

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Executive

16 June 2014

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
3.	(Pages 2 - 8)	Minutes	N/A	Meeting held after agenda dispatch

If you need any further information about the meeting please contact Natasha Clark, Democratic and Elections natasha.clark@cherwellandsouthnorthants.gov.uk, 01295 221589

Minute Item 3

Cherwell District Council

Executive

Minutes of a meeting of the Executive held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 16 June 2014 at 7.30 pm

Present: Councillor Barry Wood (Chairman), Leader of the Council
Councillor G A Reynolds (Vice-Chairman), Deputy Leader of the Council

Councillor Ken Atack, Lead Member for Financial Management
Councillor Norman Bolster, Lead Member for Estates and the Economy
Councillor John Donaldson, Lead Member for Banbury Brighter Futures
Councillor Michael Gibbard, Lead Member for Planning
Councillor Tony Illott, Lead Member for Clean and Green
Councillor Kieron Mallon, Lead Member for Performance and Communications
Councillor D M Pickford, Lead Member for Housing
Councillor Nicholas Turner, Lead Member for Joint Working and IT

Also Present: Councillor Sean Woodcock, Leader of the Labour Group
Councillor Lawrie Stratford

Apologies for absence: Councillor Douglas Williamson, Leader of the Liberal Democrat Group

Officers: Sue Smith, Chief Executive
Karen Curtin, Director (Bicester)
Ian Davies, Director of Community and Environment
Martin Henry, Director of Resources / Section 151 Officer
Kevin Lane, Head of Law and Governance / Monitoring Officer
Ed Potter, Head of Environmental Services
Tim Madden, Interim Head of Finance and Procurement
Paul Almond, Street Scene & Landscape Manager
Natasha Clark, Team Leader, Democratic and Elections

1 **Declarations of Interest**

There were no declarations of interest.

2 **Urgent Business**

There were no items of urgent business.

3 **Minutes**

The minutes of the meeting held on 7 April 2014 were agreed as a correct record and signed by the Chairman.

4 **Chairman's Announcements**

There were no Chairman's announcements.

5 **Graven Hill Optimum Delivery Model**

The Director (Bicester) submitted a report which set out the options available and a recommendation for the optimum delivery model that will deliver the Graven Hill Vision set out in the March 2014 report that approved the acquisition of the MOD land in order to deliver housing and employment opportunities.

Resolved

- (1) That the comprehensive piece of work undertaken including the utilisation of industry experts to assist in determining the optimum delivery model for delivering the Graven Hill vision set out in the report to the March 2014 Executive be noted.
- (2) That the powers being used to set up the company and provide funding as detailed in exempt Appendix 3 (exempt annex to the Minutes as set out in the Minute Book) be noted.
- (3) That the creation of companies (limited by shares) comprising Graven Hill Village Holding Company - wholly owned by the Council and Graven Hill Village Development Company – owned 99% by the Graven Hill Village Holding Company and 1% by the Council to own and deliver Graven Hill as set out in exempt Appendix 2 (exempt annex to the Minutes as set out in the Minute Book) be approved.
- (4) That the Company Boards be established as set out in exempt Appendix 2 (exempt annex to the Minutes as set out in the Minute Book).
- (5) That authority be delegated to the Director of Resources, in consultation with the Leader of the Council to identify and approve the appointment of four elected Members as Directors of one or both of the companies detailed in exempt Appendix 2 (exempt annex to the Minutes as set out in the Minute Book) and to appoint replacement elected Member Directors should any vacancies arise in the future.
- (6) That authority be delegated to the Director of Resources to invite three members of the Joint Management Team (JMT) to become Directors of one or both of the companies detailed in exempt Appendix 2 (exempt annex to the Minutes as set out in the Minute Book) and to approve

and confirm their appointment to the roles and that such delegation should also extend to appointing replacement Officer Directors should any vacancies arise in the future.

- (7) That the protocol on dealing with conflicts of interest at exempt Appendix 5 (exempt annex to the Minutes as set out in the Minute Book) be adopted on behalf of the Council.
- (8) That the establishment of a Partnering Board comprising the Company Directors, three elected members (to be nominated by the Director of Resources / Section 151 officer in consultation with the Leader of the Council), the section 151 officer and the Council's Monitoring Officer be approved and it be noted this group would have responsibility for safeguarding the Council's equity investment and lending to the Company by undertaking more detailed monitoring of the Business Plan and providing advice and recommendations to Executive.
- (9) That the financial implications for the Council and Companies as detailed in exempt Appendix 6 (exempt annex to the Minutes as set out in the Minute Book) be noted.
- (10) That the draft business case for the companies detailed in exempt Appendix 2 (exempt annex to the Minutes as set out in the Minute Book) be approved and authority be delegated to the Director of Resources, in consultation with the Leader of the Council and the Lead Member for Financial Management, to complete final sign off of the business case as being compliant with legislation, due diligence and commercially sustainable.
- (11) That authority be delegated to the Director of Resources, in consultation with the Leader of the Council and the Lead Member for Financial Management, to approve the financing of acquisition and development costs through a mix of state aid compliant equity investment and loans (funded from prudential borrowing) in accordance with the Council's Investment Strategy.
- (12) That authority be delegated to the Director of Resources, in consultation with the Lead Member for Financial Management to ensure that there is no adverse impact on the Council's revenue budget during the initial years of the project when the company will not be generating profits and that the establishment of the Graven Hill Equalisation Reserve which will be included in the 2013/14 out turn report at the Executive meeting on 23 June 2014 be noted.
- (13) That a simultaneous completion of the acquisition of Graven Hill and the onward sale to the Graven Hill Village Development Company be approved.
- (14) That authority be delegated to the Director of Resources, in consultation with the Head of Law and Governance / Monitoring Officer, to approve the articles of association of the companies.

- (15) That agreement be given to further work being undertaken by officers to develop a detailed implementation plan for pre-development and phase one delivery of Graven Hill including a communications strategy to be presented at the October 2014 meeting of the Executive.
- (16) That agreement be given to finance the balance of match funding of up to £697,000 related to the Capacity grant received from DCLG in 2014/15 in relation to the delivery of growth in Bicester as set out in Paragraph 7.4 of the report (annex to the Minutes as set out in the Minute Book).
- (17) That agreement be given to passport any grants received (e.g. capacity grant) obtained for pre-development costs or sales promotion at Graven Hill to the company if the grant provider agrees and subject to state aid compliance as detailed in Paragraph 7.5 of the report (annex to the Minutes as set out in the Minute Book).
- (18) That the amendments required to the Council's Treasury Strategy as detailed in Paragraph 7.3 of the report (exempt annex to the Minutes as set out in the Minute Book) be noted.
- (19) That the procurement of required consultants to continue to provide technical support and the pre-development work necessary to support the acquisition whilst the company is being incorporated be approved and it be noted all procurement would be in accordance with procurement rules and fully funded from the capacity funding.
- (20) That authority be delegated to the Director of Resources, in consultation with the Lead Member for Financial Management, to appoint any officer(s) or Member(s) to represent the Council's interest as shareholder at general meetings of the Graven Hill Village Holding Company and the Graven Hill Village Development Company.

Reasons

The work which has been undertaken to develop the business case in exempt Appendix 2 and the Financial Implications in exempt Appendix 6 (exempt annexes to the Minutes as set out in the Minute Book) concludes that the proposal set out in this report is financially viable as far as can be reasonably tested against a range of assumptions and sensitivities.

The business case demonstrates that if we don't take on direct responsibility for developing Graven Hill then the likelihood of the vision being diluted, delays in delivery and reduced return (financially and socially) becomes a greater risk.

This proposal will enable the Council to deliver its vision for Graven Hill, which fully meets the objectives of all of the Council's Strategic Objectives:

- **District of Opportunity** - housing growth, employment and infrastructure
- **Thriving Communities** – affordable housing, self-build
- **Safe Green and Clean** - sustainability measures, reduce carbon footprint, Bicester "One Vision"

– **Sound Budgets and Customer Focused Council** - financial returns on investment that can be used to fund other projects district wide, deliver New Homes Bonus and business rates.

It is also at the heart of the wider vision for the district set out in the Submission Local Plan and Cherwell's Sustainable Communities Strategy.

“A diverse economy with opportunities for all, vibrant communities connected by a sense of pride, place and purpose.”

Cherwell is an innovative forward thinking Council and if the Council wants to *continue* to maintain momentum for successful growth it needs to stay 'ahead of the curve' and keep a competitive advantage. This proposal has the necessary 'ingredients' to make this happen.

The Graven Hill Project Board has reviewed the work undertaken and scrutinised the outcomes. They believe there continues to be a compelling legal, financial and strategic case to set up the company and implement the proposal.

There are a number of pieces of work underway that need to be completed ahead of completing the acquisition of the land. The recommendations in section 1 are in essence 'building blocks' to take this proposal forward and are therefore viewed as necessary.

Section 8 of the Business Case in exempt Appendix 2 (exempt annex to the Minutes as set out in the Minute Book) provides a table indicating the work / deliverables that will be required if the recommendations are approved during the next 4 months.

A further report to Executive in October 2014 will provide an update on the completion, company incorporation and a detailed implementation plan for pre-development and phase one delivery of Graven Hill including a communications strategy.

Alternative Options

Appendix 1 of this report (annex to the Minutes as set out in the Minute book) sets out the different options that were considered and the reason why the proposal for the Council to act as Strategic Developer through a 100% owned Company Limited by Shares is considered by the Project Team to be viable from a commercial, regulatory and constitutional perspective and is thus the recommended structure underpinning the proposal in this report.

6 Exclusion of the Press and Public

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 item(s) of business, on the grounds that they could involve the likely disclosure of

exempt information as defined in paragraphs 1, 2, 3 and 5 of Schedule 12A of that Act.

7 Graven Hill Optimum Delivery Model - Exempt Appendices 2 - 8

Executive considered the exempt appendices to the report at agenda item 6, Graven Hill Optimum Delivery Model.

8 Landscape Management Re-tender Process

The Head of Environmental Services submitted an exempt report which sought approval for the delivery of Landscape Maintenance Services from April 2015.

Resolved

- (1) That the re-tender of the Landscape Maintenance contract be approved.
- (2) As set out in the exempt minutes.
- (3) As set out in the exempt minutes.

Reasons

As set out in the exempt minutes

Options

As set out in the exempt minutes

The meeting ended at 8.10 pm

Chairman:

Date:

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

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