

North East Derbyshire District Council

Cabinet

Meeting Date

25 November 2021

Report of the Portfolio Holder for Housing, Councillor Alan Powell

Classification: This report is public

Report By: The Assistant Director of Corporate Governance and Monitoring Officer

Contact Officer: The Director of Growth and the Assistant Director of Finance and Revenues and Section 151 Officer

PURPOSE / SUMMARY

- To seek confirmation from the Cabinet on the need for the Housing companies set up as part of the review of the relationship with Rykneld Housing Limited, and if appropriate, to wind up the companies for the reasons given in the report.
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RECOMMENDATIONS

That the Council's companies Homes for North East Derbyshire Limited, NE Housing Trading Company Limited and NE Derbyshire Housing Development Company Limited be wound up.

Approved by the Portfolio Holder - [Click here to enter text.](#)

IMPLICATIONS

Finance and Risk: Yes No

Details:

[Click here to enter text.](#)

On Behalf of the Section 151 Officer

Legal (including Data Protection): **Yes** **No**

Details:

The only aspect of this report is whether the Council wishes to continue with the companies it has set up. If the decision is to wind up the companies, there will be some legal work as a consequence.

On Behalf of the Solicitor to the Council

Staffing: **Yes** **No**

Details:

[Click here to enter text.](#)

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: BDC: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input checked="" type="checkbox"/> NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet / Executive <input type="checkbox"/> SAMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details: Ward Members N/A

Links to Council Ambition (BDC)/Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.

[Click here to enter text.](#)

REPORT DETAILS

1 Background *(reasons for bringing the report)*

- 1.1 As Members are aware, there has been an ongoing review of the relationship with Rykneld Homes Limited (RHL). The new Management Agreement, which deals with the management of the Council's social housing stock, was recently approved by both the Council and RHL.
- 1.2 Early on in the review, the future relationship with RHL was being considered. This was not just the contractual relationship with RHL for the management of the Council's social housing stock. This also covered the relationship with RHL in relation to housing regeneration projects within the District. As Members are aware such projects had been carried out with RHL.
- 1.3 It was decided at an early stage that a family group of companies, including an holding company and RHL itself, should be created. The company structure shown in Appendix 1 to this report is what was approved.
- 1.4 The companies were formed but have remained dormant since. The Council's Assistant Director of Governance is the sole Director of all 3 new companies.
- 1.5 Following the decision to form the companies and following the appointment of the Director of Growth, the relationship with RHL in terms of regeneration projects has been reconsidered. The Investment Forum has been put in place to deal with regeneration projects and proposals within the Council. The Investment Forum is not restricted to considering only housing regeneration projects. Members are now familiar with the Partnership Forum (to deal with the contractual relationship for the Council housing stock) and the Investment Forums which have been running for some time.
- 1.6 Therefore it is concluded that the 3 companies (other than RHL) are not needed to deal with regeneration projects in the District. Members are therefore being asked to consider winding up the 3 companies listed in the recommendation.

2. Details of Proposal or Information

- 2.1 It is proposed that the 3 companies are wound up.

3 Reasons for Recommendation

- 3.1 That the Companies are not needed to ensure the Council's regeneration and economic development aims.

3.2 That the Council has alternative structures in place which are working well.

4 Alternative Options and Reasons for Rejection

4.1 To continue with the companies. This was rejected. The companies are not required.

DOCUMENT INFORMATION

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	