

## DECISION BOOK

**Issue: 632      Date: 7 MAY 2021**

Decisions set out in the book have been made under delegated powers by the Chief Executive, Executive Directors or the Chief Finance Officer and Monitoring Officer, in consultation either with the relevant committee or Lead Councillor.

The Decision Book process has been altered to suspend the current Councillors' call-in arrangements within the 10-day period after its publication and replace it with the ability during that period for three Councillors to request a retrospective review of the decision in writing to the Head of Legal and Democratic Services.

The decision book can be accessed on the Council's website - <https://democracy.reading.gov.uk/mgListOfficerDecisions.aspx?bcr=1&BAM=0>

The officer reports accompanying the decisions are attached.

<b>Contact:</b>	<b>Richard Woodford</b>	<b>Committee Services</b>
<b>Tel:</b>		<b>0118 937 2332</b>
<b>e-mail:</b>		<a href="mailto:richard.woodford@reading.gov.uk">richard.woodford@reading.gov.uk</a>

## DECISION BOOK - ISSUE 632 - 7 MAY 2021

### 1. NORTH WHITLEY HOUSING PFI - TRANSFER OF ENGAGEMENTS

<u>DECISION</u>	<u>LEAD</u> <u>COUNCILLOR(S)</u>	<u>WARDS</u> <u>AFFECTED</u>	<u>PAGE</u> <u>NO.</u>
1. NORTH WHITLEY HOUSING PFI - TRANSFER OF ENGAGEMENTS	COUNCILLOR ENNIS	CHURCH AND WHITLEY	1

This report sets out the decision for the Council to enter into a Deed of Consent confirming that it consents to the transfer of engagements in respect of the North Whitley PFI Project from Yarlington Housing Group (YHG) to Abri in respect of the services currently provided by YHG under the Management Agreement and the Housing Management Direct Contract. Such services will from the date of the transfer of engagement be provided by Abri instead.

It is the decision of the Executive Director of Economic Growth and Neighbourhood Services, in consultation with the Lead Councillor for Housing, to enter into a Deed of Consent confirming the transfer of engagements in respect of the North Whitley PFI Project from Yarlington Housing Group (YHG) to Abri in respect of the services currently provided by YHG under the Management Agreement and the Housing Management Direct Contract.

## READING BOROUGH COUNCIL

### REPORT BY EXECUTIVE DIRECTOR FOR ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

LEAD COUNCILLOR:	COUNCILLOR ENNIS - LEAD COUNCILLOR FOR HOUSING		
DATE:	7 MAY 2021		
TITLE:	NORTH WHITLEY HOUSING PFI - TRANSFER OF ENGAGEMENTS		
SERVICE:	HOUSING	WARDS:	CHURCH AND WHITLEY
AUTHOR:	ZELDA WOLFLE	TEL:	0118 9372285
JOB TITLE:	ASSISTANT DIRECTOR FOR HOUSING & COMMUNITIES	E-MAIL:	<a href="mailto:zelda.wolfle@reading.gov.uk">zelda.wolfle@reading.gov.uk</a>

#### 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the decision for the Council to enter into a Deed of Consent confirming that it consents to the transfer of engagements in respect of the North Whitley PFI Project from Yarlington Housing Group (YHG) to Abri in respect of the services currently provided by YHG under the Management Agreement and the Housing Management Direct Contract. Such services will from the date of the transfer of engagement be provided by Abri instead.

#### 2. DECISION

- 2.1 It is the decision of the Executive Director of Economic Growth and Neighbourhood Services, in consultation with the Lead Councillor for Housing, to enter into a Deed of Consent confirming the transfer of engagements in respect of the North Whitley PFI Project from Yarlington Housing Group (YHG) to Abri in respect of the services currently provided by YHG under the Management Agreement and the Housing Management Direct Contract.

#### 3. POLICY CONTEXT

- 3.1 On 31<sup>st</sup> March 2004 the Council entered into a Management Agreement with Affinity (Reading) Limited (Affinity) delegating its housing management functions in respect of the properties in the North Whitley area of Reading to Affinity pursuant to the Government's Private Finance Initiative (the North Whitley Housing PFI Project).
- 3.2 Pursuant to this arrangement, Affinity appointed Affinity Housing Services (Reading) to provide the housing management services for the North Whitley Housing PFI Project under a Housing Management Direct Contract dated 31 March 2004 (the Housing Management Direct Contract).

- 3.3 Affinity Housing Services (Reading) is a joint venture between Windsor & District Housing Association (WDHA) (a subsidiary company of the Radian Group Limited) and the Southern Housing Group (SHG).

## **4. THE DECISION**

### **4.1 Current Position:**

- 4.1.1 On 31 March 2004 the Council entered into a Management Agreement with Affinity (Reading) Limited (Affinity) for a 30-year period, delegating its housing management functions in respect of the properties in the North Whitley area of Reading to Affinity pursuant to the Government's Private Finance Initiative (the North Whitley Housing PFI Project).
- 4.1.2 Affinity Housing Services provide the housing management service for the North Whitley PFI. Affinity Housing Services is a joint venture between WDHA (a subsidiary of the Radian Group Limited) and the Southern Housing Group (SHG).

### **4.2 Option Proposed**

- 4.2.1 The Council entered into a Deed of Consent on 5<sup>th</sup> February 2020 confirming that it consents to the transfer of engagements from WDHA to YHG in respect of the services provided by WDHA under the Management Agreement and the Housing Management Direct Contract. Such services will from the date of the transfer of engagement be provided by YHG instead.
- 4.2.2 As part of that reorganisation YHG's engagements are to be transferred to Abri pursuant to section 110 of the Community Benefit and Societies Act. The result of such transfer shall be the vesting of all of the assets and liabilities of YHG in Abri without the need for any assignment or novation of contracts.
- 4.2.3 The effect of the transfer of engagement is that Abri shall take on all the obligations and liabilities of YHG in relation to the North Whitley Housing PFI Project.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The Affinity Management Agreement and the Housing Management Direct Contract contribute to providing homes for those most in need and promote equality, social inclusion and a safe and healthy environment for all.

## **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 6.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 6.2 There are no environmental or climate change implications as a result of this transfer.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

- 7.1 The Council is informed that the transfer of engagement will not affect the services provided by Affinity or Affinity Housing Services Limited (Reading) under the

Management Agreement or Housing Management Direct Contract and nor will the staffing levels of Affinity (Reading) Limited change and does not therefore consider the need for tenant consultation. Accordingly, further approval of the Secretary of State in relation to the Management Agreement and Housing Management Direct Contract is not required.

## **8. EQUALITY IMPACT ASSESSMENT**

- 8.1 An Equality Impact Assessment is not required for this decision.

## **9. LEGAL IMPLICATIONS**

- 9.1 The Secretary of State has given his approval to the entering into the Management Agreement and Housing Management Direct Contract under section 27 of the Housing Act 1985.
- 9.2 A variation of a housing management agreement requires the regulator's approval if it is a variation of a provision that is specified (or is of a description that is specified) in the original approval as requiring further approval from the regulator.
- 9.3 Further approval of the Secretary of State in relation to the Management Agreement and Housing Management Direct Contract is required where in the opinion of the Council the variation proposed will affect the tenants of the properties of the North Whitley Housing PFI Project should be consulted.
- 9.4 The Council is informed that the transfer of engagement will not affect the services provided by Affinity or Affinity Housing Services Limited (Reading) under the Management Agreement or Housing Management Direct Contract and nor will the staffing levels of Affinity (Reading) Limited change and does not therefore consider the need for tenant consultation. Accordingly, further approval of the Secretary of State in relation to the Management Agreement and Housing Management Direct Contract is not required.
- 9.5 Further, the Deed of Consent includes an express provision in relation to the transfer for engagement which provides that Abri shall take on all the obligations and liabilities of YHG in relation to the North Whitley Housing PFI Project whether arising before or after the date of the Deed of Consent. Furthermore, the Council shall be entitled to enforce its rights and remedies pursuant to the Management Agreement or Housing Management Direct Contract against Abri in respect of such obligations and liabilities.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The North Whitley PFI Project costs the council £208 million spread over a 30-year contract period which started in 2004. Radian and Yarlington merged in 2019 when Yarlington became a subsidiary of the Radian group. The group then changed its name to Abri in October 20. Abri will take on all the obligations and liabilities of Yarlington.
- 10.2 Yarlington is the current provider of services provided under the Management Agreement and the Housing Management Direct Contract. The decision set out in this paper will transfer that to Abri.
- 10.3 There are no financial implications for the PFI contract in relation to this decision.

10.4 These financial implications were reviewed by Mark Jones, strategic business partner on 30/3/21.

**11. BACKGROUND PAPERS**

None.