

<b>This report is public.</b>	
<b>Graven Hill Village Development Company (GHVDC) – Quarter Two Business Report 2024/25</b>	
<b>Committee</b>	Shareholder Committee
<b>Date of Committee</b>	11 <sup>th</sup> December 2024
<b>Portfolio Holder presenting the report</b>	Leader of the Council, Councillor David Hingley
<b>Date Portfolio Holder agreed report</b>	2 <sup>nd</sup> December 2024
<b>Report of</b>	Steve Hinds, Shareholder Representative

## **Purpose of report**

To note, comment and approve recommendations in response to the GHVDC Quarter Two Business Report.

### **1. Recommendations**

The **Shareholder Committee** is recommended to:

- 1.1 To note and comment on the GHVDC Quarter Two Business Report.
- 1.2 To approve the GHVDC Quarter Two Business Report
- 1.3 To approve the Minutes, actions and agreed outputs from the 10<sup>th</sup> October Strategy Session. Appendix C
- 1.4 To note and comment on the GHVDC Board skills audit. Appendix E.
- 1.5 To note and approve that GHVDC can pursue all necessary contractual remedies to recover costs from Iconic Development Group including recourse to litigation if required. Shareholder Committee consent is sought in accordance with Clause 7.1.23 of the 6<sup>th</sup> December 2021 Shareholder Agreement Matters requiring Consent of the Council.

### **2. Executive Summary**

- 2.1 This report sets out the in-year key strategic risks, performance, and financial update for Graven Hill Village Development Company Ltd.
- 2.2 This report will provide an overview of the company's second quarter and flash update of the performance to date in the third quarter, which have been focused on securing residential sales, seeking offers for the sale of the commercial headlease, delivering residential completions and progressing the new planning application and associated viability.
- 2.3 The GHVDC management team will attend the meeting to present the reports for comment and approval by the Shareholder Committee.

## Implications & Impact Assessments

Implications	Commentary			
<b>Finance</b>	<p>There are no financial implications arising directly from this report. There is no change to the interest forecast to be paid to the council or value of loans utilised/repaid and no changes to the currently approved Stack 19 business plan which is assumed within the medium term financial strategy.</p> <p>The Graven Hill and Council finance teams are in regular contact and where changes are considered for Graven Hill's financial plan, the financial implications for the council are also modelled.</p> <p>Michael Furness, Assistant Director of Finance (S151 Officer), 26 November 2024</p>			
<b>Legal</b>	<p>There are no legal implications arising directly from this report. Shiraz Sheikh, Monitoring Officer &amp; AD – Law, Governance &amp; Democratic Services, 03 December 2024</p>			
<b>Risk Management</b>	<p>There are no risk implications arising directly from this report. Paragraph 4.2 Table 1 presents an update, including scores and activities, on the current strategic risks for Graven Hill. Celia Prado-Teeling, Performance Team Leader, 27 November 2024</p>			
<b>Impact Assessments</b>	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>				N/A
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				

<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				
<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 <ul style="list-style-type: none"> <li>• <i>Housing that meets your needs</i></li> <li>• <i>An enterprising economy with strong and vibrant local centres</i></li> <li>• <i>Supporting environmental sustainability</i></li> <li>• <i>Healthy, resilient, and engaged communities</i></li> </ul>			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	N/A			

## Supporting Information

### 3. Background

- 3.1 This report sets out the in-year key strategic risks, performance, and financial update for Graven Hill Village Development Company Ltd.
- 3.2 This report will provide an overview of the company's second quarter and flash update of the performance to date in the third quarter, which have been focused on securing residential sales, seeking offers for the sale of the commercial headlease, delivering residential completions and progressing the new planning application and associated viability.
- 3.3 The GHVDC management team will attend the meeting to present the reports for comment and approval by the Shareholder Committee.

## **4. Details**

- 4.1 The GHVDC 2024/25 Quarter Two Business Report is attached as Appendix A of the exempt report. This contains information on the year-end financial position, achievement against KPIs, key issues, risks, targets, and activities for quarter.
- 4.2 The strategic risk position is being well managed, and details can be found in the exempt report.

### **KPI Performance Indicators (KPI's)**

- 4.3 The KPI's were agreed upon as part of the 2024/25 Business Plan, which was approved by the Shareholder Committee on 13 March 2024. Performance is detailed in Appendix A of the exempt report. The company is performing well against its KPIs in this quarter.

### **Financial Performance**

- 4.4 The Shareholder Committee will receive a verbal GHVDC Quarter Two (2024/25) Update which will inform on progress on business performance and progress against the activities.
- 4.5 As part of the development of the new application, the current s106 has been reviewed with the intention of generating a deed of variation or revocation of the existing S.106 that would confirm the obligations and contributions due for Stage 1. Obligations and contributions for Stage 2 would be determined as part of the new application. This work is continuing to finalise the updated development appraisal (STACK 20) and this has been issued to our viability assessor to produce in an NPPF format. Monthly meetings with the Council and Development Company have been paused whilst a new PPA is agreed.
- 4.6 The company was asked to provide regular updates in relation to the s106 contributions paid and direct delivery contributions as part of the quarterly updates and Annex 4 of Appendix A of the exempt report provides a status overview as per current discussions.

### **Strategy Session 10<sup>th</sup> October 2024**

- 4.7 A productive Strategy Session was held on 10<sup>th</sup> October 2024 between the Shareholder and Company. The objectives of this was to ensure all parties are aligned on the current direction of travel for Stage 2 and specifically: -
- Bring the new Shareholder Committee members and Council Officers up to speed with Graven Hill to date.
  - Explain the new design language, planning choices and STACK viability for Stage 2.
  - Agree the product options to offer in Stage 2 to create a refreshed vision for Graven Hill.

- Obtain clarity on future funding direction to complete the remainder of the development

4.8 The minutes, actions and agreed outputs are included at **Appendix B** in the exempt report.

### **Board Skills Matrix**

4.9 As reported at the October Committee the Graven Hill Board skills matrix has been produced and completed by all board directors and potential board appointees to assess the current skills blend of the board and to review how that skills mix is impacted by removal. These were reviewed at the October FARO and Board and are included at **Appendix C1** and **C2** in the exempt report for the Shareholders Committees information.

4.10 As an overview the matrix for the board as currently constructed shows a balance of skills with 31 items green and 20 amber. When the matrix is re-assessed once the current Chair and Strategic Independent Director (SID) posts have become vacant then the balance of skills reduces such that all elements become amber.

4.11 It is intended that these assist the Shareholder identify the necessary skill sets when recruiting independent non-executives for the new Chair and Strategic Independent Director (SID) roles.

### **Iconic Defects potential legal action. Matters Requiring Consent of the Council**

4.12 Iconic Development Group constructed 15 properties under two JCT Design and Construct Contracts. A number of defects at these properties require rectification and GHVDC is seeking recovery of costs or that the contractor return to remedy these defects in accordance with Contractual Requirements.

4.13 Should the Contractor not comply with their contractual obligations Shareholder Committee consent is sought in accordance with Clause 7.1.23 of the 6<sup>th</sup> December 2021 Shareholder Agreement Matters requiring Consent of the Council for GHVDC if necessary to pursue all necessary contractual remedies including recourse to litigation.

4.14 The basis for the litigation would be a failure of the Contractor to have complied with the provisions of Clause 2.2 in respect of Materials, Goods and Workmanship and Clause 2.35 in respect of remedying defects within the Works.

## **5. Alternative Options and Reasons for Rejection**

5.1 None

## 6 Conclusion and Reasons for Recommendations

- 6.1 Through agreeing the recommendations in this report the Council is ensuring continued oversight of the governance and strategic direction of the delivery of the Graven Hill Village development on behalf of the local communities.

### 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

### Document Information

<b>Appendices</b>	
<b>Appendix A</b>	No appendiced for this public report, the exempt version of the report includes exempt appendices.
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Stephen Hinds
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<b>Corporate Director Approval (unless Corporate Director or Statutory Officer report)</b>	N/A