

<b>This report is public</b>	
<b>Graven Hill Village Development Company (GHVDC) - Governance Review Action Plan – Update</b>	
<b>Committee</b>	Shareholder Committee
<b>Date of Committee</b>	12 March 2025
<b>Portfolio Holder presenting the report</b>	Leader of the Council, Councillor David Hingley
<b>Date Portfolio Holder agreed report</b>	28 February 2025
<b>Report of</b>	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 note the updated Graven Hill Governance Review Action Plan attached at **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

<b>Implications</b>	<b>Commentary</b>
<b>Finance</b>	There are no financial implications arising from this report. Michael Furness, Assistant Director of Finance (S151 Officer), 21 February 2025
<b>Legal</b>	Implementing the action plan will strengthen governance arrangements between the Council and the company. Denzil – John Turbervill, Head of Legal Services, 20 <sup>th</sup> February 2025
<b>Risk Management</b>	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, 26 February 2025

<b>Impact Assessments</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<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?				N/A
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				N/A
<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>	Not applicable			
<b>Property</b>	Not applicable			
<b>Consultation &amp; Engagement</b>	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 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 further strengthen governance and oversight arrangements of its wholly owned companies.
- 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: The agenda item was postponed for further discussion, and final revisions are on the agenda for the first Shareholder Committee meeting in the new year (March 2025).

The Shareholder Agreement forms the foundation of the Governance Framework. Work will now progress to articulating the framework, which sets out the respective roles and responsibilities of the companies, shareholder representatives and the Council. The draft Governance framework is on the agenda for the first Shareholder Committee meeting in the new year (March 2025)

Update: A review of the Shareholder agreement will be presented at this Shareholder Committee meeting. The draft Governance Framework is under review and will be presented at the Committee meeting in June 2025.

#### ***Review provision of Council's Shareholder Representative***

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

Update: The roles and responsibilities of the Shareholder Representative will be included in the draft Governance Framework. The framework will be presented at June's Shareholder Committee meeting.

#### ***Review of the Shareholder Committee's role***

Action: The DMO will bring a report to the first Shareholder Committee meeting in the new year (March 2025).

Update: The draft Governance Framework is under review and will be presented at June's shareholder Committee meeting.

### ***Ensuring proper procurement is in place for the Company***

Action: GHVDC presented a new procurement strategy at its board meeting on 25th April, which was approved. The company is updating the strategy to consider changes to procurement law through the Procurement Act 2023 and will submit it to the MO for review.

Update: The Council will provide the company with a Procurement Act Briefing on January 29<sup>th</sup>, 2025, to assist with updating its strategy.

### ***Going Concern/ valuation***

Action: GHVDC are carrying out a 'net present valuation' of the land and will report on this in the new year as part of the Strategy Day considerations. A company valuation is yet to be carried out.

Update: During the recent Strategy Day held on February 7th, members of the Shareholder Committee reached a consensus to refrain from conducting a company valuation. This decision was based on the realisation that the valuation would likely fall below the lowest option that had been rejected during the Strategy Day discussions.

## **4.2 Outstanding actions to be progressed**

### ***Review of Loan Agreement***

Update: Following the outcome from the Strategy Day held on 7 February, it is necessary for the Monitoring Officer to undertake follow-up actions regarding this action.

## **4.3 On-hold actions**

There are no actions on hold.

### ***Risk Management***

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

Update: The matter has been postponed until the commencement of the new financial year. The shareholder representative is scheduled to meet with the Chair and Vice Chair of the Overview and Scrutiny Committee to formulate a plan for future actions and subsequently provide an update to the committee.

## **4.4 Completed actions**

The below actions have been removed from the action plan due to completion. Please note that this now includes ALL of the completed actions for reference:

### ***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 year's end and ensure this is done annually.

### ***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.

### ***Recruitment***

This is complete, and the process for recruiting to senior executive posts is now picked up in an earlier action.

### ***Legislation Compliance***

This will be picked up as part of the loan review as above.

### ***Recording of Actions***

Decision notice implemented

### ***Conflict***

A member development plan will be implemented if there are members/councillors on the board.

### ***Skills mix of Company Directors***

Action: GHVDC was 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: This action was presented to the Committee in December 2024.

## **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

<b>Key Decision</b>	N/A
<b>Subject to Call in</b>	Yes
<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>	Graven Hill Governance Review Action Plan
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Shiraz Sheikh, Monitoring Officer
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<b>Corporate Director Approval (unless Corporate Director or Statutory Officer report)</b>	Stephen Hinds – Corporate Director Resources and Transformation