

Cherwell District Council

Shareholder Committee

Minutes of a meeting of the Shareholder Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 24 November 2022 at 6.30 pm

Present:

Councillor Barry Wood (Chairman)
Councillor Nicholas Mawer
Councillor Adam Nell

Also Present Virtually:

Karen Curtin – Managing Director, Graven Hill Village Development Company (for agenda items 7, 8 and 9).
Karen Orrey – Finance Director, Graven Hill Village Development Company (for agenda items 7, 8 and 9).
Sue Smith – Chairman, Graven Hill Village Development Company (for agenda items 7, 8 and 9).
Adrian Unit – Operations Director, Graven Hill Village Development Company (for agenda items 7, 8 and 9).
Councillor Ian Corkin - Non-Executive Director, Graven Hill Village Development Company and Graven Hill Village Holding Company (for agenda items 7, 8 and 9).
Councillor Simon Holland - Non-Executive Director, Crown House Companies (for agenda items 10 and 11)

Officers:

Michael Furness, Assistant Director Finance & S151 Officer
Emma Faulkner, Democratic and Elections Officer

Officers Attending Virtually:

Nathan Elvery, Shareholder Representative
Stephen Hinds, Corporate Director Resources
Shiraz Sheikh, Assistant Director Law, Governance & Democratic Services/Monitoring Officer
Chris Hipkiss, Crown House Company Manager
Nicola Riley, Assistant Director Wellbeing & Housing/Non-Executive Director, Crown House Companies

Declarations of Interest

There were no declarations of interest.

26 **Minutes**

The Minutes of the meeting of the Committee held on 14 November 2022 were confirmed as a correct record and signed by the Chairman.

27 **Chairman's Announcements**

There were no Chairman's announcements.

28 **Urgent Business**

There were no items of urgent business.

29 **Exclusion of the Public and Press**

Resolved

- (1) 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 paragraph 3 of Schedule 12A of that Act and that in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

30 **Graven Hill Village Development Company Quarter Two Business Report 2022/23**

The Committee considered the exempt report from the Shareholder Representative, that presented the Quarter Two business report for 2022/23. Representatives from Graven Hill Village Development Company gave a verbal update regarding Quarter Three.

The Shareholder Representative explained that the reporting format continued to be improved and it was discussed via Shareholder Liaison meetings prior to discussion at Shareholder Committee.

Regarding progress of the planning application for the employment land, the Shareholder Representative advised it was currently scheduled to be submitted to Planning Committee for determination on 8 December. If permission were granted, completion would be targeted for early 2023.

In relation to the ongoing s106 agreement discussions, the Shareholder Representative advised that the agreement was close to being finalised.

The Shareholder Representative explained that the risks highlighted in the quarterly update were directly related to progress of the planning application and ongoing s106 agreement.

Cashflow modelling had been developed for a range of future scenarios and would be reported to a future Committee.

The Managing Director – Graven Hill Village Development Company gave a verbal update regarding progress during Quarter Three.

Regarding reservations, there had been two further cancellations as a result of changes to personal affordability. The local office of a national estate agent was working with Graven Hill to list all available price list properties before the end of the year. The Managing Director – Graven Hill Village Development Company explained that the end of the calendar year was traditionally a quieter time for the sector, with people choosing to wait until the New Year before starting to look for a new property.

The Managing Director – Graven Hill Village Development Company advised the Committee that the company had picked up responsibility for remedial works linked to an issue with render on some properties. The next steps in terms of recouping costs related to the issue were detailed in agenda item 8 for the meeting.

The Chairman advised the Committee that it was the last meeting for Karen Orrey, Finance Director of Graven Hill Village Development Company. On behalf of the Committee the Chairman thanked Karen for her first class service to the company and the Shareholder.

Resolved

- (1) That the Graven Hill Village Development Company Quarter Two business report be noted.
- (2) That the verbal Quarter Three flash update be noted.
- (3) That the Graven Hill Village Development Company Quarter Two business report and verbal update be approved.

31 Shareholders' Agreement Graven Hill Village Development Company - Matters requiring consent of the Council

The Committee considered an exempt report from the Shareholder Representative that detailed specific areas of discussion and required decision making related to Graven Hill Village Development Company.

The Shareholder Representative confirmed that he had no further details to add to the published report.

Resolved

- (1) That Graven Hill Village Development Company enter Heads of Terms to dispose of land at Rodney House, to enable the operator to pursue a planning application for a residential care home, and this transaction to be included in the 2023/24 annual business plan.
- (2) That it be agreed that Graven Hill Village Development Company pursue adjudication against the contractor for the costs of remedial work.

32 Strategic Direction for Graven Hill Village Development

The Committee considered an exempt report from the Shareholder Representative that provided an update on agreed actions from the recent Graven Hill Strategy Day.

The Shareholder Representative advised the Committee that updates on outcomes would continue to be reported until the next scheduled strategy day, which would review and update the strategic objectives for Graven Hill.

As mentioned during the earlier agenda item regarding Quarter Two updates, the Shareholder Representative explained that a number of different cashflow scenarios had been plotted, based on the potential outcomes regarding the planning application and s106 agreement discussions. The Assistant Director – Finance explained that he was having regular discussions with Graven Hill, and the revolving credit facility remained an option in all scenarios.

In response to questions from the Committee, the Shareholder Representative advised that updates would be given if mitigating actions had to be put in place.

Resolved

- (1) That progress of the agreed actions from the Strategy Day held on 26 September 2022 be noted.

33 Crown House Banbury Limited - Quarter Two Business Report 2022/23 and Financial Statements (audited) for the year ended 31 March 2022

The Committee considered an exempt report from the Shareholder Representative that detailed the Quarter Two business report, annual accounts and revised key performance indicators for Crown House companies.

The Shareholder Representative advised the Committee that following agreement given at the 26 September meeting to review the key performance indicators, 14 revised indicators were proposed. Two of the proposed indicators were currently reporting red, with 11 green and one not applicable until the start of the new financial year.

In response to questions from the Committee the Crown House Company Manager explained that there remained high interest from prospective tenants in renting an apartment.

Resolved

- (1) That the Crown House Banbury Limited Quarter Two business report be noted.
- (2) That the Annual Accounts for Crown House Banbury Limited and Crown Apartments Banbury Limited (audited) for the year ended 31 March 2022 be approved.
- (3) That the revised key performance indicators for the reporting of Crown House companies to the Shareholder Committee be approved, and the position on the revised indicators be noted.
- (4) That the Crown House Banbury Limited Quarter Two business report be approved.

34 **Shareholders' Agreement (Crown House Companies) Matters requiring consent of the Council**

The Committee considered an exempt report from the Shareholder Representative that confirmed there were no reserved matters relating to Crown House companies that required discussion and decision.

Resolved

- (1) That it be noted that there were no reserved matters requiring the prior and express consent of the Council in accordance with the Shareholders' Agreement between Cherwell District Council, Crown House Banbury Limited and Crown Apartments Banbury Limited.

35 **Update on outstanding issue - Graven Hill Village Development Company Shareholder' Agreement**

The Shareholder Representative gave a verbal update regarding an outstanding matter requiring consent of the Council, relating to payment of bonuses for Graven Hill Village Development Company Limited.

At the 26 September meeting of the Committee, it had been resolved to defer consideration relating to the payment of bonuses to enable additional due diligence to be completed. The Shareholder Representative advised that the due diligence had been completed earlier that day, and his recommendation was that the bonuses should be approved as he was satisfied with all information provided. However, there was a further recommendation regarding a review of the bonus element of the Shareholder agreement.

The Monitoring Officer advised the Shareholder Representative and the Committee that as it was not on the agenda the matter could not proceed at the meeting, a written report should be provided to the Committee including all relevant information, background and reasoning for the recommendation.

The Committee considered the advice from the Monitoring Officer and agreed that an additional meeting be held in due course to consider the outstanding matter.

Resolved

- (1) That an additional meeting of the Committee be held in due course, to consider the outstanding matter.

The meeting ended at 8.40 pm

Chairman:

Date: