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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Shareholder Committee

Date: Thursday 12 October 2023

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 - 12)

To confirm as a correct record the Minutes of the meeting of the Committee held on 05 July 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. Appointment of Non-Executive Directors (Pages 13 - 16)

Report of the Shareholder Representative.

Purpose of report

To appoint three new non-executive directors to replace the Council appointed non-executive directors on the GHVDC Board.

Recommendations

The **Shareholder Committee** is recommended:

- 1.1 To approve the appointment of Non Executive Director Terry Fuller, Elizabeth Rappaport and David Gelling for the Graven Hill companies, subject to appropriate checks being completed.

7. Crown House Banbury Limited Quarter One Business Report 2023/24 (Pages 17 - 22)

Report of the Shareholder Representative.

Purpose of report

To note, comment and approve recommendations in response to Crown House Banbury Limited Quarter One Business Report and 23/24 Budget Plan.

Recommendations

The **Shareholder Committee** is recommended:

- 1.2 To note and comment on the Crown House Banbury Ltd Quarter One 2023/24 Business Report as contained in this report.
- 1.3 To approve the Crown House Banbury Ltd 23/24 Budget Plan (**Exempt Appendix 1**)

8. 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 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.”

9. **Crown House Banbury Limited Quarter One Business Report - Exempt Appendices** (Pages 23 - 44)

10. **Graven Hill Governance Review Action Plan** (Pages 45 - 52)

Exempt report of Monitoring Officer & Assistant Director Law and Governance.

11. **Graven Hill Village Development Company (GHVDC) Quarter One Business Report 2023/24** (Pages 53 - 196)

Exempt report of the Shareholder Representative

12. **Graven Hill Bonus Scheme 2024/2025** (Pages 197 - 216)

Exempt report of 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 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 Wincot, Law and Governance kerry.wincott@cherwell-dc.gov.uk,
01295 221586

Yvonne Rees
Chief Executive

Published on Wednesday 4 October 2023

Cherwell District Council

Shareholder Committee

Minutes of a meeting of the Shareholder Committee held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA, on 5 July 2023 at 6.30 pm

Present:

Councillor Barry Wood (Chairman)
Councillor Adam Nell (Vice-Chairman)
Councillor Donna Ford
Councillor Nicholas Mawer
Councillor Dan Sames

Also Present Virtually:

Karen Curtin, Managing Director, Graven Hill Village Development Company (agenda item 10 only)
Adrian Unitt, Operations Director, Graven Hill Village Development Company (agenda item 10 only)
Councillor Simon Holland, Non-Executive Director, Crown House Companies and Graven Hill Village Development Company (agenda items 9 and 10)

Officers:

Stephen Hinds, Corporate Director Resources
Shiraz Sheikh, Assistant Director Law, Governance & Democratic Services/Monitoring Officer
Michael Furness, Assistant Director Finance & S151 Officer
Nicola Riley, Assistant Director Wellbeing & Housing
Emma Faulkner, Principal Officer - Scrutiny and Democratic Lead
Kerry Wincott, Law & Governance Officer

1 Appointment of Chairman for 2023/24 Municipal Year

Resolved

Councillor Barry Wood be appointed as Chairman of the committee for 2023/24.

2 Appointment of Vice Chairman for 2023/24 Municipal Year

Resolved

Councillor Adam Nell be appointed as Vice Chairman of the committee for 2023/24

3 Declarations of Interest

There were no declarations of interest.

4 **Minutes**

The minutes of the meeting of the Committee held on 26 April 2023 were confirmed as a correct record and signed by the Chairman.

5 **Chairman's Announcements**

There were no announcements made by the Chairman.

6 **Urgent Business**

There were no items of urgent business.

7 **Exclusion of the Public and Press**

Resolved

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 the circumstance of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

8 **Crown House Banbury Limited - Quarter Four 2022-23**

The Committee considered an exempt report of the Shareholder Representative, which detailed Crown House Banbury Limited's and Crown Apartments Banbury Limited's current financial position, revised year end position, progress against key performance indicators, key issues, risks, targets, and activities for current and next quarter for the Crown House companies for Quarter Four 2022/23.

Resolved

- (1) That, having given due consideration, the Crown House Banbury Ltd Quarter Four 2022/23 Business Report be noted.
- (2) That the Crown House Banbury Ltd Quarter Four 2022/23 Business Report be approved.

9 **Graven Hill - Quarter 4 Report**

The Committee considered an exempt report from the Shareholder Representative, that detailed the Graven Hill Village Development Company Quarter Four Business Report, update on s106 developer contributions and a verbal Q1 2023/24 Flash Update.

Resolved

- (1) That the Graven Hill Village Development Company Quarter Four Business Report be noted.
- (2) That the verbal Quarter One (2023/24) Flash update be noted.
- (3) That the Graven Hill Village Development Company Quarter Four Business Report and verbal Quarter One (2023/24) update be noted.
- (4) That, having given due consideration, the Graven Hill Village Development Company report on its delivery against s106 commitments be noted.

10 **Shareholders' Agreement matters requiring the consent of the Council - Bonus 22-23**

The Committee considered an exempt report from the Shareholder Representative, which detailed the approval of bonus payments for Graven Hill Village Development Company for 2022/23 and a recommended approach for the bonus schemes for 2023/24 and 2024/25.

Resolved

- (1) Recommendations as set out in the exempt report relating to bonuses and associated reserved matters were approved.

11 **Graven Hill - Governance Review**

The Committee considered an exempt report from the Monitoring Officer and Assistant Director of Law and Governance, which detailed the review by external legal experts of the governance arrangements between it and the Graven Hill Companies.

Resolved

- (1) That the recommendations as set out in the exempt report be approved.

The meeting ended at 8.10 pm

Chairman:

Date:

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Cherwell District Council

Shareholder Committee

12 October 2023

Shareholders' Agreement (Graven Hill Companies)

Appointment of Non-executive Directors

Report of Steve Hinds, Shareholder Representative

This report is public

Purpose of report

To appoint three new non-executive directors to replace the Council appointed non-executive directors on the GHVDC Board.

1.0 Recommendations

The **Shareholder Committee** is recommended:

- 1.1 To approve the appointment of Non Executive Director Terry Fuller, Elizabeth Rappaport and David Gelling for the Graven Hill companies, subject to appropriate checks being completed.

2.0 Report Details

- 2.1 At the Shareholder Committee Meeting on the 26th April, it was recommended that the Council replace the current Councillor NEDs and Officer NED position with THREE independent NEDs (totalling FOUR independent NEDs) in consultation with the Shareholder Committee following competency based assessment and recruitment process and that the Shareholder Committee delegate to the Shareholder Representative to finalise the Job Description for the NED roles and commence a recruitment programme, with final interviews being held with the Shareholder Committee.
- 2.2 The Council partnered with Berwick Partners to undertake the recruitment process, which was a national recruitment exercise. The exercise lasted for seven weeks over the summer, in which a significant number of applications were received. As part of the short-listing process, this was reduced to 13 high-calibre applicants who would be requested for interview.
- 2.3 Interviews were held on the 25th and 29th September, with an interview panel comprising of:
Councillor Barry Wood (Chair of the Shareholder Committee)

Councillor Adam Nell
Sue Smith (Independent Chair of GHVDC Board)
Stephen Hinds (Shareholder Representative)
Marek Dobrowolski (Berwick Partners)

It should be noted that the voting rights only applied to the Councillors on the panel, and the other members of the Shareholder Committee were unable to attend on both days.

- 2.4 Interviewees were scored and assessed against a skills matrix, enabling a objective measuring system against the requirements for the role.
- 2.5 The panel looked at the balance of skills and experience against the matrix and recommend that GHVDC appoint the following as independent non-executive directors:

Terry Fuller – over 13 years' experience as a director for both the HCA and Homes England and a former MD for Taylor Wimpey, with board roles including Chair of the Garden Towns and Village Board for MHCLG and Chair of Countryside Maritime JV.

David Gelling – Managing Director for This Land, creating a portfolio of 25 residential schemes in Cambs and Essex, Working with NE Lincs to regenerate Grimsby and working with the MoD providing strategic advice on the development of 130,000 homes

Elizabeth Rappaport – significantly experience working with Homes England and the Urban Land Institute, developing policy and leading on £3bn per annum in the housing and regen sector.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Through agreeing the recommendations in this report the Council is properly exercising its governance responsibilities and complying with best practice.

5.0 Consultation

- 5.1 The recommendations in this report have been discussed between the Shareholder Representative, the Council's Monitoring Officer and the Shareholder Committee Members.

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.
- 6.2 None applicable.

7.0 Implications

Financial and Resource Implications

- 7.1 The recruitment costs of the NEDs have already been paid for by the Council. The ongoing salary costs of the NEDs will be paid for through Graven Hill budgets.

Comments checked by:

Michael Furness, S.151 Officer & AD – Finance. Telephone: 01295 2216845, Email: Michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 The recommendations in this report are in line with best practice and seeks to strengthen the board.

Comments checked by:

Shiraz Sheikh, Monitoring Officer & AD – Law & Governance. Telephone: 01295 227981, Email: Shiraz.Sheikh@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk implications arising from this report. However, there is a risk to good governance for Companies that do not have the required levels of support in non-executive director posts, therefore it is imperative that vacancies are filled in an expedient fashion; this and any further local operational risks will be managed within the service area, and any strategic risks arising will be managed corporately.

Comments checked by:

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

Equalities and Inclusion Implications

- 7.4 There are no equalities and inclusion implications arising from this report.

Comments checked by:

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

Sustainability Implications

- 7.5 There are no sustainability implications arising from this report.

Comments checked by:

Jo Miskin, Climate Action Manager. Telephone: 07900227103, Email: Jo.miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision (Executive reports only; state N/A if not Executive report)

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

Bicester Wards

Links to Corporate Plan and Policy Framework

Business Plan – *Housing that meets your needs*

Lead Councillor

Not Applicable

Document Information

Appendix number and title

None

Background papers

None

Report Author and contact details

Stephen Hinds
Shareholder Representative

Stephen.Hinds@cherwell-dc.gov.uk

Cherwell District Council

Shareholder Committee

12 October 2023

Crown House Banbury Limited

Quarter One Business Report 2023/24

Report of Steve Hinds, Shareholder Representative

This report is public with an appendix which is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

Purpose of report

To note, comment and approve recommendations in response to Crown House Banbury Limited Quarter One Business Report and 23/24 Budget Plan.

1.0 Recommendations

The **Shareholder Committee** is recommended:

- 1.1 To note and comment on the Crown House Banbury Ltd Quarter One 2023/24 Business Report as contained in this report.
- 1.2 To approve the Crown House Banbury Ltd 23/24 Budget Plan (**Appendix 1**)

2.0 Introduction

- 2.1 This report sets out the in-year key strategic risks, performance, and financial update for the Crown House Companies for Quarter One 2023/24.
- 2.2 The Crown House Companies Directors will attend the meeting to present an update on the operational delivery of Crown Apartments for comment and approval by the Shareholder Committee.

3.0 Report Details

- 3.1 This report contains information on the current financial position, revised year end position, progress against key performance indicators, key issues, risks, targets, and activities for current and the next quarter for the Crown House Companies for Quarter One 2023/24.

3.2 The performance of Crown House continues to improve with voids and tenant turnover rates down and steady monthly rental income.

Key Performance Indicators

KPI	Performance Measure	Current Performance
% of Voids (at any one time)	5% or less of total residential units	6% as of the end of the last quarter. This is due to there being 3 unavailable units with maintenance issues for which work is currently underway.
Voids	5.	There are currently 3 voids as of the end of the last quarter.
% of Rent Arrears (excluding Utilities) for residential units	5% or less of Gross Income	13% as of the end of the last quarter. Legal action is currently being taken with two court cases being heard on 03.10.23
% of Rent Arrears for car parking spaces	5% or less of Gross Income	0% as of the end of the last quarter.
% of Bad Debt (Apartments)	1% or less of total income due from the 50 residential units	30% at end of last quarter (vacated arrears). Legal action is currently being taken with two court cases being heard on 03.10.23
% of Tenant Turnover Rate	10% for the full year	0.66% per month based off last quarter.
Tenant Turnover Rate	3	2 tenants have vacated in the last quarter.
Time taken to let new tenancies	20 working days – (allowing for references and works required between tenancies)	40 days approx. (excl. unavailable units).
Monthly Reports to be submitted to Client	To be submitted no later than the next working day following the 9th of each month.	10 th working day of the month.

3.3 The proposed budget for 2023/24 shows a net operating profit of £0.159m before interest. After interest costs, there is a budgeted net loss of £0.462m. Shareholder Committee has previously agreed to look to sell Crown House at the appropriate time (current market conditions indicate that a sale now would result in a significant loss to the Council). Operating with a loss of this scale is clearly not sustainable in the medium term. As such, the Council is considering options to address this position and will look to bring options to the next committee meeting.

4.0 Conclusion and Reasons for Recommendations

4.1 The electricity sub-metering programme has been re-started with National Grid and progress over the next quarter is anticipated.

4.2 All contracted support will be reviewed by year end. An internal governance review will commence in October. Cherwell District Council have agreed to provide additional professional services to the company to effect changes in the delivery of the company's business plan. These services have been costed into the budget.

4.3 Draft accounts have been prepared and the annual audit is currently underway.

5.0 Consultation

5.1 The recommendations in this report have been discussed between the Shareholder Representative, the Council's Section 151 Officer and Monitoring Officer and the Directors and Officers of the Crown House Companies as part of the regular Shareholder Liaison meetings which take place throughout the year.

6.0 Alternative Options and Reasons for Rejection

6.1 None

7.0 Implications

Financial and Resource Implications

7.1 The Council's finance team is in regular contact with the Directors and Officers of Crown House to ensure the latest financial projections have been considered and considered in the formulation of the Medium-Term Financial Strategy. As set out in paragraph 3.3 the budgetary position for Cron House is not sustainable and so the Council will bring forward proposals for the medium term to support the company until market conditions are right to consider a sale.

Comments checked by:

Michael Furness, S.151 Officer & AD – Finance. Telephone: 01295 2216845, Email: Michael.furness@cherwell-dc.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from this report. Legal and governance advice is provided as required by the internal legal services team.

Comments checked by:

Shiraz Sheikh, Monitoring Officer & AD – Law, Governance & Democratic Services. Telephone: 01295 227981, Email: Shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

7.3 The risk implications are identified within Strategic Risk section of this report, these risks are managed and monitored between the Council as Shareholder and Crown House Companies as the Company. The regular reporting of risks is made to the Shareholder Committee. Where it is appropriate, the strategic risks relevant to the Shareholder (Council) will be monitored and managed as part of the corporate risk register and governance arrangements.

Comments checked by:

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

Equalities and Inclusion Implications

7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

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

Sustainability Implications

7.5 There are no sustainability implications arising from this report.

Comments checked by:

Jo Miskin, Climate Action Manager. Telephone: 07900227103, Email: Jo.miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

Banbury Wards

Links to Corporate Plan and Policy Framework

Business Plan - *Housing that meets your needs*

Lead Councillor

Not Applicable

Document Information

Appendix number and title

- One - Draft operating budget 23/24
- Two - Exempt KPI data

Background papers

- None

Report Author and contact details

Nicola Riley

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