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Graven Hill Village Development Company (GHVDC) - Governance Review Action Plan – Update	
Committee	Shareholder Committee
Date of Committee	16 Oct 2024
Portfolio Holder presenting the report	Leader of the Council, Councillor David Hingley
Date Portfolio Holder agreed report	8 October 2024
Report of	Monitoring Officer & Assistant Director – Law and Governance, Shiraz Sheikh

Purpose of report

This report presents an update of the Governance Review Action Plan, which commenced following a request at the Shareholder Committee meeting dated 05 July 2023 to ensure oversight of the remaining actions emerging from the Governance Review, carried out by WBD Solicitors.

1. Recommendations

The Shareholder Committee resolves:

- 1.1 To approve the updated Graven Hill Governance Review Action Plan attached at Exempt Appendix A.

2. Executive Summary

- 2.1 The recommendation that this report address is the ongoing reporting process of the Governance Review Action Plan to implement the governance arrangements that have been used to oversee the Graven Hill companies.

Implications & Impact Assessments

Implications	Commentary
Finance	There are no financial implications arising from this report. Michael Furness, Assistant Director of Finance (S151 Officer), 7 October 2024
Legal	Implementing the action plan will ensure strengthened governance arrangements between the Council and the companies. Shahin Ismail, Interim Head of Legal Services, 7 October 2024
Risk Management	There are no risks arising directly from this report. If any risks arise, they will be managed through the service operational risk and

	escalated to the Leadership Risk register as and when deemed necessary. Celia Prado-Teeling, Performance Team Leader, 7 October 2024			
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?				N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				N/A
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 The Council commissioned external legal experts to review the arrangements between it and the Graven Hill companies as good practice and ascertain whether
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such arrangements needed to be amended to remain lawful and compliant with best practice. The full report was included for this meeting's consideration on 5 July 2023.

- 3.2 The report provided a comprehensive overview of the governance arrangements for overseeing the Graven Hill companies.
- 3.3 The report situated its observations in the context of the Council's overriding obligations (its Duty of Best Value), several well-known cases in which governance shortcomings have contributed to failures connected to commercial ventures initiated by other local authorities, and widely circulated guidance on best practices.
- 3.4 The report identified several focus areas for the Council to strengthen governance and oversight arrangements of its wholly owned companies further.
- 3.5 The Action Plan provided in this report has been previously approved by the Committee, and the attached version offers an update on the dates and progress.

4. Details – Action Plan Update

4.1 The main changes to the action plan are highlighted below

Governance Framework and Review of the Shareholder Agreement

Action: A draft revised Shareholder Agreement is on the Agenda for this meeting.

Update: The Shareholder Agreement forms the foundation of the Governance Framework. Work will now progress to articulating the governance framework that sets out the respective roles and responsibilities of the companies, shareholder representative and the Council.

Ensuring proper procurement is in place for the Company

Action: The Council should identify whether there is a current procurement policy with which the Companies are required to comply and ensure that it is fit for purpose and consistent with recent legislative changes

Update: GHVDC presented a new procurement strategy at its board meeting on 25th April, which was approved. The strategy is being updated by the company to take into account changes to procurement law through the Procurement Act 2023 and will be submitted to the MO for review.

Review provision of Council's Shareholder Representative

Action: The Shareholder Rep met with the CEO on 09 May 2024 to discuss options and identify the best way forward for the role that helps both the Council and the Company.

Update: This work has been subsumed into the Transformation Programme to ensure that the role of the Shareholder Representative is suitably skilled and is at the relevant level in the organisation. A draft job description is in place to assist in this work.

The roles and responsibilities of the Shareholder Rep will be incorporated into the Governance Framework, to be brought to the Committee at its next meeting.

Training for members

Action: All councillors will receive a briefing session annually on the performance of all companies.

Update: The Shareholder Rep will hold an all member briefing at the year end and will ensure this is done annually

Review of the Shareholder Committee's role

Action: The DMO will bring a report to the October Shareholder Committee meeting.

Update: This action has not been able to be progressed but will be subsumed into the Governance Framework work, as set out above.

Skills mix of Company Directors

Action: GHVDC will be requested to bring a report to October SHC detailing the skills mix of the newly appointed NEDs and recruitment to permanent senior roles within the executive team for shareholder consideration/approval.

Update: The Company has substantially completed this work, and it will be presented to the Committee at its next meeting. The work will inform the skills gap at Board level.

Risk Management

Action: The draft internal audit plan for 2024/25 will go to AARC on 29 May 2024. The S151 officer is expecting to see LATCO Governance as an agenda item.

Update: The oversight of company activity will be considered by the Overview and Scrutiny Committee on 28 January 2025.

4.2 **Outstanding actions yet to be progressed**

None

4.3 **On-hold actions**

Review of Loan Agreement

This action is on hold for reasons set out in the exempt appendix

4.4 **Completed actions**

The below actions have been removed from the action plan due to completion:

Strong Governance and Reporting

The council and the company have agreed that the company's Board minutes will be a standing item for future Shareholder Committee meetings.

Company Training

A joint training session to include members, NEDs, and executive directors was delivered by an external provider in July 2024.

Going Concern

The company remains solvent and is performing against its targets. An update is provided in the exempt appendix to this report.

5. Alternative Options and Reasons for Rejection

- 5.1 No alternative options have been considered, as company governance and compliance with governance actions are crucial to the success of the Council's companies.

6 Conclusion and Reasons for Recommendations

- 6.1 The Action Plan provided will enable the Shareholder Committee to track progress toward the completion of its recommendations.

Decision Information

Key Decision	No
Subject to Call in	No

If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix A EXEMPT	Graven Hill Governance Review Action Plan
Background Papers	None
Reference Papers	None
Report Author	Shiraz Sheikh, Monitoring Officer
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