

DERBY HOMES LIMITED

MINUTES OF THE RESOURCES, REMUNERATION & REGENERATION MEETING

Held on Thursday 5 January 2012

The meeting started at 6.00 pm

Board Members Present:

Mike Ainsley, Paul Bayliss, Iain MacDonald (Chair), Mark Menzies,
Bob Osler, Dennis Rees

Officers Present:

Phil Davies, David Enticott, Jackie Mitchell

12/01 Apologies

Apologies for absence were received from Tony Holme, Margaret Redfern, Roy Webb

Paul Bayliss advised he would need to leave the meeting at 7.00 pm.

The Chair wished everyone a Happy New Year and welcomed Mark Menzies to his first meeting.

12/02 Admission of Late Items

There were no late items.

12/03 Declarations of Interests

The Council Board Member was 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.

12/04 Minutes of Previous Meeting

The minutes of the meeting held on the 17 November 2011 were accepted as a true and accurate record.

12/06 Matters and Actions Arising

Minute 11/84 Review of Non Core Activity – Home to Work Scheme
– the Chair suggested investigating whether funding from the Job Centre could be accessed towards the costs of the scheme. The Chief Executive will ask the Equalities Change Manager to make enquiries.

12/07 Training for Committee Members

The Chair asked the Committee to contact Susan Hill if they have a specific training requirement.

12/08 Confidential Business

Agreed

The Committee agreed that under Part IV of the Derby Homes Governance Arrangements, members of the public should 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 (g).

12/09 Update on Social Enterprise

The Committee received an update on progress made for developing a social enterprise. A meeting had been held with Board Members, staff and representatives of Social Enterprise East Midlands (SEEM).

Agreed

The Committee noted the report.

End of Confidential Business

12/10 Items from Part B to be discussed

Agreed

The Committee did not wish to discuss any items on Part B.

12/11 Consultation on Housing Revenue Account Business Plan (HRABP) 2012/42, Rents and Services Charges 2012/13

The Housing Revenue Account (HRA) is to be reformed in April 2012, and the subsidy system abolished. The Council will be required to pay Central Government £29.5m as a consequence. As a result of the new system the HRA will be better off financially and able to sustain Council

housing into the future. The Council has issued an HRA Business Plan (HRABP) to indicate their plans for that future, and is seeking comments on the plan from interested parties. The report highlighted some of the key changes that will occur as a consequence, and asked for any comments to be fed back to the Council.

The Chair enquired whether the £250K for fencing could be transferred to the social enterprise. The Chief Executive advised that this could be possible, as well as the over £900k of external cyclical repairs work. He explained that a start up budget for the social enterprise had been estimated at £200,000 over three years and it was proposed to fund this from reserves with the aim of the social enterprise being self financing after 2-3 years.

Dennis Rees suggested the £900K cyclical maintenance work could be carried out by the social enterprise. He asked whether the families we are working with under the FIP will be the same families the new Troubled Families government scheme will work with, as he did not wish to see duplication of work. The Chief Executive said he made contact with the scheme and hopes Derby Homes can work with them by referring families and undertaking some of the work.

Consultation on rent free weeks has been held at Housing Focus Groups on whether the increase in rent could be reduced by spreading it across more rental weeks. The overwhelming response so far has been to keep the current system of four rent free weeks and a higher basic rent, as this helps tenants to manage their finances over the year.

The Committee was informed that rent arrears had reduced by £300K over Christmas. It was estimated arrears would be around £1.2M at the end of the year.

Agreed

The Committee noted the report.

12/12 Response to Consultation on Asset Management and Use of Receipts

The Government's consultation paper 'Streamlining Council House Asset Management' sets out the Government views on the best use of council housing as an asset. It covers a range of issues, and two are of particular importance to Derby Homes, the first to do with disposal of stock being delegated to the Council, and the second to the use of capital receipts from sales of council housing.

The Committee received a report containing Derby Homes' response to the consultation paper. The Director & Company Secretary provided the

Committee with an explanation of the Government's proposals and how they will impact on Derby Homes.

Agreed

The Committee approved the response, supported further lobbying of the Government by Derby Homes together with the National Federation of ALMOs and the Council and the Local Government Association to ensure that the Council can transfer land to its ALMO and that any future Right to Buy receipts are retained for the benefit of new build in Derby.

Derby Homes Draft Operating Budget 2012/13 and Forecasts

The Committee received the Draft Operating Budget 2012/13 and forecasts for 2013/14 and 2014/15. The budget was prepared in accordance with the Medium Term Finance Strategy and is consistent with the HRA Business Plan and Derby Homes Delivery Plan.

The draft budget was prepared after consultation with budget managers and presented to a Budget Scrutiny Group on 18 November 2011.

The Committee was advised that Derby Homes had not been shortlisted for the Derwent Living maintenance contract due to a poor credit rating which was as a result of the pension deficit.

Bob Osler suggested officers speak to Dunn & Bradshaw to explain the ALMO position and to advise them of the Council's guarantee, as this will always be a problem for all bids made.

The Chair suggested investigating with the NFA whether any other ALMOs have successfully bid for contracts and how they overcame this problem.

Agreed

The Committee noted the contents of the report and recommended approval by the Board at the meeting of 19 January 2012.

Derby Homes Management Accounts 2011-12 Period 6

The Committee considered the management accounts for the six months to September 2011, comparing actual expenditure for April to September against budget and extracting a difference.

The Director & Company Secretary explained the delay was because officers had been working on the draft Operating Budget, but he assured the Committee that Periods 7 and 9 will be emailed to Members, period 8 will be omitted this time

Bob Osler referred to paragraph 3.9 which explained that the deficit on voids had increased to £143K due to an increase on employee costs, materials and sub contractors. The number of voids had increased to 657. The Committee was advised work was being done to investigate this and a report would be brought back to the next meeting.

Agreed

The Committee noted the report and appendices.

Hire of Pool Cars for Business Use

The Committee received an update on the use of hire and pool cars and other travel cost savings.

Agreed

The Committee noted, but did not discuss the report.

2011 VAT Inspection

The Committee received a report on the outcome of a VAT inspection which took place between March and November 2011.

Agreed

The Committee noted, but did not discuss the report.

Date of next meeting

The next meeting will be held on Thursday 26 April 2012 at 6.00 pm at Cardinal Square.

The meeting ended at 7.10 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 5 January 2012.