

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