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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Shareholder Committee

Date: Wednesday 13 March 2024

Time: 6.30 pm

Venue Bodicote House, Bodicote, Banbury, Oxon OX15 4AA

Membership

**Councillor Barry Wood
(Chairman)**

Councillor Donna Ford
Councillor Dan Sames

Councillor Adam Nell (Vice-Chairman)

Councillor Nicholas Mawer

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 13 December 2023.

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. **Graven Hill Village Development Company (GHVDC) - Articles of Association Update** (Pages 11 - 22)

Report of the Assistant Director of Law and Governance and Monitoring Officer

Purpose of report

This report presents proposed changes to the Articles of Association of both Graven Hill Development Company (GHDVC) and Graven Hill Village Holdings Limited (GHVH).

Recommendations

The Shareholder Committee is recommended to:

- 1.1 To approve the updated Articles of Association attached at Appendix A.
- 1.2 To authorise the Chairman of GHDVC and GHHC to lay the appropriate resolutions at Companies House to give effect to these changes.
- 1.3 To note that once the Articles have been amended, Councillor Holland will be replaced on the company boards by one of the existing independent non executive directors.

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.

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 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. Crown House Banbury Limited - Quarter Three Business Report 2023/24 (Pages 23 - 58)

Exempt report of the Shareholder Representative

9. Graven Hill Village Development Company (GHVDC) - Quarter Three Business Report 2023/24 and Quarter Four Verbal Flash Update (Pages 59 - 114)

Exempt report of the Shareholder Representative

10. **Graven Hill Village Development Company (GHVDC) - Business Plan 2024-28, STACK 18 (Baseline), STACK 19 (Variant 2) and STACK 20 (Direction of Travel)** (Pages 115 - 160)

Exempt report of the Shareholder Representative

11. **Graven Hill Village Development Company (GHVDC) - Bonus Scheme 2024/25 Update** (Pages 161 - 190)

Exempt report of the Shareholder Representative

12. **Graven Hill Governance Review Action Plan - Update** (Pages 191 - 200)

Exempt report of the Assistant Director of Law and Governance and Monitoring Officer

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 221586 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 Kerry Wincott, Law and Governance kerry.wincott@cherwell-dc.gov.uk, 01295 221586

Shiraz Sheikh
Monitoring Officer

Published on Tuesday 5 March 2024

Cherwell District Council

Shareholder Committee

Minutes of a meeting of the Shareholder Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 13 December 2023 at 6.30 pm

Present:

Councillor Barry Wood (Chairman)
Councillor Adam Nell (Vice-Chairman)
Councillor Donna Ford

Apologies for absence:

Councillor Nicholas Mawer
Councillor Dan Sames

Also Present Virtually:

Councillor Simon Holland, Non-Executive Director, Crown House and Graven Hill Village Development Company
Adrian Unitt, Interim Managing Director, Graven Hill
Tim Shaw, Finance Director, Graven Hill

Officers:

Michael Furness, Assistant Director Finance & S151 Officer
Emma Faulkner, Principal Officer - Scrutiny and Democratic Lead

Officers Attending Virtually:

Stephen Hinds, Corporate Director Resources
Shahin Ismail, Interim Head of Legal Services & Deputy Monitoring Officer
Nicola Riley, Assistant Director Wellbeing & Housing

23 **Declarations of Interest**

There were no declarations of interest.

24 **Minutes**

The Minutes of the meeting of the Committee held on 12 October 2023 were confirmed as a correct record and signed by the Chairman.

25 **Chairman's Announcements**

There were no Chairman's announcements.

26 **Urgent Business**

There were no items of urgent business.

27 **Crown House Banbury Limited Quarter Two Business Report 2023/24**

The Committee considered a report from the Shareholder Representative that presented the Quarter Two 2023/24 Business report for Crown House Banbury Limited.

The Company Director - Crown House reported that the electricity meter work had nearly concluded, with each apartment now having access to its own meter.

The Non-Executive Director – Crown House Companies explained that following changes to Company Managers over the last few years, the officers currently working with the management company, the Interim Manager and the Law and Governance Officer, had done an excellent job getting issues sorted. The atrium to the building had been significantly improved following a visit by the officers.

In response to questions from the Committee regarding quarter by quarter comparisons of KPI performance and trend information, the Company Director agreed to include an additional column in future reports to allow direct comparisons.

Resolved

- (1) That the Crown House Banbury Ltd Quarter Two 2023/24 Business Report be noted.

28 **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 the likely disclosure of exempt information as defined in paragraph 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.

29 **Crown House Banbury Limited Loan Positions**

The Committee considered an exempt report from the Assistant Director of Finance & Section 151 Officer that gave an update on the Crown House loans position, and outlined possible future options.

The Assistant Director of Finance & Section 151 Officer explained that further due diligence work would need to be completed on the Committee's preferred option, with a detailed report being brought to a future meeting for final decision.

The Committee asked detailed questions regarding the options, which were duly answered.

Resolved

- (1) That the exploration of financial options and seeking of external guidance on the most appropriate approach to take be supported as set out in the exempt report.

30

Graven Hill Village Development Company (GHVDC) Quarter Two Business Report 2023/24 and Quarter Three Verbal Flash Update

The Committee considered an exempt report from the Shareholder Representative that gave an overview on the companies second quarter of the year, including information on the current financial position, progress against key performance indicators, key issues, risks, targets and activities for the quarter.

The Interim Managing Director – Graven Hill Village Development Company also gave a verbal update on the Quarter Three position.

Resolved

- (1) That the Graven Hill Village Development Company (GHVDC) Quarter Two Business report be noted.
- (2) That the verbal flash update be noted.
- (3) That the GHVDC S106 update be noted.
- (4) That the outcomes of the Strategy Session held on 26 October 2023 be noted.
- (5) That the progress on the side letter to align the STACK 19 approved in April 2023 with the current funding agreement be noted.
- (6) That it be noted that STACK 20 will be generated as a result of the development of the new application and will be underpinned by a new Funding Agreement, which will be subject to discussion and approval of the S151 officer.
- (7) That the GHVDC Quarter Two Business Report and Quarter Three flash verbal update be approved.

31

Graven Hill Governance Review Action Plan Update

The Committee considered an exempt report from the Monitoring Officer and Assistant Director Law and Governance that gave an update on the Graven Hill Governance Review Action Plan.

The Deputy Monitoring Officer advised the Committee that work was ongoing between Council and Graven Hill officers to ensure that the CDC Action Plan complemented the separate Graven Hill action plan. Outstanding actions were being addressed, including an update to the Shareholder Agreement which was expected to be presented to the next meeting of the Committee in March 2024.

In response to questions from the Committee regarding the new Non Executive Directors (NEDs), the Shareholder Representative and the Interim Managing Director of Graven Hill both confirmed that induction programmes were in place, and it was hoped all NEDs would be able to attend a future meeting of the Committee.

Resolved

- (1) That the updated Graven Hill Governance Review Action Plan be approved.

The meeting ended at 7.57 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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This report is public	
Graven Hill Village Development Company (GHVDC) – Articles of Association Update	
Reserved Matter Approval	
Committee	Shareholder Committee
Date of Committee	13 March 2024
Portfolio Holder presenting the report	Portfolio Holder for Policy and Strategy, Councillor Barry Wood
Report of	Shiraz Sheikh, Assistant Director of Law and Governance and Monitoring Officer

Purpose of report

This report presents proposed changes to the Articles of Association of both Graven Hill Development Company (GHDVC) and Graven Hill Village Holdings Limited (GHVH).

1. Recommendations

The Shareholder Committee is recommended to:

- 1.1 To approve the updated Articles of Association attached at **Appendix A**.
- 1.2 To authorise the Chairman of GHDVC and GHHC to lay the appropriate resolutions at Companies House to give effect to these changes.
- 1.3 To note that once the Articles have been amended, Councillor Holland will be replaced on the company boards by one of the existing independent non executive directors.

2. Executive Summary

- 2.1 The current Articles of Association for both companies were adopted on 20 June 2019. They contain the following relevant provisions:

Clause 18.1 (appointment of Directors)

appoint any elected member or officer to be a director (provided that any such appointment does not cause the number of directors to exceed a number fixed by or in accordance with these articles as the maximum number of directors)

Clause 6 (Quorum for Directors' meetings)

The quorum for the transaction of business of the directors shall be two, including at least one director who is an elected member. Article 11(2) of the Model Articles shall be modified accordingly.

- 2.2 These Articles need to be amended to reflect that councillors will no longer sit on the companies' boards.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising directly from this report. Joanne Kaye, Head of Finance (DS151). Telephone: 01295 221545, Email: Joanne.Kaye@cherwell-dc.gov.uk			
Legal	The proposed changes to the Articles will enable the council to give full effect to its previously agreed decision to remove all councillors from company boards. They will allow the companies to conduct their board meetings accurately. Shahin Ismail, Interim Head of Legal Services and Deputy Monitoring Officer. Email: Shahin.ismail@cherwell-dc.gov.uk			
Risk Management				
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				
Climate & Environmental Impact				N/A
ICT & Digital Impact				N/A
Data Impact				N/A

Procurement & subsidy				N/A
Council Priorities	Business Plan - <i>Housing that meets your needs</i>			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	Not applicable			

Supporting Information

3. Background

- 3.1 As part of the council's Governance Review of 2023, the Shareholder Committee agreed that independent non-executive directors would be appointed to the companies in line with best practices for council-owned companies. These appointments have now been made.
- 3.2 The Articles of both companies need to be amended to reflect this change to enable any future independent directors to be appointed and to enable the companies to hold board meetings in accordance with company Articles.
- 3.3 In accordance with the Shareholders' Agreement between Cherwell District Council (The Council), Graven Hill Village Holdings Limited (GHVH) and Graven Hill Village Development Company (GHVDC) no action shall be taken, or resolution passed by a Company in respect of matters except with the prior and express consent of the Council.
- 3.4 The Reserved Matters are important decisions affecting the companies which the Council has reserved for itself, rather than delegated to the company. They are designed to ensure good oversight and governance.
- 3.5 Reports on reserved matters should be presented to the Shareholder Committee for its approval and should be expressly marked 'Reserved Matter approval', to distinguish them from 'business as usual' reporting.

4. Details

- 4.1 There are two recommended changes (**shown in bold**) to ensure that the final councillor can be removed from the company boards and that board meetings are quorate.

Clause 18.1 (appointment of Directors)

“appoint any officer **or independent person (a person who is not an elected member of the council or employed by a member of the council)** to be a Director (provided that any such appointment does not cause the number of Directors to exceed a number fixed by or in accordance with these articles as the maximum number of Directors.” **All appointments of directors shall require the Shareholder’s consent.**

Clause 6 (Quorum for Directors’ meetings)

“The quorum for the transaction of business of the Directors shall be two, including at least one director who is **an independent non-executive director.**”

5. Alternative Options and Reasons for Rejection

- 5.1 None – the changes are necessary to reflect the decisions of this committee to replace councillor directors with independent directors.

6 Conclusion and Reasons for Recommendations

- 6.1 The changes are proposed to enable the companies to operate effectively.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	N/A

Document Information

Appendices	
Appendix A	Amendment Proposal to the Articles of Association
Background Papers	None
Reference Papers	None
Report Author	Shahin Ismail
Report Author contact details	Email: shahin.ismail@cherwell-dc.gov.uk



Proposal to change of Articles of Association for

Graven Hill Village Holdings Limited and Graven Hill Village Development Company Limited

December 2023

Reason for proposed amendment

The current Articles of Association for both companies adopted on 20th June 2019 contain a provision within clause 6 stating:

“The quorum for the transaction of business of the Directors shall be two, including at least one director who is an elected member.”

Both companies currently have only one Director who is an elected member and the Council plans in the immediate future to remove all elected member directors. This leaves both companies in a precarious position regarding Director meetings being quorate.

Recommended change to Articles.

There are two recommended changes (**shown in bold**) which would ensure that Director meetings are quorate.

Clause 18.1 (appointment of Directors)

“appoint any officer, **or independent person (a person who is neither employed by or an elected member of the council)** to be a Director (provided that any such appointment does not cause the number of Directors to exceed a number fixed by or in accordance with these articles as the maximum number of Directors.” All appointments of Directors shall require the Shareholder’s consent.

Clause 6 (Quorum for Directors’ meetings)

“The quorum for the transaction of business of the Directors shall be two, including at least one director who is **an independent person.**”

Resolutions

The resolutions based on the recommendations above are drafted below. The resolution for Holdings needs to be passed by CDC as shareholder. The resolution for Devco needs to be passed by Holdings as shareholder in its subsidiary.

THE COMPANIES ACT 2006

SPECIAL RESOLUTION

To alter clauses in the articles of association

Part A

Company Name: Graven Hill Village Holdings Limited

Company number: 09102490

At a general meeting of the above company, duly convened and held at:

Graven Hill Site Office Building E25, Graven Hill Road, Bicester, OX25 2BF

On the following date: **To insert**

The following two resolutions listed in Part B were passed as special resolutions:

Part B

RESOLUTION

That:

- (1) The following clauses in the articles of association shall be amended as follows:

Clause 18.1 (appointment of Directors)

“appoint any officer, **or independent person (a person who is neither employed by or an elected member of the council)** to be a Director (provided that any such appointment does not cause the number of Directors to exceed a number fixed by or in accordance with these articles as the maximum number of Directors.” All appointments of Directors shall require the Shareholder's consent.

Clause 6 (Quorum for Directors' meetings)

“The quorum for the transaction of business of the Directors shall be two, including at least one director who is **an independent person.**”

- (2) The articles of association shall be altered so as to take the form of the articles of association attached to this resolution are in substitution for, and to the exclusion of, any articles of association of the company previously registered with the Registrar of Companies.

.....

Chairman

.....

Date

NOTES

- (1) This precedent is drafted, as a certificate of passing of the special resolution which a company must pass to alter its articles of association. It is a document to be signed by the chairman of the general meeting at which the special resolutions are passed, certifying that the meeting was duly convened and the resolutions duly passed. As such it is the sort of document, which should be forwarded to Companies House to show that the resolutions have been passed as required.
- (2) You must file a consolidated text of the articles as altered by any special resolution: it is an offence not to do so (see section 34 of the Companies Act 2006)

THE COMPANIES ACT 2006

SPECIAL RESOLUTION

To alter clauses in the articles of association

Part A

Company Name: Graven Hill Village Development Company Limited

Company number: 09102699

At a general meeting of the above company, duly convened and held at:

Graven Hill Site Office Building E25, Graven Hill Road, Bicester, OX25 2BF

On the following date: **To insert**

The following two resolutions listed in Part B were passed as special resolutions:

Part B

RESOLUTION

That:

- (1) The following clauses in the articles of association shall be amended as follows:

Clause 18.1 (appointment of Directors)

“appoint any officer, **or independent person (a person who is neither employed by or an elected member of the council)** to be a Director (provided that any such appointment does not cause the number of Directors to exceed a number fixed by or in accordance with these articles as the maximum number of Directors.”

All appointments of Directors shall require the Shareholder’s consent.

Clause 6 (Quorum for Directors' meetings)

“The quorum for the transaction of business of the Directors shall be two, including at least one director who is an independent person.”

- (2) The articles of association shall be altered so as to take the form of the articles of association attached to this resolution are in substitution for, and to the exclusion of, any articles of association of the company previously registered with the Registrar of Companies.

.....

Chairman

.....

Date

NOTES

- (1) This precedent is drafted, as a certificate of passing of the special resolution which a company must pass to alter its articles of association. It is a document to be signed by the chairman of the general meeting at which the special resolutions are passed, certifying that the meeting was duly convened and the resolutions duly passed. As such it is the sort of document, which should be forwarded to Companies House to show that the resolutions have been passed as required.
- (2) You must file a consolidated text of the articles as altered by any special resolution: it is an offence not to do so (see section 34 of the Companies Act 2006)

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