 2021/22, subject to Council approval.
3. Noted progress of the Private Rented Sector Homeless Prevention Plan.

21/47 Health & Safety Update

The Board considered details of recent health and safety performance and current issues.

The report included details of Accident and Incidents and Violence and Aggression incidents.

An update was also included on health and safety work relating to COVID-19 and provided details of Derby Homes submission for this year's RoSPA Occupational Health and Safety awards.

An update was provided from the Health & Safety Forum, discussions at which were predominantly around issues arising at Milestone House.

Iain MacDonald said as reporting was getting better, we can see how much we depend on staff at Milestone House who are working under difficult circumstances; there seems to be an increase in incidents and this is a

concern for residents and reputation of Derby Homes and therefore prompt action is needed in response to incidents.

The Board was informed that residents have been reassured that problems are being resolved via a daily briefing and have been kept up to date on the improvements made.

Agreed

The Board noted the report.

21/48 Gas Servicing

The Board considered an update report on progress on gas servicing.

The Audit Committee met on Monday, 22 March to consider a report from the internal auditors, Central Midlands Audit Partnership (CMAP).

As of Monday there were no non-compliances and only 31 properties showing without a live certificate, but the Council and Derby Homes are now compliant as attempts have been made to visit those properties. There are improvements still to be made to systems and Derby Homes will continue to pursue these.

Iain MacDonald, Chair of the Audit Committee advised the Board that the Committee had considered two very comprehensive reports from CMAP and Derby Homes, both containing a lot of detail and there was wide ranging discussion.

The Committee agreed to adopt a statement from CMAP that

Derby Homes has undertaken appropriate actions to investigate and address the emerging issues relating to gas safety. Actions taken appear to have been proportionate to the risk and undertaken on a timely basis.

The Committee has requested a report back to the next meeting providing an update on what has been implemented in relation to items listed in CMAP's recommendations, including items not being implemented and the reasons.

The Committee also agreed that the Chair and Vice Chairs of Derby Homes receive progress reports so that issues can be flagged up as appropriate, with exception reports to be provided to the Chair of Audit.

Lucy Care added that it was a very useful meeting on Monday, the reports were helpful and she was reassured by what work had been done, but that help was needed from Capita for changes to the system.

The Chair congratulated everyone who had dealt with this issue in a timely fashion.

Agreed

The Board noted the report and progress made.

21/49 Standing Order 12

Agreed

During the course of the following item, the Board agreed to waive Standing Order 12 to allow the meeting to continue after 8.00 pm.

21/50 Diversity Forum and Annual Workforce Equality Report

The Board considered a report providing an overview of the issues discussed at the Diversity Forum and the equality employment statistics for 2020.

Jsan Shepherd, Chair of the Diversity Forum said she had been really impressed with the staff attendance from across the organisation and that everyone contributes and is positive, with good and robust discussions. She stated that the Menopause policy is a really good document. The last meeting discussed statistics on Derby Homes' ageing workforce and succession planning.

She informed the Board that the Forum also raised the equalities implications on Board reports and felt that although staff need to be looking at this, the Board needed to be scrutinising them more and challenging where there are none provided.

Maria Murphy stated the workforce statistics bears out that Derby Homes has an ageing workforce with a high proportion (240) over the age of 50. She said the statistics keep throwing up the same questions every year and so is proposing to engage an external opinion and benefit from their knowledge within other organisations, bring findings back to the Forum and for the Forum to make recommendations on an action plan.

There was a wide ranging discussion including recruitment and avoiding unconscious bias when shortlisting, publicising progression opportunities for young and mature apprentices, gender pay gap statistics and encouraging female tradespeople and opportunity for women to progress.

Suggestions were also put forward to ensure images on the website reflect the diversity of staff and residents, including residents on interview panels, formulating a positive menstrual policy and recruitment barriers for disabled people.

Agreed

The Board

1. noted the actions taken by the Diversity Forum and the content of the annual workforce Equalities report
2. adopted and endorsed the Equalities Forum's objectives as the Board's equalities and diversity priorities and objectives for the year.

21/51 Equalities Policy

The Board considered a review of the Equalities Policy, which was reviewed in accordance with the three year policy review schedule and had been amended to include further information about reasonable adjustments. The policy will ensure Derby Homes meets the public sector equality duty, delivers excellent customer service and embeds equalities into everything it does.

Agreed

The Board approved the Equalities Policy.

21/52 Data Protection Policy

The Board considered a review of the Data Protection Policy, which was reviewed in accordance with the three year policy review schedule and had been amended to reflect that the UK has left the EU.

Agreed

The Board approved the Data Protection Policy.

21/53 Board Member Appraisals 2021

The Board considered the proposed arrangements for Board Member appraisals. The appraisals will ensure Derby Homes complies with the National Housing Federation Codes of Governance, 2015 and 2020, and the process will commence in June, followed by virtual meetings with the Chair, and conclude by the AGM in September.

Agreed

The Board approved the arrangements for Board Member appraisals 2021.

21/54 Recruitment & Appointment of Board Members

The Board considered a report setting out proposals for the recruitment / reappointment of Tenant and Independent Board Members, in line with Derby Homes Governance Arrangements.

Agreed

The Board

1. Appointed Lucy Care, Bob MacDonald and Jsan Shepherd to the Appointments Panel with delegated authority to appoint/reappoint Members of Derby Homes Board and Operational Board
2. Agreed that Mike Ainsley can be reappointed for a further 3 year term of office beyond the maximum term of office, if successful at interview.

21/55 Forward Plan of Agenda Items

The Board considered the Forward Plan of Agenda Items.

Agreed

The Board noted the Forward Plan of Agenda Items.

21/56 Disclosure under the Insurance Act 2015

Under the Act Derby Homes is obliged to disclose to insurers "relevant information" at both the insurance tender / renewal time and within the year if relevant issues occur.

The Board considered whether there was any new relevant information that should be disclosed to the insurer under the Insurance Act 2015.

Agreed

The Board, having considered whether there is any new relevant information that should be disclosed to insurers, as required under the Insurance Act 2015, agreed it was not aware of any such information.

21/57 Right to Buy Reforms

The government has now responded to the Right to Buy consultation, which took place 2 years ago.

The key changes from the current system are:

- Extending from 3 to 5 years the period that Councils have to use up receipts.

- Increasing the maximum percentage of the cost met from receipts from 30% to 40%.
- Allowing the receipts to be applied to Shared Ownership or First Homes
- Capping in future the proportion that can be used for acquisitions rather than new homes.

However, ALMOs will not be able to access the receipts.

Agreed

The Board noted the report.

21/58 Confidential Business

Agreed

The Board agreed, 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 (h & n)).

The Board agreed for Rachael North and Councillor Roy Webb to remain in the meeting.

21/59 Confidential Minutes of the previous meeting

The confidential minutes of the meeting held on the 28 January 2021 were accepted as a correct record.

Agreed

The confidential minutes of the meeting held on the 28 January 2021 were accepted as a correct record.

21/60 Matters arising

There were no matters arising.

21/61 Strategic & Operational Risk Registers Q3

The Board considered an update on the effectiveness of Derby Homes' risk management arrangements and present a snapshot of the strategic and operational risk registers as at 31 December 2020.

Agreed

The Board noted the Strategic and Operational Risk Registers Quarter 3.

21/62 Strategic & Operational Risk Registers 2021/22

The Board considered a report presenting the proposed revised strategic and operational risk registers for 2021/22. The revised registers were considered and take into account recommendations proposed by Audit Committee on 22 February 2021.

Agreed

The Board

1. approved the proposed strategic risk register for 2021/22
2. noted the revised operational risk register for 2020/21 and that management of this risk register is delegated to the Executive Management Team.

21/63 Padley Investment

The Board considered a report on progress with the Padley Group (PG) and the Council.

Agreed

The Board approved the recommendations set out in the report.

21/64 Contracts & Frameworks

The Board considered the approval of a contract for External Painting.

Agreed

The Board approved the contract for External Painting.

End of Confidential Business

21/65 Draft Minutes of Committees of the Board

The Board received the draft minutes of recent meetings:

- Audit Committee 22 February
- Operational Board 25 February 2021

Agreed

The Board noted the draft minutes.

21/66 Performance Management Q3

The Board received an update on performance management for quarter 2.

Agreed

The Board noted the report.

21/67 Housemark Report 2019/20

The Board received a report on Derby Homes' cost and performance information as detailed in the Housemark cost and performance benchmarking report 2019/20.

Agreed

The Board noted the report.

Date of next meeting

The next meeting will be held on Thursday 27 May 2021 at 6.00 pm.

The meeting ended at 8.36 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 25 March 2021.