

# Public Document Pack



**Cherwell**

DISTRICT COUNCIL  
NORTH OXFORDSHIRE

**Committee:** Shareholder Committee

**Date:** Wednesday 26 June 2024

**Time:** 6.30 pm

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

## Membership

Councillor Tom Beckett  
Councillor Lesley McLean  
Councillor Chris Pruden

Councillor David Hingley  
Councillor Rob Pattenden

## AGENDA

1. **Apologies for Absence**
2. **Appointment of Chairman for 2024/25 Municipal Year**
3. **Appointment of Vice Chairman for 2024/25 Municipal Year**
4. **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.

5. **Minutes** (Pages 5 - 10)

To confirm as a correct record the Minutes of the meeting of the Committee held on 13 March 2024.

6. **Chairman's Announcements**

To receive communications from the Chairman

7. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

**8. Graven Hill Village Development Company (GHVDC) - Bonus Scheme 2024/25 Update - Matters requiring the consent of the Council (Pages 11 - 16)**

Report of the Shareholder Representative

**Purpose of the report**

To brief the Committee regarding progress with improved governance of executive remuneration and seek its agreement to a number of recommendations about the bonus scheme and payments in accordance with it.

**Recommendations**

The **Shareholder Committee** is recommended:

- 1.1 Accept GHVDC's Remuneration Committee's proposed bonus payments for 2023/24.
- 1.2 Endorse the principles and approach set out in the company's confidential reports attached as Confidential Appendix 1 to this report.
- 1.3 Ask the Remuneration Committee to review the scheme each year before the bonus appraisal process commences and advise the Shareholder Committee of any changes.
- 1.4 Ask the Remuneration Committee to ensure that the benchmarking exercise is repeated periodically in accordance with sector best practice to ensure that the scheme remains consistent with good practice in the market.
- 1.5 Specify that changes to the bonus scheme for future years must be submitted to it for its approval before being implemented and before the financial year to which it relates.

**9. 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.”

**10. Company Board Minutes (Pages 17 - 24)**

Graven Hill Village Development Company (GHVDC) have regular board meetings. The meeting minutes have been presented to the Shareholder Committee for information.

**Recommendations**

For the Shareholder Committee to receive Graven Hill Village Development Company's (GHVDC) board minutes for any meetings held since the last Shareholder Committee meeting on 13 March 2024.

Minutes of the 25 April 2024 are attached.

**11. Graven Hill Village Development Company (GHVDC) – Bonus Scheme 2024/25 Update - Matters requiring the consent of the Council - Exempt Appendix (Pages 25 - 76)**

**12. Graven Hill Village Development Company (GHVDC) - Quarter Four Business Report 2023/24 (Pages 77 - 172)**

Exempt report of the Shareholder Representative

**13. Graven Hill Village Development Company (GHVDC) - Governance Review Action Plan - Update (Pages 173 - 182)**

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

**14. Crown House Banbury Ltd - Quarter Four Business Report 2023/24 (Pages 183 - 192)**

Exempt report of the Shareholder Representative

**15. Shareholders' Agreement (Crown House Companies) - Matters requiring the consent of the Council (Pages 193 - 196)**

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](mailto: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](mailto:kerry.wincott@cherwell-dc.gov.uk), 01295 221586

**Shiraz Sheikh**  
**Monitoring Officer**

Published on Tuesday 18 June 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 March 2024 at 6.30 pm

Present:

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

Also Present Virtually:

Councillor Simon Holland  
Councillor Dan Sames  
Adrian Unitt, Operations Director, Graven Hill  
Sue Smith, Company Director, Graven Hill  
Tim Shaw, Finance Director, Graven Hill  
Elizabeth Rapoport, Non-Executive Director, Graven Hill  
David Gelling, Non-Executive Director, Graven Hill

Officers:

Joanne Kaye, Head of Finance and Deputy Section 151 Officer  
Nicola Riley, Assistant Director Wellbeing & Housing  
Kerry Wincott, Law & Governance Officer

Officers Attending Virtually:

Shahin Ismail, Interim Head of Legal Services & Deputy Monitoring Officer

### 32 **Declarations of Interest**

There were no declarations of interest.

### 33 **Minutes**

The minutes of the committee meeting held on 13 December 2023 were confirmed as a correct record and signed by the Chairman.

### 34 **Chairman's Announcements**

There were no announcements made by the Chairman.

### 35 **Urgent Business**

The Chairman advised there was one urgent business item regarding the Shareholders' Agreement between Cherwell District Council, Crown House Banbury Limited and Crown Apartments Banbury Limited.

The Chairman indicated the item would be taken at the end of the agenda as it was an exempt agenda item.

36 **Graven Hill Village Development Company (GHVDC) - Articles of Association Update**

The Committee considered a report from the Assistant Director of Law and Governance and Monitoring Officer detailing the proposed change to the Articles of Association of Graven Hill Development Company (GHDVC) and Graven Hill Holdings Limited (GHVH).

**Resolved**

- (1) That the Updated Articles of Association be approved.
- (2) That the Chairman of GHVDC and GHVH lay the appropriate resolutions at Companies House to give effect to these changes be authorised.
- (3) That Councillor Holland will be replaced on the company boards by one of the existing independent non-executive directors be noted.

37 **Exclusion of the Public and Press**

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 and 5 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.

38 **Crown House Banbury Limited - Quarter Three Business Report 2023/24**

The Committee considered an exempt report from the Shareholder Representative, which detailed the in-year key performance and financial update for the Crown House Companies for Quarter Three 2023/24.

The Non-Executive Directors of Crown House reported significant progress with procedures, site appearance, and communication with the management company. They also reported that all electricity meters except four have been turned over to independent meters, which has helped relieve budget pressures. Additionally, bike racks had been installed, and communication with the commercial site had been established to address storage solutions.

In response to the Committee's questions regarding the Crown House's future options, a Non-Executive Director of Crown House advised that ongoing due

diligence work must be completed between the Shareholder Representative and the Section 151 officer.

**Resolved**

(1) That the Crown House Banbury Limited Quarter Three 2023/24 Business Report be approved, noting that the vast majority of losses in the accounts are due to the property's revaluation rather than an increase in operating costs.

39 **Graven Hill Village Development Company (GHVDC) - Quarter Three Business Report 2023/24 and Quarter Four Verbal Flash Update**

The Committee considered an exempt report from the Shareholder Representative, which detailed the in-year key strategic risks, performance, and financial update for Graven Hill Village Development Company Ltd for Quarter Three 2023/24.

The Interim Managing Director of Graven Hill Village Development Company also verbally updated the Quarter Four position.

**Resolved**

(1) That the Graven Hill Village Development Company (GHVDC) Quarter Three Business report be noted.

(2) That the verbal flash update be noted.

(3) That the Graven Hill Village Development Company (GHVDC) S106 update be noted.

(4) That the STACK 20 will be generated as a result of the development of the new application, utilising the direction from the strategy session be noted.

(5) That the Graven Hill Village Development Company (GHVDC) Quarter Three Business Report and Quarter Four flash verbal update be approved.

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

The committee considered an exempt report from the Shareholder Representative, which detailed the Business Plan 2024-28 to deliver the aims and objectives for the Graven Hill Village site in accordance with the strategic aims, objectives, opportunities, and challenges for the Council.

**Resolved**

(1) That the Graven Hill Village Development Company Business Plan 2024-28 be approved.

- (2) That the strategic risks as set out in the report be noted.
- (3) That the key performance indicators for the Graven Hill Village Development Company to report to the Shareholder in accordance with the Business Plan 2024-28 be approved.
- (4) That the financial strategy and cashflow forecast for Graven Hill Village Development Company be approved.

41 **Graven Hill Village Development Company (GHVDC) - Bonus Scheme 2024/25 Update**

The committee considered an exempt report from the Shareholder Representative, which provided further information on the principles of Graven Hill Village Development Company's bonus scheme for 2024/25.

**Resolved**

- (1) That the principles of the Bonus Scheme for 2024/25 as detailed within the report within the agreed parameters be noted.
- (2) That the Terms of Reference for the Remuneration Committee be noted.
- (3) That a further report, setting out the details of the proposed bonus scheme for 2024/25 be presented to the Shareholder Committee at its June 2024 meeting, which will include the details of the KPIs on which bonus payments will be based be noted.

42 **Graven Hill Governance Review Action Plan - Update**

The committee considered an exempt report from the Monitoring Officer and Assistant Director of Law and Governance, presenting an update of the Governance Review Action Plan. The action plan commenced following a request at the Shareholder Committee meeting dated 05 July 2023 to ensure oversight of the remaining actions emerging from the WBD report.

**Resolved**

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

43 **Shareholders' Agreement (Crown House Companies)**

The Committee considered an urgent item from the Chair, proposing that the losses on the Crown House companies be surrendered to Graven Hill for application in Graven Hill's 2022/23 corporation tax calculations under the group relief provisions.

**Resolved**



That the losses on the Crown House companies be surrendered to Graven Hill for application in Graven Hill's 2022/23 corporation tax calculations under the group relief provisions.

The meeting ended at 8.30 pm

Chairman:

Date:

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<b>This report is public</b>	
<b>Graven Hill Village Development Company (GHVDC) – Bonus Scheme 2024/25 Update - Matters requiring the consent of the Council</b>	
<b>Committee</b>	Shareholder Committee
<b>Date of Committee</b>	26 June 2024
<b>Portfolio Holder presenting the report</b>	Leader of the Council, Councillor David Hingley
<b>Date Portfolio Holder agreed report</b>	Briefing on 24 June 2024
<b>Report of</b>	Stephen Hinds, Director of Resources

## Purpose of report

To brief the Committee regarding progress with improved governance of executive remuneration and seek its agreement to a number of recommendations about the bonus scheme and payments in accordance with it.

## 1. Recommendations

The **Shareholder Committee** is recommended to:

- 1.1 Accept GHVDC's Remuneration Committee's proposed bonus payments for 2023/24.
- 1.2 Endorse the principles and approach set out in the company's confidential reports attached as Confidential Appendix 1 to this report.
- 1.3 Ask the Remuneration Committee to review the scheme each year before the bonus appraisal process commences and advise the Shareholder Committee of any changes.
- 1.4 Ask the Remuneration Committee to ensure that the benchmarking exercise is repeated periodically in accordance with sector best practice to ensure that the scheme remains consistent with good practice in the market.
- 1.5 Specify that changes to the bonus scheme for future years must be submitted to it for its approval before being implemented and before the financial year to which it relates.

## 2. Executive Summary

- 2.1 The report sets out the recommendations of Graven Hill's Board for bonus payments to senior executives for the year 2023/24 and seeks approval for the Bonus Scheme for 2024/25.

## Implications & Impact Assessments

Implications	Commentary			
<b>Finance</b>	The council and Graven Hill work closely together to ensure that the financial implications of Graven Hill's business plan are reflected in the council's Medium Term Financial Strategy. There are no additional financial implications as a result of this report. Michael Furness, Assistant Director of Finance (S151 Officer). Email: <a href="mailto:Michael.furness@cherwell-dc.gov.uk">Michael.furness@cherwell-dc.gov.uk</a> . Dated:17 May 2024			
<b>Legal</b>	The company has benefited from an independently carried out benchmarking exercise on pay packages, which has been considered by the company's Remuneration Committee. This benchmarking level should convince the Committee that the payments align with market expectations. Shahin Ismail, Interim Head of Legal Services. Email: <a href="mailto:Shahin.ismail@cherwell-dc.gov.uk">Shahin.ismail@cherwell-dc.gov.uk</a> . Dated:16 May 2024			
<b>Risk Management</b>	There is no risk arising directly from this report. Risk of rejection of the proposal, as per paragraph 5, and any further arising risks will be managed through the service operational risk and will be escalated to the Leadership Risk Register as and when deemed necessary. Celia Prado-Teeling, Performance Team Leader. Email: <a href="mailto:celia.prado-teeling@cherwell-dc.gov.uk">celia.prado-teeling@cherwell-dc.gov.uk</a> . Dated: 20 May 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>		x		The proposal is compliant with the Equality Act 2010 Celia Prado-Teeling, Performance Team Leader.
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		

<b>Climate &amp; Environmental Impact</b>				N/A
<b>ICT &amp; Digital Impact</b>				N/A
<b>Data Impact</b>				N/A
<b>Procurement &amp; subsidy</b>				N/A
<b>Council Priorities</b>	Business Plan - <i>Housing that meets your needs</i>			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	N/A			

## Supporting Information

### 3. Background

- 3.1 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 On 05 July 2023 the Shareholder Committee asked for early sight of the proposed bonus scheme by October 2023 (exempt minutes 10 refers). On 13 March 2024, the company presented the principles on which the bonus scheme would be based, and the Committee asked for the full scheme to come forward to this committee (public minutes 41 refers).

- 4.2 The Shareholder Committee was keen to ensure that decisions on executives' bonus payments were well-founded and consistent with good practice in the market.
- 4.3 Following the council's Governance Review, the company has established a Remuneration Committee ("RemCo") to oversee executives' remuneration. The Committee is chaired by a non-executive director.
- 4.4 The RemCo commissioned a benchmarking exercise from respected human resources consultants operating in the housing development marketplace and has been assured that its remuneration structure and bonus proposals are consistent with market rates and well-structured to incentivise productive and sustainable approaches to delivery.
- 4.5 The suite of papers that the Company Board considered, including the benchmarking report, are attached as Confidential Appendix 1 to this report.
- 4.6 An effective, proactively overseen bonus scheme will not need to fundamentally revise its core elements annually. Each year, RemCo will use the scheme to determine appropriate payments, which will be referred to this Committee for final decision.
- 4.7 The RemCo should review the scheme annually before commencing the appraisal process and refresh the benchmarking information it relies on periodically, and the Company should budget for this.

## 5. Alternative Options and Reasons for Rejection

- 5.1 The Committee could reject the assessed bonus payments and not adopt a bonus scheme for 2024/25. However, this is not recommended as the independent benchmarking suggests bonuses and the payments recommended are in line with market expectations, and there would be a risk that the company would lose well-performing staff.

## 6 Conclusion and Reasons for Recommendations

- 6.1 The recommendations are intended to confirm the Committee's consent to the company's improved arrangements and ensure the appropriate balance between shareholder oversight and company independent decision-making.

### Decision Information

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



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## Document Information

<b>Appendices</b>	
<b>Appendix A</b>	Confidential appraisal documents relating to staff
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Shahin Ismail, Interim Head of Legal Services
<b>Report Author contact details</b>	<a href="mailto:Shahin.ismail@cherwell-dc.gov.uk">Shahin.ismail@cherwell-dc.gov.uk</a>

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