

North East Derbyshire District Council

Cabinet

11 September 2025

CONTINUATION OF MANAGEMENT AGREEMENT – HOUSING SERVICES

Report of the Leader and Portfolio Holder for Housing

Classification: This report is public

Report By: Jayne Dethick – Director of Finance & Resources (S151 Officer)

Contact Officer: Jayne Dethick – Director of Finance & Resources (S151 Officer)

PURPOSE / SUMMARY

To consider agreement of a five-year continuation to the management agreement to Rykneld Homes Ltd for the provision of housing services.

RECOMMENDATIONS

1. To agree a five year extension of the management agreement (in accordance with clause 2 of the Management Agreement) to RHL for the provision of housing services, effective from 1 April 2026.
2. To ratify the appointment of Managing Director, as required by Clause 19.1 of the Management Agreement.

Approved by the Portfolio Holder – Cllr Nigel Barker, Leader of the Council

IMPLICATIONS

Finance and Risk: Yes ☐ No ☒

Details: No Financial implications for the Council.

On Behalf of the Section 151 Officer

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

Details: There needs to be a valid management agreement between the two parties.
Other legal issues are dealt with in the report.

On Behalf of the Solicitor to the Council

Staffing: **Yes** ☐ **No** ☒

Details: No impact on council employees.

On behalf of the Head of Paid Service

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: NEDDC: Revenue - £125,000 <input type="checkbox"/> Capital - £310,000 <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

Equality Impact Assessment (EIA) details:	
Stage 1 screening undertaken <ul style="list-style-type: none"> Completed EIA stage 1 to be appended if not required to do a stage 2 	Not applicable to this decision
Stage 2 full assessment undertaken <ul style="list-style-type: none"> Completed EIA stage 2 needs to be appended to the report 	Not applicable to this decision
Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input checked="" type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes

Links to Council Plan priorities
<ul style="list-style-type: none"> A great place to live well A great place to access good public services

REPORT DETAILS

1 Background

- 1.1 Rykneld Homes Ltd (RHL) was formed in 2007 as part of the then Government's initiative to create arm's length management organisations to deliver housing services, and particularly to carry out government funded large scale investment programmes to improve/refurbish the housing stock.
- 1.2 Services are delivered through a contract, commonly known as the management agreement. The management agreement is a long-term contract providing stability to both organisations and most importantly to the Council's tenants. There is periodic review clauses built into the agreement, usually in five-year periods.
- 1.3 In 2022, the original management agreement was due to expire. In 2021, the then Cabinet launched a full options appraisal to review all future delivery options. External support was commissioned to support the review and following a procurement process, Savills Housing Consultancy were appointed to fulfil this role.
- 1.4 A full range of options were explored including award of a new management agreement to RHL and a return to inhouse provision. Following a robust review, the then Cabinet resolved to award a new 15-year contract to RHL. A new management agreement was drafted and approved by Council later that year.

2. Management Agreement Review

- 2.1 The current management agreement includes five-year review clauses and the first is due in April 2026. The Director of Finance & Resources (S151 Officer), as client lead in consultation with the Leader of the Council who has portfolio responsibility for Housing has undertaken a review, which commenced in March this year.
- 2.2 This time an internal review has been undertaken. This was considered sufficient as sufficient external assurance could be taken from the inspection by the Regulator of Social Housing (RSH) in May 2024.
- 2.3 The review has considered RHL's performance against the Tenant Satisfaction Measures (TSM's) as well as reviewing arrangements for governance, finance and partnership working with the Council.
- 2.4 The findings of the review are listed below:
 1. Performance against the TSM's is good and benchmarks in the mid to upper quartile for all areas.
 2. The areas identified in the RSH inspection are being addressed in a timely fashion.
 3. A review of complaints has been undertaken and changes made to process have been embedded and included in the annual report to the RSH.
 4. Data triangulation processes to ensure the tenant voice is both listened to and acted upon have been reviewed.
 5. The main finding of the 2024 inspection was a need to collect physical stock condition data by individual property. RHL had begun this process before the inspection and have continued at pace since then. They are currently at 88% collected/analysed.
 6. Regular finance and performance information is presented to the RHL Board, which Council representatives attend. RHL performance data is included in the Council's performance reporting.
 7. The governance arrangements put in place prior to the regulatory changes are working effectively providing sufficient assurance to the Council as landlord whilst ensuring RHL retain operational autonomy.
- 2.5 Following the 2024 inspection the Council and RHL have had quarterly meetings with the RSH to monitor progress on stock data collection/analysis. The positive progress has led to the opportunity to be able to request a review of the C2 grading to the highest grade achievable, C1. This review is now underway with a request submitted in early September. This will be reviewed by the Regulator with the outcome expected by the end of the month.
- 2.6 Taking into consideration the above, it is the view of the client lead and portfolio holder that a continuation of the management agreement be agreed, effective from 1 April 2026. If Cabinet approve this continuation, RHL will present a delivery plan outlining their plans for the next five years at a meeting later this year.

Significant Establishment Change

- 2.7 The Managing Director of RHL, Lorraine Shaw, who has been with the company for 18 years, has decided to retire. Lorraine's leadership and dedication in her role has been exemplary and her positive impact on the services the company has delivered will be felt for many years to come.
- 2.8 To ensure continuity and a managed transition for a key post, the Board wanted to secure a replacement before Lorraine leaves the organisation. A recruitment process has therefore been undertaken and the Deputy Managing Director, Niall Clark has been appointed. The Board ratified this appointment on 4th September, subject to the approval of this Cabinet. This is required as Clause 19.1 of the Management Agreement states that *"RHL shall not make any significant changes which remove, replace or disestablish staff unless it obtains prior written consent of the Council. If RHL seeks consent to replace any staff under this clause, it shall provide the Council with all information necessary for the Council to consider whether to give consent"*.

3 Reasons for Recommendation

- 3.1 Continuity of service provision for a major front line service such as Housing is hugely important. RHL have demonstrable high levels of service provision across all areas.

4 Alternative Options and Reasons for Rejection

- 4.1 To undertake an external review. Rejected as sufficient external assurance was available from the recent RSH inspection
- 4.2 Not to extend the Management Agreement. This was rejected as the result of the review undertaken is that this is the best arrangement for the Council.

DOCUMENT INFORMATION

Appendix No	Title
None	
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 you must provide copies of the background papers)	
Management Agreement with Rykneld Homes Limited dated 4 th October 2021	