

DERBY HOMES LIMITED

MINUTES OF THE BOARD MEETING

Held on Thursday 17 January 2013

The meeting started at 6.00 pm

Board Members Present:

Mike Ainsley, Tony Holme, John Keith, Iain MacDonald, Mark Menzies, Brian Perry, Dennis Rees(Chair), Fiona Walker, Roy Webb, and Linda Winter

Officers Present:

Chris Langstaff, Interim Chief Executive
David Enticott, Director & Company Secretary
Shaun Bennett, Director of Investment & Regeneration
Jackie Mitchell, Governance Services Manager

Others Present:

Anthony Slater and Gary Woolley of OSCAR.

13/01 Apologies

Apologies for absence were received from Alison Martin, Bob Osler Tabani Ndlovu, Margaret Redfern and Ken Whitehead.

The Chair advised that Alison Martin and Ken Whitehead have requested leave of absence for this and the following two meetings.

Agreed

The Board agreed to the requests.

13/02 Admission of Late Items

The Chair admitted a late item on the Casual Appointment of City Board Members.

The Chair proposed that the agenda be re-ordered so that confidential items would be discussed after the open part of the agenda.

13/03 Declarations of Interests

The Council Board Members were 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.

13/04 Minutes of Previous Meeting

The minutes of the meeting held on the 29 November 2012 were accepted as a true and accurate record.

13/05 Matters Arising

Minute 12/78 Community Led Development

The Board was advised good progress is being made on the project. OSCAR will be building around 95 houses on the site, around 45 of which will be managed on their behalf by Derby Homes.

Minute 12/82 Financial Inclusion Strategy

There is to be a major Welfare Reform event held at the Assembly Rooms on 19 March involving a number of agencies and we will target those affected tenants who have not yet engaged with us.

Minute 12/83 Rent Arrears Update

Details of national research carried out in a small number of areas on the impact of direct housing benefit payments to tenants is available on the Chartered Institute of Housing's website. The research shows the average rent collected was 92%. The worst case was at Wakefield where rent collected was 89% with £8m arrears accumulating per year. Derby Home's rent arrears are estimated to accumulate at an additional £4m per year if that pattern were repeated here.

Tony Holme asked if the number of evictions at Wakefield had increased. Chris Langstaff said he will try to obtain further information regarding Wakefield. Derby Homes will be talking to the Courts to see what stance they will be taking on evictions as a result of arrears in Derby.

13/06 Announcements from the Chair

There were none.

13/07 Statements from Members of the Board

There were no statements from Members of the Board.

13/08 Questions from members of the public

There were no questions from members of the public.

13/09 Committee Chairs Feedback

The Chairs of the City Board and Resources, Remuneration & Regeneration Committees provided feedback from recent meetings held on 13 December 2012 and 3 January 2013 (respectively).

13/10 Items from Part C to be discussed

Agreed

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

13/11 Health & Safety Update

The Board considered a report detailing recent health and safety performance and current issues.

Iain MacDonald reported that staff attendance at the Health & Safety Forum is progressively improving.

Agreed

The Board noted the report.

13/12 Council Rents and Service Charges 2013/14

The Board considered a report setting out the Council's proposals on Rents and Service Charges for 2013/14.

Each year, the Council needs to set Rents and Service Charges for the following year. The Council consults tenants, Derby Homes and Scrutiny as part of that rent setting process. The average rent increase is proposed to continue the policy of previous years – setting a maximum increase of RPI + 0.5% + £2 a week for individual tenants, and generating an average rent increase of 5.2% or £3.56 a week, bringing the average rent to £72.05 a week.

The proposal to charge a rent add on for an enhanced housing management service, to replace the tenancy support and supported living service charge currently funded by Supporting People grant is due to be considered by the Council in March.

The Department of Works & Pensions has not yet decided whether this rent add on will be eligible for housing benefit.

Tony Holme made the point that leaseholders should not be charged for repairs to the communal TV aerial if this has already been included in their contract.

Agreed

The Board supported the Council's proposals on Rents and Service Charges.

13/13 Council Housing Revenue Account Business Plan (HRABP) 2013/43

The Board considered a report setting out the Council's updated HRA Business Plan for 2013/43. The Council's consultation document was attached at Appendix 1.

The Board was advised the HRA remains in good financial health as a result of HRA reform and allowing the ability to plan for the long term. In the short term there is considerable ability for the HRA to invest to replace homes lost through the Right to Buy. Using Derby Homes' status the Council would be able to modestly expand the number of Council owned homes it could provide at affordable rents and it was agreed this response is made to the Council in addition to general support for the core proposals in the plan.

A big increase in arrears has been allowed for in the HRABP, but this would need to be revisited and adjusted if the increase was even more than planned for.

Agreed

The Board supported the Council's proposals for the HRA, and suggested that using Derby Homes' company status would allow the Council to build up to 400 more Council owned (through ownership of Derby Homes) homes than would otherwise be possible through the HRA alone.

13/14 Derby Homes Operating Budget

The Committee considered a report presenting the draft operating budget for Derby Homes (DH) in 2013/14 and forecasts for 2014/15 and 2015/16. The budgets were recommended to the Board following the Resources, Remuneration and Regeneration Committee meeting on 3 January 2012.

Budgets were drafted on an assumed business as usual basis. Any changes arising from the current review of management arrangements of DH by Derby City Council (DCC) or DH taking on services currently delivered by DCC would result in a material change to the current assumptions.

The plans take account of a number of budget service pressures within DH including funding £383,000 in additional costs and services from DCC following the targeted £600,000 savings from their review of Housing Management arrangements.

Overall the plans deliver a balanced budget over three years by incorporating Business Transformation savings and encouragingly allowing for the creation of a £750,000 new build revenue budget rising to £1m in 2016/17 to fund the revenue costs of up to 400 new DH homes, subject to the consultation and approval with tenants and DCC.

Agreed

The Board approved the three year budget as proposed in the report and recommended to Derby City Council that net savings generated by Derby Homes are retained within the management fee to enable the creation of a new build revenue subsidy budget.

13/15 Apprentice Scheme

The Board considered an update report on the apprentice scheme, which has changed from the original Social Enterprise plans since the Board report presented on 26 April 2012. The report sought authority to change the proposed format to an internal delivery model, as outlined in the report.

Derby Homes tenants will be targeted in marketing for the apprenticeships, but this targeting will not be exclusive of others in terms of the application process itself. It is hoped to retain 20 apprentices within the organisation but this cannot be guaranteed. Apprentices will work across the organisation.

There was concern that non-Derby Homes tenants should not be discriminated against. The Board was advised that the rules for apprenticeships allow particular groups to be targeted where there is a gap in the workforce, but that the intention was to target marketing at our tenants without excluding others

Agreed

The Board approved

1. the proposed changes to the Social Enterprise, to an internally based Apprentice scheme.
2. that future updates will be delivered through existing reports from the Director of Investment and Regeneration and Personnel Manager.

13/16 Anti-Fraud & Corruption and Anti-Money Laundering Policies

The Board considered a report proposing two new policies - Anti Fraud & Corruption policy and an Anti Money Laundering policy and documenting the Company's fraud response plan. This followed recommendations from a Derby City Council Internal Audit report in November 2011 on governance within Derby Homes and a Fraud Resilience Report from the external auditors PKF in May 2012.

The contents of the report were discussed and approved at the Resources, Remuneration and Regeneration Committee meeting on 15 November 2012 and were recommended to the Board for approval.

The National Housing Federation's Guide to Social Housing Fraud is due to be published early 2013 and Officers will follow this up and incorporate any best practices into these policies and plan.

Agreed

The Board agreed to adopt the Anti Fraud & Corruption policy and the Anti Money Laundering policy from January 2013.

13/17 Draft Minutes of Committees and City Board

The Board received the draft minutes of recent Committee meetings:

- a) City Board – 13 December 2013
- b) Resources, Remuneration & Regeneration – 3 January 2013.

Agreed

The Board noted the draft minutes.

13/18 Forward Plan of Agenda Items

The Board received the Forward Plan of Agenda Items for the six months period January - June 2013.

Agreed

The Board noted the Forward Plan.

13/19 Board Diary Planner

The Board received the Diary of Events for the period January – June 2013.

Agreed

The Board noted the Board Diary Planner.

13/20 Confidential Business

Agreed

The Board agreed, under Part IV of Derby Homes Governance Arrangements, to exclude members of the public from the meeting during discussion of the following items on grounds that it involved the likely disclosure of confidential information as defined in Standing Order 20.2 (g).

13/21 Chief Executive's Update

The Board received a report providing a general overview and update on current issues.

Agreed

The Board noted the report.

13/22 Finance Update

The Board received a report tabling the 2012/13 management accounts for Derby Homes as at November 2012.

Agreed

The Board noted the current estimated forecast for 2012/13.

End of Confidential Business

13/23 Date and Time of Next Meeting

Agreed

The next meeting will be held on Thursday 21 March 2013 at 6.00 pm at London Road.

Mike Ainsley gave his apologies for next meeting.

The meeting ended at 7.16 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 17 January 2013.