



Derby City Council

Derby Homes Governance Update

SUMMARY

- 1.1 On 15 May 2013 Cabinet approved proposals to adopt, in principle, the Partnership model as the preferred model for the delivery of council housing in Derby.
- 1.2 This report provides an update on the progress made to implement the new governance arrangements for Derby Homes required under the Partnership model.

RECOMMENDATION

- 2.1 To note the content of the report.

REASONS FOR RECOMMENDATION

- 3.1 Governance changes to Derby Homes were a part of the decision to bring forward the Partnership model for council housing management, and progress is on track to deliver as expected.
- 3.2 Retaining the current arrangements would not be as much in the spirit of the partnership model nor as efficient as the proposed model.

SUPPORTING INFORMATION

Background

- 4.1 On 15 May 2013 the Cabinet approved proposals for the future arrangements for council housing. The Council agreed to create a new Partnership Model which will harnesses the best of local government and the ALMO, and is based on the following principles
 1. Maximising quality of service and value for both tenants, leaseholders and council tax payers
 2. Harnessing the strengths of both organisations
 3. Integrating services where it makes sense and can add value
 4. Ensuring the integrity of the commissioner/provider relationship

- 4.2 The governance proposals within the Partnership Model include:
- Slimming down the existing governing Board from five to three of each of the following groups, tenants/leaseholders, Council and independent representatives.
 - Transferring the commissioning responsibility for Derby Homes from the Cabinet Member for Housing & Advice to the Leader of the Council (or other designated Cabinet Member) to remove a potential conflict of interest in order to be one of the Council's Board nominees to strengthen joint working between the two organisations at Member level.
 - The abolition of the Resources committee and its business considered at the main Board.
- 4.3 The proposals also require the model for grass roots involvement of tenants to be refreshed beyond the current arrangements within the Board and the Derby Association of Community Partners (DACP). It is felt that genuine tenant involvement is at present modest and needs revitalising. In addition to this greater use will be made of the City Board with greater devolution of decision making on issues directly being given to tenant representatives.
- 4.4 At Executive level it was proposed that the current position of Chief Executive is deleted and a new post of Director of Derby Homes created to lead the organisation. The executive team has been reduced by one overall.

Update on progress made to implement the new governance arrangements

- 4.5 The changes to governance arrangements are well progressed. Derby Homes has made recommendations on changes to the Memorandum & Articles which cover all of the changes, including the reduction of the Board from 15 to 9.
- 4.6 Constitutional changes have been effected within the Council to allow the Cabinet Member for Housing & Advice to be one of the Council nominees.
- 4.7 The new Board, effective from Derby Homes' Annual General Meeting on 28 November 2013, will be:
- Councillors: Margaret Redfern, Baggy Shanker, and Roy Webb
Tenants: Brian Perry, Dennis Rees and Fiona Walker
Independents: Mike Ainsley, Iain MacDonald and Bob Osler.
- 4.7 Formal approval of the changes to the Memorandum & Articles [was approved / is expected] at the Cabinet meeting on 6 November 2013, and written notification of that decision to Derby Homes will be sent ahead of Derby Homes' AGM on 28th November, so that the changes will take effect as planned at the meeting immediately following the AGM.

- 4.8 The Derby Homes Board has agreed arrangements for the re-designation of business between its Board and Committees under the new governance arrangements and has agreed to review these arrangements at regular periods in order that the efficacy of the changes can be reported back to the Council. Derby Homes' Resources, Remuneration and Regeneration Committee will be abolished as proposed.
- 4.9 The City Board has received proposals for a refreshed Resident Involvement Strategy. Officers are working with the Derby Association of Community Partners (DACP) to work through changes to the governance of the City Board. This work will continue to be ongoing throughout 2014.
- 4.10 Derby Homes has drafted a Partnership Agreement document and this is currently with the Derby City Council Legal team for comment and finalisation. The Partnership Agreement will be considered by Cabinet for approval in due course.
- 4.11 The post of Chief Executive has now been deleted and following interview, Maria Murphy was appointed Director of Derby Homes from 1 October 2013.

OTHER OPTIONS CONSIDERED

- 5.1 Continuing the existing structure of a larger Board and large City Board
- 5.2 Retaining Derby Homes' Resources, Remuneration and Regeneration Committee

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Maria Murphy, Acting Chief Executive, Derby Homes
For more information contact: Background papers: List of appendices:	David Enticott, Director and Company Secretary, Derby Homes Telephone 01332 888523 David.Enticott@derbyhomes.org.uk None Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 Overall, governance changes are not anticipated to save significant sums of money but to tighten up the operation of Derby Homes' governance structure and bring it more into line with the recommendations of the National Federation of Housing in terms of governance.

Legal

- 2.1 The Council makes the ultimate decision on matters relating to Derby Homes' Memorandum and Articles. The new Articles will take effect from the meeting following Derby Homes' AGM.

Personnel

- 3.1 None

Equalities Impact

- 4.1 None

Health and Safety

- 5.1 None

Environmental Sustainability

- 6.1 None

Property and Asset Management

- 7.1 None

Risk Management

- 8.1 None

Corporate objectives and priorities for change

- 9.1 Greater efficiency and joined up consideration of new build programmes are expected from the new partnership and additional homes are already being delivered.