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Cherwell District Council

Executive

Minutes of a meeting of the Executive held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 18 July 2016 at 4.30 pm

Present: Councillor Barry Wood (Chairman), Leader of the Council
Councillor G A Reynolds (Vice-Chairman), Deputy Leader of the Council

Councillor Ken Atack, Lead Member for Financial Management
Councillor Colin Clarke, Lead Member for Planning
Councillor John Donaldson, Lead Member for Housing
Councillor Tony Ilott, Lead Member for Public Protection
Councillor Kieron Mallon, Lead Member for Banbury Futures
Councillor D M Pickford, Lead Member for Clean and Green
Councillor Lynn Pratt, Lead Member for Estates and the Economy
Councillor Nicholas Turner, Lead Member for Change Management, Joint Working and IT

Also Present: Councillor Barry Richards, representing Councillor Sean Woodcock, Leader of the Labour Group

Officers: Sue Smith, Chief Executive
Ian Davies, Director of Operational Delivery
Kevin Lane, Head of Law and Governance / Monitoring Officer
Paul Sutton, Chief Finance Officer / Section 151 Officer
Chris Stratford, Head of Regeneration and Housing
James Doble, Interim Assistant Director Transformational Governance
Natasha Clark, Interim Democratic and Elections Manager

32 **Declarations of Interest**

8. Cherwell's Approach to Working with Council Controlled/Influenced Companies.

Sue Smith, Declaration, as a Director of a Graven Hill company and would leave the meeting for the duration of the item.

Chris Stratford, Declaration, as a Director of a Graven Hill company and would leave the meeting for the duration of the item.

33 **Chairman's Announcements**

There were no Chairman's announcements.

34 **Exclusion of the Press and Public**

Resolved

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the ground that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraphs 1, 2 and 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

35 **SW Bicester Sports Village - Contract Award and Funding Requirements**

The Director of Operational Delivery submitted an exempt report to consider the results of the procurement process for a main contractor to construct Phase 2 of the sports village project, the pavilion and car park and to recommend to full council the approval of a supplementary capital estimate.

Resolved

- (1) That Full Council be recommended to approve a supplementary capital estimate for £891,861 to enable the completion of the SW Bicester Sports Village project.
- (2) Subject to Full Council funding approval the Phase 2 construction contract be awarded to J Tomlinson Limited on the terms set out in the exempt report (exempt annex to the Minutes as set out in the Minute book)

Reasons

The project has been through a second procurement process to secure the lowest cost of delivery which has resulted in a winning adjusted tender resulting in a total project cost that exceeds the approved budget by £891,861.

The Council has Section 106 planning obligations to deliver an outdoor sports facility with a pavilion on the SW Bicester Kingsmere site, hence the request for additional funding to complete the project.

Alternative options

The option to appoint the preferred contractor to deliver the Phase 2 works would require an additional capital input of £891,861. If this cannot be found, then the Council will need to review and change the nature of the project.

A reduced scheme could be designed that fits within the available budget but is unlikely to meet all of the operational requirements of the site, would incur further design costs, incur delay, require a new planning application and will reduce the key income generation areas (function room and bar) having a

major impact on the revenue implications for the site. A reduced sized facility would also be less attractive to a management contractor and therefore needs to be reconsidered.

36

A Review of the Self-Build Programme and Approval of Additional Funding for Coach House Mews and Lincoln Close

The Head of Regeneration and Housing submitted an exempt report to advise members of the need to amend the previously adopted delivery strategy relating to self-builder inputs completing specific building tasks for projects approved under the Build! programme but particularly in respect of Coach House Mews and Lincoln Close.

The report also confirmed the financial impacts of approving the revised delivery strategy and commitment from self-builders for those identified schemes under the Build! Programme and advised members of the opportunity to amend the tenure mix associated with the Coach House Mews site redefining 12 affordable rented flats as 12 share ownership properties.

Resolved

- (1) That the proposed changes in respect of the commitments required from self-builders for 2 of the schemes within the Build! Programme be noted and approved.
- (2) That the financial implications identified within the exempt report (exempt annex to the Minutes as set out in the Minute Book) associated with adopting the revised self-builder delivery strategy on these 2 schemes be noted and endorsed and Full Council be recommended to agree the necessary amendment to the approved Capital Programme.
- (3) That the opportunity to complete a tenure change in respect of 12 flats at Coach House Mews from affordable rent products to shared ownership products for the reasons indicated within the exempt report (exempt annex to the Minutes as set out in the Minute Book) be noted and approved and it be further noted that the final decision of Executive in this respect would be confirmed to the Cherwell Community Build shadow board.

Reasons

It is clear that the original concept of involving self-builders to complete the construction of properties from shell stage has proved very challenging. Indeed even allowing for the training process adopted many self-builders have struggled to complete their originally envisaged commitment to the project.

Additional matters relating to liability especially (Health and Safety matters) as we now move into the construction of flats for self-builders, has meant that a review of how self-builder inputs are proposed, planned and managed needed to be undertaken. It is clear that the revised approach based on a time commitment rather than specific task based inputs from self-builders allows

for greater flexibility reduces liability and matches skills in the correct way to ensure less delay and challenge to the contractor in terms of delivering a completed site.

Whilst this will mean particularly in relation to Coach House Mews and Lincoln Close initial additional expenditure we will end up with completed units more quickly and when combined with tenure adjustment proposals would increase the overall return to the Build! Programme.

Going forward, the time based approach for self-builder inputs will significantly improve the overall output of units under the revised scheme.

Alternative options

Officers have looked carefully at continuing with the current status quo regarding self-builder inputs but have concluded that the liabilities (particularly in relation to Health and Safety), risks and challenges associated with this option are not acceptable for Coach House Mews and Lincoln Close.

Further discussions with contractors involved in promoting and indeed delivering self-build options have resulted in Officers concluding that the time commitment approach allows a better practical environment to match the core objectives of self-builder aspirations to be maintained but within an environment that better fits the skills of self-builders the Councils objectives of self-build and the delivery of projects on time and within budget. The principles of providing discount on properties based on the number of hours each self-builder has actually completed will still allow a maximum discount of £10,000.00.

The application of the tenure adjustments identified within the report to the Coach House Mews scheme involving some 12 flats improves the overall rate of return to the Build! Programme and represents an improved business plan proposition to the Cherwell Community Build.

37

Build! Phase 2

The Head of Regeneration and Housing submitted an exempt report to seek Members' approval to the necessary funding to allow essential pre-development activities on the sites identified within the report including the appointment of appropriate architectural design advice and the achieving of planning consents.

Resolved

- (1) That the essential pre-development funding associated with the identified sites contained within the exempt report (exempt annex to the Minutes as set out in the Minute Book) totalling the sum of £200,000 be endorsed and Full Council be recommended to approved the necessary amendment to the approved Capital Programme.
- (2) That officers be requested to submit a further detailed report once fully costed proposals for the sites identified have been completed to

determine whether these are funded and developed either by Cherwell District Council (Build!) or Cherwell Community Build.

- (3) That it be noted that Officers will ensure full engagement with the Cherwell Community Build Board around the pre-development work on the sites identified to assist the Board in determining later this year whether they wish to complete the development process on each site.

Reasons

Members have been presented an opportunity to make further progress in respect of sites that CDC currently own. The next stage of allowing progress towards development recognises that actual delivery may in fact come from Cherwell Community Build initiative and not directly from CDC. Accordingly, recognising this staged approach I am only seeking financial authority to proceed with the necessary pre development activities.

The further report later this year will enable a more considered review about developing finance for the delivery of the schemes either directly by CDC or more likely through the Cherwell Community Build activities. By providing consultation and input into design and pre-development work with Cherwell Community Build input there will be ample opportunity for those board members to influence the final scheme outputs. The purpose of providing indicative development costs at this stage is to indicate the overall likely level of investment required to deliver the homes on the sites required.

Alternative options

Consideration has been given to seek approval for the full development costs associated with the sites identified. This has been rejected at this stage given that a full cost appraisal based on a final design and planning submission is to be undertaken. Further, it is recognised that the development of the Cherwell Community Build initiative is now significantly underway and that Board should have input into the pre development and design options for these sites. Final costing's and a decision about funding arrangements and development delivery will be put before members and the Cherwell Community Build board later this year.

(The Chief Executive and Head of Regeneration and Housing left the meeting at the conclusion of this item)

Cherwell's Approach to Working with Council Controlled/Influenced Companies

The Chief Finance Officer submitted an exempt report to consider the way that the Council works with Council owned/influenced companies (currently Graven Hill) and to put in place efficient and effective means of communication, monitoring, evaluation and liaison to ensure the Council safeguards its investments and maximises the return to the Council and community. To consider and approve the principle of member and officer non-

executive directors of these and other Council owned/influenced companies being remunerated and to agree the approach to implementing this.

Resolved

- (1) That the Terms of Reference for the Shareholder Committee, a sub-committee of the Executive, (annex to the Minutes as set out in the Minute Book) to replace the Graven Hill Partnering Board be agreed.
- (2) That the Leader, Lead Member for Financial Management and Lead Member for Housing be appointed to the Shareholder Committee.
- (3) That the functioning and effectiveness of Graven Hill Village Holding Company be further developed through the secondment of an officer from the council to act as Managing Director and that the Head of Paid Service (or their appointed deputy if they are a non-executive director of a Council controlled/influenced company) be given delegated authority to implement this.
- (4) That the Head of Law and Governance be requested to commission the preparation and completion of Shareholder agreements between the Council and the Graven Hill Village Holding Company and, jointly with this company, between it and the Graven Hill Village Development Company with the terms of such agreements being reported to the Shareholder Committee.
- (5) That the framework within which the Council will work with Council owned companies as set out in the exempt report (exempt Annex to the Minutes as set out in the Minute Book) be agreed and the Chief Finance Officer (as shareholder representative), in consultation with the Shareholder Committee, be given delegated authority to implement and negotiate this framework.
- (6) That the principle that non-executive directors and Chairmen of Council owned/influenced companies be remunerated be agreed and that in the case of Councillor and Council Officer nominated non-executive directors this should be set and paid by the Council, with the company reimbursing the Council for their time through a management recharge.
- (7) That it be agreed that the Independent Remuneration Panel (IRP) be requested to consider the level of special responsibility allowance that the Council should pay Councillors who are non-executive directors and/or Chairmen of councillor owned/influenced companies on a company by company basis commencing with the Graven Hill companies and that Council be requested to make a decision on their recommendations in due course.
- (8) That it be agreed that the Head of Paid Service (or their appointed deputy if they are a Director of a Council controlled/influenced company) be requested to arrange for the evaluation of the non-executive director and Chairman roles in order to set the level of remuneration that the Council should pay Officers who are non-executive directors or Chairmen of Council owned/influenced

companies and that the Head of Paid Service (or their appointed deputy if they are non-executive director) in consultation with members of the Shareholder Committee be requested to make a decision on this in due course and further that such appointments shall be made in addition, and not linked, to appointees' substantive posts.

- (9) That it be agreed that the level of remuneration for any Independent Non-Executive Directors who may be appointed to Council controlled/influenced companies is a matter for the Board of Directors of the relevant company to evaluate and propose to the shareholder for approval.
- (10) That the Joint Commissioning Committee be recommended to agree that a shared member and officer indemnity policy be developed and agreed to protect members and officers nominated as non-executive directors on council owned/influenced companies,

Reasons

The proposals in this report are designed to ensure that the council has in place an effective interface with council owned/influenced companies which aims to meet the needs of the companies and in turn maximise the return to the council and its communities.

Alternative options

Option 1: To note the report

Option 2: To request additional information on items within this report

The meeting ended at 5.07 pm

Chairman:

Date:

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Minute Item 36

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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Minute Item 38

By virtue of paragraph(s) 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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