

## DERBY HOMES LIMITED

### Derby Homes Board

**Date:** Thursday, 29 July 2021  
**Time** 18:00  
**Venue:** Microsoft Teams

## AGENDA

- 1 **Apologies for Absence**
- 2 **Admission of late items (if any)**
3. **Declarations of Interest** 1 - 2
- 4 **Announcements from the Chair**
- 5 **Statements from Members of the Board**
- 6 **Questions from members of the public (maximum time 15 minutes)**  
*To receive and respond to any question from members of the public, as submitted in accordance with Standing Order 14*  
  
*Questions must be submitted at least 2 days in advance of the meeting to [DH-GovernanceServices@derbyhomes.org](mailto:DH-GovernanceServices@derbyhomes.org)*
- 7 **To agree any items for discussion from Part C**
- 8 **Committee Chair's Feedback**

## PART A - ITEMS FOR APPROVAL

- |                              |         |
|------------------------------|---------|
| A1 Board Minutes 2 June 2021 | 3 - 14  |
| A2 Matters arising           |         |
| A3 Outstanding Actions       | 15 - 16 |

A4 Managing Director's Report	17 - 20
A5 Property Update	21 - 26
A6 Housing Services Update	27 - 30
A7 Health Safety Update	31 - 34
A8 Annual Report of Audit Committee Internal Controls	35 - 36
A9 Modern Slavery Act 2015 Statement	37 - 42
A10 Annual Report Financial Statements 2020-21	43 - 122
A11 Digital Strategy 2021	123 - 146
A12 Annual Report for Customers 2020-21	147 - 160
A13 Forward Plan	161 - 162
A14 Disclosure under the Insurance Act 2015	163 - 164

## **PART B – CONFIDENTIAL BUSINESS**

- B2 Board Minutes 2 June 2021 Confidential
- Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office-holder, former office-holder or applicant to become an office holder of Derby Homes.
  - The amount of any expenditure proposed to be incurred by Derby Homes under any particular contract for the acquisition of property or the supply of goods or services
  - Any terms proposed or to be proposed by or to Derby Homes in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services
  - Any other information the Board determines to be confidential
- B3 Confidential matters arising
- B4 Digital Strategy 2021

- The amount of any expenditure proposed to be incurred by Derby Homes under any particular contract for the acquisition of property or the supply of goods or services

## **PART C - ITEMS FOR NOTING**

C1a Operational Board Minutes 13 May 2021	165 - 170
C1b Audit Committee Minutes 28 June 2021	
• Any other information the Board determines to be confidential	
C2 Gender Pay Gap	171 - 178
Item C3 Attendance at Board Meetings	179 - 180

Date and time of next meeting – Thursday 30 September:

Derby Homes AGM at 5.00 pm, immediately followed by a meeting of the Board



## **DERBY HOMES LIMITED BOARD MEETING**

### **DECLARATIONS OF INTEREST**

All Board Members have a duty to act in the best interest of Derby Homes when they make decisions at Board or Committee meetings. Board Members must not generally put themselves in a position where there is a conflict between their personal interests and the duty they owe Derby Homes.

Derby Homes' Governance Arrangements requires Board Members to declare any interest they may have in a matter before it is discussed

The declaration of 'the usual' interests covers the interests of councillors on matters relating to Derby City Council and the interests of tenants and leaseholders on matters relating to their interests as tenants and leaseholders of Derby City Council and customers of Derby Homes.

If at the beginning or during the meeting you realise that an item you are discussing directly affects you, your family or persons known to you then you should declare your interest straight away.

The general rule is that you should not remain present during the discussion of the matter in which you have a business or personal interest unless the other Board Members agree otherwise. You are not allowed to vote on the matter.

Any question arising at a meeting as to the eligibility of a Member to vote may be referred to the Chair before the conclusion of the meeting and the Chair's decision (other than in relation to him/herself) shall be final and conclusive.

You are welcome to raise and discuss any doubts you may have about a declaration of interest at any time by contacting the Company Secretary direct.

### **FIRE EVACUATION PROCEDURE**

No fire drills are scheduled.

#### **Action on discovering a fire**

1. Raise the alarm by operating one of the manual call points.
2. Leave by the nearest available exit to the assembly point on the grass next to the staff canteen.

#### **Action on hearing the alarm**

1. Do not stop to collect personal belongings.
2. Close windows and doors if it does not cause undue delay.
3. Escort any visitors and leave by the nearest available exit and go to the assembly point on the grass next to the staff canteen.
3. Check that someone has called the fire service by dialing 999.
4. Do not return to the building until given the all clear by the fire service.



## **DERBY HOMES LIMITED**

### **MINUTES OF THE BOARD MEETING**

**Held on Wednesday 2 June 2021**

The meeting started at 6.00 pm

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

Mike Ainsley, Charlene Bhurton, Alan Graves, Shiraz Khan, Bob MacDonald, Lucy Care 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

#### **21/68 Apologies**

Apologies for absence were received from Jenn Layton Annable and Iain MacDonald.

#### **21/69 Admission of Late Items**

There were no late items.

#### **21/70 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.

**21/71 Announcements from the Chair**

The Chair advised Board Members that appraisal forms are due to be circulated shortly.

**21/72 Statements from Members of the Board**

There were no statements from Members of the Board.

**21/73 Questions from members of the public**

There were no questions from members of the public.

**21/74 Committee Chairs' Feedback**

The Committee Chairs provided feedback from recent meetings:

- Governance – 29 April 2021

**Agreed**

The Board noted the feedback from the Governance Committee meeting held on 29 April 2021.

**21/75 Items from Part C for discussion**

**Agreed**

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

**21/76 Minutes of Previous Meeting**

The minutes of the meeting held on the 25 March 2021 were accepted as a correct record.

**21/77 Matters Arising**

There were no matters arising.

**21/78 Outstanding Actions**

The Board considered outstanding actions that had arisen from previous meetings.

Social Value Strategy – to be delegated to the Directors of Finance and Property and deferred to the end of the year in order to bring it in line with any changes to the procurement strategy and linked to the supply of goods and services and proposed review of procurement guidelines.

A report on the Managing Director's targets appeared later on this meeting's agenda.

### **Agreed**

The Board noted the update on outstanding actions.

## **21/79 Board Appointments**

The Board considered a report that set out options for filling the vacancy for a Vice Chair of Derby Homes, following the resignation of Councillor Board Member, Sarah Russell.

The report also advised of the outcome of interviews for the reappointment of Independent Board Member, Mike Ainsley, Tenant Board Member, Jenn Layton Annable and the appointment of Tenant Operational Board Members.

Alan Graves moved that the second position of Vice Chair be removed.

Following a short debate, the majority of Board Members' preference was to have two Vice Chairs.

Alan Graves proposed Lucy Care and it was seconded by Shiraz Khan.

### **Agreed**

The Board

1. Appointed Lucy Care as a Vice Chair of Derby Homes.
2. Noted the reappointment of Independent Board Member Mike Ainsley and Tenant Board Member Jenn Layton Annable for a further period of 3 years.
3. Noted the appointment of Tenant Operational Board Members Natasha Cover, Kevin Ellaway and Sarah Mason.

## **21/80 Managing Director's Report**

The Board considered a report of the Managing Director on strategic and key issues.

The Council Cabinet has agreed to renew the Partnership Agreement with Derby Homes for a period of 10 years from 2022.

Rachel North and Maria Murphy commended Derby Homes and Derby City Council colleagues for their work on the Agreement.

The report also provided updates on the ongoing work with Localities Working and the Open Housing servicing module.

Lucy Care asked if Capita is going to pick up tab for updates to the system relating to compliance. Maria Murphy replied that the likely cost is not yet known but to be discussed at next meeting with Capita – if bespoke to Derby Homes' system we would pay, but if it is to be in the system for all then Capita would not charge for general development.

### **Agreed**

The Board

1. Accepted the final draft of the new Partnership Agreement with the Council for Housing Management and Other Services 2022/32.
2. Delegate responsibility for organising the signing of the Partnership Agreement to the Director of Finance and Company Secretary.
3. Noted detail within the report in respect of ongoing work with Locality Working and Capita Open Housing.

## **21/81 Finance Update**

The Board considered a report of the Finance Director providing an update on various financial issues.

The report advised the draft accounts for 2020/21 have been prepared and are currently being audited. They report a management accounts surplus of just over £2.5m, but an operational deficit of £0.3m once pension scheme adjustments are accounted for. The pension fund deficit is effectively underwritten by the Council who provide within the management fee enough funds for Derby Homes to pay the minimum employer's contributions.

The draft agreement with Padley for the provision of support for homeless persons is now drafted and should be signed imminently.

The report also provided an update on stock changes in 2020/21. At the 31 March the Council had lost a net 29 properties, while Derby Homes had gained 7 making a net overall loss of 22. The stock of 4 bed homes had risen while 3 bed property continued to be lost through the Right to Buy.

### **Agreed**

The Board noted

1. the draft accounts are being audited
2. the progress on the Padley agreement
3. the changes in stock levels.

### **21/82 Property Update**

The Board considered a report of the Director of Property providing an update on current issues within the Property Directorate.

The report included new build progress with sites next in line to be onsite at Crompton Street, Blagreaves Avenue, Bretton Avenue, Grange Avenue and Barlow Street and reported on some of the work of the Capital Works team and Fire Safety Work team.

An update on compliance was provided. At the end of April 2021 all six areas had full compliance.

Green Homes Grant work is about to start on site, contracts have been signed and activity will commence on site in the next few weeks to Council and Derby Homes stock and also to private sector stock.

### **Agreed**

The Board noted the content of the Property Update report.

### **21/83 Housing Services Update**

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

The Director of Housing Services advised that the Rough Sleeping initiative bid reported at the last meeting was successful bringing the overall allocation for 2021/22 to just over £1m.

The report contained details of a bid made by Derby Homes on behalf of the Council for £810k under the MHCLG's Rough Sleepers Accommodation programme. The programme makes available financial resources to support local authorities and their partners to prevent people from returning to the streets and to work to bring in those remaining on the streets.

Derby Homes has also submitted a bid, on behalf of the Council, for a maximum of £145k Accommodation for Ex-Offenders programme. If successful, the funding will be used to source 10 additional units of private sector accommodation for offenders with a history of rough sleeping who are released from prison or recently placed in emergency accommodation from prison.

Derby Homes is working in partnership with Public Health England for a bid in the region of £350K over a two year period, to provide some navigation around the substance misuse system.

The report also included updates on a project with Derby University to evaluate the Next Steps Accommodation Programme, the Registered Providers Summit held on 27 May 2021 and the work of the Private Rented Sector Access team who made 237 positive placements and stabilised 119 at risk tenancies during the past year.

The Chair on behalf of the Board praised the exemplary work of the Private Rented Sector Access Team.

## **Agreed**

The Board noted

1. The Rough Sleepers Accommodation Programme (RSAP) Bid.
2. The Accommodation for Ex-Offenders Bid.

## **21/84 Health & Safety Update**

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

The report included Accident & Incidents and Violence & Aggression reports and updates on work around Covid-19 safe working practices.

Feedback was provided from the Health & Safety Forum meeting held on 27 May 2021.

**Agreed**

The Board noted the report.

**21/85 Health & Safety Annual Report 2020/21**

The Board considered the annual Health & Safety Report for 2020/21, summarising health and safety performance and key points during the year.

The report contained details of Accident & Incidents and Violence & Aggression reports during 2020/21, this year's RoSPA award submission, Fire Safety work, staff training, the impact of Covid-19 and safe working practices put in place.

**Agreed**

The Board noted the Health & Safety Annual Report 2020/21.

**21/86 Delivery Plan End of Year Report 2020/21**

The Board considered an update on the progress of the actions within the 2020/21 Delivery Plan at quarter four. At the end of quarter four (31 March 2021) 79% of the Delivery Plan actions (where data was available) were judged to be 'completed' or 'on track' of completion within their timescale.

**Agreed**

The Board noted achievements made against the 2020/21 Delivery Plan key priorities at quarter four.

**21/87 Governance & Viability Compliance Statements 2020/21**

The Board considered a report on Derby Homes compliance with the Regulator of Social Housing's (RSH) Governance Standard to which Registered Providers (RPs) must adhere and which requires the Board to make a positive statement of its compliance with its standards on governance through a self- assessment,.

The overall conclusions of the self-assessments are that Derby Homes complies with the RSH Governance and Viability standard and complies with the NHF Code of Governance 2020, albeit with a number of declared 'non-compliances' with reasoned explanations. This is permitted by the Code itself, especially where the Constitution overrides the approach suggested by the Code.

This matter was considered by the Governance Committee on 29 April 2021. The Committee recommended that the NHF Code of Governance 2020 be adopted by the Board at its meeting in September.

### **Agreed**

The Board agreed

1. to adopt the NHF Code of Governance 2020 and formally adopts it at its meeting in September.
2. to make the following statements in its 2020/21 accounts with respect to these reviews:

“In its view, Derby Homes Board complies with the RSH Governance & Viability standard” as set out in the attached detailed statement.

and

“In its view, Derby Homes Board complies with the NHF Code of Governance 2015. The Board recognises one area of declared non-compliance, with respect to its Board Membership due to our Constitution, and a second with respect to Board Member appraisals which we expect to resolve this year.”

3. the role of Vice Chair includes a new item 6: “To appraise the performance of the Chair, informed by the views of all Board Members”.
4. the Chair of Governance be the designated non-executive member of the Board to receive serious concerns via Whistleblowing in conjunction with the Company Secretary, and that an annual report on whistleblowing matters and actions taken in response be instituted.
5. the Chair undertakes an appraisal of the Managing Director on behalf of the Board.

### **21/88 Review of Governance Arrangements**

The Board considered a report regarding a review of three sections of the Governance Arrangements:

1. Standing Orders for Conduct of Derby Homes Board and General Meetings
2. Appointment and Recruitment of Board Members
3. Operational Board Constitution

The report advised there have been no significant changes to these arrangements. In general, the changes proposed bring the documents up to date with current practice and changes previously agreed by the Board.

The Governance Committee considered this matter at its meeting on 29 April and recommended adoption of the revised documents, subject to a number of amendments which have been incorporated into the attached documents.

### **Agreed**

The Board approved

1. Standing Orders for Conduct of Derby Homes Board and General Meetings
2. Operational Board Constitution
3. Appointment & Recruitment of Board Members.

## **21/89 Managing Directors Targets & Appraisal Process 2021/22**

The Board considered a report of the Chair of Derby Homes detailing targets and an appraisal process for the Managing Director.

The targets and criteria for success were set out in an appendix to the report. The Chair proposed, in addition, to carry out a mid year review in September and end of year review in March which will incorporate target setting for the following year. The Chair lead the review meetings and will be supported by at least one Vice Chair and the Chair of Governance Committee.

The Managing Director will also update the Board throughout the year on progress against the target work areas.

### **Agreed**

The Board approved the proposed targets and process for performance appraisal and delegated management of the process to the Chair of Derby Homes.

## **21/90 Forward Plan of Agenda Items**

The Board considered the Forward Plan of Agenda Items.

### **Agreed**

The Board agreed the Forward Plan.

**21/91 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.

**21/92 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 (b, g, h and n).

The Board agreed to allow Rachel North and Councillor Roy Webb to remain in the meeting.

**21/93 Confidential Minutes of the previous meeting**

The confidential minutes of the meeting held on the 25 March 2021 were accepted as a correct record.

**21/94 Matters arising**

There were no matters arising.

**21/95 Senior Management Team Declaration of Interests**

The Board considered the annual report on the Senior Management Team’s declarations.

**Agreed**

The Board noted the Senior Management Team’s Declarations of Interests.

**21/96 Strategic & Operational Risk Registers Quarter 4 2020/21**

The Board considered an update on the effectiveness of Derby Homes' risk management arrangements and a snapshot of the strategic and operational risk registers as at 31 March 2021.

**Agreed**

The Board noted the Strategic and Operational Risk Registers Q4 2020/21.

**21/97 Contracts & Framework Agreements - Lifting Equipment**

The Board considered the approval of a contract for Lifting Equipment and Services for a period of 24 months with the option to extend for a further 24 months followed by a final period of 12 months.

**Agreed**

The Board approved the award of the contract for Lifting Equipment and Services.

**21/98 Contracts & Framework Agreements – Groundworks, Fencing and Landscaping**

The Board considered the approval of a framework to cover groundworks, fencing and landscaping. The framework procurement was conducted through an open procedure and was advertised within the OJEU.

**Agreed**

The Board approved the award of the framework for groundworks, fencing and landscaping.

**End of Confidential Business**

**21/99 Draft Minutes of Committees of the Board**

The Board received the draft minutes of

- Audit Committee 22 March 2021
- Governance Committee 29 April 2021

**Agreed**

The Board noted the draft minutes.

**21/100 Performance Management Information Q4 2020/21**

The Board received a summary of performance for quarter four 2020/21, from key performance measures reported to Derby City Council and also considered by the Operational Board on 13 May 2021.

**Agreed**

The Board noted the Performance Management Information for Quarter 4.

**21/101 Draft Minutes of Derby Homes Joint Consultative Committee 30 March 2021**

The Board received the draft minutes of the Joint Consultative Committee held on 30 March 2021.

**Agreed**

The Board noted the draft minutes.

**21/102 Board Members' Attendance at Meetings**

The Board received details of Members' attendance at meetings for the period May 2020 – March 2021.

**Agreed**

The Board noted Board Members' attendance at meetings.

**Date of next meeting**

**The next meeting will be held on Thursday 29 July 2021 at 6.00 pm.**

The meeting ended at 7.36 pm.

.....  
CHAIR

Signed as true and accurate record of the meeting held on 2 June 2021.

**DERBY HOMES BOARD  
29 JULY 2021**

**OUTSTANDING ACTIONS**

Ref	Meeting date	Minute	Action	Action by	Date to be completed / Progress/completed
1.	31/05/18	18/93	<b>Social Value Strategy</b> Update to be provided in 18 months' time.	D Enticott/ S Bennett	December 2021



## **MANAGING DIRECTORS REPORT**

Report of the Managing Director

### **1. SUMMARY**

1.1 This report provides Board Members with an update on strategic and key issues.

### **2. RECOMMENDATIONS**

2.1 To note the content of this report.

### **3. REASONS FOR RECOMMENDATION**

3.1 To comply with governance requirements of Derby Homes.

3.2 To ensure that Board Members are kept informed of key issues

### **4. MATTERS FOR CONSIDERATION**

4.1 Board Members will all be aware of the recent high profile media campaign which has highlighted poor standards of social housing in England. The pictures that we have seen are shocking and I am sure that we would all be horrified if this was representative of our homes.

4.2 Whilst I would never claim that Derby Homes is perfect, I do want to reassure Board that we have strong processes in place which I hope would avoid such a situation from occurring.

4.3 Damp, mould and condensation is a problem though in many homes. Sometimes this is caused by leaks, other times it can be rising damp and in most instances is condensation which can be caused by a combination of the structure of the home and/or lifestyle of the occupiers.

4.4 We have carried out some analysis of our repairs system to identify all reports of damp/condensation during the last 18 months. Where the problem is identified as being condensation, we tend to use a mould wash treatment alongside providing the tenant with appropriate advice on how to prevent/control the problem in the future. We intend to introduce a follow up process where after a period of three months we will proactively contact the tenant to check how things are progressing.

4.5 I am very conscious that it is easy to give advice which is basically to maintain a balance of heat and ventilation, not to dry washing indoors and avoid placing furniture against outside walls etc. However, what we do need to bear in mind is that many of our customers are on low, fixed incomes, heating costs are increasing and it is a challenge for them to maintain adequate heating and ventilate at the

same time. It is also a fact that we have many households that are overcrowded and this too can add to the problem. We want to take a more proactive and realistic approach to working with our tenants and, through a more proactive and supportive approach to following up where problems have been reported, I hope we will improve our service.

- 4.6 In some instances, we already use Positive Input Ventilation (PIV) systems and standard extraction fans. The benefit of PIV is that the system works in the background to eliminate condensation and mould and increase the volume of fresh healthy air. Running costs of these units are very low and it may be that we consider an increased use of these as we move forward.
- 4.7 We are also going to be delivering awareness raising training for all staff to improve their knowledge and understanding – the bedrock of a good repairs service is to have well trained staff across the whole organisation.
- 4.8 Derby Homes prides itself on customer service but we know that we can always be better and this is one area where we are keen to look at all available solutions and seek to resolve problems at the earliest possible opportunity.
- 4.9 We will continue to discuss this subject with the Operational Board and I will update you as we move forward.
- 4.10 We are also continuing to focus on how we can learn from feedback from our customers. We know that we receive high levels of satisfaction from customers but it is vital that we don't become complacent – we seek to continually improve our services but also seek to ensure that we are delivering the best value for money.
- 4.11 Again, our work in this area will be reported in more detail to the Operational Board but I think that it is important for Main Board Members to have some level of awareness of what we are doing. Surveys are obviously a good source of feedback, but complaints are something that we can use as a learning tool. We have re-established a group to examine all areas of feedback, good and bad and this group is mandated to make recommendations to change processes where it is felt appropriate. The group will also be looking to identify any trends that could suggest further training requirements to improve services. We will be publishing any improvements made as a result of feedback.

### **Fire Safety Bill 2021**

- 4.12 On 5 July 2021, the Secretary for Housing, Robert Jenrick, introduced a revised draft of the Building Safety Bill into the House of Commons. The revised Bill follows a three-year scrutiny and public consultation process and represents a wholesale reform of the building safety regime, in line with the recommendations of Dame Judith Hackitt's 2018 Independent Review, Building a Safer Future. The Bill sets out a new regulatory regime aimed at ensuring the safety of residents in residential buildings and whilst it looks at new build, we are primarily concerned with the parts relating to occupied premises.
- 4.13 The current timetable indicates that the Bill is expected to receive Royal Assent within approximately 9-12 months, if this is the case, we can expect the first provisions to come into force around October 2022, (six months after Royal Assent).

- 4.14 The definition of a 'high risk' building remains at those exceeding 18m in height, and this means that only Rivermead House falls into this category. However, the fact that we only have one building falling into scope still means that we need to be compliant with the requirements. We are in discussion with the Council at the moment to agree roles and responsibilities in respect of the duty holders. It is envisaged that the Council will ultimately be the Accountable Person and Derby Homes the Building Safety Manager who will discharge the responsibilities and report back to the Council through our existing structures and processes.
- 4.15 Whilst this arrangement feels pretty straightforward it is essential that it is agreed, documented and understood by all parties. Evidence of compliance is essential.
- 4.16 There is a strong emphasis in the Bill on the importance of keeping tenants informed and providing them with accurate information on building safety. We are in the process of developing our engagement strategy. It is important that our strategy is a two way process, not just a one way system for passing on information but also clear, simple processes for tenants to contact us with any concerns.
- 4.17 The consultation continues on many of the aspects within the Bill. We are currently working with the National Federation of ALMO's (NFA) to respond to the proposal that all occupiers of high risk buildings should self declare any disabilities/reasons that could prevent them from safe evacuation in the event of an emergency. The current proposal is that Personal Emergency Evacuation Plans should be included in the 'Safety Case' and available for the emergency services if required.
- 4.18 In our case Rivermead House has a 'stay put' policy and the likelihood of evacuation being required due to a fire is low. However, it is hard to argue that the availability of such information would not be sensible in the event that it may be needed. Whilst the drafted requirement is for the occupier to self refer, it is responsible on the landlord to ensure they are aware and have the opportunity to provide this information.
- 4.19 The Board will continue to receive updates on the Fire Safety Bill and our progress in ensuring full compliance.

### **Lifting Restrictions & Future Ways of Working**

- 4.20 At the time of writing this report it is expected that on 19 July 2021 Government restrictions to manage the pandemic will be lifted. Equally at the time of writing there have been no definitive guidelines for workplaces other than the existing working safely guidelines which are incorporated into our current risk assessments.
- 4.21 Current infection rates in the City are continuing to increase and we are seeing an increase in staff who are required to self isolate due to close contact with a person who has tested positive, and also staff who are themselves positive with the virus.
- 4.22 As we go through the next couple of months I think it is highly likely that we may see some interruption to services and where this is the case we will advise customers through all communication channels. We will continue to prioritise key service areas and emergency repairs.
- 4.23 Board Members receive copies of Staff Updates which are sent out on a fortnightly basis and the recent ones have focussed on future working arrangements. It is

pleasing that the Government has stressed that employers should introduce staff back into the workplace in a phased and sensibly managed way.

- 4.24 We are currently reassessing our workplaces, taking into account all of the risk factors including the natural ventilation. This will determine what reductions on social distancing will be applied. All Heads of Service have now determined what desk requirements they have for their teams to have access to office space within their new blended workstyle.
- 4.25 We believe that where staff need a drop in space there is adequate capacity at London Road and we are encouraging them to use this facility and we will monitor the uptake over the next few weeks.
- 4.26 We are also risk assessing customer interview facilities at the Local Offices and aim to be able to open these by early September. With this, it is not just COVID risk assessments but also personal safety as we need to ensure sufficient staff numbers are on site.
- 4.27 We are asking that when visiting customers in their homes all staff continue to wear face coverings, customers are not people that we would normally be mixing with and therefore it is sensible that additional precautions continue, particularly as we know many of our customers are vulnerable.
- 4.28 We will be continuing to stress the need for hand washing and respecting the personal space of others. We will also be continuing to promote the importance of regular testing and of course vaccination.
- 4.29 As has been the case for over a year now we will continue to be alert to changing guidance and amend our working practises as necessary.

## **5. COUNCIL**

- 5.1 As detailed within the report the Fire Safety Bill has implications for the Council and we are jointly working through the requirements in respect of occupied buildings.

The areas listed below have no direct implications directly arising from this report:

Financial

Equalities

Legal

Risk

Environmental

Policy Review

Consultation

If Board Members or others would like to discuss this report ahead of the meeting please contact:  
Maria Murphy / Managing Director / 01332 888522 / Email [maria.murphy@derbyhomes.org](mailto:maria.murphy@derbyhomes.org)

Background Information: None

Supporting Information: None

## **PROPERTY UPDATE**

Report of the Director of Property

### **1. SUMMARY**

This report provides an update on current issues within the Property Directorate.

### **2. RECOMMENDATION**

That the Board

1. discusses and notes the content of this report.
2. nominates a Climate Change Champion to chair the proposed decarbonisation staff forum.

### **3. REASON FOR RECOMMENDATION**

To ensure that Board Members are fully briefed and updated on new and ongoing matters.

### **4. MATTERS FOR CONSIDERATION**

#### **4.1 New Build Update**

Please see Appendix 1 (on CMIS) for an updated schedule of sites that we are currently working on for current and future new build.

#### **4.2 Development Team update**

- Shaftesbury Street – We are consulting with the local community on both the housing and the leisure aspects of this site. We
- Grange Avenue – Final details being agreed before the scheme goes into planning, layouts and build specifications are being finalized, it has been agreed that the site is accessed from Blackmore street.
- Barlow Street – Planning Permission now granted with conditions, we are working through these as we appoint a Contractor for this much needed project.
- Speculative acquisitions – We are working with developers to explore the opportunity of off the shelf new homes.

#### **4.3 Decarbonisation work**

- 4.3.1 The Government has legally binding targets under the *Climate Change Act 2008* to reach 'net zero' carbon emissions by 2050. Meeting this target will

[Page 21 of 180](#)

require a range of actions across sectors of the UK economy that are responsible for emissions. Housing is one such area as it currently responsible for around 14% of UK emissions.

- 4.3.2 The Clean Growth Strategy was published in October 2017 and includes several targets to improve energy efficiency: to upgrade all fuel poor homes to Energy Performance Certificate (EPC) band C by 2030; to upgrade as many homes as possible to EPC band C by 2035 (where practical, cost effective, and affordable) and to improve business energy efficiency by 20% by 2030.
- 4.3.3 Further developments are expected in the coming year, for example the Government is expected to publish a new heat strategy (including future heat and energy in domestic homes), while the Government's independent advisors, the Committee on Climate Change (CCC), have recently set out the range of policies needed, in its view, across several Government Departments in the near to medium term.
- 4.3.4 Derby Homes will respond to this issue and agree challenging targets for both the impact of our organisation and our activities. We will continue to work with the Council to agree targets for the homes that we manage.
- 4.3.5 The Council have declared a climate emergency and established a climate change commission, there are four sub groups/hubs that report up to the commission. I have been asked to help with the housing aspect of this work and chair the housing hub. The main thrust of our work is based around the green homes grant and making sure that Derby benefits to the full from this funding stream, we are working across both the public and private sector. We have also analysed over 90,000 EPC's to help us to target our efforts.
- 4.3.6 Derby City are working to a target of 2035 for the Council to be nett zero as an organisation, this is a very challenging target.
- 4.3.7 We are in a relatively good position across both challenges, on Derby Homes impact we have already:
- Converted around 70% of the heating systems to our offices to low carbon solutions.
  - Installed one of the largest PV systems in the City to the Mill at London Road, this generates over 26kw of power and has been providing our offices with renewable energy for the past six years.
  - Agreed to work with our main supplier to reduce carbon and waste, we recently agreed to reduce our plastic consumption by using refillable sealant guns. There is much more to do in this area.
  - Insulated and triple glazed the mill when it was refurbished.
  - Trialled electric vehicles with limited success so far, this is another area for our focus.
  - Worked with the Council to calculate our carbon footprint and this helps to identify the areas for attention.
- 4.3.8 On the homes that we manage:

- We have completed almost all of the practical building fabric improvements over the last 30 years. Our average SAP rating is upper quartile at just under 76.
- Installed over 1,000 homes with solar PV, there are many more that could benefit from this measure and we are looking to incorporate this when homes are re-roofed.
- Retrofitted over 100 homes with Air source heat pumps
- Developing a new low carbon specification for all new homes, following on from the War Memorial Village project.
- Offer dedicated energy efficiency advice for all tenants from our in-house advisors.
- Identified just over 400 homes that have a SAP of D or below for action, many of these are work refusals and we make contact on a regular basis.

4.3.9 There is still much more to do and we need to agree and fine tune our actions to be able to confidently set targets for Derby Homes.

I am recommending the establishment of a staff forum on this topic and would welcome a Board champion to support this important area of our work.

We could aim to be one of the first ALMO's to be Nett zero.

#### 4.4 **Compliance Update**

Please find attached at Appendix 2 the end of June 2021 update on the six areas of compliance. I am pleased to report that all areas are fully compliant.

You will notice that the matrix has been streamlined to focus only on domestic property as defined within each area of compliance.

### 5. **HEALTH AND SAFETY IMPLICATIONS**

There are matters within this report that have a direct impact on the health and safety of the buildings that we manage.

The areas listed below have no implications directly arising from this report:

Consultation

Financial & Business Plan

Legal & Confidentiality

Council

Personnel

Equalities Impact Assessment

Risk

Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

Shaun Bennett / Director of Property / 01332 888524 / Email [shaun.bennett@derbyhomes.org](mailto:shaun.bennett@derbyhomes.org)

Background Information: None

Supporting Information: Appendix 1 – New Builds Progress Update (CMIS only)

Appendix 2 – Compliance Update Q4 2020/21



	Measure	Statutory/ Best Practice	Frequency	Number of Sites	Number Compliant	Overall % Compliance	Target	Definition	Comments
1	Gas Safety	Statutory	12 months	Domestic Properties 12754	12754	100%	100%	<i>Annual Gas Safety Check, % of properties with a current (less than 1 years old) Landlord Gas Safety Record.</i>	12,731 have a certificate less than a year old, 23 have certificates over a year, Every effort that is reasonably practicable has been made to access these properties which makes Derby Homes 100% compliant under section 36 of the Gas Safety (Installation and Use) Regulations. We continue with our efforts to gain access.
2	Electrical Safety	Best Practice	5 Years	Domestic Properties June – 12,938	12, 938	99.83%	100%	<i>5 yearly Electrical Safety Test Certificate.  % of properties with a current (less than 5 years old) NICEIC Electrical Test Certificate.</i>	There are 22 properties that do not hold an Electrical Safety Certificate dated within the last 5 years. Every effort that is reasonably practicable has been made to access these properties and evidence has been generated which evidences that Derby Homes have met their legal obligations. We continue with our efforts to gain access.
3	Lift Safety	Statutory	6 months	Passenger/Platform Lifts 14	14	100%	100%	<i>% of Passenger Lifts subject to a completed service (within the prescribed period) and an independent LOLER Inspection within the past 6 months.</i>	The LOLER or Thorough Examination is an annual mandatory requirement under the Health & Safety legislation. LOLER stands for Lifting Operations and Lifting Equipment Regulations. Simply put, a Thorough Examination or LOLER is a bit like a car's MOT.  All 14 lifts have had a completed service (within the prescribed period) and an independent LOLER Inspection within the past 6 months. Communal Stairlifts are subject to the same regime of servicing and LOLER inspection and will be reported here from June 2021 on commencement of our re-procured Lift Servicing Contract. Domestic Stairlifts are subject to a service regime specified by the installer only. A regime of servicing and inspection is in place for all sites.
4	Asbestos	Statutory	12 months	273 Sites (see comment)	273	100%	100%	<i>Managing and working with asbestos Control of Asbestos Regulations 2012. Regulation 4, Duty to manage, applies to common parts of domestic premises. Maintain a written record of asbestos locations The condition of asbestos containing materials should be inspected at least every 12 months.</i>	100% compliant on asbestos surveys, all communal areas have an asbestos survey. Regular checks on condition are being carried out on an annual basis. 247 common areas in blocks inc cat 2's 19 stand-alone common rooms 6 Local Offices 1 London Road
5	Fire Safety	Statutory	Various *	273 Sites (see comment)	273	100%	100%	% of Communal Areas with a Valid FRA.  <u>Sites are checked on either a 1,2 or 3 year interval</u> <a href="#">Page 25 of 180</a>	Regular checks on condition are being carried out quarterly.  Due to Covid19 restrictions the fire risk assessments (FRA) for Community rooms and Local housing offices that have been closed are been completed as desktop assessments, as there is no life risk

	Measure	Statutory/ Best Practice	Frequency	Number of Sites	Number Compliant	Overall % Compliance	Target	Definition	Comments
									<p>present once they reopen a full FRA will be carried out at present this affects 1x LHO and 1 x Community room, Allenton Housing office and Colvile Street community room these were completed 17/11/2020.</p> <p>Sussex Circus LHO has had a Building fire risk assessment carried out as the building is been used by an outside organisation (NHS) this was completed on the 17/1/2021</p>
6	Water Safety	Statutory	Various*	Communal- 28	28	100%	100%	% of Schemes with Communal Water Systems having a valid Water Risk Assessment (WRA) in place.	Fully compliant in this area with no outstanding remedial actions.

## **HOUSING SERVICES UPDATE**

Report of the Director of Housing Services

### **1. SUMMARY**

- 1.1 This report provides Board Members with an update on strategic and key issues in relation to Housing Services.

### **2. RECOMMENDATIONS**

- 2.1 To note the outcome of the Accommodation for Ex-Offenders Bid
- 2.2 To note the programme for ASB Awareness Week 19-25<sup>th</sup> July
- 2.3 To note the review work taking place in relation to non-commissioned supported housing providers

### **3. REASON(S) FOR RECOMMENDATION**

- 3.1 To ensure that Board Members are kept informed of key issues.

### **4. MATTERS FOR CONSIDERATION**

#### **4.1 Accommodation For Ex-Offenders Bid**

I am delighted to update the board on the outcome of Derby's bid into the MHCLG Accommodation for Ex-Offender's Programme. launched on 12<sup>th</sup> April 2021, this programme makes available additional funding to local authorities to support ex-offenders to access and maintain privately rented tenancies.

Derby has been awarded £110,256 to provide targeted support to 20 service users with a recent history of offending who are homeless or at risk of homelessness and allows a tailored package of support to both service users and landlords, aimed at securing settled accommodation in the private rented sector.

Work is now underway within the Housing Options service to deliver this programme with identified service users and will conclude in June 2022.

Regular progress reporting will be through MHCLG's performance framework and will conclude with an evaluation to inform future local and government initiatives and to enable learning to be shared regionally and nationally.

## 4.2 **ASB AWARENESS WEEK 19-25 JULY**

The UK's first-ever ASB Awareness Week runs from 19 - 25 July 2021. The theme is 'Making Communities Safer', and we will be joining regional and local partners to support the national campaign on social media and with engagement events in targeted areas of the city throughout the week.

On 20<sup>th</sup> July teams from Derby Homes, the Council, Police and Derbyshire Victims Service will be running ASB awareness roadshows; the first in the morning starting at Derby Racecourse and the second at Cavan drive, Chaddesden.

On 22<sup>nd</sup> a further roadshow will take place on and around Elmtree Avenue and Victory Road in Allenton.

Teams will be seeking feedback from communities on their experiences and will be seeking to build trust and confidence. In addition, teams will be promoting the support available to those experiencing anti-social behaviour as well as encouraging the reporting of local concerns.

Derby Homes Engagement Van will be present at all events, but teams will be encouraged to door knock residents to raise awareness of the event and encourage participation.

On 21 July, the Resolve ASB Conference and Awards will take place. Postponed last year, the awards element will be considering nominations made prior to the postponement back in 2020.

Last year Derby Homes submitted a nomination on behalf of the Friends of Normanton Park group for their incredible work and commitment in making the park a useable, safer place for residents. Our fingers are crossed that our nomination is successful.

## 4.3 **NON-COMMISSIONED SUPPORTED HOUSING**

Non-Commissioned Supported Housing is expanding rapidly both locally and nationally.

Shortages of social housing , lack of availability of commissioned supported housing, and lack of funding for commissioning supported housing has led to an increase in local authorities, prisons and others referring vulnerable people into properties, largely leased from private landlords, managed by independent providers who can offer accommodation with support. Sometimes self-referrals

are made to these providers, with some providers contacting services directly outside of the established Housing Options referral routes

Caps on Housing benefit do not apply where this accommodation provides supported housing, with support levels not defined in housing benefit regulations, with case law suggesting the support simply needs to be 'more than minimal'.

Some providers of supported accommodation are registered with the Regulator of Social Housing as social housing providers however many are not and lack formal regulation.

Government is currently funding pilot projects to respond to this issue, and hope these projects will inform a national approach, and whether new legislation is needed.

Here in Derby we have a good relationship with several trusted providers of supported accommodation however we are becoming increasingly concerned at the expansion of new entrants into this market, and their lack of regulation.

A working group has been set up, led by Strategic Housing including colleagues from within Derby Homes and Housing Benefits, to review the cities approach to this issue.

The group are working with colleagues in Hull, who developed the first Supported Housing Charter aimed at tenants and providers of Supported Accommodation Schemes.

The charter aims to identify and establish a partnership approach to achieving the best outcomes for disadvantaged and vulnerable residents in Hull and sets out requirements relating to the support for tenants, the housing benefits claims and the housing and property management standards.

Whilst not legally binding, the charter is supported by a council review team, who carry out property visits and require landlords to provide evidence of compliance with the charter to maintain housing benefit exemptions on rent limits. A Landlord checklist is also provided alongside a property questionnaire.

Others such as Nottingham and Birmingham have developed similar models but continue to struggle; the limitations of these agreements/charters being the lack of legally enforceable regulation.

Updates on the development of Derby's approach will be brought back to the Board.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The revenue grant for the Ex-Offenders Accommodation Programme 2021/22 will be passed to Derby Homes who will manage the associated risks, such as compliance with grant conditions and the risk of overspend.

The areas listed below have no implications directly arising from this report:

Legal & Confidential  
Equalities  
Personnel  
Environmental  
Consultation  
Council  
Risk

If Board Members or others would like to discuss this report ahead of the meeting please contact:  
Clare Mehrbani / Director of Housing Services / 01332 888596 / Email [clare.mehrbani@derbyhomes.org](mailto:clare.mehrbani@derbyhomes.org)

## **HEALTH AND SAFETY UPDATE**

Report of the Managing Director

### **1. SUMMARY**

1.1 Details of recent health and safety performance and current issues.

### **2. RECOMMENDATION**

2.1 To note the award of RoSPA Order of Distinction for Health & Safety performance.

2.2 To note the additional content of the report.

### **3. REASON(S) FOR RECOMMENDATION**

3.1 To ensure that Board Members are fully aware of relevant health and safety matters.

### **4. MATTER FOR CONSIDERATION**

#### **4.1 RoSPA AWARD**

4.1.1 In the 2021 RoSPA Occupational Health and Safety Awards, Derby Homes has received the RoSPA Order of Distinction Award for our health and safety performance in 2020. The Order of Distinction is given in recognition of achieving 15 consecutive Gold Awards. The awards scheme, which is open to businesses and organisations of all types and sizes from across the UK and overseas, considers entrants' overarching occupational health and safety management systems, including practices such as leadership and workforce involvement.

#### **4.2 ACCIDENT AND INCIDENT REPORTS**

4.2.1 Accidents and incidents involving Derby Homes' staff are recorded using a formal reporting system. In May and June there were six reported accidents. Three of these were classed as Lost Time Accidents.

4.2.2 All accident and incident reports are discussed in more detail at the Health & Safety Forum.

### **4.3 VIOLENCE AND AGGRESSION REPORTS**

- 4.3.1 Violent, aggressive or abusive incidents towards staff are reported by staff using a formal reporting system. Appropriate action is always taken against the perpetrator. In May and June there were 26 reported cases of violence, aggression or abuse towards staff.
- 4.3.2 All violence and aggression reports are discussed in more detail at the Health & Safety Forum.

### **4.4 COVID-19**

- 4.4.1 The move to stage 4 of the government's Roadmap on 19<sup>th</sup> July lifting restrictions on social distancing, still requires businesses to assess risk and put in place their own controls as appropriate. However, Track and Trace and the requirements for close contacts to self-isolate remains in place until 16<sup>th</sup> August at the earliest. Therefore, the potential to have large numbers of staff or teams self-isolating is significant. On the 19<sup>th</sup> July we started to remove restrictions in the workplace. To reassure customers we will initially be maintaining current practice with social distancing and the wearing of face coverings when dealing with them. We continue to review our Covid-19 safe working practices considering changing official guidance and business needs. There is more detail in the Managing Director's report.

### **4.5 LEGIONELLA**

- 4.5.1 In early July, Derby Homes was contacted in respect of an individual who had contracted Legionella. We co-operated fully with Environmental Health and Public Health in this matter. At the time of writing this report confirmation of test results has not been received but it is hoped that a verbal update can be given at the meeting.

## **5. OTHER OPTIONS CONSIDERED**

- 5.1 Not applicable.

## **IMPLICATIONS**

### **6. HEALTH & SAFETY IMPLICATIONS**

- 6.1 It is a legal responsibility of the Board to ensure effective health and safety management is maintained within the Company. This report provides the relevant information to enable the Board Members to monitor this.

The areas listed below have no implications directly arising from this report:

Consultation  
Financial and Business Plan  
Legal and Confidentiality  
Council  
Personnel  
Environmental

Equalities Impact Assessment  
Risk  
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

Stuart Hufton, Health and Safety Manager, Telephone 01332 888487, Email  
stuart.hufton@derbyhomes.org.

Background Information: None

Supporting Information: None



## **ANNUAL REPORT OF AUDIT COMMITTEE: INTERNAL CONTROLS**

Report of the Finance Director & Company Secretary

### **1. SUMMARY**

The Audit Committee at its meeting of 28 June 2021 considered a report from 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.

### **2. RECOMMENDATION**

That the Board notes this report and approves 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 2021.

### **3. REASONS FOR RECOMMENDATION**

- 3.1 To discharge the Committee's responsibility to report to the Board on the effectiveness of internal control systems during the year to 31 March 2021.

### **4. MATTER FOR CONSIDERATION**

- 4.1 The Board has delegated to the Audit Committee the task of appraising internal control systems and providing an annual report to Board. This takes the form of a recommendation to adopt wording within the published financial statements under the heading 'Internal Controls Assurance'.
- 4.2 At its meeting on 28 June 2021, the Committee considered evidence on internal control systems comprising:
- a report from the Managing Director of Derby Homes on behalf of the Senior Management Team
  - internal auditors' reports on specific areas, and an annual report
  - the external auditors' draft management letters and presentation, which addressed control issues among other things
  - the Committee also met in private session with the external auditors.
- 4.3 Considering this evidence and enquiries made of officers at the meeting, the Committee recommends the Board approve the statement 'Internal Controls Assurance' contained in the Report of the Board of Management and Strategic Report within the financial statements for 31 March 2021, elsewhere on this agenda.

## 5 OTHER OPTIONS CONSIDERED

None

The areas listed below have no implications directly arising from this report:

- Consultation
- Financial and Business Plan
- Legal and Confidentiality
- Personnel
- Environmental
- Equalities Impact Assessment
- Health & Safety
- Risk
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact

Michael Kirk / Head of Finance & Income / 01332 888703 email : [michael.kirk@derbyhomes.org](mailto:michael.kirk@derbyhomes.org)

Background Information: None.

Supporting Information: None.

This report has been approved by the following

Finance Director & Company Secretary	David Enticott	
--------------------------------------	----------------	--

## **MODERN SLAVERY ACT 2015**

Report of the Finance Director & Company Secretary

### **1. SUMMARY**

- 1.1 The Modern Slavery Act 2015 (“the Act”) became law in October 2015 and is designed to prevent slavery, servitude, forced or compulsory labour and human trafficking (referred to as ‘Modern Slavery’) in organisations and their supply chains and to increase transparency as to what steps, if any, any organisation is taking to combat slavery and trafficking.
- 1.2 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.

### **2. RECOMMENDATION**

- 2.1 Derby Homes to publish Modern Slavery Statement (Appendix 1) in a prominent place on the website and signpost to this in the financial statements.

### **3. REASON FOR RECOMMENDATION**

- 3.1 To comply with the Modern Slavery Act 2015 (Transparency in Supply Chains Regulations 2015 (SI 2015/1833)).

### **4. MATTER FOR CONSIDERATION**

- 4.1 Organisations are required to provide a slavery and human trafficking statement (the ‘Statement’) where they supply goods and/or services, carry on a business or part of a business in the UK and have a total turnover, including the turnover of any of its subsidiaries, of not less than £36 million (as determined by the Modern Slavery Act 2015 (Transparency in Supply Chains Regulations 2015 (SI 2015/1833))). This year’s accounts are expected to show a turnover of over £36m, which will mean that Derby Homes is required to provide a statement and policy.
- 4.2 The Statement should set out the steps taken during the financial year to ensure that Modern Slavery is not taking place in any of its supply chains or in any part of its own business.
- 4.3 If an organisation has not taken any steps then it will still be required to produce a Statement stating that the organisation has taken no such steps. Such a Statement may affect Derby Homes’ reputation adversely.

- 4.4 According to Government guidance, the Statement should be published as soon as reasonably practicable after the end of the organisation's financial year. It is recommended that publication of the Statement is within six months of the financial year end.
- 4.5 The Act sets out that the following information may be included in the Statement:
- The organisation's structure
  - Its business and its supply chains
  - Its policies in relation to slavery and human trafficking
  - Its due diligence processes in relation to slavery and human trafficking in its business and supply chains
  - The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk
  - Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against performance indicators it considers appropriate, and
  - Training about slavery and human trafficking available to its staff.
- 4.6 It is a requirement of the Act that the Statement is approved within a company as follows: a body corporate (other than a limited liability partnership), approval is required by the board of directors and be signed by a director.

## **5. OTHER OPTIONS CONSIDERED**

- 5.1 There are no other options to consider.

## **IMPLICATIONS**

### **6. LEGAL AND CONFIDENTIALITY IMPLICATIONS**

- 6.1 For non-compliance with the Act the Secretary of State may seek an injunction through the High Court requiring an organisation to produce a slavery and anti-trafficking statement. If an organisation does not comply with the injunction, an unlimited fine will be issued to the organisation.
- 6.2 Regulation 57 of the Public Contracts Regulations 2015 now requires exclusion of bidders where they have committed an offence under the Act.

### **7 CONSULTATION IMPLICATIONS**

- 7.1 Consultation and information cascade will take place through team briefings and trade union meetings.

The areas listed below have no implications directly arising from this report:

Financial and Business Plan  
Council  
Environmental  
Equalities Impact Assessment  
Risk

For more information please contact:  
Taranjit Lalia – Head of Governance and Corporate Services – Company Solicitor / 01332 888608 / Email  
Taranjit.lalia@derbyhomes.org  
Background information: None  
List of appendices Appendix 1 Modern Slavery Act 2015 Statement

This report has been approved by the following

Finance Director & Company Secretary	David Enticott	19/07/21
--------------------------------------	----------------	----------





## **Modern Slavery Statement**

### **Actions taken**

We include clauses contracts around compliance with the Modern Slavery Act 2015 ('the Act').

Prospective contractors are made aware of compliance with the Act

Training (e-learning) is undertaken on Modern Slavery.

Modern slavery is also picked up in safeguarding training.

### **Background**

Derby Homes Limited is an arms length management organisation (ALMO) created by Derby City Council. The organisation is non-profit making and is 100% owned and controlled by Derby City Council.

Derby Homes manages, maintains and improves council houses and estates and administers statutory homelessness services on behalf of the council.

Derby Homes is a registered provider of social housing with the Regulator of Social Housing.

We aim to promote the highest standards in how we run our business and in our employment, tenancy and procurement practices. Derby Homes supports the principles of the Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking.

This statement summaries our approach and the action we will take in the next year in our own company and in our supply chain.

### **Derby Homes Board has adopted a Modern Slavery Act Policy**

It states that we will not – nor expect our contractors to – tolerate any arrangements that involve any business practices that might be seen as modern slavery. Where we know about such activity we will take whatever action is necessary to eliminate it from any process in which we are involved.

Within Derby Homes, our recruitment systems are designed to ensure that all prospective employees are legally entitled to work in the UK. We have a range of Policies and procedures which enable employees to raise any concerns or worries through various routes, including an Independent Whistle Blowing Service.

Our process to sign up new tenants is set up so that we undertake a robust process to ensure that they are who they say they are, which includes background and photo

identification checks. We also undertake visits to ensure that we know the tenants in our properties.

Housing management staff keep an eye on any external issues or changes with our properties and tenants, and we investigate any allegations from residents or the wider community regarding potential tenancy fraud.

Employees carrying out procurement activities on behalf of Derby Homes are required to ensure before engaging any service provider that the company being employed has policies and procedures in place to prevent any form of modern slavery within any part of its own organisation and any other organisation they employ on behalf of Derby Homes.

Derby Homes has an extensive supply chain and we procure goods, services and works. We work with a wide range of different suppliers and partners. Some of our suppliers subcontract work or rely on recruitment agencies to supply temporary or permanent staff. By the nature of their businesses, some of our suppliers are potentially at higher risk than others, for example, construction companies.

We will require suppliers to have a modern slavery statement and policy when letting new contracts.

We asked internal audit to review our practices.

We have a number of activities over the next 12 months that we intend to undertake and these are:

- Continue to make our staff, residents and leaseholders aware of the Modern Slavery Act 2015, including the definitions of slavery and human trafficking.
- Continue to tell staff what to do if they suspect a case of slavery or human trafficking.
- Work with current suppliers who provide us with temporary staff to ensure they also comply with this Act.

Signed:

On behalf of the Board of Derby Homes

Dated:

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2020/21**

Report of the Finance Director & Company Secretary

### **1. SUMMARY**

- 1.1 This report accompanies the draft annual report and financial statements for Derby Homes for the year ended 31 March 2021.

### **2. RECOMMENDATION**

- 2.1 To accept the draft annual report and financial statements as a true and fair view of the Company's financial affairs as at 31 March 2021 and as a going concern.
- 2.2 To authorise the Chair and the Company Secretary to sign the accounts at this Board meeting.
- 2.3 To recommend the Board authorises the Chair to sign a letter of representation, requested by BDO (LLP) Ltd, at this Board meeting.

### **3. REASON FOR RECOMMENDATION**

- 3.1 Formal, audited, accounts in the appropriate format must be filed with both Companies House and the Regulator of Social Housing (RSH) by end of December 2021.

### **4. MATTER FOR CONSIDERATION**

- 4.1 Derby Homes' formal financial statements for the 2020/21 year – attached at Appendix 1 to this report - show a formal loss of £21.2m on a turnover of £45.2m (see page 38 of the financial statements). The loss is entirely due to large technical adjustments relating to the impact of pension scheme assumptions – see section 4.3 below.
- 4.2 The underlying day to day operational surplus was £2.6m before deductions for loan interest and corporation tax. This is the surplus of income over expenditure for the year including "normal", monthly payroll calculated, employer pension contributions due. It excludes additional "notional" actuary assessed pension charges, such as additional employer pension contribution charges due and a net interest charge on the pension scheme deficit.

These adjustments are required by accounting and audit regulations and added a “notional” £3.2m to our costs. This – plus interest and tax - turns the day to day surplus (of £2.6m) into a formal operating deficit of £0.8m.

Additionally, the net results from investment returns in the year and changes to long-term actuarial assumptions on the pension scheme produce a £20.4m loss (2019/20: £18.1m gain), leaving an overall total book loss this year of £21.2m (2019/20: £16m gain). Taken together the total pension fund adjustments amount to in excess of £23m, turning the day to day operational surplus of £2.6m into the overall formal deficit of £21.2m. Pension fund fluctuations are a regular feature of our accounts and the key issue remains that the Council in effect underwrites that deficit through the S151 officers’ letter of representation each year attached at Appendix 2.

4.3 As can be seen in 4.2, the in-year investment returns and long-term actuarial assumptions used by the Actuary can create large swings in the reported figures each year. For 2020/21, this was a net loss of £20.436m and is explained below:

<u>Actuarial area</u>	<u>Impact on 20/21 £m</u>	<u>Explanation</u>
Changes in financial assumptions		
<ul style="list-style-type: none"> <li>Future pension Increases</li> </ul>	(23.3)	Now forecasted at 2.8% annually (1.8% last year). The 1% extra forecasted future cost of a member’s pension is a pressure to the pension scheme.
<ul style="list-style-type: none"> <li>Expected rate of salary increases</li> </ul>	(4.2)	Now forecasted at 3.5% (2.5% last year). The 1% extra forecasted future annual salary increase is a pressure to the pension scheme (as members pension entitlements will be higher with higher wages).
<ul style="list-style-type: none"> <li>Discount rate</li> </ul>	(7.1)	Now forecasted at 2.05% (2.3% last year). The discount rate is the rate used to value the current cost of future pension obligations. The discount rate is determined by estimating expected investment returns – mainly linked to yields on long term government bonds.  A decrease in the discount rate assumption increases the pension liability.
Changes in financial assumptions (total)	<b>(34.6)</b>	
Return on pension investments	15.3	Last year the pension fund achieved 20.9% investment return, the bulk of which will have been generated from stocks and shares. 63% of the pension fund is invested in equities. These can go up and down in value. 23% is invested in government bonds (the balance in property and cash).
Changes in demographic assumptions	(1.9)	Linked to the slight increase in life expectancy assumptions of future female pensioners.
Other experience	0.8	All other factors.
<b>Total actuarial loss for 2020/21</b>	<b>(20.4)</b>	

It is worth noting that the accounting methods used by the Actuaries for the financial statements differ to those accounting methods used by Actuaries in the triennial

actuarial valuation (which recommends employee & employer contribution rates and overall scheme financial position).

This was last carried out in 2019 and indicated that our pension fund liabilities were at that point 106% funded, meaning that there should be enough resources in our share of the pension fund to more than meet liabilities on most likely scenarios.

The Board will be advised of the results of the next triennial valuation (as at March 2022) at some stage in 2022/23.

- 4.4 The annual report and financial statements also include references to our achievements and benchmarks spending against many other similar organisations. Performance remains excellent overall and in line with expectations.
- 4.5 During the course of the audit, BDO identified two errors in the financial statements. Neither were above the Auditors materiality threshold (of £809,000) and the financial statements have not therefore been amended. They are:
- £350,000 – this relates to an overstated “Pensionable Pay” figure used by the Actuaries in their pension valuation report. The impact of this is that the “Total Service Cost”, (a £5.163m pension cost within the £45.356m Operating Costs) was £350,000 overstated. If we had adjusted for this error, then the £21.242m “Total comprehensive loss for the year” would have been £350,000 lower. The year end pension liability of £40.197m would have also been £350,000 lower.
  - £37,161 – this relates to an overstated estimated debtor on the War Memorial Village (Derby) (WMVD) new build contract. Subsequent to drafting the financial statements we reviewed and revised our final account on the project and removed certain costs linked to additional works, prior to finalising a final account figure with WMVD. If we had adjusted for this error, then the £21.242m “Total comprehensive loss for the year” figure would be £37,161 higher.

These will be corrected in the 2022/23 financial statements. Non-material errors like this are acceptable for audit purposes and we will still get a ‘clean’ audit outcome. These issues were discussed at Audit Committee along with the rest of the accounts and the Committee resolved to recommend that they be approved by the Board.

- 4.6 Derby Homes now has – if the pension fund deficit of £40.2m is excluded - £20m of reserves, intended to help with Council housing objectives. The Board remains committed to helping the Council to continue to deliver housing and homelessness services going forward in addition to direct provision of new homes and this relatively strong position means that such investments can be sustained while such funds continue to be generated.
- 4.7 The overall balance sheet (and value of the company) is now again negative, at £20.152m. The continued support of the Council remains critical to our future. The volatility of the pension fund deficit means that it is crucial to the going concern concept that the Council continues to offer a Letter of Representation to our auditors concerning that deficit (attached at Appendix 2)

- 4.8 For the auditors to sign off our accounts, they require a Letter of Representation from the Board (attached at Appendix 3) to be signed at this meeting by the Chair and Company Secretary.
- 4.9 The draft accounts and an “Audit Highlights Report” produced by our Auditors were discussed and formally recommended to the Board by the Audit Committee at their meeting on 28<sup>th</sup> June 2021. A copy of the minutes of that meeting is included on today’s agenda.

**5. OTHER OPTIONS CONSIDERED**

- 5.1 None .

**IMPLICATIONS**

**6. FINANCIAL AND BUSINESS PLAN IMPLICATIONS**

- 6.1 The underlying company financial position remains sound. The updated reserves position will be incorporated into the medium-term financial budget planning. The pension scheme deficit remains underwritten by Derby City Council.

On 24<sup>th</sup> September 2020, the Board agreed that the Designated Reserve be merged back into the General Reserve to allow the Board more flexibility to sustain different policies should that be a better fit with overall Board and Council objectives. As a result, there is now one single reserve of £20.045m at March 2021.

- 6.2 The strong cash balance has undoubtedly been of benefit during the current pandemic enabling us to work in partnership with the Council and others to deliver changes very quickly and to take risks with deliver options which might be more difficult where cash balances were not at their current fortunate levels.

**7. LEGAL AND CONFIDENTIALITY IMPLICATIONS**

- 7.1 Derby Homes is required to prepare accounts that comply with the Companies Act 2006 and the Housing and Regeneration Act 2008. This obligation is met when the accounts are filed at Companies House and with the RSH.
- 7.2 The accounts also comply with the Statement of Recommended Practice (SORP) for registered social housing providers and will be filed with the RSH.

The areas listed below have no implications directly arising from this report:

Consultation	Council
Personnel	Environmental
Equalities Impact Assessment	Health & Safety
Risk	Policy Review

If Board Members or others would like to discuss this report ahead of the meeting, please contact:

David Enticott / Finance Director & Company Secretary / 01332 888523/ Email [david.enticott@derbyhomes.org](mailto:david.enticott@derbyhomes.org)

Background Information: Appendix 1: Annual Report and Accounts 2020/21  
 Appendix 2: Letter of representation from Derby City Council  
 Appendix 3: Letter of representation from Derby Homes  
 Appendix 3a: Summary of uncorrected misstatement (to accompany Appendix 3)

Supporting Information: Previous accounts reports each financial year since 2003.



# **DERBY HOMES LIMITED**

(A Company limited by guarantee)

Company No. 4380984

## **Report and Financial Statements**

**Year ended 31 March 2021**

# DERBY HOMES LIMITED

(A Company limited by guarantee)

Company No. 4380984

## Report and Financial Statements

Year ended 31 March 2021

<b>Contents</b>	<b>Pages</b>
Board Members, Executive Officers, Advisors and Bankers	2
Chair's Statement	3
Report of the Board of Management	4-12
Strategic Report	13-32
Independent Auditor's Report to the Members of Derby Homes Limited	33-37
Statement of comprehensive income	38
Balance Sheet	39
Statement of changes in equity	40
Statement of Cash Flows	41
Notes forming part of the financial statements	42-64

## Report and Financial Statements Year Ended 31 March 2021

### Board Members, Executive Officers, Advisors and Bankers

#### Directors

I M MacDonald	appointed 28.02.02
M Ainsley (Chair)	appointed 29.09.11
R G H MacDonald	appointed 27.11.14
J M Shepherd	appointed 27.11.14
L H Care	appointed 23.05.18
S Russell	appointed 22.05.19 ; resigned 26.05.21
J Pearce	appointed 22.05.19; resigned 24.06.20
J Layton Annable	appointed 28.11.19
F Richards	appointed 28.11.19; resigned 04.09.20
A W Graves	appointed 24.06.20
C Bhurton	appointed 25.01.21
S Khan	appointed 26.05.21

#### Executive officers

M J Murphy  
D Enticott  
S Bennett  
C Mehrbani

#### Secretary

D Enticott

#### Registered Office

839 London Road  
Derby  
DE24 8UZ

#### Auditor

BDO LLP  
Two Snowhill  
Birmingham  
B4 6GA

#### Bankers

Lloyds Bank  
31-33 St Peters Street  
Derby  
DE1 2AA

#### Date of Incorporation

The company was incorporated in England on 25 February 2002 with trading commencing on 10 April 2002, and is a company limited by guarantee.

#### Legislative provisions under which Derby Homes is established

The Company is limited by guarantee and registered under the Companies Act 2006. It is a non-profit registered provider of social housing under the provisions of the Housing & Regeneration Act 2008.

## **Chair's Statement for the year ended 31 March 2021**

### **An unusual year**

As for everyone else, Derby Homes has experienced a year unlike any other. This financial year coincides almost entirely with the experience of the worst pandemic since the 'Spanish' flu in 1920. It has affected almost every aspect of life and Council housing is no different.

While I mentioned it briefly in last year's accounts, the impact of COVID-19 has been more prolonged than we all hoped and may continue to impact for a while yet. We are now in a position where most of our services are (as far as possible) operating effectively again, but during 2020/21, we clearly could not carry out as much work as usual and have had backlogs in many areas, especially disruptive works like kitchens and bathrooms in tenants' homes and some routine repairs have been deferred.

We have also made significant strides in other areas during the year.

We helped with the emergency response to COVID in any way we could, with staff undertaking all sorts of roles not usually associated with housing for a short time. Working with the Council, we firstly rented a hotel for the 'everyone in' initiative for rough sleepers, then rehoused as many as possible once that arrangement ended after 3 months. We then obtained government grant funding for the Council to buy 20 properties to house rough sleepers more permanently. This will require some support for those new tenants and funding was also increased for that service too.

The success of our partnership approach on homelessness generally has been recognised by the government through ever increasing funding levels and we hope to deliver further properties for rough sleepers and others facing homelessness in the future.

Our partnership with the Council also continues to get stronger as part of the 'Team Derby' approach. The Council has approved a new 10-year contract for Derby Homes to continue to manage its Council housing from 2022. This means we can look forward to a period in which we continue to provide an excellent service to our tenants, increasing our stock of homes and providing strong support to the Council.

As ever, I would like to record my appreciation for the efforts of everyone at Derby Homes – Board Members, employees, tenants, leaseholders and volunteers – for their forbearance and efforts during this difficult year and I hope that we will all find the next year a significant improvement.

**Mike Ainsley, Chair of Derby Homes**

## **Report of the Board of Management**

### **Year ended 31 March 2021**

The Board present their annual report and the audited financial statements for the year ended 31 March 2021.

#### **Mission**

Derby City Council and Derby Homes will continue to fulfil our mission to deliver 'High quality services for people, homes and communities' with the support of our partners and our tenants.

#### **Principal Activities**

The core business of Derby Homes is the management of and investment in, Derby City Council's social housing stock, comprising of 12,659 rented properties along with 60 shared ownership and other services as delegated by the Council in an agreement under s27 of the Housing Act 1985.

Derby Homes also directly provides services to 653 leaseholders of the Council and has agreements with external landlords to manage and maintain properties. These landlords are Guinness Northern Counties Housing Association and the War Memorial Village (Derby). Derby Homes also provides other services to the Council, including housing options, homelessness, and Derby Advice.

Derby Homes is a Registered Provider (RP) and Investment Partner (IP) with the Regulator of Social Housing (RSH) and has 107 properties for rent including 5 flats in a Victorian building which it partly owns and manages in partnership with Revive Healthy Living. Derby Homes has an option to purchase these 5 flats outright in 2037 but is considering an earlier settlement with Revive and the Council.

#### **Review of Business**

2020/21 was another successful year for Derby Homes.

#### **Financial performance 2020/21**

Operational (day to day) surplus – £2.6m

The underlying operational surplus (excluding pension fund impacts) of £2.6m set out on page 18 demonstrates that the company can continue to operate effectively within its income, although the amount of that surplus is expected to reduce significantly in line with plans approved by the Board. The company will have the main management fee with the Council reduced in real terms in line with the reducing numbers of properties to manage and invest in staffing resources and neighbourhood services.

Formal accounting operational deficit – £0.181m

The operational deficit reported in the accounts is £0.181m (2020 – loss of £1.1m) and is mainly due to employer pension charges to the Statement of Comprehensive Income (SOI) being set much higher in the accounts (based on a one day snapshot) than the day to day employer pension fund contribution level of 14.4% used in the management accounts - resulting in additional costs of £2.6m in the SOI's operational surplus not included in the management accounts during the year.

## **Report of the Board of Management - year to 31 March 2021 cont.**

Balance Sheet – overall net liabilities of £20.1m

The balance sheet of the company has significantly worsened as a result of significant negative pension fund assumptions. The overall headline is a comprehensive loss for the year of £21.242m (2020 – gain of £16.047m). The overall pension fund deficit increased from £19m to £40.2m. This remains repayable on a sustainable planned basis over the longer term: the latest actuarial assessment of the fund in 2019 (undertaken on a different basis to accounting) indicated a 106% funding level for Derby Homes.

### **Effects of material estimates and judgements upon performance**

The overall net worth of Derby Homes is now a negative £20.1m - a change from a positive net worth of just over £1m in 2019/20 (it was a negative £15m in 2018/19). This net worth is highly volatile – a 0.5% increase in the pension fund discount rate (mostly linked to future increases in interest rates) would reduce the pension fund deficit – and hence increase the net worth of Derby Homes by £17.4m. The triennial actuarial assessment in 2019 used a discount rate of 3.6% which if it were to prove correct in the longer term would reduce the pension fund deficit by around £54m. Any overall assessment of the company's financial position needs to consider this huge volatility. The approach that the company has taken is to sustain a balanced or positive management account surplus, which enables the underlying asset base of the company to continue to strengthen, combined with the Council's guarantee to fund any minimum pension fund contribution as long as the company aligns its retirement policy with the Council's. Using this approach, our view is that the key balance sheet figure is the 'net assets before pension liability' which has remained stable at £20m.

### **Qualifying third party indemnity provisions**

The company has no qualifying third-party indemnity provisions in place for the directors of Derby Homes Limited.

### **Value for Money (VfM) self-assessment**

The Council and Derby Homes pride ourselves on delivering good overall value for money. Rents remain good VfM and provide a significant direct social benefit, plus considerable additional 'social value' generated by the overall operation of Council housing in Derby. The rent charge is seen as value for money by 94% of tenants (2019/20: 93%). The Regulator of Social Housing (RSH) requires RPs to report key financial indicators as part of their VfM framework. These are set out in a later section.

### **Compliance with RSH Governance and Financial Viability Standard**

Derby Homes considered its compliance with the RSH's Governance and Viability standard at its meeting in May 2021 and passed the following resolution to say that "In its view, the Derby Homes Board complies with the RSH Governance & Viability standard". The Board also stated that "in its view, Derby Homes Board complies with the NHF Code of Governance 2015". The Board recognises one area of non-compliance, with respect to its Board Membership due to our Constitution, and a second with respect to Board Member appraisals which we expect to resolve this year.

## **Report of the Board of Management - year to 31 March 2021 cont.**

### **Going Concern**

At its meeting on 29 July 2021, the Board of Derby Homes Limited approved the statement that, in their opinion, Derby Homes Limited has adequate resources to continue in operational existence for the foreseeable future. The Company has negotiated and agreed a fresh ten-year contract from April 2022 with Derby City Council to pay management fees in return for delivery of housing management and maintenance services, as prescribed in the new Partnership Agreement.

The Council recognises that, following the formal accounting standards applicable, the Company does not currently have enough reserves to offset the resultant pension fund deficit. The Council as shareholder, however, has consistently undertaken to provide continuing support to enable the financial statements of Derby Homes to be prepared on a going concern basis. This support is expressed through a letter of representation received from the Council's Section 151 officer each year.

As anticipated last year, the COVID-19 crisis only affected our financial position marginally insofar as we faced additional costs especially with relation to homelessness services and PPE. The support of the Council through the initial lockdown period and the support of our tenants in reducing their need for immediate repairs (other than emergencies) meant that the financial impact was limited. We will face some uncertain additional costs in catching up with an inevitable backlog of routine repairs which is difficult to forecast accurately, we cautiously estimate the possible cost at £0.5m. No specific financial provision has been made directly for this cost, but if it does occur in 2021/22 it can be contained through the use of reserves.

The Council's decision to renew our core contract from April 2022 is clearly very welcome news, bringing stability and the ability to plan for a longer-term future of Derby Homes. Additional properties are being bought - using both vacant Council flats and some from the open market - to expand our stock in specialist arrangements supported by the Council.

## **Report of the Board of Management - year to 31 March 2021 cont.**

### **Assessment of the effectiveness of internal control**

The Board acknowledges responsibility for ensuring that an effective system of internal control is maintained and operated throughout the Company.

The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Ongoing development and maintenance of the system is undertaken by managers within the Company. In particular, the system includes:

- corporate governance arrangements operated through the Board and Committees
- standing orders and financial regulations – reviewed and updated in 2020
- an ongoing process for identifying, evaluating, and managing significant risks faced by the Company
- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts
- setting targets to measure financial and other performance information and reporting.

Derby Homes is a partner in the Central Midlands Audit Partnership (CMAP) which provides internal audit to several public sector bodies. Their work is based on their independent risk assessment combined with our own risk register.

The Head of Audit and Risk Management reports the results of internal audit work to the Audit Committee. CMAP also provides an independent opinion on the adequacy and effectiveness of the system of internal financial control, which is informed by the work of Derby Homes' managers, CMAP and external auditors.

The Audit Committee has received the Managing Director of Derby Homes' annual report on internal control assurance on behalf of the Senior Management Team and has conducted its review of the effectiveness of the system of internal financial control.

## **Report of the Board of Management - year to 31 March 2021 cont.**

### **Employment Policies**

#### **Employment of Disabled Employees**

- **Recruitment & Training**

Derby Homes operates a scheme where candidates with disabilities can request an automatic interview if they meet the essential criteria for the post. In addition, candidates with disabilities are invited to tell us what adjustments they may need to ensure that they can fully participate in the selection process. Derby Homes offers a wide range of job-related training to all employees. We work with employees with disabilities to identify what adjustment and support they require to enable them to undertake their job role.

- **Employees becoming disabled during employment**

There is a comprehensive support process in place for any employee who may enter a period of ill health or develop a condition which may be covered by the Equalities Act 2010. We ensure that employees have access to proper medical advice from Occupational Health and that as the employer we have a proper understanding of what support is necessary to help an employee sustain their employment.

#### **Employee Involvement**

- **Communication with employees**

Derby Homes Limited believes there is a strong link between the provision of quality services to customers and a harmonious working environment, and this is best achieved where effective communications are established with management and employees. Communication with all employees continues through the intranet, team meetings and employee briefings.

- **Consultation with employees**

We have a formal system of collective bargaining and recognise two trade unions for consultation and negotiation. Formal meetings are held, and minutes of these meetings are made available to all employees.

- **Employee Volunteering Scheme**

We have an employee volunteering scheme as part of our commitment to corporate social responsibility and in recognition of the benefits to our employees, our organisation and local voluntary, charity, and faith sectors. All employees are encouraged to participate in a day's volunteering each year, without affecting annual leave entitlements.

## **Report of the Board of Management - year to 31 March 2021 cont.**

- **Equalities**

In addition to our statutory duties Derby Homes operates an Equalities Forum, led by a Board champion. This group consists of several employees - volunteers from teams across the organisation who have shown an interest in equalities - their brief is to provide feedback to the Executive Team on key issues. The Forum also report key issues to the Board of Derby Homes. They can also propose new initiatives and events to encourage awareness and employee involvement. The company is committed to the creation of a happy and productive work environment that values and encourages all employee contributions.

- **Employee awareness on the financial and economic factors affecting the performance of Derby Homes**

Over the year there are usually two or three full company briefings that staff attend. We usually include an annual update on the current financial position of Derby Homes, its main objectives, its relationship with Derby City Council and wider sector issues like Welfare Reform which naturally dictate future service delivery plans and budgets.

### **Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006**

Further information about how the directors have engaged with employees, how they have had regard to employee interest, and the effect of that regard can be found in the Strategic Report. A summary of how the directors have had regard to the need to foster the company's business relationship with suppliers, customers and others, and the effect of that regard can also be found in the Strategic Report.

## **Report of the Board of Management - year to 31 March 2021 cont.**

### **Board members' responsibilities**

The board members are the Directors of the company and are responsible for preparing the Strategic Report, the Report of the Board of Management and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2014 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board members are responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. The maintenance and integrity of the company's website is the responsibility of the board members. The board members' responsibility also extends to the on-going integrity of the financial statements contained therein.

## **Report of the Board of Management - year to 31 March 2021 cont.**

### **Emissions and Energy Consumption**

During the year, in the delivery of the service, Derby Homes consumed an estimated 1,116 carbon tonnages and 2,806,289 kwh in gas and electricity. This is detailed in the table below:

Type of resource	<b>2020/21 Carbon tonnage</b>	<b>2020/21 KWH</b>	2019/20 Carbon tonnage	2019/20 KWH
Diesel used in van fleet	481	-	535	-
Fuel used for business mileage in employees' own cars	27	-	60	-
Gas used in offices and common rooms	368	2,001,369	411	2,237,694
Electricity used in offices and common rooms	225	804,920	172	845,585
Water used in offices and common rooms	16	-	15	-
	<b>1,116</b>	<b>2,806,289</b>	<b>1,193</b>	<b>3,083,279</b>
Total properties – owned and managed in year	13,570	13,570	13,650	13,650
Carbon tonnes consumed per 1,000 properties owned and managed	<b>82</b>		<b>87</b>	
KWH consumed per 1,000 properties owned and managed		<b>206,801</b>		<b>225,881</b>

For electricity the carbon tonnage figure is as reported on electricity invoices. During the year, our electricity provider used a greater percentage of fossil fuels in their power generation than the year before.

For all other resources, the calculation is based on the methodology prescribed in the Government document issued by the Department for Business, Energy and Industrial Strategy and the Department for Environment, Food & Rural Affairs.

During the year, Derby Homes continued its feasibility review into the viability of replacing some / all its diesel van fleet with electric vans when each van is next renewed. A trial electric van is planned for 2021/22. Whilst this review is ongoing, the replacement / addition of new diesel vans is limited to just those vans that are beyond economic repair, long term lease buyouts or as a result of additional works.

We will continue to monitor and look to minimise these emissions and energy consumptions, where practical, within the delivery of the Environmental Policy.

## **Report of the Board of Management - year to 31 March 2021 cont.**

### **Financial Instruments Risks**

The company is in the fortunate position that it holds significant cash reserves. These are deposited in a combination of very short-term access deposit accounts and the main bank current account. Consequently, the liquidity risk is negligible.

Virtually all of the company's income comes from services provided to its owner, Derby City Council. Both organisations share the same banking arrangements (with Lloyds Bank) and cashflow between the two organisations is managed to ensure that overall cash holdings are in line with each organisation's Treasury Management policy. Any cashflow risk can be managed by amending timings of payments to and from each organisation as required.

The company is not exposed to any currency exchange risk. All activities are UK based and accounted for in pounds sterling.

The company is not exposed to any material market risks. Virtually all activities are on behalf of its owner. Derby Homes and Derby City Council signed a new 10-year Partnership Agreement (to 2032) in Spring 2022. Core workstreams over the next 10 years are stable, with the likelihood of significant increases in capital works (to the Councils housing stock) for the Council over that period planned to be delivered by Derby Homes.

The company is not subject to any risk of credit availability, nor actively seeks any extended credit facilities with suppliers and contractors. On the contrary, the Company adopts a prompt payment approach and has adequate liquidity to do this.

### **Post Balance Sheet Events**

There are no events to note.

### **Auditors**

So far as each of the Directors is aware at the time this report is approved:

- There is no relevant audit information of which the Company's auditor is unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s234 ZA(2)).

BDO LLP has expressed their willingness to continue as external auditors and have been reappointed by the Board. A resolution for the re-appointment of BDO LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Chair

Date 29 July 2021

## **Strategic Report for the year ended 31 March 2021**

Under s172 of the Companies Act 2006, Derby Homes has a duty to promote the success of the company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in S172(1)(a-f) of the Act:

- Maintaining a high standard of business conduct.
- Acting fairly between the members of the business.
- The interests of employees.
- Fostering business relationships with suppliers, customers, and others.
- The impact of operations on the community and the environment.
- The likely consequence of any decision in the long term.

The Board considers the key stakeholders to be:

- Its customers – tenants, leaseholders, other landlords and the public.
- Derby City Council – not just as the owner, but as a partner in providing aligned services for Derby.
- Its employees – who are integral to the successful delivery of services.

The Board also needs to address the following:

- The issues, factors, and stakeholders the directors consider relevant in complying with the above and how we have formed that opinion.
- The methods the directors have used to engage with stakeholders and understand the issues to which they must have regard.
- The effect of that regard on the company's decisions and strategies during the year.

### **Derby Homes' s172 statement**

Derby Homes' central role is to deliver its mission statement and strategic objectives.

Derby Homes' mission statement is:

### **High quality services for people, homes, and communities**

Derby Homes' strategic objectives are:

<b>Strategic Objective 1</b>	Service that puts our customers first
<b>Strategic Objective 2</b>	Quality homes and contributing to sustainable communities
<b>Strategic Objective 3</b>	Reducing homelessness and enabling access to affordable housing
<b>Strategic Objective 4</b>	Value for money is a consideration in everything we do

## **Strategic Report - Derby Homes' s172 statement - cont.**

As a 100% owned subsidiary company of Derby City Council, our primary objective is to deliver our core services – managing, maintaining, and delivering additional affordable rented homes. Working on behalf of the Council, delivering landlord functions to thousands of tenants and leaseholders, and delivering statutory homeless duties.

In delivering these services, the Board must balance the interests of the Council, tenants, prospective tenants, the homeless and our employees. Our approach to this is to deliver a good service at a reasonable rent to the tenants of the Council and ourselves. The rents charged are regulated by the Regulator of Social Housing (RSH) and are limited to the formulas set out by them to ensure fair rents.

In order to maintain a sustainable business plan and to enable an expansion of our own stock, we control our cost base as can be seen in our Value for Money strategy and statements.

Environmental and safety standards are central elements of our operations; the installation of sprinkler systems in new build is a standard consideration. We have delivered new bungalows for the War Memorial Village which increase environmental standards even further and will be actively looking to adopt higher standards in our own developments and those for the Council in future schemes. We are continuing to review the future of our van fleet with the potential to move to electric vans. We are working with the council on plans for significant energy efficiency upgrades to the last few blocks of uninsulated non-traditional blocks of flats in Mackworth, using government funding to help to meet those costs.

We consider the interests of our employees who benefit from stable employment prospects and a defined benefit pension scheme which allows employees to plan for their future. We undertake staff surveys and operate forums for Health and Safety and Equalities to ensure that views are considered. We formally recognise two Trade Unions and meet regularly with them.

Our detailed approach to meeting our objectives is set out in our Delivery Plan which is approved each year by the Council. The latest plan can be found on our website.

The executive officers and the Chair meet regularly with the Council to discuss various matters relating to our services including funding, policies, and strategies across the whole housing service and where Derby Homes can add value to the Council. Discussion of the long-term ability to finance new homes, deal with homelessness and sustain a good level of service and fair rents for existing Council tenants also feature in such discussions and meetings.

## **Strategic Report - Derby Homes' s172 statement - cont.**

The Board is supporting the Council to meet statutory duties introduced in the Homeless Reduction Act 2017. The Council has allocated grant resources to Derby Homes and we have added over £1m a year of our own resources to that funding and worked with community partners in the voluntary and public sectors to deliver additional services to reduce rough sleeping. This reflects our approach to working collaboratively with the community to deliver services for the benefit of those that need our help. We also regularly support other community projects with the support of other parties, volunteers, and the Council.

Funding levels, staffing resources, support from the Council, opportunities to deliver new homes whether for the Council or in our own right and national policies with respect to Council and other affordable housing all influence the direction the company takes and our decisions.

Housing is a long-term asset that needs to be maintained properly and as such requires a long-term approach to many decisions. The Council's own plans for Council housing are set out over 30 years and this shows an intention to invest as much as is sustainable into new affordable housing. Our own plans reflect the income that we expect from that plan and translate that into practical choices for new homes as well as sustaining and improving the current stock of property so that it can be sustained into the future.

National policy changes have been positive over the last couple of years with the lifting of the HRA debt cap and lower interest rates on borrowing. Reforms to the use of Right to Buy receipts have recently been made which extend the period that Councils can retain those receipts making it more attractive to invest in new homes rather than acquisitions from the market. This in turn could lead to a more positive role for Derby Homes and the Council working together to deliver more new affordable homes for Derby in the period of our next contract. In order to have influence on such national debates, we join with others to attempt to influence government policy through the National Federation of ALMOs (NFA) and other bodies.

The net loss of Council housing in this financial year was the smallest since 2012 when the maximum Right to Buy discount was increased sharply – the Council still were required to sell 103 under those rules but managed to replace around three quarters of them this year, mainly through acquisitions but also from a few new builds completed by Derby Homes.

We are proud to be a Registered Provider of Social Housing and to follow the good governance rules set out in the National Housing Federation's Code of Governance 2020 as explained in full in reports to the Board.

## **Strategic Report - Derby Homes' s172 statement - cont.**

The Board consists of a third each of Councillors, Tenants and Independents allowing for a balance of views and for tenant input into key decisions. Our Operational Board consisting of a majority of tenants monitors performance and makes decisions on operational matters of concern to tenants. We also support the Derby Association of Community Partners (DACP) which is a residents' group who influence our decisions, along with our Customer Voice who look at specific areas of operation and make recommendations for change.

This year, we have:

- Responded to the government call to bring everyone in from the streets, working in partnership with Holiday Inn Express, Safe Space, Derby City Mission and the Council to increase capacity to provide temporary accommodation to some of the city's most vulnerable people. When closing this facility all remaining residents left with an offer of accommodation and support appropriate to what they needed next, as part of our continued development of housing pathways.
- Increased still further our efforts in homelessness prevention in partnership with others.
- Developed a Housing Systems programme to ensure supported housing providers are provided with relevant support and best use is made of available accommodation in the private sector.
- Developed a Private Sector recovery plan to respond to the impact of the pandemic, in anticipation of greater levels of need as we move into the recovery phase.
- In collaboration with MHCLG and DCC, delivered 20 new units of accommodation with support for those with a history of rough sleeping.
- Launched a City focussed Registered Providers Summit, enlisting the Registered Provider Sector in the recovery of the City.
- Supported the modernisation of the Padley Day Centre and associated hostel.
- Further expanded our Private Rented Sector Initiative, providing support and guidance to landlords and tenants in the private rented sector, including launching our 'Call before you serve' initiative for landlords.
- Supported a vaccine rollout to 205 individuals living in hostels, emergency accommodation and those living on the streets.
- Funded accommodation-based support for survivors of domestic abuse.
- Worked with Resolve to develop an accredited Anti-Social Behaviour Apprenticeship programme.

## **Strategic Report - Derby Homes' s172 statement - cont.**

- Supported the development of a Youth Alliance, Food Alliance and Advice Alliance within the City.
- Led on the development of Localities Working as part of the Cities Better Together Strategic Ambition, taking on the management of the city's Neighbourhood Service.
- Listened to our tenants:
  - Derby Homes welcomes and actively promotes customer feedback, capturing and promoting this message through our strapline "listening to you, learning from you", promoted across all our feedback channels.
  - Feedback is collected in both quantitative and qualitative forms and in a variety of ways such as:
    - ✓ Surveys.
    - ✓ Door Knock large scale engagement programme.
    - ✓ Customer Survey.
    - ✓ Service Specific Surveys.
    - ✓ Consultations – 'Your service, your say'.
    - ✓ Complaints.
    - ✓ Open sessions – 'Walk in Wednesdays'.
    - ✓ Focus groups.
    - ✓ Customer Scrutiny Panel – 'Customer Voice'.
    - ✓ Tenant led Operational Board.
    - ✓ Tenant membership on Board.
  - We encourage further feedback from our customers by frequently demonstrating that we have listened and acted on their feedback through various media channels. We advertise and promote all feedback mechanisms through publication of Derby Homes news, the website, and social media channels. We regularly published articles in Derby Homes News inviting residents to come and discuss services and performance as well as listen and respond to feedback through social media platforms in a timely and informative manner. Although our customer facing consultation has been limited this year due to the pandemic, we have worked to prioritise our vulnerable customers, carrying out over 4000 safe and well checks via telephone contact, signposting and making appropriate referrals where necessary
- Assisted the Council by delivering homes for Care Leavers to live independently.
- Continued to support the Council's drive to use Right to Buy receipts to acquire new homes, refurbishing them into good quality affordable rented properties, despite this impacting on our own targets for new homes within the RP.

## **Strategic Report - Derby Homes' s172 statement - cont.**

One of our key objectives is to deliver additional homes available at affordable rents in Derby as part of the Council's drive to support affordable housing development in Derby. To do that, we work with the Council to deliver new homes directly for the Council, but also on our own balance sheet. This requires a long-term approach, especially when analysing individual proposals for investment in homes. The delivery of as many homes as possible towards the Council's targets must be balanced against retaining a prudent long term overall financial position for both ourselves and the Council.

### **Previous and current financial performance**

The current level of surplus (even after excluding the impact of the pension fund deficit) is unlikely to be sustained indefinitely. Our latest plans show an intention to reduce operational surpluses in the future and to continue to focus on service provision.

Previous operational surpluses (excluding pension fund impacts) have been:

<b>Derby Homes Key figures</b>	<b>Actual £'000 17/18</b>	<b>Actual £'000 18/19</b>	<b>Actual £'000 19/20</b>	<b>Actual £'000 20/21</b>	<b>Budget £'000 21/22</b>
Turnover £m	38.8	42.3	46.8	45.2	43.1
<b>Operational Surplus £m (management accounts basis)</b>	1.9	2.5	2.3	2.6	0.0
Surplus % Turnover	4.9	5.9	4.9	5.8	0.0
Council Homes managed (excluding Shared Ownership & Leasehold)	13,002	12,874	12,757	12,659	12,500
Derby Homes properties owned	90	97	100	107	123
Reserves £m exc LGPS	15.6	17.9	20.0	20.0	20.0
Reserves £m inc LGPS	-5.2	-15.0	1.0	-20.1	-20.1

These show a sustainable level of reserves if the pension fund deficit is excluded. This deficit is effectively underwritten by the Council from its Housing Revenue Account as our contracts – both current and future - include a requirement for the Council to ensure that our pension fund contributions are reflected in our management fee income. In practical terms this means that any agreed contribution rate will be reflected in a change to our fee whether up or down. At the last actuarial review in 2019, our funding position was assessed at 106% meaning that a reduced contribution was possible. The Council therefore reduced our funding accordingly. While this is likely to reduce the reported funding level at the next review, the obligation on the Council remains to increase our funding in line with any required future increase in contributions. The overall prospect for the pension fund deficit is therefore that it should be addressed in the medium to long term by continuing to pay a minimum of the required contributions for the foreseeable future. Sufficient funds are set aside in the Council's HRA Business Plan to allow for the likely scale of contribution increases.

## **Strategic Report - Derby Homes' s172 statement - cont.**

The pension fund deficit has deteriorated significantly this year from £19m to over £40m - as a result of further changes in actuarial assumptions, notably around the expected level of future inflation.

The cash flow position remains very positive and able to withstand reasonable stress testing.

### **Development and performance during the financial year and financial position at the year end**

The statement of comprehensive income for the year is set out on page 38. Following the processing of pension fund transactions, the business returned a deficit after taxation for the year of £0.806m. This was after a charge of £3.244m which arose from accounting adjustments for pensions (split £2.804m FRS102 adjustments plus £0.44m net interest on pensions), a further £0.157m relating to interest payable on loans from the Council and a taxation charge of £0.028m.

	£'000	£'000
Management account operating surplus		<b>2,623</b>
FRS 102 adjustments:		
Add back of employer pension contributions paid in year of £4.797m excluding £2.438m of 2021/22 employer pension contributions prepaid	2,359	
Less current service costs	<u>(5,163)</u>	<u>(2,804)</u>
<b>Operating deficit</b>		<b>(181)</b>
Less other interest payable		(157)
Less net interest on pensions		<u>(440)</u>
Deficit before taxation		(778)
Less taxation		<u>(28)</u>
Deficit for the year		<b>(806)</b>
Actuarial loss on defined benefit obligations – pension scheme		<u>(20,436)</u>
<b>Total comprehensive loss for the year</b>		<b><u>(21,242)</u></b>

Financial performance – after pension factors are removed – continues to be positive. Still further savings have been delivered against management and maintenance fee income areas. As a result of the Council's requirement to focus most development on utilising its Right to Buy receipts quickly, our own development of stock has been less than we would be able to support, but those funds continue to be ready to invest once the balance of risk for the Council becomes such that our investment is preferred in some circumstances. This may well start to be the case with RTB reforms assisting the Council to utilise its RTB receipts at a greater pace.

## **Strategic Report for the year ended 31 March 2021 cont.**

At the start of HRA reform in 2012, the Company had under £0.7m fixed assets and £3.6m of reserves excluding pension fund deficit. The equivalent figures are now £7.9m and £20m. Fixed assets should rise further as the stock increases in line with the moderate growth expected over the next few years. The debt associated with this strategy remains affordable.

### **Operational Performance**

The table below is a sample of some key performance indicators comparing performance for 2020/21 with the previous three years.

<b>Description</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Energy Efficiency - average SAP (Standard Assessment Procedure) rating of dwellings.	73.7	75.2	75.5	75.5
Rent collected by the local authority as a proportion of rents owed on Housing Revenue Account (HRA) dwellings	99.0%	99.7%	99.3%	99.8%
Rent arrears of current tenants as a % of rent roll.	2.15%	2.29%	3.15%	3.14%
Tenant Satisfaction with Landlord (All)	91.3%	94.4%	95.3%	94.6%
Tenant Satisfaction with views taken into account	79.0%	83.3%	78.3%	84.8%
Non-Decent Local Authority Dwellings (percentage)	0%	0%	0%	0%
Average time taken to re-let local authority housing. (days)	24.5	23.7	25.2	42.5

### **Performance Highlights 2020/21**

Performance continues to be excellent, with most key indicators meeting or exceeding targets set by the Council. While spending has been restrained, this has not been at the expense of performance.

Derby Homes has met most of its targets and has seen overall tenant satisfaction sustained at just under 95% (2019/20 95.3%).

The rent charge is seen as value for money by 94% of tenants (2019/20 93%).

We continue to meet 100% targets for electrical and gas safety testing compliance and expect to continue to do so.

## **Strategic Report for the year ended 31 March 2021 cont.**

Re-let times in 2020/21 have suffered as a result of COVID. In particular delays from the temporary suspension of new lettings plus workforce and materials availability. We aim for a recovery to the previous number of re-let days in 2021/22.

We have continued to respond positively to the demand for services during the year with several continuing initiatives:

- YMCA Y Steps supported housing for under 35's who are homeless.
- Action Housing supported housing programme targeted at homeless people who are excluded from the housing register.
- Homes for Me project, targeted at entrenched street homeless people.
- Star Project to support those leaving prison.
- Continued operation of Safe Space to provide basic shelter and support to those unable to access accommodation and remain rough sleeping.
- Support for those at risk of rough sleeping during the winter months through our Severe Weather Programme that provided shelter irrespective of eligibility for assistance under the Homeless Reduction Act 2017.
- Expansion of Private Rented Sector Initiative, including a promotional campaign targeting those impacted by the coronavirus pandemic.
- Increase in temporary accommodation units and made available accommodation for those homeless and testing positive for coronavirus.
- Continued rough sleeping in reach and outreach service, to engage rough sleepers without the need for them to use traditional entry routes to services.

Rough sleeping continues to reduce - from 14 in November 2019 to 6 in November 2020.

We also continued to support preventative and diversionary activities for young people and many other initiatives which focus on improving life for tenants and residents.

An example of activities that Derby Homes hosts for young people is 'Ignite & Connect' – formerly the Youth Panel.

Ignite & Connect were fundamental to improvements to Osmaston with support and feedback from local schools. A BMX park consultation in Osmaston consisted of several sessions in local schools and parks to gain residents feedback to enable a bid for improvements and the creation of a volunteer committee to facilitate the BMX park to operate. The bid for the BMX track was successful and just under £25k has been secured to support this project, we look forward to the completion of the works and hope that this will be a well-used facility for young and old for many years to come.

## **Strategic Report for the year ended 31 March 2021 cont.**

In addition to the key indicators above, we are particularly proud of the following outcomes:

- Overall tenant satisfaction at 94.6% - almost as high as last year's record 95.3%.
- Customer satisfaction with repairs - 99%.
- No non-decent homes.
- Of 297 initial complaints – an 18% fall from last year's total - 95% were resolved at first contact.
- No complaints found against us by the Housing Ombudsman.
- 8,497 tenants have signed up for online services – a further 23% increase on last year, and two thirds of all tenants.

### **Response to COVID-19**

The World Health Organisation classed COVID-19 as a pandemic on 11 March 2020. Following that announcement, the UK Government introduced various measures to address the impact in the UK, resulting in lockdown from 23 March 2020.

We adopted several measures to ensure the safety of tenants, staff, contractors, and the residents of Derby during this time. We undertook the following:

- Working alongside the Council, Atlas Hotel Group, and several other partner agencies, we block-booked 100 rooms for 'roofless' citizens to isolate themselves during the coronavirus outbreak. This initiative ran for three months to mid-June and in total over 140 individuals were supported. Most importantly, move on accommodation and relevant personal support was made available to all when leaving the hotel, with the longer-term aim of assisting them to maintain permanent accommodation.
- We supported the Council in several of its responses including:
  - Adapting part of our depot into a PPE storage facility as part of the City-wide distribution of PPE to essential services.
  - Provided staff to volunteer in the "Community Hub" initiative to those identified as most vulnerable in the City.
  - Provided staff to switch roles into Council essential service delivery areas.
- Provided regular contact with older and vulnerable tenants to ensure that they are well, feel supported and assisting them to get help where needed.
- With Council support, we amended the Allocations Policy and suspended the waiting list and allocation of properties to General Needs bidders. This allowed vacant properties to be available as part of the wider response to meeting statutory responsibilities around Homelessness.
- We suspended major component replacements such as kitchens and bathrooms. A phased re-introduction of these works commenced from the start of August 2020, initially with external works, such as roofing. Service resumption was staggered throughout 2020/21 in line with further lockdowns and to minimise disruption to tenants.

## **Strategic Report for the year ended 31 March 2021 cont.**

- Responsive repairs switched to an essential repairs service for the majority of the year. Job numbers were around 9,000 lower than the usual 35,000. A phased approach to resuming general repairs commenced in March 2021 and then fully from April 2021. We believe that the cost of clearing the backlog may be around £0.5m, and will fund the cost from reserves as necessary.
- We continued to work on void (empty) properties, this was particularly important to keep a supply of temporary accommodation available for those most in need.
- We temporarily suspended gas servicing and electrical testing works. During this time, we monitored and considered the requirements from the Regulator of Social Housing and Health & Safety Executive. We communicated and got approval for our temporary position from the Board and the Council. These services re-commenced in May.
- We suspended works on our new build sites in line with Government recommendations to protect our staff and business partners. A phased re-opening of these commenced from June 2020.
- We amended our rent arrears procedures to concentrate only on financial support and signposting to those in arrears. This supplemented the wider work our Derby Advice and Welfare Reform Teams were providing to both tenants and residents of Derby. We re-commenced some arrears collection procedures from 1 July 2020.
- All teams were and continue to work from home wherever possible. We are fortunate that our existing IT infrastructure allowed for very quick rollout.
- We set up a virtual panel to enable more customers to be able to review and offer constructive comments on a range of our service areas.
- Our volunteers have been vital for supporting local communities – and our tenant federation, the DACP, grant funded Aspire to deliver over 5,000 food parcels.

### **Awards**

#### **CIPFA Innovations Award**

In 2017, our Annual Report and Accounts 2015/16 won this national award in the category 'Achievement in Financial Reporting and Accountability'.

Our Annual Reports for 2016/17, 2017/18, 2018/19 and 2019/20 were also shortlisted for the same award, meaning that we have now been shortlisted five times in a row. The 2018/19 Report was awarded 'Highly Commended'.

#### **National Federation of ALMOs photo competition**

Our entry to this competition was the winner in April 2020 – for a great picture of people enjoying our Sacred Bean coffee – part of our 100 years of Council housing celebration last year.

## **Strategic Report for the year ended 31 March 2021 cont.**

### **RSPCA Pawprints Award**

The PawPrints Award recognises good practice from local authorities and housing providers in relation to animal welfare. PawPrints celebrates good practice by rewarding organisations working towards higher animal welfare standards. Derby Homes were recognised for our on-going commitment to responsible pet ownership and animal welfare amongst our tenants.

### **Accreditations**

Our ASB service is Housemark accredited.  
Derby Advice is regulated by the Financial Conduct Authority.

### **Volunteering**

Derby Homes works alongside Community Action Derby - the largest Volunteer Centre in Derby - to offer support to volunteers and develop opportunities. Over the last year circumstances have altered what volunteering has been allowed to take place, but volunteers have still been vital to deliver essential support for communities in Derby.

For Derby Homes, our scrutiny groups such as Customer Voice and Ignite and Connect (Youth Panel) have continued to support our services. Customer Voice projects have included 'Quality of Repairs' which recommended 12 alterations to the repairs service. Of the 12 recommendations, 10 have already been implemented and another 2 are being assessed for feasibility. Their next report started early 2021 and is reviewing 'Homefinder'.

Our Youth panel, Ignite and Connect, have created an Anti-Bullying Podcast to offer peer support, and are now working towards approval that all volunteers from the panel may have a guaranteed apprenticeship interview with Derby Homes, furthering their development.

Each year we celebrate the contribution of our volunteers through an annual Volunteering celebration. This year was a virtual event, but to thank our volunteers we posted certificates and badges as a token of our appreciation. This was delivered to over 110 of volunteers that regularly give their time to our communities.

### **Principal risks and uncertainties**

Risk can never be eliminated completely, so risk management is used to ensure risks are identified and their consequences understood. Based on this information, action can be taken to ensure appropriate resources are directed at controlling the risk or minimising the effect of potential loss.

Derby Homes has a successful track record of managing risk as an integral part of its governance and management systems. The Board (following prior consultation with the Audit Committee) approves a written risk management policy, strategy and framework which defines risk, sets out a statement of intent and allocates responsibility and monitoring roles within the organisation. This was updated this year and closely aligns with the Council's newly updated approach to risk management in terms of wording and scoring mechanisms.

## **Strategic Report for the year ended 31 March 2021 cont.**

Each risk is reviewed regularly and was reassessed with scores updated in March 2021, scrutinised by the Audit Committee and approved by the Board.

The principal uncertainty currently facing Derby Homes remains the impact of the ongoing global COVID-19 outbreak. The Board and Senior Management Team, working alongside Derby City Council, continue to monitor the outbreak, including UK Government advice, and acknowledge that Derby Homes faces a period of uncertainty on how services will be required to be adapted going forwards. While the evolving nature of the situation means it is not possible to accurately quantify the financial impact, Derby Homes is in a good financial position to help manage this risk, as detailed in the Going Concern note.

Operationally, changes were made to ensure that essential services were maintained during initial lockdown, these are listed in the Strategic Report. Changes to service delivery methods continue to be made during the ongoing resumption of services. Infrastructure is in place to allow staff to work remotely and our key priority is to ensure, as far as possible, that our housing services are still available when needed.

### **Financial and non-financial key performance indicators**

Derby Homes has had another successful year. Not only have most performance targets been met, this has been done cost effectively and the efficiencies generated in day to day operations will continue to be reinvested in expanding the housing stock from 107 towards 150.

### **Governance**

The Board of Derby Homes Limited consists of 9 voluntary members. There are 3 tenants, 3 Councillors and 3 independent members. The makeup of the Board and their term of office are determined by Derby Homes Limited's Memorandum and Articles of Association, which govern the Company. The Board and Executive Officers are set out on page 2.

Board members are registered as the Company Directors with Companies House. They have been selected to collectively provide the skills and competencies to successfully steer the Company in accordance with its Mission and Aims. The Executive Officers do not have the legal status of Company Directors; they act within the authority delegated by the Board. The Board is responsible for the strategic direction of the Company and policy framework. Implementation of the framework and day to day management of the business is delegated to the Managing Director of Derby Homes and other Executive Officers who attend Board meetings and meet regularly between Board meetings.

## **Strategic Report for the year ended 31 March 2021 cont.**

The Board meets bi-monthly. Copies of the agenda for each meeting are published a week in advance and are available for public inspection. The public is welcome to attend the meetings and, at the discretion of the Chair, may be invited to speak although only Board members have the right to speak and vote at Board meetings. Any confidential items will be clearly marked on the agenda according to Standing Orders. Minutes of Board meetings are published on Derby Homes' website, with agendas and reports.

The Company Governance Arrangements include:

- The Memorandum and Articles of Association.
- Partnership agreement between the Council and Derby Homes.
- Standing orders for conduct of Board and General meetings.
- Operational Board constitution.
- Delegation of responsibilities.
- Financial regulations.
- Procurement rules.
- Appointment and recruitment of Board members.
- Code of conduct for Board members.
- Standing orders for Appointment of Staff.
- Protocol on Board member, Executive Team and staff relations.

The Board delegates some decision making to the following Boards or Committees:

- Operational Board – with a majority of tenants.
- Audit Committee.
- Governance Committee.

Membership of these groups consists of Board members and, in the case of the Operational Board and Audit Committee, tenant and leaseholder representatives.

The Audit Committee operates independently of the Chair of the Board, reporting to the directors and the members at the Annual General Meeting and is open to questions from members of the public.

The primary function of the Audit Committee is to:

- Monitor the integrity of financial statements of the Company.
- Review the Company's internal control and risk management systems.
- Monitor and review the effectiveness of the Company's internal audit function.

### **Modern Slavery Act 2015**

In line with this act, Derby Homes Board has adopted a policy on Modern Slavery. It states that we will not – nor expect our contractors to – tolerate any arrangements that involve any business practices that might be seen as modern slavery. Where we know about such activity, we will take whatever action is necessary to eliminate it from any process in which we are involved. The full statement can be viewed on the Derby Homes website.

## **Strategic Report for the year ended 31 March 2021 cont.**

### **Persons of Significant Control**

From April 2016, companies have been obligated to disclose any persons of significant control (PSCs) who actually control the organisation or whose views are normally followed by the Board.

Derby City Council is clearly a PSC for Derby Homes.

## **Value for money (VfM)**

The Regulator of Social Housing (RSH) required that as a Registered Provider we include seven key financial metrics in this report. These are set out below. Derby Homes as an ALMO RP will look a little different in terms of results against 'standard' RPs as our business model is fundamentally different as we are mostly a manager (of Council housing) and therefore do not operate a standard RP landlord business model. The RSH Global accounts for 2020 do not this year appear to include a VfM annex for comparisons.

### **Metric 1 – Reinvestment %**

Good = higher

	£m
+ Development of new properties	0.506
+ Newly built properties acquired	-
+ Works to existing properties	-
+ Capitalised interest	-
+ Schemes completed	-
<b>Total</b>	<b>0.506</b>
Divided by	
+Tangible fixed assets: Housing properties at cost	7.266
+Tangible fixed assets: Housing properties at valuation	-
<b>Total</b>	<b>7.266</b>
<b>Result</b>	<b>7.0%</b>

This is a measure of capital investment in existing and new homes against the existing asset base value. The median was 6.2% for 2019. The current priority has been for most new homes to be owned by the Council in order to utilise right to buy receipt funds available, but this may shortly be reviewed, and there is a prospect of Derby Homes' own developments increasing in the medium term.

### **Metric 2a: New Supply (Social Housing Units) %**

Good = higher

	Units
+ Total social units developed or acquired in year	7
+ Social leasehold units acquired in year	0
<b>Total</b>	<b>7</b>
Divided by	
+ Total social housing units owned	102
+ Social leasehold units owned	0
<b>Total</b>	<b>102</b>
<b>Result</b>	<b>6.9%</b>

## **Value for money (VfM) cont.**

This year, Derby City Council has continued to have a need to invest its Right to Buy receipts quickly in order to retain them under the restrictive time period on their use. As a result, Derby Homes has not been investing in 'standard' social housing directly but has bought seven properties - with some being leased back to the Council, and some for a prospective new approach with local charity Padley, and one for general needs letting at social rent. These and intermediate rented properties are classified as social housing units: only the market rented properties at Green Lane are non-social housing in the widest sense.

### **Metric 2b: New Supply (Non - Social Housing Units) %**

	Units
+ Total non - social units owned (acquired in year)	0
+ Non – social leasehold units owned (acquired in year)	0
+ New outright sale units developed or acquired	0
<b>Total</b>	<b>0</b>
Divided by	
+ Total social housing units owned	102
+ Total non-social rental housing units owned	5
+ Social leasehold units owned	0
+ Non-social leasehold units owned	0
<b>Total</b>	<b>107</b>
<b>Result</b>	<b>0%</b>

### **Metric 3 – Gearing % Good = lower**

	£m
+ Short term loans	0.059
+ Long term loans	2.859
- Cash & cash equivalents	(18.071)
+ Amounts owed to group undertakings	0.806
+ Finance lease obligations	-
<b>Total</b>	<b>(14.347)</b>
Divided by	
+ Tangible fixed assets: Housing properties at cost	8.218
+ Tangible fixed assets: Housing properties at valuation	-
<b>Total</b>	<b>8.218</b>
<b>Result</b>	<b>-175%</b>

This is a measure that looks odd as we remain cash rich and therefore could invest in new homes should an opportunity arise that helps the Council more than direct investment in Council housing – as happened with the Looked After Children initiative. At present these opportunities are limited but it is expected that there could be some opportunities soon. It does support the Board's strategy and shows that Derby Homes does have – as planned - the financial capacity to deliver more homes.

## Value for money (VfM) cont.

### **Metric 4 – Earnings before interest, tax, depreciation, amortisation, major repairs (EBITDA) Interest Cover %** Good = higher

	£m	£m exc LGPS
+ Operating (deficit) / surplus	(0.181)	2.623
-Gain / loss on disposal of fixed assets	-	-
-Amortised grants	0.032	0.032
-Government grants taken to income	-	-
+ Interest receivable	-	-
-Capitalised major repairs expenditure for the period	-	-
+ Total depreciation charge for period	0.365	0.365
<b>Total</b>	<b>0.216</b>	<b>3.020</b>
Divided by		
+ Interest capitalised	-	-
+ Interest payable and financing costs	0.157	0.157
<b>Total</b>	<b>0.157</b>	<b>0.157</b>
<b>Result</b>	<b>138%</b>	<b>1,924%</b>

This result is another that looks strange as it includes all operating surplus (derived mainly from management and maintenance of Council housing), plus pension adjustments against the interest payable on loans on a small number of homes. Excluding the volatile pension fund adjustments strengthens the ratio and is more representative of the underlying position.

### **Metric 5 – headline social housing cost per unit**

Good = lower

Management costs

+service charge costs

+planned maintenance costs

+capitalised major repairs expenditure

+development services

+ other social housing activities

+routine maintenance costs

+major repairs expenditure

+other costs of social housing letting

+community /neighbourhood services

+ other charges for support services

= all housing costs

For Derby Homes, this is calculated by deducting the "Activities other than Social Housing" costs of £5.029m and depreciation of £0.365m from total Operating Costs of £45.356m = £39.962m.

Divided by

Total social housing units owned or managed= 13,570

**Result = £2,945 (RP median £3,830 2019/20)**

It indicates that our overall costs are £2,945 per property (or £57 a week). It should be noted that some costs are excluded from our costs (e.g. some major works on Council housing where costs are directly incurred by the Council and not through Derby Homes).

## **Value for money (VfM) cont.**

### **Metric 6a – Operating Margin (social housing lettings) %**

Good = higher

	£m
+ Operating surplus (social housing lettings)	157
Divided by	
+ Turnover from social housing lettings	479
Result	33%

### **Metric 6b: Operating Margin (Overall) %**

	£m	Exc LGPS £m
+ Operating (deficit) / surplus (overall)	(0.181)	2.623
- Gain / (loss) on disposal of fixed assets (housing)	-	-
Total	(0.181)	2.623
Divided by		
Turnover (overall)	45.175	45.175
Result	-0.4%	5.8%

Measure A shows that the Board is now making a significant but normal level of operational surplus on its own properties – this is partly due to the nature of low repair costs in the early years but also because this measure excludes the cost of borrowing. If that is included the position is a breakeven as expected and planned.

Measure B shows the overall formal operational surplus inclusive of additional pension fund charges for the year – an alternative measure excluding those is also shown and indicates a more reasonable assessment of the current position. The comparator here does not work as Derby Homes is mainly a managing agent for the Council stock and works at a very low margin on that work rather than at a 'standard' 25% or so for 'normal' RP lettings.

### **Metric 7: Return on Capital Employed (ROCE)**

	£m	Exc LGPS £m
Operating (deficit) / surplus (overall)	(0.181)	2.623
Share of operating surplus / (deficit) in joint ventures or associates	-	-
<b>Total</b>	<b>(0.181)</b>	<b>2.623</b>
Divided by		
Total assets less current liabilities	25.098	25.098
Result	-0.7%	10.5%

ROCE also makes little sense for our business model where our income stems mainly from management of the Council's properties rather than our own.

**Value for money (VfM) cont.**

**Summary**

The Board is satisfied with the financial and operational performance of the Company during 2020/21.

**Approval**

This Strategic Report was approved by order of the Board.

M Ainsley  
Chair

29 July 2021

D Enticott  
Secretary

29 July 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBY HOMES**

### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of the Company's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of Derby Homes Limited ("the Company") for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Board Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Board Members are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information including the Strategic Report and Report of the Board of Management and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Board of Management for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Board of Management have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Report of the Board of Management.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board member and or directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of the board**

As explained more fully in the Board Members' responsibilities statement set out on page 10 the Board Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We made enquiries of management and the Audit Committee. This included the following:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with Companies Act 2006, the Housing and Regeneration Act 2008, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

In addition, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

#### *Audit response to risks identified*

- We reviewed the financial statement disclosures and sample tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Audit Committee and management;
- We read minutes of meetings of those charged with governance and the Board;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the valuation of properties held for sale.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the members of the Company, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Lifford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Statement of Comprehensive Income Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Turnover</b>	2	<b>45,175</b>	46,815
Operating costs	2	<b>(45,356)</b>	(47,943)
<b>Operating Deficit</b>	4	<b>(181)</b>	(1,128)
Interest payable and similar charges	6	<b>(157)</b>	(160)
Pension finance costs	6	<b>(440)</b>	(832)
<b>Deficit before taxation</b>		<b>(778)</b>	(2,120)
Taxation	7	<b>(28)</b>	(14)
<b>Deficit for the year</b>		<b>(806)</b>	(2,134)
<b>Other comprehensive income for the year</b>			
Actuarial (loss) / gain on defined benefit obligations – pension scheme	8	<b>(20,436)</b>	18,181
<b>Total comprehensive (loss) / gain for the year</b>		<b>(21,242)</b>	16,047

The notes on pages 42 – 64 form part of these financial statements.

## Balance Sheet At 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Housing Properties			
Cost less depreciation		7,266	6,902
<b>Tangible Fixed Assets – Housing</b>		<u>7,266</u>	<u>6,902</u>
Tangible fixed assets - Other		610	806
	9	<u>7,876</u>	<u>7,708</u>
<b>Current assets</b>			
Debtors	11	2,110	7,429
Stock and Work in Progress	12	1,249	1,004
Bank and cash		18,071	15,906
		<u>21,430</u>	<u>24,339</u>
<b>Creditors: amounts falling due within one year</b>	13	<b>(4,206)</b>	<b>(6,857)</b>
<b>Net current assets</b>		<u>17,224</u>	<u>17,482</u>
Creditors: amounts falling due after one year	14	<u>(5,055)</u>	<u>(5,145)</u>
Net assets before pension liability		<b>20,045</b>	20,045
Defined benefit pension liability	8	<b>(40,197)</b>	(18,955)
Net (liabilities) / assets after pension liability		<u><b>(20,152)</b></u>	<u>1,090</u>
<b>Reserves</b>			
Defined benefit pension liability reserve		<b>(40,197)</b>	(18,955)
Designated reserves		-	18,345
Revenue reserves		<b>20,045</b>	1,700
<b>Total funds</b>		<u><b>(20,152)</b></u>	<u>1,090</u>

These financial statements were authorised and approved by the Board of Directors on 29<sup>th</sup> July 2021. Signed and dated on behalf of the Board of Directors:

M Ainsley  
Chair

Date

D Enticott  
Secretary

Date

The notes on pages 42 - 64 form part of these financial statements.

**Statement of changes in equity at 31 March 2020**

	Pension reserve £'000	Designated reserve £'000	General Reserve £'000	Total Reserves £'000
Balance at 1 April 2019	(32,882)	16,224	1,700	(14,958)
<b>Comprehensive Income for the year</b>				
(Deficit) for the year	-	-	(2,134)	(2,134)
Actuarial gain on defined benefit pension scheme	18,181	-	-	18,181
<b>Other comprehensive income for the year</b>	18,181	-	(2,134)	16,047
Reserves transfers:	-	(2,134)	2,134	-
Total net current service costs of pension scheme	(3,422)	3,422	-	-
Total net interest cost on pension scheme	(832)	832	-	-
<b>Total comprehensive income for the year</b>	<b>13,927</b>	<b>2,120</b>	<b>-</b>	<b>16,047</b>
Rounding		1		1
<b>Balance at 31 March 2020</b>	<b>(18,955)</b>	<b>18,345</b>	<b>1,700</b>	<b>1,090</b>

**Statement of changes in equity at 31 March 2021**

	Pension reserve £'000	Designated reserve £'000	General Reserve £'000	Total Reserves £'000
Balance at 1 April 2020	(18,955)	18,345	1,700	1,090
<b>Comprehensive Income for the year</b>				
(Deficit) for the year	-	-	(806)	(806)
Actuarial (loss) / gain on defined benefit pension scheme	(20,436)	-	-	(20,436)
<b>Other comprehensive income for the year</b>	(20,436)	-	(806)	(21,242)
Reserves transfers – per Reserves Accounting Policy page 48	-	(18,345)	18,345	-
Total net current service costs of pension scheme	(366)	-	366	-
Total net interest cost on pension scheme	(440)	-	440	-
<b>Total comprehensive income for the year</b>	<b>(21,242)</b>	<b>(18,345)</b>	<b>18,345</b>	<b>(21,242)</b>
<b>Balance at 31 March 2021</b>	<b>(40,197)</b>	<b>-</b>	<b>20,045</b>	<b>(20,152)</b>

## Cashflow Statement Year Ended 31 March 2021

	2021 £'000	2020 £'000
<b>Deficit for the year</b>	<b>(806)</b>	(2,134)
Interest payable and similar charges	157	160
Pension finance costs	440	832
Taxation	28	14
<b>Cash flows from operating activities deficit for the financial year</b>	<b>(181)</b>	(1,128)
Adjustments for:		
Depreciation of fixed assets - housing properties	142	131
Depreciation of fixed assets – other	224	221
Loss on disposal of fixed assets – other	21	-
Amortised grant (in year)	(31)	(32)
Difference between net pension expense and cash contribution	365	3,422
Taxation charge	(28)	(14)
Decrease / (Increase) in trade and other debtors	5,319	(2,279)
(Increase) in stocks & work in progress	(245)	(630)
(Decrease) / Increase in trade creditors	(100)	36
(Decrease) / Increase in accruals & other creditors	(2,553)	2,504
<b>Net cash generated from operating activities</b>	<b>2,933</b>	2,231
<b>Cash flows from investing activities</b>		
Purchase of fixed assets – housing properties	(506)	(242)
Purchases of fixed assets – other	(49)	(398)
Receipt of grant	-	50
<b>Net cash used in investing activities</b>	<b>(555)</b>	(590)
<b>Cash flows from financing activities</b>		
Interest paid	(157)	(160)
Repayment of loans – Derby City Council	(56)	(55)
<b>Net cash used in financing activities</b>	<b>(213)</b>	(215)
<b>Net increase cash and cash equivalents</b>	<b>2,165</b>	1,426
Cash and cash equivalents at beginning of year	15,906	14,480
<b>Cash and cash equivalents at end of year</b>	<b>18,071</b>	15,906

## Notes to the Financial Statements Year Ended 31 March 2021

### 1. Principal accounting policies

The Company is incorporated under the Companies Act and is registered with the Regulator of Social Housing as a Registered Provider. The following Accounting Policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements.

#### Legal Status

The Company is limited by guarantee and registered under the Companies Act 2006. It is a non-profit registered provider of social housing under the provisions of the Housing & Regeneration Act 2008.

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Housing and Regeneration Act 2008, Financial Reporting Standard 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP), "Accounting by registered social housing providers" 2014, the Accounting Direction for Private Registered Providers of Social Housing 2015 and the Companies Act 2006.

#### Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Derby City Council as at 31 March 2021 and these financial statements may be obtained from the address in note 16.

#### Going Concern

The financial statements have been prepared on a going concern basis.

The Company's balance sheet shows a net liability position after the inclusion of pensions liabilities required under FRS102. These do include assumptions around the investments returns which are based on the FRS102 requirement for this to be matched to the discount rate. This has had a material effect on the actuarial loss this year. The pension scheme continues to be underwritten by Derby City Council.

## **Notes to the Financial Statements**

### **Year Ended 31 March 2021**

The Board on 28 January 2021, approved the operational budget for 2021/22 and in principle future year budgets through to 2024/25. The budgets do plan for a breakeven position for 2021/22 and a small annual surplus thereafter.

Throughout 2020/21 the financial impact from COVID-19 was being monitored. Agreements were made with Derby City Council that the basis for the recharge of the main management fee and capital works recharges would remain unaltered, ensuring that income streams were not reduced. Consequently, it was just additional costs that Derby Homes incurred and these were not material at £0.2m.

Commitment from the owner is evidence by the signing of a new 10-year Partnership Agreement to 2032 (in spring 2022).

With the exception of the pension liability, (which is underwritten by the Council as supported by the Letter of Representation signed by the Councils S151 officer), the balance sheet is fundamentally sound and has strong liquidity from the £18.071m cash at bank holding.

The Board believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on Derby Homes' ability to continue as a going concern for a period of at least 12 months from the date of these financial statements. The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

#### **Turnover**

Turnover represents collectable rental income (i.e. rent debit less rent loss due to voids) and service charges, fees payable from Derby City Council and other income from operating activities.

#### **Operating Costs**

Operating costs are attributable to the day to day running costs of the Company. These include housing management, property repair, maintenance and major improvement works.

#### **Overheads and Administrative Costs**

These are allocated across operating cost headings based on staff time or other appropriate methods.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## Notes to the Financial Statements Year Ended 31 March 2021

### Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs and expenditure incurred in respect of improvements.

Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in net rental income, a reduction in future maintenance costs, or result in a significant extension of the economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other incremental direct costs incurred in the developments from the date it is reasonably likely that the development will go ahead, to the date of practical completion.

### Depreciation

Depreciation is provided on all assets based on the historical cost above any de minimis value using the straight-line method over the remaining life of the asset. The following component rates have been applied:

Asset Type	Depreciation	de minimis values 2020/21	de minimis values – 2019/20
Housing Properties:			
Kitchens	Over 20 years	Nil	Nil
Bathrooms	Over 25 years	Nil	Nil
Boilers	Over 13 years	Nil	Nil
Heating system	Over 26 years	Nil	Nil
Roof	Over 60 years	Nil	Nil
Wiring	Over 40 years	Nil	Nil
Doors	Over 30 years	Nil	Nil
Windows	Over 30 years	Nil	Nil
Non-componentised	Over 80 years	Nil	Nil
Land	Not depreciated	-	-
Computer equipment	Over 3 years	£5,000	£5,000
Motor vehicles	Over 7 years	£5,000	£5,000
Plant & machinery	Over 5 years	£5,000	£5,000
Office equipment	Over 10 years	£5,000	£5,000

Where individual items are purchased at less than the above de Minimis values they will be written off to revenue. Any individual item above the de Minimis value will be capitalised and written off over the economic life on a straight-line basis with no residual income assumed.

## Notes to the Financial Statements Year Ended 31 March 2021

### Impairment

The Company's housing portfolio is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit the asset concerned. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. In the case of the Company's housing portfolio, the value in use is taken to be equal to the insurance reinstatement cost of the property concerned, which is management's assessment of the depreciated replacement cost of the asset.

Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to income and expenditure.

In the year ended 31 March 2021, no impairments were recognised.

### Taxation including deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the country (England) where the Company operates and generates income.

### Pension costs

The Company operates a defined benefit plan. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability recognised in the balance sheet in respect of the defined benefit plan is the assessed present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets at the balance sheet date out of which the obligations are to be settled.

## Notes to the Financial Statements Year Ended 31 March 2021

### Pension costs cont.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as Actuarial gain / (loss) on defined benefit obligations – pension scheme.

The cost of the defined benefit plan, recognised in the Statement of Comprehensive Income as employee costs except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Comprehensive Income as 'Pension finance costs'.

The interest cost and the expected return on assets are included as other finance costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. The Company continues to use FRS102 – Section 28.

### Stocks and Work in Progress

Stocks relate to materials held on van stocks at year end and are valued at the lower of cost or net realisable value. Work in Progress relates to ongoing new build / refurbishment works to properties and is valued at cost. Any impairment identified would immediately be recognised in the statement of consolidated income.

## **Notes to the Financial Statements**

### **Year Ended 31 March 2021**

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured at fair value, net of transaction costs.

#### **Value Added Tax (VAT)**

Rental income received from housing properties is exempt from VAT and accordingly any expenditure incurred in relation to our own properties is inclusive of VAT. All other income and expenditure figures exclude VAT.

#### **Government grants**

Grants received in relation to assets that are presented at deemed cost at the date of transition have been accounted for using the performance model as required by Housing SORP 2014. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income in the year it was receivable and is therefore included within brought forward reserves.

Grant received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the balance sheet and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2014 the useful economic life of the housing property structure has been selected (see table of useful economic lives).

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund (RCGF) until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account. Derby Homes has no RCGF at present as it has not sold any SHG funded properties.

Grants due from government organisations or received in advance are included as current assets or liabilities.

## **Notes to the Financial Statements Year Ended 31 March 2021**

### **Reserves**

At March 2020, there was a General Reserve of £1.7m, which represented a small contingency reserve and a larger Designated Reserve of £18.345m. The Designated Reserve was intended to subsidise investments in new build homes where Derby Homes are the substantive owner. The intention was to use these funds to meet any revenue shortfall in the initial years of any new investment above that budgeted for and / or cover any immediate impairment charge that may arise on the properties.

As Derby Homes is currently not purchasing or building many homes in our own name, the Board have agreed that the Designated Reserve be merged back into the General Reserve to allow the Board more flexibility to sustain different policies should that be a better fit with overall Board and Council objectives. As a result, there is now one single reserve of £20.045m.

### **Contingent Liabilities**

Derby Homes receives grant from Homes England (HE), which is used to fund the acquisition and development of housing properties and their components. Grants of £2.5m received in respect of housing properties held at 31 March 2021 are credited to reserves in respect of adoption of 'deemed' cost. These grants are amortised in line with accounting policy and has an outstanding balance of £2.227m at March 2021. HE imposes a future obligation to recycle such grant if the properties are disposed of. The potential liability to HE, in the event of a repayment requirement at 31 March 2021, would be £1.67m plus interest.

### **Key Judgments in applying accounting policies and key sources of estimation uncertainty**

In the process of applying the company's accounting policies, the company is required to make certain judgements, estimates and assumptions that it believes are reasonable based on the information available. The significant judgements relate to the following:

#### **Useful lives of property, plant and equipment**

Depreciation is provided to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment by each class is included in note 9.

## **Notes to the Financial Statements**

### **Year Ended 31 March 2021**

#### **Pensions**

Estimates used in determining the pension liability as described in note 8 and detailed within the accounting policy are material to figures contained in the Balance Sheet and Statement of Comprehensive Income.

#### **Social Housing Grants**

These are amortised over 80 years. This estimate is based on matching the write off period with depreciation estimate for non-componentised items in properties. Should management's assessment of the amortised period shorten then the adjustments would be made through the Statement of Comprehensive Income as appropriate.

#### **Impairment of social housing properties**

If there are indicators of impairment, this triggers the performance of an impairment review of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost.

## Notes to the Financial Statements Year Ended 31 March 2021

### 2. Particulars of turnover and operating costs

All works were undertaken within the United Kingdom.

<b>2021</b>	<b>Turnover £'000</b>	<b>Operating Costs £'000</b>	<b>Operating Surplus / (deficit) £'000</b>
Social housing lettings (Note 3)	479	322	157
<u>Other Social Housing Activities</u>			
Management & maintenance of Derby City Council housing stock	30,384	29,075	1,309
Capital works to Derby City Council housing stock	9,594	9,962	(368)
Development work on Derby Homes and Derby City Council properties	96	349	(253)
Social Housing Grant recognised (Note 3)	32	-	32
Housing management and / or maintenance to other Landlords properties	568	619	(51)
<u>Activities other than Social Housing Activities</u>			
Maintenance of DCC public buildings and management of homeless hostel and other activities	4,022	5,029	(1,007)
	<b>45,175</b>	<b>45,356</b>	<b>(0.181)</b>

<b>2020</b>	<b>Turnover £'000</b>	<b>Operating Costs £'000</b>	<b>Operating Surplus / (deficit) £'000</b>
Social housing lettings (Note 3)	472	328	144
<u>Other Social Housing Activities</u>			
Management & maintenance of Derby City Council housing stock	30,152	30,138	14
Capital works to Derby City Council housing stock	10,805	10,803	2
Development work on Derby Homes and Derby City Council properties	90	408	(318)
Social Housing Grant recognised (Note 3)	32	-	32
Housing management and / or maintenance to other Landlords properties	913	939	(26)
<u>Activities other than Social Housing Activities</u>			
Maintenance of DCC public buildings and management of homeless hostel and other activities	4,351	5,327	(976)
	<b>46,815</b>	<b>47,943</b>	<b>(1,128)</b>

## Notes to the Financial Statements Year Ended 31 March 2021

### 3. Social Housing Lettings – General Needs properties

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Rents (net of void loss)	<b>430</b>	420
Service charge income	<b>41</b>	43
Other income	<b>7</b>	9
	<b>478</b>	472
Amortised government grant	<b>32</b>	32
<b>Turnover from social housing lettings</b>	<b>510</b>	504
<b>Expenditure</b>		
Housing Management	<b>61</b>	60
Service Charge related costs	<b>41</b>	43
Routine Maintenance	<b>64</b>	80
Property insurance	<b>7</b>	9
Other supplies & services	<b>8</b>	6
Depreciation	<b>141</b>	130
<b>Operating Expenditure on social housing lettings</b>	<b>322</b>	328
<b>Operating surplus on Social Housing lettings pre interest charges</b>	<b>188</b>	176
<b>Void losses</b>	<b>4</b>	3

Interest paid on property loans in 2020/21 was £157,000 (2019/20 £160,000). Any subsidy on social housing, in the early years of new properties, is consistent with the long-term business plan.

### 4. Operating deficit

	<b>2021</b>	2020
	<b>£'000</b>	£'000
The operating deficit is stated after charging:		
Depreciation - annual charge housing properties	<b>142</b>	131
Depreciation - other tangible fixed assets	<b>224</b>	221
Loss on disposal of fixed assets	<b>21</b>	-
Auditor's remuneration:		
- audit services	<b>25</b>	22
- tax services	<b>1</b>	1
- other non-audit services	<b>1</b>	1
Defined benefit pension cost (per note 5)	<b>5,163</b>	6,345

## Notes to the Financial Statements Year Ended 31 March 2021

### 5. Information regarding directors and employees

Directors and executive officers' emoluments are as shown below.

	<b>2021</b>	2020
	£	£
<b>Directors' emoluments</b>		
Chair of Derby Homes – M Ainsley	<b>8,843</b>	8,754
Chair of Governance Committee – J Shepherd	<b>3,217</b>	3,217
Vice Chair of Derby Homes – RGH MacDonald	<b>4,022</b>	4,022
Audit Committee Chair – IM MacDonald	<b>3,217</b>	3,286
	<b>19,299</b>	19,279

#### Executive Officers' emoluments

During the period there were four permanent executive officers.

These executive officers are listed on page 2.

	<b>2021</b>	2020
	£'000	£'000
Basic Salary	<b>401</b>	390
Employers National Insurance	<b>52</b>	51
Pension contributions	<b>58</b>	82
	<b>511</b>	523
Emoluments paid to the highest paid executive officer	<b>126</b>	122
Pension contributions – highest paid executive officer	<b>18</b>	25
	<b>144</b>	147

The highest paid Executive Officer is a member of the Derbyshire County Council defined benefit superannuation fund, with ordinary member status with no enhanced or special terms applying. No contributions were payable to any personal pension scheme the Executive Officer may have.

## Notes to the Financial Statements Year Ended 31 March 2021

### Average number of persons employed (full time equivalents)

	<b>2021</b>	2020
	<b>Number</b>	Number
Housing management	<b>290</b>	283
Central services and regeneration	<b>19</b>	17
Maintenance and repairs	<b>255</b>	259
	<b>564</b>	559

Full time equivalents are calculated based on a standard working week of 37 hours.

### Staff costs during the year (including directors and executive officers)

	<b>2021</b>	Restated 2020
	<b>£'000</b>	£'000
Wages and salaries	15,804	14,911
Social security costs	1,495	1,409
Pension	5,163	6,345
	<b>22,462</b>	<b>22,665</b>

The pension cost relates to the current and past service costs. The 2020 charge previously included the net interest on net defined liability cost. This £0.832m has now been removed from 2020 figure.

### Salary bandings for all employees earning over £60,000

	<b>2021</b>	2020
	<b>Number</b>	Number
£60,000 to £70,000	<b>3</b>	<b>1</b>
£70,001 to £80,000	-	-
£80,001 to £90,000	-	<b>3</b>
£90,001 to £100,000	<b>3</b>	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	<b>1</b>	<b>1</b>
	<b>7</b>	<b>5</b>

## 6. Interest payable and similar charges

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Loans from Derby City Council	<b>157</b>	160
Net interest on net defined benefit liability	<b>440</b>	832

## Notes to the Financial Statements Year Ended 31 March 2021

### 7. Taxation

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Current tax for the year	<u>28</u>	<u>14</u>
	<b>28</b>	<b>14</b>
<b>Factors affecting tax charge for year</b>	<b>2021</b>	2020
	<b>£'000</b>	£'000
The tax assessed for the year is lower than (2019/20: lower than) the standard rate of corporation tax in the UK of 19% (2019/20: 19%). The differences are explained below:		
Deficit before taxation	<u>(778)</u>	<u>(2,120)</u>
Deficit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>(148)</b>	<b>(403)</b>
<b>Effects of:</b>		
Non-taxable income and deductions	<b>176</b>	417
<b>Total tax charge for the year</b>	<u><b>28</b></u>	<u><b>14</b></u>

The Company is a wholly owned subsidiary of Derby City Council and most income is derived from services provided to the Council. HM Revenue and Customs has confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax. As a result of this, the effective rate of tax is 0% on these transactions (2019/20: 0%).

## Notes to the Financial Statements Year Ended 31 March 2021

### 8. Pensions

The company is a scheduled member of the Local Government Pension scheme. This is a funded defined benefit scheme administered by Derbyshire County Council (DCC). Employees are eligible to join the Local Government Pension scheme subject to certain criteria. The pension costs charged to the Company in respect of those employees are equal to contributions paid to the fully funded pension scheme.

During the year, the Company paid employer contributions of £4,797,000 (2019/20 - £2,923,000). The 2020/21 payment is inclusive of a £2,438,000 prepayment of expected 2021/22 employer contributions.

The minimum contribution rate is determined by the Fund's Actuary based on a triennial actuarial valuation. This was set at 13.4% for 2017-2020. Derby Homes contributed in those years at a higher rate of 20.9% reflecting the estimated underlying cost. The Actuary completed a triennial valuation as at 31 March 2019. The funding level at that point had increased to 106%, resulting in a minimum required contribution level of 14.4% plus a sum of £290,000 a year for this current 2020/21 year and the subsequent next two years.

In calculating the current service cost, they have allowed for changes in the Employer's pensionable payroll as estimated from contribution information provided by Derby Homes. In calculating the asset share, they have rolled forward the Employer's share of the assets calculated at the latest formal valuation date, allowing for investment returns (estimated where necessary), the effect of contributions paid into (estimated where necessary), and estimated benefits paid from, the Fund by the Employer and its employees.

The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are those such as rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions can significantly influence the value of the liability recorded and annual defined benefit expense.

The Company expects to contribute around £2.4m to its defined benefit pension scheme in 2021/22, this was prepaid during 2020/21 with the aim of the monies attracting greater investment returns in the pension scheme rather than in company bank accounts.

The employer contribution rate planned for 2021/22 is 14.4% plus £290,000 (2020/2021 – 14.4%, plus £290,000).

At the year-end there was £82,000 employee contributions due for March 2021. These were paid in April 2021 (2019/20 - £Nil). All employer contributions have been paid (2019/20 - £Nil). At the year-end there is a prepayment of employer contributions of £2,438,000 (2019/20 - £Nil), this is included within the £40.197m deficit figure.

## Notes to the Financial Statements Year Ended 31 March 2021

The most recent valuation of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2021 by registered actuaries, Hymans Robertson Limited. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The last tri-annual actuarial valuation was carried out on 31/03/19.

Key assumptions used:	Valuation at	
	2021	2020
	%	%
Discount rate	2.05	2.3
Expected rate of salary increases	3.5	2.5
Future pension increases	2.8	1.8

Mortality rate assumptions are based on publicly available data in the UK. The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2021	2020
	Years	Years
Male	21.3	21.6
Female	23.9	23.7

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:

Male	22.5	22.6
Female	25.8	25.1

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in assumption	Overall impact on Employers liability	Approx. monetary amount £m
Discount rate	Decrease by 0.5%	Increase by 12%	17.382
Salary Increase Rate	Increase by 0.5%	Increase by 2%	2.406
Pension Increase Rate	Increase by 0.5%	Increase by 10%	14.567

## Notes to the Financial Statements Year Ended 31 March 2021

<b>Reconciliation of present value of plan liabilities</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At the beginning of the year	(99,228)	(115,334)
Current service costs	(5,130)	(6,345)
Past service costs	(33)	-
Interest costs	(2,333)	(2,843)
Plan participants contributions	(974)	(905)
Benefits paid	1,560	1,465
Changes in financial assumptions	(34,660)	13,553
Changes in demographic assumptions	(1,910)	4,412
Other experience	825	6,769
	<hr/>	<hr/>
At the end of the year	(141,883)	(99,228)
	<hr/>	<hr/>
<b>Reconciliation of fair value of plan assets</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At the beginning of the year	80,273	82,452
Interest income on plan assets	1,893	2,011
Plan participants contributions	974	905
Contributions made	4,797	2,923
Benefits paid	(1,560)	(1,465)
Return on assets excluding amounts included in net interest	15,309	(6,553)
	<hr/>	<hr/>
At the end of the year	101,686	80,273
	<hr/>	<hr/>
	<b>2021 £'000</b>	<b>2020 £'000</b>
Fair value of plan assets	101,686	80,273
Present value of plan liabilities	(141,883)	(99,228)
	<hr/>	<hr/>
<b>Net pension scheme liability</b>	<b>(40,197)</b>	<b>(18,955)</b>
	<hr/>	<hr/>

## Notes to the Financial Statements Year Ended 31 March 2021

<b>Amounts recognised in other comprehensive income are as follows:</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Included in administrative expenses:		
Current service costs	5,130	6,345
Past service costs (including curtailments)	33	-
	<u>5,163</u>	<u>6,345</u>
Amounts recognised in other finance costs		
Net interest costs	<u>440</u>	<u>832</u>
Analysis of actuarial gain / (loss) recognised in Other Comprehensive Income		
Return on assets excluding amounts included in net interest	15,309	(6,553)
Changes in financial assumptions	(34,660)	13,553
Changes in demographic assumptions	(1,910)	4,412
Other experience	825	6,769
	<u>(20,436)</u>	<u>18,181</u>
<b>Composition of plan assets</b>	<b>2021</b>	<b>2020</b>
Equities	63%	60%
Bonds	23%	25%
Property	8%	9%
Cash	6%	6%
	<u>100%</u>	<u>100%</u>
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Actual return on plan assets	<u>17,202</u>	<u>(4,542)</u>

## Notes to the Financial Statements Year Ended 31 March 2021

### 9. Tangible fixed assets

	Social Housing Properties Held for letting £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>			
At 1 April 2020	7,712	2,762	10,474
Additions	506	49	555
Disposals	-	(103)	(103)
<b>At 31 March 2021</b>	<b>8,218</b>	<b>2,708</b>	<b>10,926</b>
<b>Depreciation</b>			
At 1 April 2020	810	1,956	2,766
Disposals	-	(82)	(82)
Charge for the year	142	224	366
<b>At 31 March 2021</b>	<b>952</b>	<b>2,098</b>	<b>3,050</b>
<b>Net book value</b>			
At 31 March 2020	6,902	806	7,708
<b>At 31 March 2021</b>	<b>7,266</b>	<b>610</b>	<b>7,876</b>

The loans are secured by way of a legal charge held by Derby City Council over land and buildings.

The Social Housing Properties Held for Letting are Freehold, except for 51 which are leasehold from Derby City Council as freeholder.

The five flats held at 119 Green Lane, Derby are jointly held between Derby Homes and Revive, with an option for Derby Homes to buy at a discount in 2037.

No interest has been capitalised.

## Notes to the Financial Statements Year Ended 31 March 2021

### 10. Expenditure on works to existing properties

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Amount capitalised	-	-
Amount charged to income and expenditure account	<b>64</b>	80
	<b>64</b>	80

### 11. Debtors: amounts falling due within one year

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Rent and service charge arrears	<b>15</b>	15
Less: Provision for doubtful debts	<b>(11)</b>	(11)
	<b>4</b>	4
Amounts due from parent Company	<b>1,096</b>	6,796
Trade debtors	<b>815</b>	409
Social Housing Grant	<b>25</b>	25
Other Debtors\Prepayments and accrued income	<b>170</b>	195
	<b>2,110</b>	7,429

### 12. Stocks and Work in Progress

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Raw materials and consumables	<b>462</b>	399
Work in Progress	<b>787</b>	605
	<b>1,249</b>	1,004

## Notes to the Financial Statements Year Ended 31 March 2021

### 13. Creditors: amounts falling due within one year

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Amounts owing to parent Company	<b>806</b>	3,460
Loans due to parent	<b>59</b>	56
	<b>865</b>	3,516
Deferred capital grant – note 15	<b>31</b>	32
Trade creditors	<b>1,161</b>	1,261
Corporation tax	<b>25</b>	21
Other taxation and social security	<b>665</b>	549
Sinking Fund balances	<b>92</b>	86
Accruals and deferred income	<b>1,367</b>	1,392
	<b>4,206</b>	6,857

Included within the Amounts owing to parent Company is £0.059m (2019/20 £0.056m) relating to property loans.

### 14. Creditors: amounts falling due after one year

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Deferred Capital grant – note 15	<b>2,196</b>	2,227
Amounts owing to parent Company – New Build Loan	<b>2,859</b>	2,918
	<b>5,055</b>	5,145
Loan Repayments are due as follows:		
Between 1 and 2 years	<b>61</b>	59
Between 2 and 5 year	<b>201</b>	192
In more than 5 years	<b>2,597</b>	2,667
	<b>2,859</b>	2,918

Included within the creditors falling due after more than 1 year is a loan of £1.043m (2019/20 - £1.052m) charged at 5.06% interest rate and a loan of £0.096m (2019/20 - £0.104m) charged at 6% interest rate. Other loans relating to the development at Chesapeake (at 4.05%) have £0.179m (2019/20 - £0.186m) outstanding over one year and £1.541m (2019/20 - £1.576m) on the loan for Elton Road (at 5.5%).

The loans are secured by way of a legal charge held by Derby City Council over land and buildings.

## Notes to the Financial Statements Year Ended 31 March 2021

### 15. Deferred Capital Grant

	2021 £'000	2020 £'000
At 1 April	2,259	2,241
Grants received in year	-	50
Released to income in year	<u>(32)</u>	<u>(32)</u>
At 31 March	<u>2,227</u>	<u>2,259</u>

### 16. Parent Undertaking

The Company is a local authority-controlled Company within the meaning of Part V of the Local Government and Housing Act 1989, being a Company under the control of Derby City Council. Copies of the financial statements for Derby Homes Limited can be obtained from the Secretary, Derby Homes Limited, 839 London Road, Derby DE24 8UZ.

Consolidated accounts are prepared by Derby City Council, where consolidated accounts are available from the Section 151 Officer, Derby City Council, The Council House, Corporation Street, Derby, DE1 2FS.

The Directors consider that Derby City Council is the ultimate controlling party.

## Notes to the Financial Statements Year Ended 31 March 2021

### 17. Related Party Undertaking

The Company's ultimate parent and controlling party is Derby City Council.

Derby Homes Limited is an Arm's Length Management Organisation from Derby City Council to run the management and maintenance function of the Council's homes and other buildings.

The Company Board includes members who are tenants of Derby Homes and members who are elected representatives of Derby City Council. The Company undertakes transactions with the Council at arm's length in the normal course of business. Three Board members are also tenants of the Council and have a standard tenancy agreement and are required to fulfil the same obligations and receive the same benefit as other tenants. There are no significant rental arrears to report in relation to these tenants as at year end.

During the year Derby Homes paid a £19,726 grant (2019/20: £12,140) to DACP Ltd, a voluntary organisation for tenants, community groups and other partner agencies. Robert MacDonald, a Director of Derby Homes was also a Board Member and Chair of the DACP until 30<sup>th</sup> October 2020.

Maria Murphy is also a Board Member with Social Landlords Crime & Nuisance Group – trading as Resolve Antisocial Behaviour. During the year services totalling £1,400 (2019/20: £5,387) were procured at arm's length and on commercial terms.

Derby Homes supplied at arm's length and on commercial terms £13,052 (2019/20: £15,141) minor building repair works to Lees Brook Community School, Derby. Mike Ainsley, Chair of Derby Homes is also a governor at the school.

### 18. Operating Leases

At the end of the year amounts due under operating leases were as follows:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Amounts due less than 1 year	<b>88</b>	88
Between 2 and 5 years	<b>46</b>	134
Over 5 years	-	-
	<b>134</b>	222

## Notes to the Financial Statements Year Ended 31 March 2021

### 19. Accommodation in Management and Development

At the end of the year accommodation in management for each class of accommodation was as follows:

	2021	2020
<b>General Needs Housing</b>		
- Social Rent	38	33
- Affordable Rent	61	61
- Intermediate Rent	3	1
- Market Rent	5	5
<b>Total owned</b>	<u>107</u>	100
<b>Accommodation managed for others</b>	<u>12,746</u>	12,835
	<b>12,853</b>	12,935
Shared Ownership managed for others	65	66
Leaseholders managed for others	653	649
<b>Total owned and managed accommodation</b>	<u><u>13,571</u></u>	<u>13,650</u>

Properties managed on behalf of other organisations were:

	2021	2020
Derby City Council - HRA	12,659	12,757
The Guinness Trust	33	33
War Memorial Village (Derby) Ltd	54	45
	<u>12,746</u>	<u>12,835</u>

### 20. Net debt reconciliation - Year ended 31 March 2021

	1 April 2020 £'000	Cash flows £'000	Acquisition & disposal of subsidiaries £'000	New finance leases £'000	Other non-cash changes £'000	31 March 2021 £'000
Cash at bank and in hand	15,906	2,165	-	-	-	18,071
Short term loans	-56	56	-	-	-59	-59
Long term loans	-2,918	-	-	-	59	-2,859
<b>Net assets</b>	<b>12,932</b>	<b>2,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,153</b>





Derby City Council

BDO LLP  
Regent House  
Clinton Avenue  
Nottingham  
NG5 1AZ

Contact Simon Riley  
Our ref SR/JMcC  
Email Simon.riley@derby.gov.uk  
Tel 01332 643181  
Minicom 01332 640666  
Date 7 July 2021

Dear Sirs

## REPRESENTATION LETTER IN RESPECT OF DERBY HOMES LIMITED

This representation letter is provided in connection with your audit of the financial statements of Derby Homes Limited for the year ended 31 March 2021, for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2021 and of its loss and cash flow for the period 1 April 2020 to 31 March 2021, in accordance with Companies Act 2006.

I confirm, to the best of my knowledge and belief by having made appropriate enquiries, the following representations:

### Management and other fees

The management fee payable to Derby Homes Limited, in respect of services provided to Derby City Council, amounts to £10.320m for the period 1 April 2020 to 31 March 2021 and the fees paid to Derby Homes Limited in respect of the Repairs and Investment operations amount to £16.718m for the period 1 April 2020 to 31 March 2021.

### Inter-organisation balances

Derby Homes' gross inter-organisation debtor is £1.096m and the gross inter-organisation creditor is £3.724m. The net inter-organisation creditor is £2.628m.

All material amounts due to and payable by Derby City Council as at 31 March 2021, in respect of services exchanged between Derby Homes Limited and the Council, have been identified and are accurate to within the Derby Homes' level of triviality of £30,000.

Cont/

---

Corporate Resources, Council House, Corporation Street, Derby DE1 2FS  
derby.gov.uk

To view Derby City Council Privacy Notices please visit [derby.gov.uk/privacy-notice](https://derby.gov.uk/privacy-notice)



**Cash balance attributable to Derby Homes Limited**

The cash balance attributable to Derby Homes Limited, held under the umbrella of the Council's bank account as at 31 March 2021, amounts to £16.064m cleared funds per the bank statement. The reconciled balance within Derby Homes' balance sheet is £16.067m.

**Going concern and pension liabilities – FRS102 section 28**

Under FRS102 section 28, the company must account for the net surplus or deficit arising from its share of the pension assets and liabilities in respect of its employees who are members of the Derbyshire Superannuation Fund. As at 31 March 2021, there was a net deficit of £40.197m in respect of the company's pension liabilities. The company does not have sufficient reserves to offset this deficit and therefore the parent organisation, Derby City Council, undertakes to provide continuing financial support to enable the financial statements of Derby Homes to be prepared on a going concern basis.

Yours faithfully

A handwritten signature in black ink that reads "S C Riley". The signature is written in a cursive style with a large, looped 'R'.

Simon Riley  
Strategic Director of Corporate Resources & Section 151 Officer

BDO LLP  
Two Snowhill  
Birmingham  
B4 6GA

**Date**

29/07/2021

**Contact**

David Enticott

**Telephone**

01332 888523

**E-mail**

David.enticott@derbyhomes.org

Dear Sirs

**Financial Statements of Derby Homes Limited for the period ended 31 March 2021**

We confirm that the following representations given to you in connection with your audit of the company's financial statements (the "financial statements") for the year ended 31 March 2021 are made to the best of our knowledge and belief, and after having made appropriate enquiries of other directors and officials of the company.

We have fulfilled our responsibilities as directors for the preparation and presentation of the financial statements as set out in the terms of the audit engagement letter, and in particular that the financial statements give a true and fair view of the financial position of the company as at 31 March 2021 and of the results of its operations and cash flows for the year then ended in accordance with applicable financial reporting framework and for making accurate representations to you.

We have provided you with unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence. In addition, all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all meetings of management and non-executives, have been made available to you.

**Going concern**

We have made an assessment of the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. As a result of our assessment we consider that the company is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

**Register for MyAccount**

Pay your rent, view your rent account, report repairs and more online.  
[my.derbyhomes.org](http://my.derbyhomes.org).

We have made this assessment after reviewing the company's forecasts and projections, which have been updated in light of the on-going COVID-19 pandemic. The company has a strong cash position and the members of the Board are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due without seeking additional support.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the company's ability to continue as a going concern following a review of the financial reserves in light of the post year end impact of COVID-19.

The Board members confirm the financial statement disclosures, in relation to COVID-19, clearly explain the impact on the company and its cash flows of the pandemic.

### **Laws and regulations**

In relation to those laws and regulations which provide the legal framework within which our business is conducted and which are central to our ability to conduct our business, we have disclosed to you all instances of possible non-compliance of which we are aware and all actual or contingent consequences arising from such instances of non-compliance. We confirm that we have informed you of any actual or potential non-compliance with the laws and regulations prescribed by the Financial Services and Markets Act 2000 and Financial Services Act 2012 and any known breaches of the Financial Conduct Authority rules.

Any complaints received in respect of regulated business and any events, which involve possible non-compliance with the Financial Conduct Authority rules have been disclosed to you and appropriately provided for and disclosed in the financial statements, where applicable.

All communication with the Financial Conduct Authority including correspondence, minutes of meetings and notes of inspection visits have been made available to you.

We acknowledge our responsibility for ensuring that the accounting records and systems of control have been established and maintained in accordance with the Financial Conduct Authority rules. We confirm that the company has kept proper accounting records for the year.

### **Post balance sheet events**

There have been no events since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of a note. Should any material events of this type occur, we will advise you accordingly.

### **Fraud and error**

We are responsible for adopting sound accounting policies, designing, implementing and maintaining internal control, to, among other things, help assure the preparation of the financial statements in conformity with generally accepted accounting principles and preventing and detecting fraud and error.

We have considered the risk that the financial statements may be materially misstated due to fraud and have identified no significant risks.

To the best of our knowledge we are not aware of any fraud or suspected fraud involving management or employees. Additionally, we are not aware of any fraud or suspected fraud involving any other party that could materially affect the financial statements. To the best of our knowledge we are not aware of any allegations of fraud or suspected fraud affecting the financial statements that have been communicated by employees, former employees, analysts, regulators or any other party.

### **Misstatements**

We attach a schedule showing uncorrected misstatements that you identified, which we acknowledge that you request we correct. Where appropriate we have explained our reasons for not correcting such misstatements below.

In our opinion, the effects of not correcting such identified misstatement is immaterial to the financial statements as a whole.

### **Related party transactions**

We have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware. We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable accounting framework.

Other than disclosed, there were no loans, transactions or arrangements between the company and its directors and their connected persons at any time in the year which were required to be disclosed.

### **Carrying value and classification of assets and liabilities**

We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities reflected in the financial statements.

### **Accounting estimates**

We confirm that none of the company's assets are stated in the balance sheet at 31 March 2021 at an amount exceeding their recoverable amount as defined in FRS102 Section 27 – Impairment of assets.

All housing properties are in existence and beneficially owned by the company. Title deeds are held by mortgagees, local authorities or solicitors as security for specific charges against the properties, in respect of housing loans outstanding at the balance sheet date, where appropriate.

We confirm that cash flow forecasts used in our assessment of going concern are based on our best estimate of committed development costs, loan drawings and related interest charges and overheads adjusted for inflation.

We confirm that the valuation of the pension liability is calculated with reference to market levels and the most relevant demographic and financial assumptions at 31 March 2021. We confirm that there are no known or possible cross guarantees in place between the company and any third parties.

**Litigation and claims**

We confirm that there are no actual or possible litigation and claims whose effects should be considered when preparing the financial statements nor which require disclosure in accordance with the requirements of accounting standards.

**Confirmation**

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We confirm that the financial statements are free of material misstatements, including omissions.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

(Signed on behalf of the board of directors)

Client Name:		Derby Homes Limited										F/S Period End:		31-Mar-21		Reviewed by: SJL	
Document Name:		Summary of Uncorrected Misstatements										Document #:		5.03		Review date: 28/06/2021	
<b>SUMMARY OF UNCORRECTED MISSTATEMENTS</b>																	
<a href="#">Refer to the Guidance Tab for Guidance on Evaluating the Effect of Uncorrected Misstatements.</a>																	
User Input Cells																	
Record % threshold used for clearly trivial errors		2%															
Record numeric threshold used for clearly trivial errors		15,800															
Estimated tax rate		19%															
<b>Pre-Tax Proposed Audit Adjustments      Tax Effect (if applicable)      Documented by      Discussed with client      Rollover Consideration</b>																	
Description of Proposed Audit Adjustment	File Ref	Error Type	Tax Effect Yes/No	Assets Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)	Profit & Loss Dr/(Cr)	Taxes Payable Dr/(Cr)	Equity Dr/(Cr)	Tax Expense Dr/(Cr)	Documented by		Discussed with client		Details of why no adjustment has been made to the FS (if applicable)	Rollover to next period	
											Initials	Date	Reviewer Initials	Name			Date
1 Being amendment to the pension liability based on correction to the overstatement of pensionable pay	M1.05	Judgmental						0	0	0	KB	25/06/2021	SJL	Yes	25/06/2021	The directors consider this to be immaterial to the results of the financial statements	0
Dr Pension liability			No		350,000			0	0	0							0
Cr Pension expenses			No				(350,000)	0	0	0							0
2 Being over-booking of accrued receivables in relation to final agreement of War Memorial Village monies due	D.03	Factual						0	0	0	FA	25/06/2021	SJL	Yes	28/06/2021	The directors consider this to be immaterial to the results of the financial statements	0
Dr P&L			No				37,161	0	0	0							0
Cr Accrued receivables			No	(37,161)				0	0	0							0
								0	0	0							0
								0	0	0							0
								0	0	0							0
								0	0	0							0
								0	0	0							0
								0	0	0							0
								0	0	0							0
								0	0	0							0
								0	0	0							0
Current year cumulative uncorrected misstatements before tax effect				(37,161)	350,000	-	(312,839)	-	-	-						Amount to be brought forward to opening R/E next period	-
Cumulative effect of prior period uncorrected misstatements brought forward				-	-	-	-									Amount to be brought forward to P&L next period	-
Tax effect				-	-	-	-										
Total of cumulative uncorrected misstatements				(37,161)	350,000	-	(312,839)										
Final materiality				790,000	790,000	790,000	790,000										
Amount remaining for further possible misstatement				752,839	440,000	790,000	477,161										



## **DIGITAL STRATEGY**

Report of the Finance Director & Company Secretary

### **1. SUMMARY**

1.1 Key strategies and policies are reviewed every 3 years. The Digital Strategy (previously the Information Systems (IS) strategy) is one of those key strategies and is due to be reviewed this year. Given the new contract that Derby Homes has with the Council, it is good timing to review the needs of our core digital arrangements at this point.

### **2. RECOMMENDATION**

2.1 To approve the Digital strategy set out in Appendix 1.

### **3. REASON(S) FOR RECOMMENDATION**

3.1 The Digital strategy is essential to the delivery of efficient and effective services to tenants through increased use of technology to drive improved service and lower costs of operation.

### **4. MATTER FOR CONSIDERATION**

4.1 The current IS strategy was adopted by the Board in September 2018 and is due for its 3-year review in 2021. As Derby Homes is also starting a new 10-year contract with the Council in 2022 the time is right to consider our approach to the information systems that we will require at least for the next few years.

4.2 The core of the strategy is that Derby Homes will continue to partner with the Council wherever it makes sense to do so from the perspective of the Council group (that is DCC and DH together). Sharing costs, procurements, support arrangements and IT infrastructure deliver overall savings which benefit both parties and this overall approach to digital strategy should continue.

4.3 Where separate systems are required, however, the approach also allows for that to be sustained. The obvious system that we require independently is the housing management system (although there are links to the Council here too, the system is only required to manage council housing and is therefore our responsibility).

4.4 The Strategy is set out in Appendix 1 to this report.

## **5. OTHER OPTIONS CONSIDERED**

- 5.1 To consider alternative strategies for digital issues for the future including independent operation from the Council. This is not recommended as we are both benefitting from the joint approach and cost sharing as well as more resilience in support and maintenance of our core digital infrastructure (servers, emails, websites, telephony etc).

## **IMPLICATIONS**

### **6. FINANCIAL AND BUSINESS PLAN IMPLICATIONS**

- 6.1 It is anticipated that cost implications of the new strategy will be contained within existing budgets.

### **7. LEGAL AND CONFIDENTIALITY IMPLICATIONS**

- 7.1 As Derby Homes is owned by Derby City Council, it is governed by the Teckal exemption from procurement regulations between the parties and this has been used to allocate infrastructure and other support costs to the Council to our mutual benefit.

### **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 As technology develops, increased use of the opportunities it brings will usually bring environmental benefits in terms of greater efficiency of operation, and reduced use of resources.

### **9. EQUALITIES IMPLICATIONS**

- 9.1 Technological developments can assist to reduce equality impacts where access to services can be improved for tenants.

### **10. HEALTH & SAFETY IMPLICATIONS**

- 10.1 Information systems have enabled significant improvements in management of Health and Safety data and information flows relating to H&S risks to be considered when approaching risks whether relating to properties or people.

### **11. RISK IMPLICATIONS**

- 11.1 Along with the H&S point at 10 above, data is held securely to reduce risks of data breaches (GDPR) and any consequent problems.

### **12. POLICY REVIEW IMPLICATIONS**

- 12.1 This is a key policy of Derby Homes and is included in the Key Policy Review Schedule. In accordance with Derby Homes Board Minute 10/51 this policy will be reviewed no later than 3 years from the date of this meeting.

The areas listed below have no implications directly arising from this report:

Consultation  
Council  
Personnel

If Board Members or others would like to discuss this report ahead of the meeting please contact:

David Enticott / Finance Director & Company Secretary / 01332 888523 / Email  
david.enticott@derbyhomes.org

Background Information: Appendix 1 – Digital Strategy with its own 2 Appendices (A and B)

Supporting Information: Previous IS strategy 2018

**This report has been approved by the following officers where there are financial or legal implications:**

<b>Finance Director/Derby Homes Accountant</b>	David Enticott	12.7.21
--	----------------	---------





# DIGITAL STRATEGY

## Document Control

Implementation date	1 August 2021
Author	David Enticott
Equality impact assessment date	N/A
Revised/updated	29 July 2021
Version control	Version 1
Review required	September 2024

# Derby Homes Digital Strategy

## 1 Context

- 1.1 This Digital Strategy reflects the current agreement for Derby Homes to source its Digital and IT Support in partnership with and managed by the Digital & Customer Management Department of Derby City Council. This arrangement is intended to provide the best overall value for money for both parties.
- 1.2 Derby City Council (DCC) has control of its support arrangements and manages its own infrastructure, providing cost savings for both DCC and Derby Homes. The joint approach with the Council continues to be beneficial for Derby Homes as we do not have the capacity or skills required to sustain our own infrastructure independently. Our contributions to the joint costs of Council infrastructure and systems help to sustain the Council's financial position and IT costs which in turn has led to significant improvements in the performance of IT infrastructure and systems. This was particularly noticeable in 2020 when the Council was able to support a rapid roll out of the infrastructure, hardware and software required to sustain a mainly home based workforce within a few weeks, enabling services to continue with minimal interruption.
- 1.3 Derby Homes will continue to share costs and development opportunities with the Council over the next 10 years of our new contract. Technology will continue to improve and enable more flexible working locations, tying in with the need for continued flexibility in working arrangements into the future. The Council plans a new financial system in 2023 and we will work with them to continue to integrate our systems with theirs, especially as we collect their tenants' rents and service charges and receive housing benefit towards rent on behalf of many tenants.
- 1.4 Over the last three years, our core housing management system, Open Housing, has been developed and the full benefits of this new system are gradually being realised. Allocations and Asset Management are now integrated into the core system which enabled us to stop paying for separate systems and to have one basis ('one version of the truth') for the majority of data we hold. The elimination of those additional systems saved over £50,000 a year. Further integrations and improvements can be expected over the next few years, which might include homelessness services and other areas not yet fully integrated into the central system. Ideally all systems would be fully integrated over time, but only where the overall gain outweighs the benefit of a separate system. Separate systems will need to be justified by means of demonstrable operational benefit that outweighs any additional cost.
- 1.5 Capita have signalled that they intend to 'migrate' from Open to One Housing over the next few years. This is essentially an upgraded 'front end' to the core system rather than a full scale different system and will therefore be simpler to enact than the move from Academy to Open in 2018.

## 2 Governance Arrangements

- 2.1 The Derby Homes Digital Strategy is prepared by the Finance Director and Company Secretary, in conjunction with Council's Digital & Customer Management department, agreed by the Senior Management Team of Derby Homes and is presented to the Derby Homes Board for approval.
- 2.2 Procurement and contract decisions are made in accordance with Derby Homes' regulations and delegated authority protocols. DCC is of course exempt from most procurement regulations under the Teckal judgement which in effect enables group companies to allocate work internally within the group. Appendix A to this report below shows that the majority of systems/platforms/IT infrastructure are procured jointly with the Council.
- 2.3 The Council's Digital & Customer Management department maintains asset registers, budget management information, service level agreements and project information in accordance with the agreed procedures. This includes a rolling system replacement roadmap identifying systems with contracts due to expire.
- 2.4 Derby Homes will be consulted on Council decisions that may impact Derby Homes.

## 3 Service Management

- 3.1 The Council's Digital & Customer Management department business plan is refreshed annually and focuses on the things that matter most for the Council, Derby Homes and other partners, concentrating in 2021/2022 on the Council's Recovery Plan. This is set out at Appendix B.
- 3.2 The Council is currently working on a new Digital & Access Strategy that is a recommendation of the Council's Digital Diagnostic Review. The Council will collaborate with Derby Homes and other partners on the creation of this strategy. It will cover Citizen Empowerment (Digital Services and Connectivity), Colleague Enablement (Digital Workforce, Skills and Applications), a Partner Integration Scheme (Enabling key partners to share information), becoming 'Intelligence Led' and also working towards overcoming digital poverty. This is due to be released in late Summer 2021.
- 3.3 The Council is adopting a Business Partnering approach with all key services and partners to understand IT needs, issues, future projects and escalations. Key members of the Council's Digital & Customer Management department will continue to attend Derby Homes' Senior Management Team meetings and hold regular meetings with key Derby Homes teams where necessary.

## 4 Information Systems Provision and Infrastructure

- 4.1 The strategy adopts a model where systems and infrastructure are hosted where it makes the best financial and technical sense.
- 4.2 The strategy continues with an approach of buying rather than developing software; this allows Derby Homes to access the right software for operational efficiency.

Where there are opportunities to share procurement and/or contract management in order to reduce costs these will be explored.

- 4.3 Supporting a mobile workforce and empowering tenants is important to Derby Homes and consequently we require solutions that:
- a) Can be accessed from a range of devices (smart-phones, tablets, laptops, desktop with secure access).
  - b) Provide single and seamless log on and connectivity for staff in the office, where there is wireless access and on telephony networks (4G, 5G); and for customers from their own devices.
  - c) Have easy to use staff and customer access portals with full Digital processes (e.g. a customer reporting a repair need, this being appointed, electronically delivered to the allocated repair operative(s), progress reported and post repair satisfaction logged.)
- 4.4 The ability to deliver application software and customer access in the form of mobile applications (Apps) will be a consideration when re-procuring existing systems.
- 4.5 As part of our commitment to Team Derby, Derby Homes is working with the Council and City Fibre to allow access for superfast broadband services to Council Housing, enabling it to be available for Council tenants across the City.

## 5 Information Security

- 5.1 Derby Homes understands its obligations and responsibilities in respect of information security and in protecting the data held in accordance with prevailing regulations and standards and to meet customer expectations.
- 5.2 Derby Homes' network access is provided by the Council and it shares data with the Council and processes payments; therefore it has to comply with both Public Service Network and Payment Card Industry compliance requirements. Managing Derby Homes Security compliance within the Council's compliance avoids extra costs.
- 5.3 As both Derby Homes and the Council adopt greater staff and customer remote access through internet portals, mobile applications and the like, then it will be a requirement that such can be implemented and certified to be consistent and compliant with the relevant information security obligations.
- 5.4 Derby Homes are fully compliant with the GDPR in adopting any new Information systems and infrastructure.

## 6 Core Software

- 6.1 Wherever possible, data will be held securely on our core system, to deliver 'one version of the truth' to all users across Derby Homes and the Council. Separate systems will be used only where the functionality and operational benefits outweigh

the benefit of integration with the core system. Integration of different systems always brings additional costs and challenges and is not always possible. Some systems may offer some small gains over the core system but insufficient to justify separation where the core system can offer full integration.

- 6.2 Software should be procured where possible jointly with the Council or using existing frameworks to drive better value for money.
- 6.3 As part of our commitment to Customer First, digital enhancements to systems should be possible over time to allow greater tenant service through for instance video calling / inspections. Other customer benefits will be considered as the ability of systems improves.

# Appendix A

## IT Re-procurement

### Corporate IT Contracts (Derby City Council led – DH participating) - timetable aligned with DCC

IT Cabling
Network Services - Mobile Voice and Data
Network Services - Traditional Telephony Services
Network Services - Data Access and Local Connectivity Services
Commercial Off The Shelf (COTS) Software and Related Services: Microsoft Enterprise Agreements (EA) for Derby Homes
Commercial Off The Shelf (COTS) Software and Related Services: General Packaged Software Vendor
IT End User Devices and Hardware
Hybrid Mail Services (provided by DMC at Derby City Council)

## 1 Introduction

- **Services Included:**  
Customer Management covering Derby Direct, Customer Centre, Registration Services, Welfare Reform and Local Assistance  
Digital Services covering Information Governance, Technology Enabled Transformation, Business Application Support & Development, ICT Infrastructure & Security, Service Support & Delivery
- **Budget:** £7.09Million in 2021/22
- **Size:**  
Customer Management: 54.02 FTE as of March 2021  
Digital Services: 90.95 FTE as of March 2021
- **Customers:** Residents of Derby, Derby City Council Staff, Partner Organisations such as Derby Homes and Derby Museums and External Commercial Customers.

## 2 What is going well?

- Digital by Default programme – already delivered new website and launched new citizen account, e-billing and Revenues and Benefits premium services
- Delivered phase 1 of the Digital Workforce programme by corporately upgrading to Microsoft 365 for compliance and to maintain an operational desktop estate as well as rolling out a new corporate network.
- Clear emphasis on developing the Council's information security standards and capabilities, specifically in relation to Cyber Defence of the Council and City.
- Reviewing Applications and Contracts within Digital Services to ensure value for money, deliver on MTFP Savings and release resources to fund transformation.
- Responsive approach across Customer Management to deliver urgent COVID and recovery priorities
- Working in partnership to develop the Advice Alliance service offer
- Providing contact services for residents in response to a variety of COVID initiatives
- Provision of registration services at important but distressing life events

## 3 What could be better?

- Return to ITIL and Service Improvement Programme post implementation of Digital Workforce programme.
- Collaborative agreement of organisation wide priorities so that we can focus on the things that matter most.
- Transition all users to SharePoint (from Network Drives) applying Records Management and the Business Classification Scheme.
- Collaborative support for organisation wide and in-service change.
- Business Relationship Management and understanding service priorities.
- Improvement programme and service offer in registration services
- Unification of citizen service delivery partners in joined up services

## 4 Customer Insight – What is needed?

- Understanding what services citizens will value most.
- Understanding what are the preferred access channels.
- Understanding where Digital Exclusion exists.
- Understanding where are the areas of digital poverty.
- Understanding upstream service demand.
- Understanding societal impacts on citizen needs.
- Post-Covid impacts on citizens creating service demand.



## 5

### What actions will achieve the outcomes set out in the Recovery Plan?

What (SMART actions)?	Why?	Who?	By when?	Success criteria?	Funded?	Supporting outcomes
-----------------------	------	------	----------	-------------------	---------	---------------------

Enabled Residents: Simplify processes for Welfare Reform services, including drafting a business case for a Partnership Hub approach, in line with our Better Together Approach Project

## What actions will achieve the outcomes set out in the Recovery Plan?

What (SMART actions)?	Why?	Who?	By when?	Success criteria?	Funded?	Supporting outcomes
Continue to improve and simplify the Welfare Reform Service and processes, aligned with emerging needs of the community.	Recovery Plan	Bernard Fenton	31/03/2022	Addressing the underlying causes of vulnerability to help keep residents out of poverty	Partial funding	Enabled Residents
Co-develop "Better Together" approaches, systems and processes with delivery partnership stakeholders.	Recovery Plan	Bernard Fenton	31/03/2022	Removal of duplicated processes  Maximised collaboration with contributing community partners	Partial funding	Enabled Residents
Single view of the resident record to enable a better understanding of customer need to inform intelligent resourcing and appropriate actions.	Recovery Plan	Bernard Fenton	31/03/2022	More effective targeting of limited resources  Ability to predict customer demand / need	Partial funding	Enabled Residents

**Enabled Residents: Create a Single Front Door Strategy for Derby to simplify access to services and support more, increasing access online**

Create a Single Front Door Strategy for Derby.	Derby Recovery Plan	Bernard Fenton	30/06/2021	A Single Front Door that reflects the voice of the customer and is consistent across partner organisations	Partial funding	Enabled Residents
To deliver Diverse services through a Single Front Door, considering Omni Channel Delivery, also preventing rogue divergence, redesigning to fit into the Digital by Default programme and looking to expand multi-agency co-locations: <ul style="list-style-type: none"> <li>Deliver Social Media contacts within Derby Direct</li> <li>Provide a revised Derby Direct operational model to better deliver existing and new services</li> <li>Create a Customer Insight group to evaluate and implement</li> </ul>	Derby Recovery Plan	Bernard Fenton	31/03/2022	To make it easier for residents to access a wider range of Council services.  To simplify, reduce cost and reduce resources currently involved in managing customer engagement  To increase the volume of activity that is directly intelligence and insight led  Release specialist resources to carry out complex activities	Partial funding	Enabled Residents

## 5

## What actions will achieve the outcomes set out in the Recovery Plan?

What (SMART actions)?	Why?	Who?	By when?	Success criteria?	Funded?	Supporting outcomes
customer insight data <ul style="list-style-type: none"> <li>Deploy the revised ASC front door service</li> </ul>						
Expand accessibility channels with a 24/7 Artificial Intelligence supported Webchat service.	Derby Recovery Plan	Bernard Fenton	31/03/2022	Extend the availability of Council services	Partial funding	Enabled Residents
Ensure Customer Centres are orientated around "Omni Channel" Digital Assistance services including: Complex and Specialist Support, Community Assistance, Partner Assistance, Member Assistance, Front Line Operative Assistance.	Derby Recovery Plan / MTFP	Bernard Fenton	31/03/2022	Consistent quality of service received irrespective of channel they choose to use	Partial funding	Enabled Residents
<b>Enabled Residents: Deliver our Digital by Default project to increase the number of services online and support customers to access them, reducing digital exclusion</b>						
Create the next phase of Digital by Default Development Programme in collaboration with citizen, partners and delivery stakeholders (prioritising Recovery Plan and MTFP enablement)	Derby Recovery Plan / MTFP	Lynda Innocent	31/03/2022	Agreed, strategy and prioritised programme of delivery that is bought into by the service and members, leveraging the most effective strategic solutions  Intelligence from the voice of the customer used to inform the prioritisation of developments	Partial funding	Enabled Residents
Create a Digital Councillor process considering Accounts, Workflow, Intelligence, Integration and Mobility.	Derby Recovery Plan / MTFP	Lynda Innocent	30/06/2021	Councillors and Members' Services benefit from developments to the Digital Account  Reduced backchannel communications to officers	Partial funding	Enabled Residents

## What actions will achieve the outcomes set out in the Recovery Plan?

What (SMART actions)?	Why?	Who?	By when?	Success criteria?	Funded?	Supporting outcomes
Bring partners into the Citizen Account, creating a Single "Digital Derby" public sector destination including: Cross organisational workflows, extending citizen hubs to be multi-agency, Secure partner portals.	Derby Recovery Plan	Lynda Innocent	31/03/2023	Simplify and easing access to the whole range of public services	Partial funding	Enabled Residents
Expand deployment of AI Chatbots, Smart and Voice Assistants, Fulfilment Drones etc.	Derby Recovery Plan / MTFP	Lynda Innocent	31/03/2022	POC solutions; co-develop offers with Partners aligned with emerging technology trends	Partial funding	Enabled Residents
Develop and deploy Robot Process Automation and Robotic Mass Data Analysis and expand use across services.	Derby Recovery Plan / MTFP	Lynda Innocent	30/09/2021	Understanding and leveraging emerging opportunities from both our existing and new suppliers	Partial funding	Enabled Residents
Collaborate with regional partners on "Overcoming Digital Poverty and Exclusion" initiatives.	Derby Recovery Plan	Andy Brammall	31/03/2022	Aligned digital poverty approaches with wider poverty agenda and regional initiatives  Increased engagement from formerly excluded citizens	No funding	Enabled Residents

**Intelligence Led Decisions: Enable services to use data and information more effectively to inform decisions through improved data quality and the use of business intelligence tools**

Co-produce a Business Intelligence and Insight Strategy.	Derby Recovery Plan / MTFP	Lynda Innocent	30/04/2021	Co-produced BI Strategy (being led by Policy Insight and Comms)	Partial funding	Intelligence Led Decisions
Investigate "Predicting the future" technology solutions, not reviewing the past with reports.	Derby Recovery Plan / MTFP	Lynda Innocent	30/09/2021	Agreed programme to implement solutions that will support predicting the future	Partial funding	Intelligence Led Decisions
Create a Business Intelligence technology proof of concept.	Derby Recovery Plan / MTFP	Lynda Innocent	31/03/2022	Proof of concept for one service is delivered and lessons learned	Partial funding	Intelligence Led Decisions
Investigate "Data Lake and holistic analysis" – looking at all the information the Council can touch.	Derby Recovery Plan / MTFP	Lynda Innocent	31/03/2022	Schematic of the interrelationships between the various sources of data produced	Partial funding	Intelligence Led Decisions
Looking into what can be "Open Data" – allows citizens / researchers / media / academics / data professionals to self-serve.	Derby Recovery Plan / MTFP	Lynda Innocent / Sinead Booth	31/03/2022	Agreed Corporate approach to the data that should be published by default	Partial funding	Intelligence Led Decisions

What (SMART actions)?	Why?	Who?	By when?	Success criteria?	Funded?	Supporting outcomes
				Data assets identified and clear support plan in place		
Understand and gain insights from chaotic and unstructured data, without trying to bring order to it.	Derby Recovery Plan / MTFP	Lynda Innocent	30/09/2022	Delivery of a Proof of Concept with lessons learned documented	Partial funding	Intelligence Led Decisions
<b>Empowered Colleagues: Support our colleagues to work effectively remotely, and agree long-term plans for how we will deliver services post-COVID-19</b>						
To assist services to leverage the mobile, agile and collaborative working, and realise the benefits of civic building occupancy, travel free, paperless, virtual and remote working.	Derby Recovery Plan / MTFP	Mark Walker	31/03/2022	Create vision of future work styles and understanding of how these can be applied to new service models <sup>25</sup>	Partial funding	Empowered Colleagues
Innovate and leverage the disruptive capabilities of Microsoft 365 and mobile devices to enable innovation of service delivery by working radically, differently and more effectively.	Derby Recovery Plan / MTFP	Mark Walker	31/03/2022	Develop understanding of key disruptive capabilities and inform services  Capture emerging capabilities and communicate to services and assist in leverage	Partial funding	Empowered Colleagues
Provide training, advice, information and support for colleagues to get the most from their M365 and Device facilities	Derby Recovery Plan / MTFP	Mark Walker	31/03/2022	Co-produced training materials for existing and emerging capabilities  Delivery models through DALs and appropriate partners	Partial funding	Empowered Colleagues
Leverage the capability and maturity potential of our existing line of business applications for internal automation, effectiveness, efficiency and integration with the digital by default landscape.	Derby Recovery Plan / MTFP	Lee Haynes / Lynda Innocent	31/03/2022	Application portfolio development programme, agreed with services and reflecting customer priorities	Partial funding	Empowered Colleagues
Redesign IT support organisation, systems and processes to support the mobile and agile workforce.	Derby Recovery Plan / MTFP	Andy Brammall	31/03/2022	Create IT Support organisation and processes to effectively support the new digital workforce	Partial funding	Empowered Colleagues
Review Unified Communications, using Teams and integrate Desk and Contact Centre	Derby Recovery Plan / MTFP	Mark Walker / Lee Haynes	31/03/2022	Move from Skype for Business to Teams as the corporate Unified	Partial funding	Empowered Colleagues

## 5

## What actions will achieve the outcomes set out in the Recovery Plan?

What (SMART actions)?	Why?	Who?	By when?	Success criteria?	Funded?	Supporting outcomes
Telephony across the Council to deliver organisational change by working radically, differently and more effectively.				Communication Platform  Agreed approach to adopting other Unified Communication Platforms		
<b>Diversification: Explore the potential of smart cities and build on the roll out of City Fibre Infrastructure across the city and facilitating the expansion of next generation mobile networks to facilitate inclusion and future smart technology</b>						
Work in partnership with City Fibre Infrastructure on rollout of fibre across the City (£45M Investment).	Derby Recovery	Andy Brammall	31/03/2023	Continued expansion of connectivity to residents, business, and infrastructure	Partial funding	Diversification
Look to build on technological developments such as: Internet of Things, Smart City Infrastructure, Smart Healthcare, Smart Transport.	Derby Recovery Plan	Andy Brammall	31/03/2022	Smart City Vision, Strategy and Programme designed and adopted with partners	Partial funding	Diversification
Creating the conditions and removal of barriers to entry for 5G saturation coverage of the City.	Derby Recovery Plan	Andy Brammall	31/03/2022	Agreed 5G Entry Strategy, with PFI partners  Increase MNO active service offers in city.	Partial funding	Diversification
Promote 5G and Smart City as a catalyst for innovation and development of new products and services by Derby businesses.	Derby Recovery Plan	Andy Brammall	31/03/2022	Support partnership innovation of 5G opportunities, along with key technology partners	Partial funding	Diversification

## 6

## What service improvements will help us achieve our outcomes?

What?	Why?	Who?	By when?	Success criteria?	Funded?	Links to recovery outcomes
<b>Cyber Defence and Information Security of the Council</b>						
Update Business Continuity Plan / Disaster Recovery Plan: <ul style="list-style-type: none"> <li>Outline DR Plan</li> <li>Reviewed detailed Business Continuity</li> </ul>	Cyber Defence	Mark Walker	31/03/2022	Clear plan in place – with key parties identified and ensuring all understand roles and responsibilities	Partial funding	Enabled residents / Empowered colleagues

				Scenario testing regime is in place		
<p>Leverage of Future Network and O365 security enhancements including:</p> <ul style="list-style-type: none"> <li>Enhanced data loss protection</li> <li>Enhanced application control</li> <li>Improved user access control</li> <li>Enhanced Malware Protection</li> </ul>	Cyber Defence	Mark Walker	31/03/2022	<p>Formalisation of Roles and Responsibilities and handover to service</p> <p>Implementation of security enhancements and agreement of any exemptions</p> <p>Increased interception of security incidents and potential threats</p>	Partial funding	Enabled residents / Empowered colleagues
<p>Implement proactive technical security measures to ensure that we are mitigating risk where possible.</p> <p>Including:</p> <ul style="list-style-type: none"> <li>Compliance with the LGA stocktake</li> <li>Maintain PSN, PCI and Cyber essentials assurances.</li> <li>Adherence to PCI standards</li> <li>Robust Firewalls - Patch all systems and software regularly &amp; maintain strong antivirus on every endpoint (on-going)</li> </ul>	Cyber Defence	Mark Walker	31/03/2022	<p>Rolling programme to ensure relevant certifications are achieved and refreshed prior to expiration</p> <p>Clear technical controls in place which are reviewed and refreshed considering threats and vulnerabilities on an ongoing basis</p> <p>Early warning system in place to identify emerging threats and response investment requirements</p>	Partial funding	Enabled residents / Empowered colleagues
<p>Application of Breach prevention and AI assistive technologies including:</p> <ul style="list-style-type: none"> <li>An intensive corporate communication plan</li> <li>Implementation of the information security plan</li> <li>Review of redaction</li> </ul>	Cyber Defence	Sinead Booth/ Lynda Innocent	31/03/2022	<p>Improved corporate understanding of information security incidents and preventative measures</p> <p>Reduced numbers of recurring incident trends such as failure to redact etc</p>	Partial funding	Enabled residents / Empowered colleagues

<p>approach, produce and promote guidance and procedures</p> <ul style="list-style-type: none"> <li>Ongoing development of AI solutions to most common incidents</li> </ul>				<p>Review of the use of AI for redaction approach</p> <p>Improved corporate Phish test response performance</p>		
<p>Review, refresh and test policies and procedures to ensure that we are equipped to deal with cyber security incidents and breaches consistently (Ongoing).</p>	Cyber Defence	Sinead Booth/ Mark Walker	31/03/2022	<p>Clear framework of policies and procedures in place and tested</p> <p>Key stakeholders can access procedures and understand their responsibilities in the event of an incident.</p> <p>Ongoing testing and evaluation regime in place</p>	Partial funding	Enabled residents / Empowered colleagues

#### Commercialised Application and Contract Review

<p>Continue radical commercial approach to review all IT Contracts and Applications to ensure they are fit for purpose, delivering best value for money, still required and not duplicated by working with suppliers and business owners.</p>	MTFP / Value	Lee Haynes	31/03/2022	<p>Application portfolio development programme, agreed with services and reflecting customer and service priorities</p> <p>Delivering individual contract savings on a rolling basis (Minimum 0% RPI)</p>	Partial funding	Empowered colleagues / Decarbonisation
<p>Procure new contracts both for Mobile Telephony and Desk Based Telephony to ensure value for money and savings made if appropriate.</p>	MTFP / Digital Governance	Lee Haynes	31/03/2022	<p>New contracts in place</p> <p>MTFP savings delivered</p>	Partial funding	Empowered colleagues / Decarbonisation A

#### IT Service Excellence

<p>Review Front line service delivery and introduce improvements, covering Service Desk, End User Computing and the IT Drop-In Clinic.</p>	Digital Governance / Customer Service	Lee Haynes	31/03/2022	<p>Increase in customer satisfaction</p> <p>Increase in colleague productivity</p>	Partial funding	Empowered Colleagues
--	---------------------------------------	------------	------------	--	-----------------	----------------------

Implement an urgent call channel and VIP Process, along with reviewing out of hours support.	Digital Governance / Customer Service	Lee Haynes	31/03/2022	Increase in customer satisfaction  Increase in colleague productivity	Partial funding	Empowered Colleagues
Maximise automation, self-healing and auto detection with first phase focussing on starters / leavers / changes processes and self-service password resets.	Digital Governance / Customer Service / MTFP	Lee Haynes	31/03/2022	Increase in customer satisfaction  Increase in colleague productivity  Reduced incident and request reporting	Partial funding	Empowered Colleagues
Introduce a self-help YouTube channel.	Digital Governance / Customer Service / MTFP	Lee Haynes	31/03/2022	Increase in customer satisfaction  Increase in colleague productivity  Reduced incident and request reporting	Partial funding	Empowered Colleagues
Introduce automated and controlled deployment of software and updates.	Digital Governance / Customer Service	Mark Walker	31/03/2022	Detailed operational processes embedded into the service  Embedded best practice security operations to ensure compliancy to key frameworks  Improve organisational resilience against Cyber threats	Partial funding	Empowered Colleagues
Investigate and eliminate common problems.	Digital Governance / Customer Service / MTFP	Mark Walker	31/03/2022	Reduction of IT problem cases  Reduced service disruption to services / colleagues	Partial funding	Empowered Colleagues

Implement a CMDB to control and manage all assets, including requirements for capitalised assets.	Digital Governance / Customer Service	Mark Walker	31/03/2022	Amalgamated register of all IT assets and licenses  Ability to track assets to maximise their use	Partial funding	Empowered Colleagues
Introduce Continuous Service Reviews.	Digital Governance / Customer Service / MTFP	Mark Walker	31/03/2022	Provide focus on emerging issue and visibility on upcoming challenges  Increased reliability of services and mean-time between failure  Improvements to user experiences and responsiveness of the IT service	Partial funding	Empowered Colleagues

**Cloud, Infrastructure, Emerging Technology Management & Propositional Technologies**

Complete Wi-Fi by default deployment.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Provide flexible working for colleagues and partners across all DCC properties  Reduced reliance upon physical connectivity and associated hardware	Partial funding	Empowered Colleagues / Diversification
Build on success of hyper-converged infrastructure.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Complete Hyper-Visor migration to reduce license costs  Adopt micro-segmentation to further improve system security	Partial funding	Empowered Colleagues / Decarbonisation/ Diversification
Track and investigate an optimum timed return to the Cloud.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Leverage opportunities where public cloud offers realisable benefits.  Reduce reliance upon physical data centre rack space.	Partial funding	Empowered Colleagues / Decarbonisation/ Diversification

Virtual elimination of Council House processing.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Provide greater organisational resilience.  Remove reliance of Council House.	Partial funding	Empowered Colleagues / Decarbonisation/ Diversification
Bring forward emerging solutions with identified efficiency, effectiveness and realisable business benefit.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Develop and embed innovation culture across the organisation  Creation of horizon scanning and emerging technology management forums to track technology evolution.	Partial funding	All Outcomes
Challenge investments for maximum innovation.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Maximise the efficiency of existing toolsets and / or systems.	Partial funding	All Outcomes
Leverage government and professional technology trends research.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Enable the development of strategies to maintain the efficient delivery of council services.	Partial funding	All Outcomes
Develop a culture of innovation across the Council.	Efficiency / Reliability / Resilience	Mark Walker	31/03/2022	Identification on new approaches and innovation in support of efficient delivery of council services	Partial funding	All Outcomes

#### Staff Account & Records Management

Create a Staff Account considering Internal Process Automation. Early Iterations: Early internal processes, Customised Intranet and Content, Application Access, E-Payslips, Personalised targeted corporate messaging and training content: <ul style="list-style-type: none"> <li>First iteration of staff account including</li> </ul>	Digital Governance / Customer Service / MTFP	Lynda Innocent	31/03/2022	Staff account (MiDerby) used as the default home screen by colleagues in the Council. Reduction in the number of Corporate messages sent out by Email	Partial funding	Empowered Colleagues
---	--	----------------	------------	--	-----------------	----------------------

<p>corporate messaging released</p> <ul style="list-style-type: none"> <li>• Development of Priority Internal Processes</li> <li>• SSO to third party systems – Payroll / Firstcare</li> </ul>						
Introduce Records Management and Business Classification Scheme through deployment of SharePoint (replacing Network Drives).	Digital Governance / Customer Service / MTFP	Lynda Innocent	31/03/2023	Authentic, reliable and useable records are accessible for as long as they are required	Partial funding	Empowered Colleagues
Leverage benefits of Microsoft AI Search.	Digital Governance / Customer Service / MTFP	Lynda Innocent	31/03/2022	Content is searchable and accessible	Partial funding	Empowered Colleagues
Implement a Tactical Plan to deliver automated archiving and deletion as part of Information Lifecycle Management.	Digital Governance / Customer Service / MTFP	Lynda Innocent	31/03/2022	Records are safely destroyed when their retention period has expired	Partial funding	Empowered Colleagues
Leverage benefits of Security and Breach protection.	Digital Governance / Customer Service / MTFP	Lynda Innocent	31/03/2022	Reduction in the number of data breaches occurring due to external email traffic	Partial funding	Empowered Colleagues

#### Registration Services Offer Development

Wedding venues and event offer.	MTFP	Bernard Fenton	31/03/2022	<p>Increased city centre footfall from increased wedding ceremonies</p> <p>Re-establish income stream from ceremonies</p>	Partial funding	Enabled residents
Asset improvement programme.	MTFP	Bernard Fenton	31/03/2022	<p>Increased city centre footfall from increased wedding ceremonies</p> <p>Increased income stream from ceremonies</p>	Partial funding	Enabled residents

**Our Delivery over the next 12 – 18 months**

7

### What are the risks?



- Cyber Security.
- Engagement across service areas to enable a unified delivery of digital ambitions.
- Business relationships with key suppliers and partner organisations.
- Managing budgets effectively to deliver transformation.
- Compliance with information governance laws (DP/FOI/EIR).
- Not being overwhelmed with projects not related to the Recovery Plan or MTFP.
- Non-strategic, in service technology projects.
- Creation of back-channel customer interfaces and front doors.

8

### What are the opportunities?



- Innovate and leverage the disruptive technologies Microsoft 365 has given the Council to deliver organisational change by working radically, differently and more effectively.
- Articulate Smart City Vision as key facet of the City Vision using AI, Robotics, Drones and Automation to deliver the 4th Industrial Revolution in Derby.
- Focusing Digital by Default and Application Development on the things that matter most for Recovery Plan and MTFP.
- Bring forward emerging and over the horizon technology solutions with identified efficiency and effectiveness business benefit.
- Investigate “Predicting the future” with algorithms, not reviewing the past with reports.
- Extending partnership working in Customer Management to deliver the right service, at the right time by the right organisation, removing duplication.

9

### What indicators will we use to measure impact/ success?

- Customer satisfaction
- Transactional channel shift
- Tailored indicators for individual outcomes
- MTFP performance
- Project product delivery



10

### What are our workforce priorities?

- Cyber Defence and Information Security of the Council
- Digital by Default programme
- Single Front Door
- Partnership collaboration
- Digital Workforce programme



## **ANNUAL REPORT FOR CUSTOMERS 2020/21**

Report of the Finance Director & Company Secretary

### **1. SUMMARY**

- 1.1 This report introduces the final working draft of the Customer Annual Report and explains the aims of this year's production.

### **2. RECOMMENDATION**

- 2.1 The recommendation is that the Board notes the publication and provides comment or feedback.

### **3. REASON(S) FOR RECOMMENDATION**

- 3.1 To enable the Annual Report to be included in the next tenant newsletter for an August mailing.

### **4. MATTER FOR CONSIDERATION**

- 4.1 The Annual Report has its roots in previous regulatory standards of social housing (Tenant Services Authority and Homes and Communities Agency). It fell within the Tenant Involvement and Empowerment Standard. Its main aim was defined as part of a requirement to support effective scrutiny by publishing relevant and timely performance and budget information.
- 4.2 Derby Homes has a strong history of producing annual reports in a range of formats to facilitate transparency, scrutiny, and engagement. Two have won national awards, at the Tenant Participation Advisory Service Awards 2016 and Public Finance Innovation Awards 2017. We have been finalists in the Public Finance Innovation Awards for the last 5 years for our achievements in Financial Reporting and Accounting, receiving a 'Highly Commended' last year in their delayed 2019 ceremony.
- 4.3 To ensure we are reaching a good range of customers and sharing the right information in accessible and engaging ways, we undertook a small consultation with our Virtual Panel (**Appendix 2**). The aims were to see who had heard of the annual report, to get their thoughts on the previous version and to ask their thoughts on what could improve it and what content would appeal to them.
- 4.4 While many comments will help inform the content of future versions of the annual report, the most enlightening feedback told us that many people simply weren't aware that it existed, even in a small sample of those choosing to be engaged.

4.5 The main aim this year then, was to reach as many customers as possible by condensing the information into a very brief graphical summary of performance information and only a bulleted list of key achievements. Acting on a comment from the consultation, the target was to reduce previous 50-page reports down to just four. To continue our run of producing reports for no additional costs, the report will sit within the next tenant and leaseholder newsletter, which is designed in-house and already reaches over 13,000 households. A copy of the 4-page Annual Report is at **Appendix 1**.

4.6 Key points to consider with this publication are:

- Its brevity is what aims make it more accessible
- It can only cover very general information and in a limited amount
- Performance data is drawn from a range of different sources and has been reframed in a more meaningful way for customers. It is supplemented with contextual information to highlight the scale and demand of services.
- It invites comment and aims to stimulate questions and discussion
- Links to supporting reports and information will be available online.

## 5. OTHER OPTIONS CONSIDERED

5.1 Other formats for the report were considered, including another online version and a video version in the style of online Teams/Zoom conversations, however as with the previous year, we also had to contend with tight production timescales.

## IMPLICATIONS

### 6. CONSULTATION IMPLICATIONS

6.1 A small consultation was carried out with the Virtual Panel via an online survey.

The areas listed below have no implications directly arising from this report:

- |                               |                                |
|-------------------------------|--------------------------------|
| • Financial and Business Plan | • Equalities Impact Assessment |
| • Legal and Confidentiality   | • Health & Safety              |
| • Council                     | • Risk                         |
| • Personnel                   | • Policy Review                |
| • Environmental               |                                |

If Board Members or others would like to discuss this report ahead of the meeting please contact:

David Enticott FCPFA | Finance Director & Company Secretary | 01332 888523 |  
David.EnticottFCPFA@derbyhomes.org

Background Information: None

Supporting Information: None

**This report has been approved by the following officers:**

<b>Finance Director &amp; Company Secretary Heads of Service</b>	David Enticott	19/07/21 19/07/21
--	----------------	----------------------

# Annual Report 2020 - 2021



[www.derbyhomes.org/about-us/transparency/annual-report](http://www.derbyhomes.org/about-us/transparency/annual-report)

## What is the Annual Report?

This section of the newsletter aims to summarise our performance and achievements from April 2020 to the end of March 2021. It will also give you an idea of the range of work and demands on many of the key services we manage on behalf of the Council.

## Asking what people think

You may or may not know that we produce an 'annual report' for customers every year. Previous editions have even won national awards! Our last few have been online only, so we thought we'd do a reality check and ask our Virtual Panel for their views. Most of them said they weren't aware of it, however many found the information relevant and interesting. One person simply said: *'Do a paper copy, less than 4 pages.'*  
**Challenge accepted.**



New bungalows developed for the War Memorial Village Derby. Handed over February 2021

## This years' approach

These 4 middle pages attempt to condense our usual 50 pages of information into something that is both accessible and easy to read. There's a lot in here, but also a lot left out. We can only touch on the whole range of things we've delivered and been involved in. You'll find more information in all the source reports and documents on our website at the address above, along with a copy of our full Financial Statements and Accounts.

## Feedback and questions

Let us know what you think of this. **Is it useful? Too little? Too much?**  
  
This is for you after all, so share your thoughts and we'll do our best to put them in the mix for next year's.  
  
You can reach us (The Communications Team) on Facebook, Twitter or the contact details in the inside cover page.  
  
**Right, grab a cuppa and dive in...**

## Housing stock 31 March 2021

**12,659**

Derby City Council  
rented homes

Shared ownership  
Owned by Derby Homes

60

107

**653** Leasehold homes



**+ 76**  
New homes delivered  
(589 since 2008)

**- 103**  
Homes sold through the  
Right to Buy scheme

## Derby's housing register in 2020/21

**4,025**

Active Derby Homefinder applicants  
(Bid placed in last 12 months)



**648**  
Properties became vacant

**340**  
One bed

**135**  
Three bed

**164**  
Two bed

**9**  
Four bed+

**18,774**  
Total bids on all  
properties

**55**  
Bids on average  
for each property



Page 149 of 180

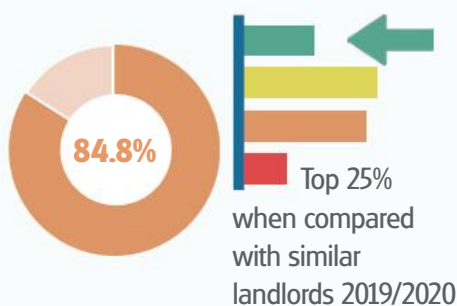
# Key satisfaction measures

**110,815**  
Calls to 888777 handled

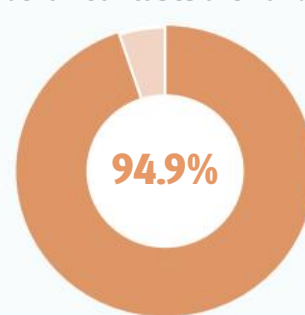
## Overall satisfaction with landlord



## Satisfaction that views are taken in to account



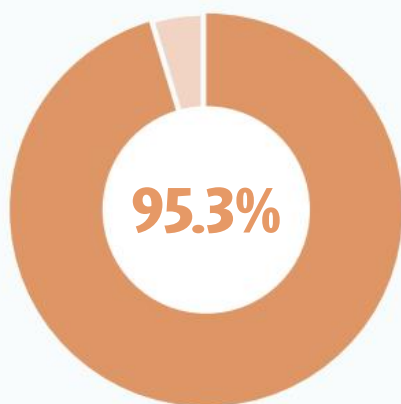
## Satisfaction with way anti-social behaviour cases are handled



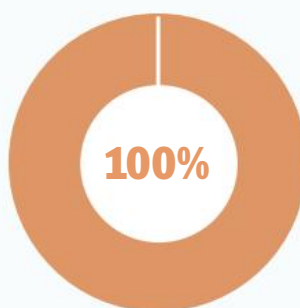
# Complaints performance

**270**  
Complaints received

## Complaints resolved at initial contact



## Complaints responded to within timescale



Closed in year

**297**

Upheld  
**107**

Not upheld  
**118**

Partially upheld  
**72**

Upheld by Ombudsman

**0**

## Learning from complaints

As a member of the Housing Ombudsman Scheme, we follow the terms of our membership. Part of this includes demonstrating that we learn from complaints. You'll find an example of this learning in this edition of the newsletter and in every report to our Operational Board, available online.

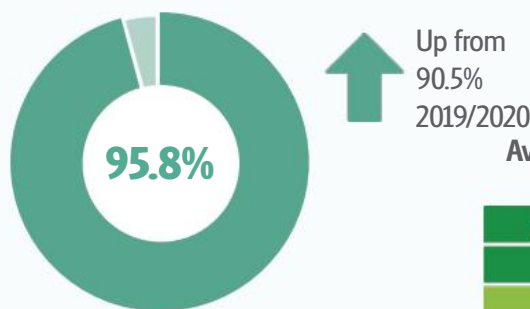
# Property maintenance

**25,408**  
Repairs completed

## Satisfaction with repairs (last completed)



## Satisfaction with new home



Average energy efficiency rating (SAP) of homes



Percentage of non-decent homes

**0%**

Annual gas safety check

**100%**  
compliant

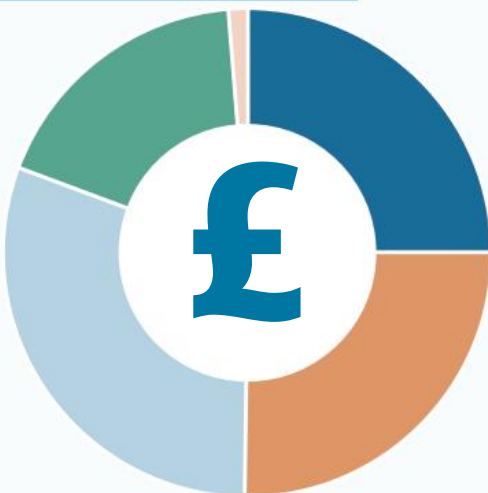
Electrical safety testing

**100%**  
compliant

EPC Rating C

# Cost and value for money

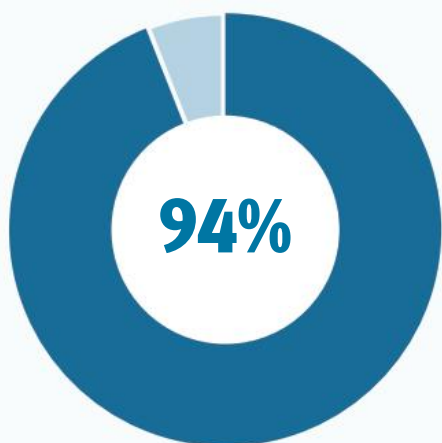
This is how each pound of the rent you pay is used.



- Management £0.25p
- Major Works £0.25p
- Repairs £0.31p
- Interest on debt £0.18p
- Other £0.01p

In the short-term, we plan to spend an extra 7p for every £1 rent that we collect to increase investment in essential services.

## Rent seen as value for money



## Headline social housing cost per unit

**£2,945**

Registered Provider median 2019/20: £3,830. Some costs are excluded from our costs and directly incurred by the council.



**99.8%**  
Rent collected this year

**£1.76m**

Rent arrears of current tenants



**42.5 days**

Average time taken to re-let local authority housing



Up from 25.2 days 2019/2020.

Re-let times in 2020/21 have been substantially affected by Covid-19 restrictions on the letting of properties this year.

## Homelessness and rough sleeping

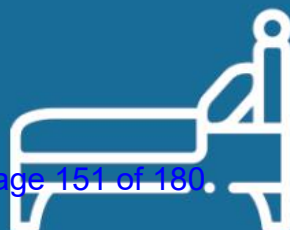
**1,502**

Households supported



**872**      **630**

Cases resolved by preventing homelessness      Cases resolved by relieving homelessness



Page 151 of 180.

Number of people sleeping rough on a single night in Derby (official estimate November 2020)

**6**



Down from 14 in 2019

# Safeguarding

Safeguarding is about protecting a person's right to live in safety and free from abuse and neglect.

Our staff follow the principles laid down in Derby City Adult and Children's safeguarding policies and procedures. They receive regular training and work with partnerships that cover the whole of Derbyshire.

Housing staff are well placed to identify adults and children at risk of abuse. We work with social care, health services and the police. Our daily work includes dealing with a wide range of people, including tenants and leaseholders, those on the housing register, residents accessing advice services and households in emergency accommodation or threatened with homelessness.

We also have a duty to safeguard our staff.

We saw significantly more adult safeguarding referrals in 2020 (187) compared to 2019 (86). This is likely to be related to the pandemic and the fact we undertook a high number of well-being calls to vulnerable people. There was also a clear increase in domestic abuse referrals received in 2020, particularly during the first lockdown period, which mirrored the national picture. Higher numbers of referrals are seen for self neglect, financial, physical and emotional abuse. Lockdowns have limited our opportunities to identify issues, but we have focused on raising awareness of pandemic-related needs and launched an internal campaign for domestic abuse which will run throughout 2021.

## Achievements

### Homelessness : Key area of achievement

Although the headline figure focuses on the low rough sleeping count, this only represents the most visible form of homelessness.

As well as continuing our outreach service, we worked with the Council and partners on a range of initiatives and projects to target specific groups of people and distinct areas of homelessness. This includes:

- supported housing for under 35's
- people who are excluded from the housing register
- entrenched street homeless people
- support for those leaving prison
- Safe Space operation (basic shelter and support)
- Rough Sleeper Severe Weather Programme over winter
- Expansion of Private Rented Sector initiative
- Delivered 20 new units of accommodation with support
- Supported modernisation of Padley Day Centre/Hostel
- Funded accommodation-based support for survivors of domestic abuse

### Other achievements and activity

- Supported the **Christmas Cheer project** which delivered meals and entertainment to the vulnerable
- RSPCA Pawprints **Silver Housing Award 2020** - recognised for our ongoing commitment to promoting responsible pet ownership
- **Highly Commended** at CIPFA Public Finance Awards for our 2018/19 Annual Report
- Started a programme of renewals to **'at-home' safety alarm equipment** in many council homes

- We continued to engage remotely with our young people's group, **Ignite & Connect** in supporting an improvement bid for Osmaston BMX track and a podcast for anti-bullying week
- Worked with Resolve ASB to develop an accredited **anti-social behaviour apprenticeship programme**
- Launched a **'Virtual Panel'** for remote engagement
- Supported the **Customer Voice scrutiny project** reviewing 'Quality of Repairs'
- Supported a **virtual volunteer 'thank you'** event by creating videos and posting certificates and badges to over 110 residents for #volunteersweek
- New **website** relaunched in March 2021

## Responding to Covid-19

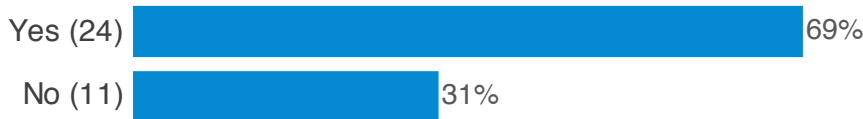
- Booked **100 hotel rooms** for rough sleepers and other homeless people to enable safe isolation
- Increased **temporary accommodation** for those homeless and testing positive for coronavirus
- Kept **urgent/emergency repairs** running
- Quickly enabled many staff to **work from home** to continue other essential services
- Checked in on **vulnerable or isolated tenants**
- Helped **essential council services** stay running and the **COVID Hub** by redirecting some of our resources to support the overall effort of the city
- Supported development of **Youth, Food and Advice Alliances** in the city
- Our tenant federation volunteers (Derby Association of Community Partners) grant funded the delivery of over **5,000 food parcels**

# Annual Report Consultation 2021

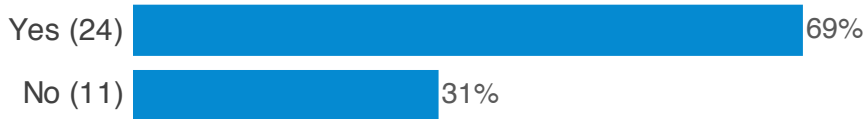
This report was generated on 24/03/21. Overall 35 respondents completed this questionnaire. The report has been filtered to show the responses for 'All Respondents'.

The following charts are restricted to the top 12 codes. Lists are restricted to the most recent 100 rows.

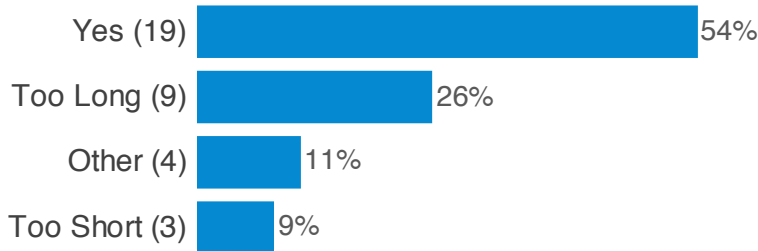
## Do you read the Derby Homes' Annual Report? <https://www.derbyhomes.org/about/annualreport/>



## Have you found previous Annual Reports useful?



## Do you think the length of the Annual Report is appropriate?



Annual Report Consultation 2021

**If you don't normally read the Annual Report, why? Is there anything that would make you want to read it?**

There needs to be more oppurtunites for people in the booklet. Also it would be good to target the elderly and the youth in the report as i feel like those demographic s get missed.

Unknown to me. Read one today.

I've never heard about it before. I would've liked to read it if I knew about it.

I wasn't aware there was one.

Paper copy. Less than 4 pages

Well it is the first time I have had information of this report so will take a look from now on

Could not read annual report for 2019/2020 as error 404 was displayed

Yes if it was In different formats like large print Braille!

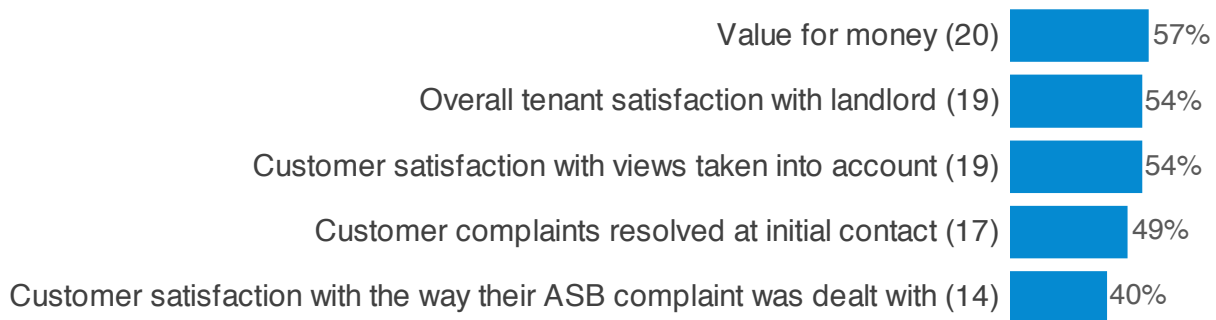
Maybe more people would read the report if it was in more interesting format, layer out like a newsletter with index to certain areas and visual appeal.

**After reading the last report**

**[https://www.derbyhomes.org/media/derbyhomes/contentassests/documents/aboutus/annualreportandfinancialstatements/Derby-Homes-Annual-Report---2019\\_20---Final-with-links.pdf](https://www.derbyhomes.org/media/derbyhomes/contentassests/documents/aboutus/annualreportandfinancialstatements/Derby-Homes-Annual-Report---2019_20---Final-with-links.pdf) did you think all the information was relevant?**

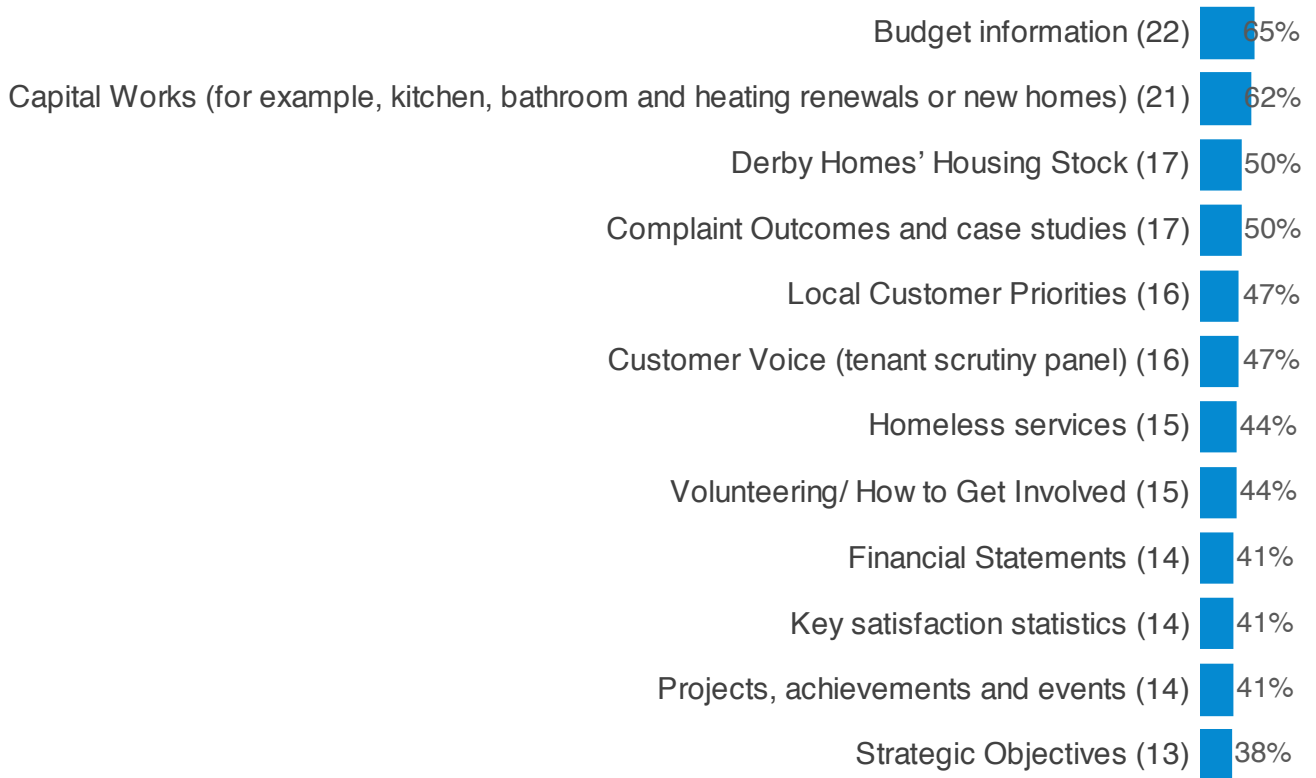


**Of the key headline performance figures listed below, which ones do you think you'd be most interested in learning about?**



Annual Report Consultation 2021

**Please select what you'd like to see in our Annual Report from the list below: (you can select as many as you like)**



**Is there any additional information you'd like to be included in the report?**

Direct replies to tenants complaints

N/ A

What DH is doing regarding sustainability and environmental management of its housing stock. Why grounds maintenance cost rise annually considerably above the rate of inflation, and what tenants get for their money. The H&S of tenants during major works and urgent repairs.

have the youth in mind

No

Debt management info Events that happen in each of the 5 areas of Derby within the following months or year Staff highlight - some front line, finance and maintenance staff so people have a face to put to the name

What we Derby Homes and their tenants can do to help the environment and local wildlife.

Checking on people house hold to how we can help maintain rubbish in gardens maybe have designated areas to help with rubbish

Right to buy

Percentage resolved co.plaints

how voids are quickly cleared. the process of bidding for a place

partnerships / external agencies supporting or supported by Derby Homes. less figures and more visual / at a glance information - simple grafts

No

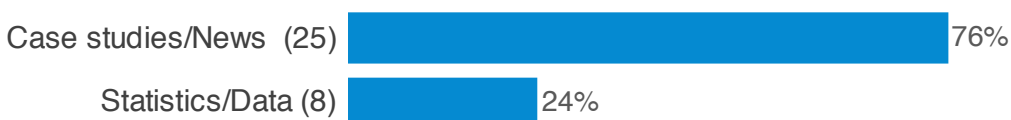
Green space improvements, tree planting in communal area.

Achievements of the residents. we need a sense of community back. especially for the young 16-35 all the financial errors and wasted funds. money used to for functions.

**Do you think the figures we usually include in the report would support you to be able to scrutinise our services to some degree?**



**Our Annual Report is a mixture of statistics and performance data, alongside case studies and news. Would you like to see more of either?**

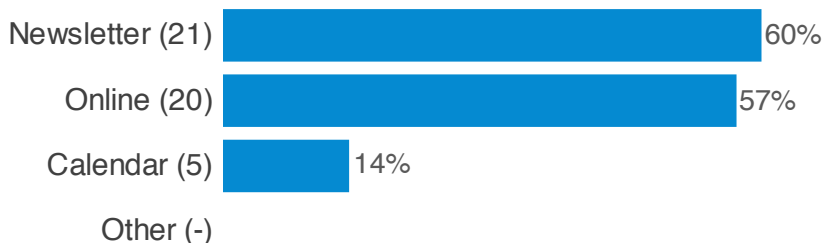


Annual Report Consultation 2021

**In our upcoming Annual Report, we want to include a focus on customer complaints and how we handle them. Is there anything in particular you'd like know about the Derby Homes complaints procedure?**

- ASB Nuisance neighbours Untidy, rubbish on properties/ gardens
- Fixed maintenance, eg repainting, suddenly stopped, very scruffy estates due to weeds etc not clean!
- I believe the procedure is expressed clearly in literature currently available, but may be of interest to those not already familiar.
- With complaints i have made - they have never been delt in an empathetic way. all my problems were just disregarded and this made me really upset
- I think that I would like to know the general overview of the procedure and maybe face to the name again
- A step-by-step breakdown of how complaints are managed and how tenants can keep up to date with whats happening with their complaint.
- Not right now but maybe if tenants were listened to, repairs were dealt with properly instead of just "patching it up" there wouldn't be so many complaints?
- More information
- What additional bodies can be included to support customers
- Yes how do you get started with a complaint and contact details of the complaints department
- Yes that it was more open
- how long it takes to address them
- Vetting of future tenents and making clear there resposibilities to Derby Homes and there neighbours
- The basic complaints procedure would be helpful. Case studies on complaints (leaving out complainants name etc), would enable people to be assured that any complaint they put through will be investigated. As every complaint will be different, it will need you to it the correct wording in, to show that each complaint will be treated on its own merits.
- I'm part of customer voice so i am aware of procedures but maybe highlight the new diagnostics program for reporting complaints
- No
- Tenants option to remove furniture and white goods package's when signing a new tenancy.
- The complaints procedure is ridiculous. i find that other people are often favored in situations without even hearing the other persons story.
- everything and the compensation fairly given.

**How would you like the Annual Report to be presented to you?**



**Is there anything else about our Annual Report you'd like to tell us that hasn't been covered in this survey?**

- Option should be given to tenants on routine maintenance eg picking up grass cuttings

---

- No, the survey has been very comprehensive.

---

- Is an annual report a legal requirement?

---

- include more of the residents - achievements such as being arrears free for a year etc.

---

- Maybe it could be done in areas instead of there being lot of information events and stories that are not relevant to the people

---

- Advertise it more so that all Derby Homes tenants are aware of it.

---

- Paper newsletter not online

---

- No

---

- thank you

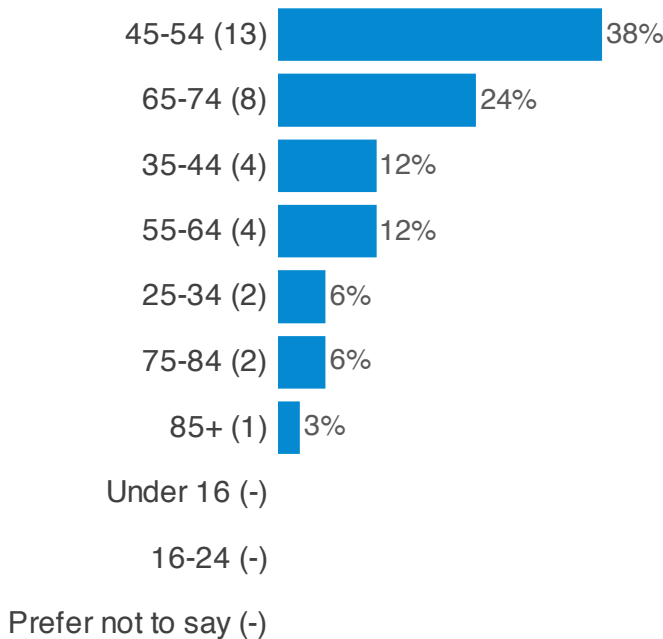
---

- What achievements tenants have made in thier local area!

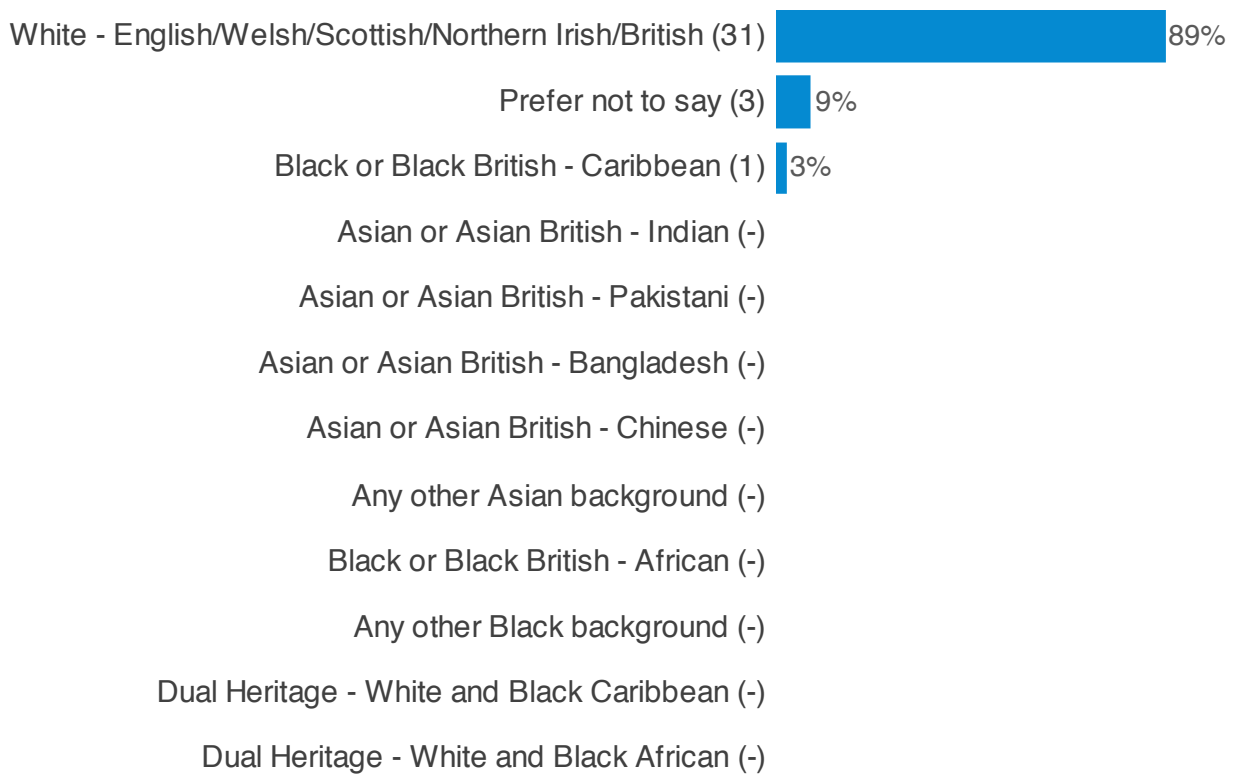
**Are you... (Please select one)**



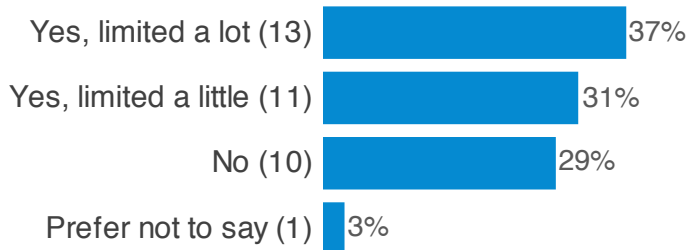
**Age... (Please select one)**



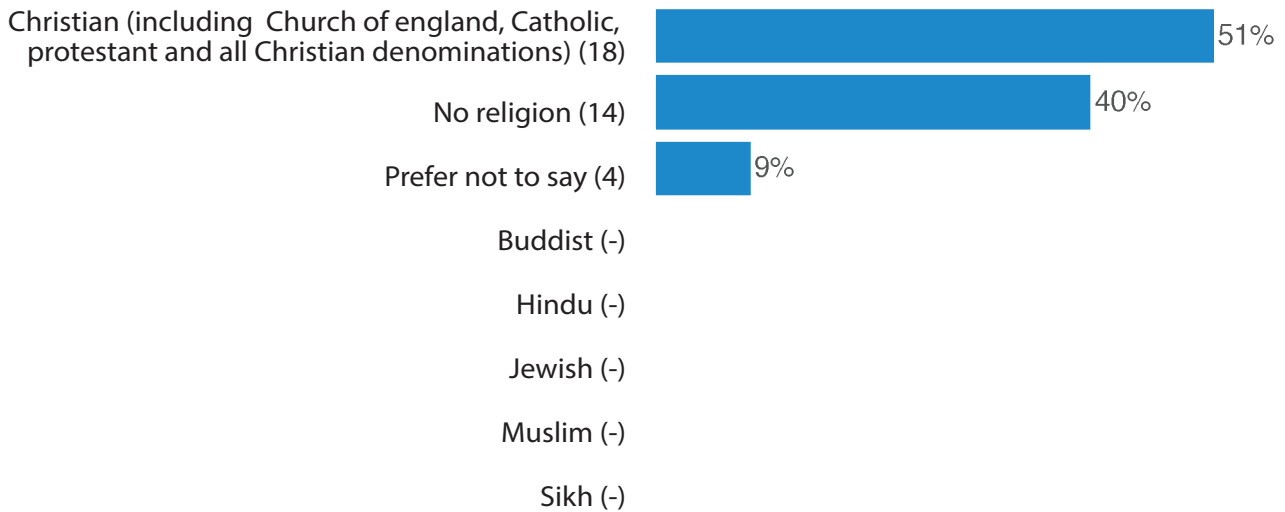
**Ethnicity... (Please select one)**



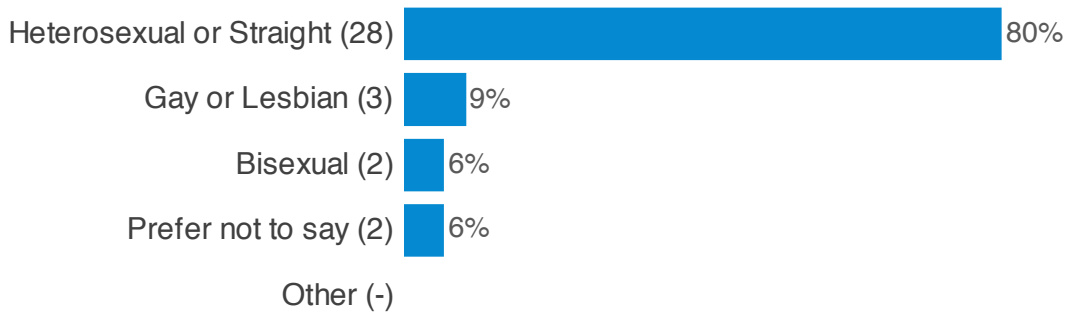
**Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months? (Please select one)**



**What is your religion? (Please select one)**



**Which of the following options best describes how you think of yourself? (Please select one)**



**FORWARD PLAN OF AGENDA ITEMS**

**Derby Homes Board**

Date	Report Title	Executive Lead	Author	Frequency
30/09/2021	<b>AGM</b> Reappointment of Board Members Reappointment of External Auditors Annual Report & Financial Statements Report of the Chair of Audit Committee Report of the Operational Board Chair	D Enticott	D Enticott/ M Kirk/ J Mitchell	Annual
	<b>Board</b> Confirmation/Appointment of Chair and Vice Chairs	D Enticott	J Mitchell	Annual
	NHF Code of Governance 2021	D Enticott	D Enticott	Other
	Annual Board Effectiveness Review	D Enticott	D Enticott	Annual
	Environmental Policy	S Bennett	S Bennett	Policy
	Board Members Declaration of Interests	D Enticott	J Mitchell	Annual
	Strategic & Operational Risk Registers Q1	D Enticott	V Watson	Quarterly
01/11/2021	HRA Business Plan & Rents 2022/23	D Enticott	D Enticott	Annual
	Procurement Waivers Annual Report	D Enticott	T Lalria	Annual
	Asset Management Strategy	S Bennett	A Palmer	Policy
	Corporate Anti Fraud Policy	D Enticott	M Kirk	Policy
	Whistle Blowing Policy	D Enticott	T Lalria	Policy
	Depreciation Policy	D Enticott	M Kirk	Policy
	Board Member Services Agreement	D Enticott	T Lalria	Policy
	Review of Governance Arrangements: - Board Member Code of Conduct & Disciplinary Procedure	D Enticott	T Lalria	Policy
Jan 2022	Draft Operational Budget 2022/23	D Enticott	D Enticott	Annual
	Draft Delivery Plan 2022/23	D Enticott	K Sahota	Annual
	Procurement Compliance Annual Report	D Enticott	T Lalria	Annual
	Strategic & Operational Risk Registers Q2	D Enticott	K Sahota	Quarterly
Mar 2022	Recruitment & Appointment of Board Members	D Enticott	T Lalria	Annual
	Board Member Training & Appraisal 2022	D Enticott	T Lalria	Annual
	Strategic & Operational Risk Registers Q3	D Enticott	K Sahota	Quarterly
	Strategic & Operational Risk Registers 2022/23	D Enticott	K Sahota	Annual
<b>Operational Board</b>				
02/09/2020	Demand for larger family homes	L Testro	M Palmer	Other
	Value for Money Annual Report	D Enticott	D Enticott	Annual
	Former Tenants Arrears & Sundry Debtors Policy	M Kirk	M Kirk	Policy
	Customer First Strategy	M Murphy	M Murphy	Policy

<b>Date</b>	<b>Report Title</b>	<b>Executive Lead</b>	<b>Author</b>	<b>Frequency</b>
	Voids Lettable Standard	S Bayliss	E Harriott	Policy
	Estates Pride – 2021/22 Update	I Yeomans	R Holman	Annual
Dec 2021	Election of OB Chair & Vice Chair	T Lalia	J Mitchell	Annual
	Estates Pride 2022/23	I Yeomans	R Holman	Annual
	Rechargeable Repairs Policy	L Testro/ S Bayliss	L Testro/ S Bayliss	Policy
	Children & Young People Strategy	L Testro	H Johnson	Policy
	Home Release Policy	L Testro	L Testro	Policy
	Pets Policy	L Testro	L Testro	Policy
	Discretionary Allocations Policy	M Palmer	M Palmer	Policy
	Volunteering Strategy	L Testro	H Johnson	Policy
	Income Management Strategy	M Kirk	M Kirk	Policy
	Community Action Derby Grant	L Testro	H Johnson	Annual
Feb-22	DACP Grant 2022/23	L Testro	H Johnson	Annual
	Customer Service Standards	M Murphy	A Barwick	Policy
	Garage Policy	L Testro	V Ross	Policy
<b>Audit Committee</b>				
Oct-21	Corporate Anti Fraud Policy	D Enticott	M Kirk	Policy
	Annual Fraud Plan	D Enticott	M Kirk	Annual
	Whistle Blowing Policy	D Enticott	T Lalia	Policy
	Depreciation Policy	D Enticott	M Kirk	Policy
	Health & Safety Compliance Update	D Enticott	D Enticott	Other
Mar-22	Strategic & Operational Risk Registers 2022/23	D Enticott	V Watson	Annual
	External Audit Planning Report ye 31/3/2021	D Enticott	M Kirk	Annual
	Internal Audit Plan 2022/23	D Enticott	R Boneham	Annual
	Annual Reporting of Derby Homes Bad Debt Write Offs	D Enticott	M Kirk	Annual
<b>Governance Committee</b>				
00/11/2021	Board Member Services Agreement	D Enticott	T Lalia	Policy
	Review of Governance Arrangements:Board Member Code of Conduct	D Enticott	T Lalia	Policy

## **DISCLOSURES UNDER THE INSURANCE ACT 2015**

Report of the Finance Director & Company Secretary

### **1. SUMMARY**

Under the Insurance Act 2015, Derby Homes is obliged to disclose to insurers “relevant information” at both the insurance tender/renewal time (April) and within the year if relevant issues occur.

### **2. RECOMMENDATION**

That the Board agrees there is no new relevant information that should be disclosed to our insurers, as required under the Insurance Act 2015.

### **3. REASON(S) FOR RECOMMENDATION**

3.1 To comply with the requirements of the Insurance Act 2015.

### **4. MATTER FOR CONSIDERATION**

4.1 Under the Insurance Act 2015, there is a duty to disclose to the insurers, relevant information known by “senior management”, defined as “those individuals who play significant roles in the making of decisions about how the insured’s activities are to be managed or organised”.

4.2 Relevant Information is described as information that Derby Homes “ought to know” and information what would have been revealed by “a reasonable search of information available” within Derby Homes.

4.3 Examples of potentially relevant items to be disclosed would include changes to the insured’s business or organisational structure, response to any relevant regulatory changes, specific concerns which led to the insured deciding to take out new / extended insurance cover and previous claims history, especially with regard to historic, emerging or unexpected risks.

4.4 At the time of writing this report, the Senior Management Team is not aware of any new relevant information that should be disclosed to our Insurers, as required under the Insurance Act 2015.

### **5. OTHER OPTIONS CONSIDERED**

5.1 There are no other options.

**IMPLICATIONS**

**6. LEGAL AND CONFIDENTIALITY IMPLICATIONS**

6.1 As outlined in the report.

The areas listed below have no implications directly arising from this report:

- Consultation
- Financial and Business Plan
- Council
- Personnel
- Environmental
- Equalities Impact Assessment
- Health & Safety
- Risk
- Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

David Enticott / Finance Director & Company Secretary / 01332 888522 / Email  
david.enticott@derbyhomes.org

Background Information: None

Supporting Information: None

Head of Finance & Income	Michael Kirk	5.7.21
Finance Director & Company Secretary	David Enticott	

## **DERBY HOMES LIMITED**

### **MINUTES OF THE OPERATIONAL BOARD MEETING**

**Held on Thursday 13 May 2021**

The meeting started at 6.00 pm

#### **Operational Board Members present:**

Lucy Care, Kevin Ellaway, Tony Holme, Bob MacDonald (Chair), Sarah Mason, Dennis Rees, Jsan Shepherd

#### **Officers present:**

Nick Bale, Steve Bayliss, Michael Kirk, Jackie Mitchell, Lorraine Testro, Ian Yeomans

#### **Others in attendance:**

Mike Ainsley, Chair of Derby Homes  
Kas Sahota, Derby City Council

#### **21/23 Apologies**

Apologies were received from Kristine Valaine and Matt Palmer

#### **21/24 Admission of late items**

There were no late items.

#### **21/25 Declarations of interests**

The Council Board Member was noted as declaring their interest in matters relating to Derby City Council.

The Tenant and Leasehold Board Members declared their interests as tenants and leaseholders (as defined in the Memorandum and Articles of Association) of Derby City Council.

The Operational Board Chair and Dennis Rees both declared they are now members of the Housing Ombudsman's Resident Panel.

**21/26 Chair's Announcements**

The Chair welcomed new Tenant Operational Board Member Sarah Mason.

**21/27 Minutes of the previous meeting**

The minutes of the meeting held on Thursday 25 February 2021 were accepted as a correct record.

**21/28 Matters Arising**

**Minute 21/11 DACP Grant 2021/22**

It was confirmed that the funding for the DACP is moving forward; terms of reference have been put together and will be reviewed at their next meeting.

**21/29 Questions from members of the public**

There were no questions from members of the public.

**21/30 Performance Management 2021/21 Quarter Q4**

The Operational Board considered a report providing a summary of performance for quarter four 2020/21, from key performance measures reported to Derby City Council. Overall performance remains positive with a few issues to be addressed where possible.

A discussion was held on the level of current tenants' arrears. It was noted that the increase this year was relatively low considering the impact of COVID and increasing Universal Credit numbers. It is likely that with stringer enforcement options available in 2021/22, then some of the larger arrears balances will be tackled – particularly those where the tenant is not engaging with us at present

The Operational Board queried the reduction of approaches due to domestic abuse as nationally figures have increased due to Covid. It was confirmed that under the new domestic abuse act, if someone is made homeless for domestic abuse reasons and are temporarily re-housed by a new housing provider they will also keep their current tenancy.

It was confirmed Derby Homes would confirm the average stay for B&B accommodation and if there is a correlation between eviction and homeless preventions.

**Agreed**

The Operational Board noted the 2020/21 quarter four performance trends.

**21/31 Demand for Larger Homes**

The Chair suggested that this item should be deferred to the next Operational Board meeting as the Head of Service was not in attendance.

The Operational Board raised the following questions.

Is Derby Homes and other social housing providers using incentives to encourage tenants to downsize.

It was confirmed Derby Homes does use incentives to encourage tenants to downsize, however there is an issue sometimes in finding a suitable alternative property.

It was confirmed that zero bedroom properties are studio flats that don't have a separate bedroom.

**Agreed**

The Operational Board agreed to defer the report on Demand for Larger Homes to the next meeting.

**21/32 Part B Supplementary Questions.**

There were no supplementary questions to questions raised from Part B Items. Questions received are attached to these minutes.

**21/33 Operational Board Forward Plan**

The Operational Board considered the Forward Plan of agenda items for the period September 2021 – February 2022.

The Operational Board requested that communal cleaning be included with the Grounds Maintenance Update report for the December meeting.

**Agreed**

The Operational Board noted the Forward Plan.

**21/34 Violence and Aggression Policy**

The Operational Board considered a report that explained that Derby Homes

Violence and Aggression Policy is due for review and the proposed revised policy was attached to the report.

Lucy Care raised a number of minor changes and agreed to email them to Lorraine Testro.

A query was raised regarding what work is done to help support those who have issues that lead to anti-social behaviour. The Operational Board was advised that there are procedures in place underneath the policy, such as the violence and aggression procedure and mitigating factors, like mental health are considered when dealing with these cases. It was confirmed Derby Homes also link in with other agencies to provide support.

It was confirmed that warning markers remain on the system if a tenant moves to another Derby Homes property, however if they come from another housing provider, unless the information is disclosed, Derby Homes would not be made aware.

### **Agreed**

The Operational Board approved the revised Violence and Aggression Policy, subject to minor changes as above.

## **21/35 Anti Social Behaviour Policy**

The Operational Board considered a report explaining that the Anti-Social Behaviour (ASB) Policy has been reviewed in accordance with Derby Homes key policy review schedule.

It was confirmed different diversionary projects cater for different age groups. The Operational Board confirmed it would be worth adding that there are also diversion opportunities for the older generation.

It was noted the policy has not been rewritten since 2015. It was agreed when the policy is next reviewed it may be worth shortening the policy and making it less repetitive.

Lucy Care agreed to email minor comments to Lorraine Testro.

It was confirmed Derby Homes are looking at doing more locality working this year to engage with residents.

### **Agreed**

The Operational Board approved the Anti Social Behaviour Policy, subject to minor changes as above.

**The following items were noted by the Operational Board**

**21/36 Service Update**

The Operational Board noted a report that provided a general overview and update on current issues.

**21/37 Customer Engagement and Community Development Update**

The Operational Board noted a report on the progress of the Customer Engagement Programme through the Customer Engagement and Community Development team for quarter 4. The report also updated the progress of the Customer Communications Strategy.

**21/38 Estate and Flat Inspections Q3 and Q4**

The Operational Board noted a report giving details of the number of cases by type arising from monthly flat and estate inspections for the period 1 October 2020 – 31 March 2021.

**21/39 Homelessness Q4**

The Operational Board noted a report giving details on:

- Homelessness Approaches
- Homelessness cases resolved under Prevention and Relief Duty
- Homelessness Acceptances

**21/40 Homefinder Q3**

The Operational Board noted a report that provides information on Derby Homefinder for the period April - December 2020.

**21/41 Complaints and Compliments Q4**

The Operational Board noted a report providing detailed analysis of complaints received between 1 January and 31 March 2021 (Q4) and for the year 2020/21

**21/42 Localised Customer Priorities Q4**

The Operational Board noted a report that provided an update on the Local Customer Priorities from January 2021 to March 2021.

**21/43 Customer Survey Q4**

The Operational Board noted a report providing detailed analysis of the satisfaction results from the fourth quarter of the Customer Survey 2020 – 2021.

**21/44 Anti Social Behaviour Q4**

The Operational Board noted a report providing key statistics for Derby Homes ASB service for the fourth quarter of 2020/21.

**21/45 Draft Minutes of Derby Homes Board 25 March 2021**

The Operational Board noted the draft Minutes of Derby Homes Board meeting held on 25 March 2021.

**Date of next meeting**

**The next meeting will be held on Thursday 2 September 2021 at 6.00 pm**

The meeting ended at 8.00 pm.

.....  
CHAIR

Signed as true and accurate record of the meeting held on 13 May 2021.

## GENDER PAY GAP 2020 & 2021

Report of the Finance Director & Company Secretary

### 1. SUMMARY

1.1 This report updates the Board on its gender pay gap figures.

### 2. RECOMMENDATION

2.1 To note the gender pay gap figures to be published before October 2021.

### 3. REASON(S) FOR RECOMMENDATION

3.1 To update the Board on the figures.

### 4. MATTER FOR CONSIDERATION

4.1 Derby Homes is required to publish each year its gender pay gap in a prescribed format. Last year's report deadline was extended to this October (18 months after the relevant date of 6 April 2020) as a result of the impact of the pandemic. This enables us to publish not only last year's but also this year's figures at the same time and well ahead of the deadline for this year's report which is sometime in 2022.

4.2 The reports are set out in Appendix 1 (2020) and Appendix 2 (2021).

4.3 The trends since we first published these figures are set out in the table below:

<b>Official figures:</b>	2017	2018	2019	2020	2021
<b><i>Hourly pay gap:</i></b>					
Mean %	8.0	8.7	8.0	5.9	6.7
Median %	18	14	15	17	17
<b><i>Distribution (Women %)</i></b>					
Upper quartile	33	32	33	35	34
Upper middle quartile	24	29	29	33	33
Lower middle quartile	55	60	56	54	54
Lower quartile	59	80	60	53	54
<b>Derived figures:</b>					
Women above median %	28	30	31	34	34

4.4 The trends show significant improvement over time in terms of the mean pay gap and the proportion of women paid above the median wage, but only limited progress in terms of the median wage gap.

- 4.5 When considering the figures, it is necessary to consider the context of the reporting requirements. All posts are included, and Derby Homes has had difficulty in reducing the gap as a result of the relatively male dominated trades related jobs being paid more than the relatively female dominated housing management areas. All jobs are individually assessed using a consistent job evaluation methodology to ensure that the pay is set fairly for each job. Market rate supplements are possible where the job evaluation result does not attract sufficient numbers of staff but has so far not yet been necessary. There is therefore currently an overall principle in place that the job determines the pay.
- 4.6 This principle is also followed by other local employers particularly in the public sector. For comparison, some mean pay gaps in 2019 (last year of reporting) were:

	% median pay gap	% mean pay gap
<b>Derby Homes</b>	15.0	8.0
<b>Other local public sector:</b>		
Derbyshire Constabulary	23.9	16.1
University of Derby	9.2	10.5
Univ. Hospitals Trust (Derby&Burton)	19.0	30.0
<b>Other local ALMOs:</b>		
Nottingham City Homes	22.1	16.4
Rykneld Homes (NE Derbyshire)	10.0	11.0

- 4.7 These are broadly comparable local public sector operations with higher paid specialist roles which can be gender influenced in terms of pay for rough comparison purposes, plus the two other local ALMOs which form a more direct comparison. These give a greater context to our figures.
- 4.8 We continue to hope for greater application rates for trades positions from women and also for apprenticeships in these areas and there is a clear need to continue with this approach for the longer term. As skills shortages arise from time to time, specialist roles in these areas can require additional pay. Overtime also tends to increase overall pay for trades in addition to the job evaluation position – this can be seen in the dip in mean pay gap in 2020 at the point of April 2020 when the first lockdown in effect prevented any overtime that month. NCH continue to have a bonus system for trades and it is suspected (but not known) that this will probably have enhanced their pay gap. Derby Homes removed our bonus around a decade ago and this will probably have helped to deliver a lower pay gap than at NCH.

**5. OTHER OPTIONS CONSIDERED**

- 5.1 The publication of these figures is a legal obligation. The report is therefore for information rather than approval.

**IMPLICATIONS**

**6. PERSONNEL IMPLICATIONS**

- 6.1 No specific changes are proposed at this point as jobs are evaluated on a fair and equitable basis.

## 7. EQUALITIES IMPLICATIONS

- 7.1 The report updates the trends in our gender pay gap and highlights disparities in pay between genders.

The areas listed below have no implications directly arising from this report:

Consultation  
Financial and Business Plan  
Legal and Confidentiality  
Council  
Environmental  
Health & Safety  
Risk  
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

David Enticott / Finance Director & Company Secretary / 01332 888523 / Email  
david.enticott@derbyhomes.org

Background Information: None  
Supporting Information: None

**This report has been approved by the following officers where there are financial or legal implications:**

<b>Finance Director &amp; Company Secretary</b>	David Enticott	5.7.21
---	----------------	--------



# Derby Homes

## 2020 2021

### Gender Pay Gap Data

#### Women's Hourly Rate

**5.9%**

**Lower**

(mean)

**17%**

**Lower**

(Median)

#### Pay Quartile

Top quartile

**65%**

**Men**

Upper middle quartile

**67%**

**Men**

Lower Middle Quartile

**46%**

**Men**

Lower Quartile

**47%**

**Men**

**35%**

**Women**

**33%**

**Women**

**54%**

**Women**

**53%**

**Women**

#### Bonus Pay

No Bonus Paid



# Derby Homes

## 2021 2022

### Gender Pay Gap Data

#### Women's Hourly Rate

**6.7%**

Lower

(mean)

**17%**

Lower

(Median)

#### Pay Quartile

Top quartile

**66%**

Men

Upper middle quartile

**67%**

Men

Lower Middle Quartile

**46%**

Men

Lower Quartile

**46%**

Men

**34%**

Women

**33%**

Women

**54%**

Women

**54%**

Women

#### Bonus Pay

No Bonus Paid



## ATTENDANCE AT BOARD MEETINGS

29 JULY 2021

	30 Jul 2020	24 Sep 2020	27 Oct 2020	26 Nov 2020	28 Jan 2021	25 Mar 2021	2 Jun 2021*	No of Absences
<b>Ainsley M</b>	P	P	P	P	P	P	P	0
<b>Bhurton C</b>					P	P	P	0
<b>Care L</b>	P	P	P	P	P	P	P	0
<b>Graves A</b>	P	P	P	P	P	P	P	0
<b>Layton Annable J</b>	P	P	A	P	P	P	A	2
<b>MacDonald I</b>	P	P	P	P	P	P	A	0
<b>Shepherd J</b>	P	P	P	P	P	P	P	0
<b>MacDonald B</b>	P	P	P	P	P	P	P	0

**Key**

P - Present

A - Apology

\* - change of scheduled date

**Disqualification and Removal of Board Members****Article 18**

A person [shall be ineligible for appointment to the Board and if already appointed] shall immediately cease to be a Board Member if the relevant individual:-

- (7) in any period of 12 consecutive months, he shall have been absent from three Board meetings held during that period unless the Board (at or before such meeting where a Board Member would be removed under this Article) resolves otherwise;
- (8) in any period of 12 consecutive months, he shall have been absent from three Board meetings held during that period and on application to the Board they resolve not to reinstate him;

**Article 19**

Where a Board Member has been reappointed absences from Board meetings incurred prior to their reappointment will not be carried over into the new term of office.

NOTE: Attendance prior to a board member's re-appointment is shown shaded.

