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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Shareholder Committee
Date: Monday 6 September 2021
Time: 3.00 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Barry Wood (Chairman)

Councillor Tony Ilott

Councillor Lucinda Wing

Please note that only agenda items 1 to 7 are open to the press and public via telephone conferencing facilities. Upon request to the Democratic and Elections Officer listed on the front of this agenda, relevant details will be provided. All requests are to be received by 12 noon on Friday 3 September 2021.

AGENDA

1. **Apologies for Absence**

2. **Declarations of Interest**

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. **Minutes** (Pages 5 - 10)

To confirm as a correct record the Minutes of the meeting of the Committee held on 5 July 2021.

4. **Chairman's Announcements**

To receive communications from the Chairman

5. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

6. **Governance Review - Update** (Pages 11 - 16)

Report of Shareholder Representative

Purpose of report

To provide an update on the current position with the outputs from the governance review in which the legal firm Freeths were commissioned by the shareholder to review the existing governance structures for companies in which the Council has a sole interest.

Recommendations

The meeting is recommended:

- 1.1 To support the actions from the governance report as detailed below and
- 1.2 To agree that the actions listed in response to the governance review recommendations have now been completed.

7. **Exclusion of the Public and Press**

The following items of business contain exempt information as defined in the following paragraphs of Part 1, Schedule 12A of Local Government Act 1972.

- 1 Information relating to any individual
- 2 Information which is likely to reveal the identity of an individual
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Members are reminded that whilst the following items have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to pass the following recommendation:

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Schedule 12A of that Act and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

8. Graven Hill Village Development Company (Dev Co) - Update on outputs following joint strategy setting meeting (Pages 17 - 22)

Exempt Report of Shareholder Representative

9. Graven Hill Village Development Company (GHVDC) - Quarter One Management Report (Pages 23 - 50)

Exempt Report of Shareholder Representative

10. Update on CSN Resources

Exempt verbal update from CSN Resources Managing Director

11. New appointees to Crown House Roles

Exempt verbal update from the Shareholder Representative

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221953 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or

special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Emma Faulkner, Democratic and Elections democracy@cherwell-dc.gov.uk, 01295 221953

Yvonne Rees
Chief Executive

Published on Thursday 26 August 2021

Cherwell District Council

Shareholder Committee

Minutes of a meeting of the Shareholder Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 5 July 2021 at 4.00 pm

Present:

Councillor Barry Wood (Chairman)
Councillor Tony Ilott
Councillor Lucinda Wing

Also Present:

Councillor Ian Corkin - Cherwell District Council appointed Non-Executive Director of Graven Hill Development Company and Graven Hill Management Company (for agenda item 8)
Councillor Dan Sames - Cherwell District Council appointed Non-Executive Director of Graven Hill Development Company and Graven Hill Management Company (for agenda item 8)
Sue Smith – Chairman, Graven Hill Development Company (for agenda item 8)
Karen Curtin – Managing Director, Graven Hill Development Company (for agenda item 8)
Karen Orrey – Graven Hill Development Company (for agenda item 8)

Officers:

Steve Jorden, Corporate Director Commercial Development, Assets & Investment/Shareholder Representative
Lorna Baxter, Director of Finance & Section 151 Officer
Gillian Douglas, Assistant Director: Social Care Commissioning and Housing (for agenda item 9)
Liza Ellis, Executive Assistant, Place, Growth and Commercial
Anita Bradley, Director Law and Governance & Monitoring Officer
Michael Furness, Assistant Director Finance
Jonathan MacWilliam, Programme Director, Growth & Commercial (for agenda item 9)
Claire Taylor, Corporate Director Customers and Organisational Development (for agenda item 11)
Natasha Clark, Governance and Elections Manager
Emma Faulkner, Democratic and Elections Officer

1 Declarations of Interest

There were no declarations of interest.

2 **Appointment of Chairman of the Shareholder Committee for the municipal year 2021/2022**

Resolved

- (1) That Councillor Barry Wood be appointed Chairman of the Shareholder Committee for the Municipal Year 2021/2022.

3 **Minutes**

The Minutes of the meeting of the Committee held on 15 February 2021 were confirmed as a correct record and signed by the Chairman.

4 **Chairman's Announcements**

There were no Chairman's announcements.

5 **Urgent Business**

There were no items of urgent business.

6 **Exclusion of the Public and Press**

Resolved

- (1) That, in accordance with Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Schedule 12A of that Act and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7 **Graven Hill Village Development Company (GHVDC) - Quarter four Management Report, Draft Financial statements as at 31 March 2021 and Year in Review 2020/21.**

The Committee considered an exempt report from the Shareholder Representative that detailed quarter four management information, draft financial statements as at 31 March 2021 and the financial year in review 2020/21 for Graven Hill Village Development Company.

The Managing Director – Graven Hill Development Company presented key information regarding quarter four performance and detailed recommendations for the Committee.

The Committee was advised that 95 units had been completed over the course of the 2020/2021 financial year, and 50% of the KPIs had reported green for the year. One KPI, secure 120 reservations across the product range, had finished the year reporting red, which was a direct result of the impact of covid.

The continued completions had seen the population across the site increase, and the children's play areas had now opened.

With regards the financial statements a virtual audit had been completed and only minor presentational changes were required.

The public facing year in review document had been finalised, and would be circulated to all Cherwell District Councillors once approved. It detailed highlights from the year, KPI information and progress updates on the site.

Providing a brief overview of performance so far in quarter one of 2021-2022, the Managing Director – Graven Hill Development Company reported that 10 KPIs were reporting green and eight were amber.

With regard the employment land, the Managing Director – Graven Hill Development Company advised the Committee that discussions were ongoing relating to two units, with viability work completed and contracts exchanged on another.

The Managing Director – Graven Hill Development Company concluded her presentation by outlining the priorities for quarter two, along with possible risks that had been identified.

In response to questions from the Committee, the Managing Director – Graven Hill Development Company explained that a 'help to build' government scheme would assist potential self-builders in a similar way to the 'help to buy' scheme had.

Resolved

- (1) That the Quarter Four 2020/2021 update be noted.
- (2) That the Quarter Four 2020/2021 management accounts be noted.
- (3) That the draft financial statements for 2020/2021 be noted.
- (4) That the 2020/2021 financial statements be approved.
- (5) That the 2020/2021 Year in View be approved for release to all elected Members.
- (6) That the Quarter One 2021/2022 snapshot be noted.
- (7) That the current Quarter Two 2021/2022 priorities and risks be noted.

8 **Crown House - Quarter Four Management Report, Draft Financial Statements for Crown House and Crown Apartments as at 31 March 2021**

The Committee considered an exempt report from the Shareholder Representative which detailed quarter four management information and draft financial statements as at 31 March 2021 for Crown House and Crown Apartments.

The Programme Director, Growth and Commercial explained that the three KPIs had finished the year reporting green. 96% of units were occupied, with tenancies agreed on the unoccupied units.

Discussions were ongoing with a potential tenant for the commercial unit and it was hoped that contracts would be signed shortly.

A formal complaint had been raised by a tenant in relation to utility provision, however this has been resolved during quarter one of 2021-2022 following the appointment of an energy broker.

With regard to the draft financial statements, both Crown House and Crown Apartments had ended the year lower than forecast, but this was expected to improve during 2021-2022.

The Shareholder Representative advised the Committee that both the Programme Director Growth and Commercial and Non-Executive Director, Gillian Douglas, would be leaving their roles following their resignations from the council. The Committee expressed their thanks and appreciation for the work they had both carried out during their time with Crown House, and wished them luck for the future.

Resolved

- (1) That the Crown House Banbury Quarter Four management report be noted
- (2) That the draft financial statements for Crown House and Crown Apartments as at 31 March 2021 be noted

9 **Crown House - Management Arrangements**

The Committee considered an exempt report from the Shareholder Representative regarding management arrangements for Crown House.

Following the resignation of the Company Manager and Officer Non-Executive Director (NED) two new appointments were needed. The Shareholder Representative was seeking approval from the Committee for the responsibility to appoint to the roles to be delegated to him, in consultation with the Chief Executive and the Chairman of the Shareholder Committee.

Resolved

- (1) That authority be delegated to the Shareholder Representative, in consultation with the Chief Executive and Chairman of the Shareholder Committee, to source and appoint new appointees to the role of Officer NED and Company Manager for Crown House Banbury Limited and Crown Apartments Banbury Limited
- (2) That the Shareholder Committee be notified in writing of the new appointees

10

CSN Resources - Quarter Four Management Report

The Committee considered an exempt report from the Shareholder Representative that detailed the quarter four management report for CSN Resources.

The CSN Resources Managing Director presented a summary of the report, highlighting that half the KPIs for the company had finished the year reporting green, and half amber.

The team had continued to administer Test and Trace payments for self-isolating residents, with 434 payments made by 31 March 2021. The team were also responsible for the Covid Council Tax hardship payments of £150, which had been paid to 3536 eligible households.

Since the last meeting of the Committee CDC had served notice on CSN Resources to withdraw from the company. The CSN Resources Managing Director explained to the Committee that discussions were taking place with both CDC and West Northamptonshire Council, the new authority that had replaced South Northamptonshire Council, regarding the withdrawal and subsequent separation of the service. The in-house service provision was under development.

In response to questions from the Committee the CSN Resources Managing Director confirmed that a recruitment freeze was in place for CSN Resources, and relevant consultations were taking place with existing staff.

Resolved

- (1) That the CSN Resources quarter four management report be noted.
- (2) That progress towards the CDC withdrawal from the company and service provision moving in-house be noted.

The meeting ended at 6.01 pm

Chairman:

Date:

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Cherwell District Council

Shareholder Committee

6 September 2021

Governance Review – Update.

Report of Shareholder Representative

This report is public.

Purpose of report

To provide an update on the current position with the outputs from the governance review in which the legal firm Freeths were commissioned by the shareholder to review the existing governance structures for companies in which the Council has a sole interest.

1.0 Recommendations

The meeting is recommended:

- 1.1 To support the actions from the governance report as detailed below and
- 1.2 To agree that the actions listed in response to the governance review recommendations have now been completed.

2.0 Introduction

- 2.1 The shareholder representative commissioned an external consultant (the legal firm Freeths) to conduct a review of the governance structures for the council owned companies to give a neutral view of the appropriateness of the current structures and arrangements. This report was presented to the shareholder committee meeting in December 2020 for consideration and approval to implement the recommendations. A list of actions was produced from the report recommendations and an update on these is detailed in the report below.

3.0 Report Details

The report by Freeth's identified a number of themes and recommendations that needed further consideration;

- 3.1 Clear service level agreements (SLAs):
All services provided between the council and its companies should be covered by a formal agreement. Where support services are provided by the council to the companies a consistent approach to SLAs should be taken. Whilst there is evidence of SLAs being in place in certain areas (e.g. IT support) all services should be documented. Therefore, the action was to review all SLAs between CDC

and its companies and address any areas not covered. An audit has been carried out identifying any areas not covered. Where there are gaps these have been addressed with the providers. This action is complete.

3.2 Business Planning:

Whilst the companies currently produce a business plan that is approved annually by the Shareholder committee it is recommended that the process is improved for all companies. By establishing a process whereby, the shareholder committee, at the start of the business planning cycle engages with the companies they can identify the key strategic aims that the shareholder wishes the companies to focus on. Therefore, the action was to devise an appropriate process and timescale to allow the shareholder committee to set out its requirements at the start of the companies' respective business planning cycles. This has been done for the Graven Hill companies by means of a strategy session in April between the company management team and council representatives. The outcomes from this session have fed into the next business planning cycle. Enhanced key performance indicators were agreed which align to the Councils strategic aims. The decision for CDC to serve notice to withdraw from the CSN Companies means the business planning will end when CDC withdraw on 5th November 2021. The Crown House companies have agreed with the shareholder to defer the final business planning to third quarter 2021/22 to enable the full impact of the first years trading to be considered. A date of 6 December Committee has been set for this due to key personnel changes in August. This action is complete.

3.3 Conflict of Interest:

Members and officers who undertake the role of Non-Executive Director (NED) for a council owned company expose themselves to the risk of being compromised through a conflict of interest. A conflict of interest matrix listing all the existing NEDs and their roles including wards and lead member responsibilities was produced and shared with the leader to inform future member appointments and any changes to existing member NEDs as required. The leader has confirmed arrangements are in place to deal with this. This action is complete.

3.4 Training provision for newly appointed NEDs:

The provision of training to newly appointed NEDs is seen as good practice and whilst the training provided by the Institute of Directors is appropriate for general company director roles and responsibilities it is recommended that more bespoke training be offered which sets out the differences between a director and member or local government officer. Therefore, the in-house legal team have agreed to provide a training session for newly appointed and existing officer and member NEDs. The date for this training is still to be confirmed.

3.5 CEDR reporting:

To avoid any potential for CEDR to be seen as exercising a controlling influence over the companies and thereby for CEDR members to be regarded as "Shadow Directors" the rationale for the quarterly reporting on company performance needs to be clearly set out. The quarterly companies' dashboard report to CEDR has had context added to make it clear that this is for information only not for decision making by CEDR. This action is complete.

3.6 In addition to the recommendations in Freeths report, the shareholder representative considered performance information. Each company presents its performance information to the shareholder meetings in a different way with varying

degrees of detail; a consistent approach should be encouraged. Therefore, a standard template for all the companies to use when reporting to the shareholder representatives and members was approved and has been in use since February 2021. This action is complete.

- 3.7 At the request of the Graven Hill Managing Director, the shareholder representative considered the management arrangements for the Graven Hill Holding Company (Hold Co). The current arrangement is that the Development Company Managing Director (Dev Co) acts as the interim Managing Director for Hold Co and the Graven Hill finance team produce accounts for both companies. The board membership is taken from existing Dev Co directors. After consideration, the shareholder representative concluded that to have the same management arrangements for both companies is the best way forward. Therefore, the shareholder representative has confirmed with the Graven Hill Managing Director that the current arrangements will continue. This action is complete.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Having carried out the governance review, which found that CDC exhibits good practice in the management of its companies, however there were specific areas that could be improved further. The identified actions have been addressed, so that CDC's management of its companies continues to follow best practice.

5.0 Consultation

- 5.1 Not applicable.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

None Applicable

7.0 Implications

Financial and Resource Implications

- 7.1 There are no finance implications arising directly from this report. The next steps and any further actions have been managed through the quarterly shareholder liaison meetings.

Comments checked by:

Michael Furness, Assistant Director Finance. Telephone:01295 221845, Email: Michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 The in-house legal team have assisted in reviewing governance arrangements in accordance with the proposals above and including the proposed in-house delivery of conflict of interest training for NEDs.

Comments checked by:

Richard Hawtin, Team leader – Non-contentious, Telephone: 01295 221695, Email: Richard.hawtin@cherwell-dc.gov.uk

Risk Implications

- 7.3 By adopting the recommendations in this report the council's (and its members' and officers') exposure to risk arising from conflicts of interest, shadow directorships and other areas of potential regulatory non-compliance is reduced.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes, Telephone: 01295 221786, Email: Louise.Tustian@cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.4 There are no equalities and inclusion implications as a result of the above recommendations.

Sustainability Implications

- 7.5 There are no sustainability implications as a result of the above recommendations.

8.0 Decision Information

Key Decision N/A as not Executive report

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

Not Applicable

Lead Councillor

Not Applicable

Document Information

Appendix number and title

- None

Background papers

Report Author and contact details

Steve Jordan, Shareholder Representative. 01295 221526, steve.jorden@cherwell-dc.gov.uk

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