

DERBY HOMES LIMITED

MINUTES OF THE BOARD MEETING

Held on Thursday 28 July 2022

The meeting started at 6.00 pm

Board Members Present:

Mike Ainsley, Charlene Bhurton, Councillor Jerry Pearce, Councillor Shiraz Khan, Iain MacDonald, and Councillor Lucy Care.

Officers Present:

Maria Murphy, Managing Director
Michael Kirk, Finance Director & Company Secretary
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

22/100 Apologies

Apologies for absence were received from Shaun Bennett, Director of Property, Jenn Layton Annable, Bob MacDonald and Jsan Shepherd.

22/101 Admission of Late Items

There were late items submitted as B5 and B6 which were circulated prior to the meeting.

22/102 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.

22/103 Announcements from the Chair

The Chair of Derby Homes held a meeting with chairs of committees to discuss the nature of Board meetings going forward. For small meetings Microsoft teams is sufficient, however the chairs would like to encourage members to attend in person wherever possible particularly for the AGM meeting in October. The Chair understands that members may have health reasons for not attending in person therefore hybrid meetings will remain an option.

22/104 Statements from Members of the Board

There were no statements from the Board.

22/105 Questions from members of the public

There were no questions submitted from the public.

22/106 Items from Part C for discussion

Agreed

The Board noted Part C items.

22/107 Committee Feedback

The Committee Chairs provided feedback from recent meetings:

- Audit – 27 June 2022
- Operational Board – 9 June 2022

Agreed

The Board noted the feedback from recent Committee meetings.

22/108 Minutes of Previous Meeting

The minutes of the meeting held on 19 May 2022 were accepted as a correct record.

Matters Arising

22/81

SMT are close to finalising delivery aiming to be agreed by council at the strategic meeting in August.

22/109 Outstanding Actions

The Board considered outstanding actions arising from previous meetings.

Agreed

The Board noted the outstanding actions from the previous meeting.

22/110 Managing Director's Report

The Board considered a report from the Managing Director which provided Board Members with feedback on the recent review of the Regulator of Social Housing (RSH) Consumer Standards Review (CSR) which was carried out during June/July 2022.

4.11 The Board queried the recommendation for tenants will be provided a report about cleaning, caretaking and ground maintenance work and how this will be communicated. Derby Homes' Communication Team will be working on a style of communication which is more appealing to customers.

The Board queried where the responsibilities lie with implementing actions outlined in 4.11 - 4.14 of the report. Derby Homes confirmed that overarching responsibility is delegated to the Managing Director, the actions are delegated to each service area action plans. The Managing Director will coordinate progress to be reported back to Board regularly.

Agreed

The Board noted the Managing Directors Report.

22/111 Finance Update

The Board considered a report from the Finance Director & Company Secretary which updated the Board on a number of finance related issues, including:

- An update on the 2021/22 financial outturn:
 - from the management accounts perspective, there was a £0.5m deficit, compared to a deficit of £0.75m notified in in the 19 May 2022 report, following an update to the outstanding jobs provision on repairs.
 - after allowing for the technical pension adjustments there is a forecasted "gain" (surplus) for the year of £11.33m compared to £10.75m notified in in the 19 May 2022 report. This is mainly due

to actual investment return being in excess of the projected returns stated in the earlier valuation.

- Early indications for 2022/23 are forecasting for a management account deficit of £0.55m compared to a planned deficit of £0.63m approved by the Board on 27 January 2022.
- Guidance received from the Regulator of Social Housing (RSH) around the implications of our planned late filing of March 2022 financial statements, linked to the appointment of new external auditors.

The Board raised that discussions need to be started around what action needs to be taken around the proposed rent increases. Derby Homes confirmed that this will be a Derby City Council's decision but will have a role in submitting consultations towards this and will looking at holding consultation events with customers.

Agreed

The Board noted:

- The updated management accounts deficit for 2021/22 of £0.5m, the overall gain for the year of £11.33m and the reasons for the changes from the 19 May 2022 update per sections 4.1 and 4.2.
- An early 2022/23 Quarter 1 forecasted deficit of £0.55m compared to a budgeted deficit of £0.63m and the reasons for the changes per section 4.3.
- The planned action in relation to the late filing of March 2022 financial statements per section 4.4.

22/112 Compliance Update

The Board considered the report by the Director of Property which provided an update on the top six items of compliance.

The Board queried how the process for monitoring tolerance will be managed. Derby Homes confirmed that tolerance will be managed within the overarching action plans and that the overall compliance target will remain at 100% as this is a legal requirement. The overall percentage of live certificates will be the tolerance figure.

The Cabinet Member for Adults, Health & Housing queried what the cost would be to take legal action against tenants who refuse access and raised that this puts other tenants at risk. Derby Homes confirmed the risks are

managed appropriately according to property types and did not have a figure to hand regarding the cost of legal action.

Agreed

The Board noted the update on the top six items of compliance.

Derby Homes agreed to provide a figure to the Cabinet Member for Adults, Health & Housing.

22/113 Property Update

The Board considered the report by the Director of Property which provided an update on current issues within the Property Directorate such as New build update and progress with insulation of 80 cast iron homes.

The Board queried if the figures on the appendix have been reviewed in line with current inflation costs. Derby Homes confirmed that the estimated costs are reviewed regularly and that the figures exclude the cost of land.

Agreed

The Board noted the update on current issues within the Property Directorate.

22/114 Health and Safety Update

The Board considered the report of the Managing Director which gave details of recent health and safety performance and current issues.

Agreed

The Board noted the report and are aware of relevant health and safety matters.

22/115 Matter Reported from Operational Board – Grounds Maintenance Service

The Operational Board were concerned about the performance of the Ground Maintenance Service and requested for this matter to be referred to the Main Board for review.

The Chair raised that this is the first occurrence that the Operational Board have raised a concern to the main board and highlighted the severity of this issue.

The Managing Director felt that Derby Homes has a much better prospect of negotiating ways of moving forward by working with colleagues in Street Pride. The Managing Director has held discussions with the Director of Street Pride and they have passed on commitment to improve current service levels. One of the main issues with the service is recruitment, Derby Homes will be reviewing methods of procurement and intends to work in partnership with organisations such as Broomfield College to widen opportunities.

The Strategic Director for Communities & Place at Derby City Council expressed her disappointment that this issue has not been resolved. Derby Homes and Derby City Council working in partnership to solve common problems for the city of Derby has always been an important agenda. The Strategic Director also raised that there are nationwide issues within the labour market and there is a need to be creative to attract more people which Street Pride are currently doing. The Strategic Director is aware that there have been issues with services in the past but is confident that by working together with Street Pride there will be a positive outcome.

The Board raised that the wilding of grass areas has become popular with some Local Authorities and queried if this has been taken into consideration. Derby Homes confirmed that this is being trailed in selected areas with footpaths.

The Board raised that there appears to be a number of agency staff employed and are often paid a higher salary than permanent staff and queried it would be more beneficial to pay internal staff a higher wage.

It was suggestion by the Operational Board that it would be useful to have a presentation from the Grounds Maintenance Service to discuss the challenges from their prospective and The Board felt this should be endorsed.

Agreed

The Board noted:

- The update on the delivery of the Grounds Maintenance Service in 2022
- Improvements to the Service delivered since the Operational Board Meeting on 9 June 2022

The Board recommended:

- The Operational Board to continue perusing to resolve the issues raised regarding the Grounds Maintenance Team.

- A progress report to be presented to the Board at the November meeting.

22/116 Internal Controls – Annual Report of Audit Committee

The Audit Committee at its meeting of 27 June 2022 considered a report from the Managing Director on behalf of the Senior Management Team on the internal controls in place across the company. As a result, the Audit Committee is now reporting that it considers the system of internal controls to be adequate in order that the Board can state that internal controls are, in its consideration, acceptable.

Agreed

The Board noted the Annual Report of Audit Committee.

The Board approved the statement on internal controls assurance within the Report of the Board of Management and Strategic Report on the financial statements for the year to 31 March 2022, as detailed in Section 4.4.

22/117 Modern Slavery Act 2015 Statement

Organisations are required to provide a slavery and human trafficking statement (the 'Statement') where certain conditions are met. Those conditions are met by Derby Homes, and therefore we need to provide a statement.

The Board recommended:

- to reword “We include clauses contracts around compliance” to “We include clauses **in** contracts around compliance with”.
- “Prospective contractors are made aware of compliance with the Act” to “Prospective contractors are made aware of **the need for** compliance with the Act”.
- To amend paragraph: “Derby Homes manages, maintains, and improves council houses and estates and administers statutory homelessness services on behalf of the council” to include “builds houses”.

Agreed

The Board approved for Derby Homes to publish the Modern Slavery Statement in a prominent place on the website and signpost to this in the financial statements with suggested amendments.

22/118 Social Value Strategy

The Board last received a report on the Social Value Strategy in July 2018. The strategy has been redrafted to separate out the social value strategy from the corporate responsibility strategy (CRS). The new CRS will be considered at a future board meeting.

The Board recommended:

- To remove the bullet point from “ At Derby Homes, we create social value in a number of ways” and to add a sentence that Derby Value this intrinsically.
- Add verbs to bullet points on page 1.
- Correct the formatting of the text box on page 2.

Agreed

The Board approved the implementation of the social value requirements in conjunction with the procurements undertaken by Derby Homes. The change to take effect on all procurements commencing from 1 October 2022 with suggested amendments.

22/119 Derby Homes Annual Report for Customers

The Board considered the report of the Finance Director and Company secretary which introduced the final working draft of the Customer Annual Report and explains the aims of this year’s production.

The Board recommended for the number of compliments received to be considered in future reports.

Agreed

The Board noted the publication of the annual report.

22/120 Forward Plan of Agenda Items

The Board noted the forward plan of agenda items.

Derby Homes Intend to take the Annual financial statements to November main board meeting.

22/121 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

- Agreed the following information should be disclosed to insurers, as required under the Insurance Act 2015
- 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.

22/128 Draft Minutes of Committees of the Board

The Board received the draft minutes of

- Audit – 27 June 2022
- Operational Board – 9 June 2022

Agreed

The Board noted the draft minutes.

22/129 Board Members Attendance at Meetings

The Board received details of Board Members attendance at meetings for the period

Agreed

The Board noted Board Members attendance.



Date of next meeting

The next meeting will be held on Thursday 13 October at 6.00 pm

The meeting ended at 19:56 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 28 July 2022.