

Cherwell District Council

Shareholder Committee

6 December 2021

Graven Hill Village Development Company (GHVDC) – Updated shareholder agreement.

Report of Shareholder Representative

This report is public

Purpose of report

To note and comment on the amended shareholder agreement between Cherwell District Council (CDC) and Graven Hill Village Holdings Limited (Hold Co) and Graven Hill Village Development Company Limited (Dev Co).

1.0 Recommendations

The meeting is recommended:

- 1.1 To note and comment on the amended shareholder agreement between CDC, Hold Co and Dev Co.
- 1.2 To authorise the shareholder representative, in consultation with the Leader of the Council, to agree any minor amendments and sign the shareholder agreement on behalf of CDC.

2.0 Introduction

- 2.1 It is necessary to review, from time to time, the Shareholder Agreement between the Council and Graven Hill Development Company to ensure that it remains relevant and up to date.
- 2.2 The Council and the Graven Hill companies entered into a shareholder agreement in order to set out the respective rights and obligations of the parties in relation to the business and operations of the two companies.
- 2.3 A report was taken to the CDC Executive meeting on 5 July 2021 requesting approval for Dev Co to create additional subsidiary companies. The approval was given with the request that the shareholder agreement be updated to include the existing subsidiaries and the creation of additional subsidiary companies. In addition, the company management team moved onto site in early 2021, so the registered office has been changed to the new location; the amended shareholder agreement reflects this change.

3.0 Report Details

- 3.1 The shareholder agreement was entered into by the Council and the Graven Hill Companies on 30 September 2019. The agreement details the respective rights and obligations of the parties in relation to the business and operations of the two companies. These include the business planning cycle and approval, the conduct of the company's affairs, matters relating to the board and production of financial statements and matters requiring consent of the council.
- 3.2 The CDC Executive meeting on 5 July 2021 approved the creation by Dev Co of a special purpose vehicle (SPV) as a company limited by shares and requested that the new company be included, along with Dev Co's existing subsidiary companies, within the shareholder agreement between the council (1) Hold Co (2) and Dev Co (3) entered 30 September 2019.
- 3.3 The CDC legal team have duly updated the shareholder agreement in conjunction with the Dev Co management team and the shareholder representative to reflect this decision in the updated Shareholder Agreement.
- 3.4 In addition the change of registered office from the Plot Shop, Franklins House, Bicester to Graven Hill Site Office Building E25, Bicester has been included in the updated shareholder agreement.
- 3.5 The updated agreement is attached as Appendix A to this report and has the approval of the Dev Co management team and the Shareholder Representative.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Through agreeing with the recommendations in this report the council is ensuring that the legal agreement between the Shareholder and Graven Hill Development Co remains up to date and relevant.

5.0 Consultation

- 5.1 The recommendations in this report have been subject to discussion between the Shareholder Representative, CDC Legal and the Dev Co Management team.

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.

Not to approve the entering into of the updated shareholder's agreement – this has been rejected as not entering into the updated agreement would mean that the Council would have no ability to influence or monitor the activities, of any subsidiary company through the various rights granted to it under the shareholder's agreement.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report. The shareholder agreement has been updated to reflect the ability of Dev Co to create subsidiary companies as agreed by the Executive meeting and the administration change relating to the change of registered office.

Comments checked by:

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

Legal Implications

- 7.2 There are no legal implications arising directly from this report. The legal team have produced the updated shareholder agreement in agreement with all the parties and will provide such further advice and assistance as may be required in connection with completion of the agreement.

Comments checked by:

Christopher Mace, Solicitor, 01295 221808, christopher.mace@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk implication arising from this report. The shareholder agreement has been updated to reflect the ability of Dev Co to create subsidiary companies as agreed by the Executive meeting and the administration change relating to the change of registered office. If any risk is identified in the future, it will be managed within the service operational risk and escalated to the Leadership Risk Register as and when required.

Comments checked by:

Celia Prado-Teeling, Team Leader, Performance, Telephone: 01295 221556, Email: Celia.Prado-Teeling@cherwell-dc.gov.uk

7.4 Equalities and Inclusion Implications

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

7.5 Sustainability Implications

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

- Appendix A Updated Shareholder Agreement

Background papers

None

Report Author and contact details

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