

<b>Report is public with an exempt reference paper</b>	
<b>Graven Hill Village Development Company – Shareholder Agreement Revisions</b>	
<b>Committee</b>	Shareholder Committee
<b>Date of Committee</b>	12 March 2025
<b>Portfolio Holder presenting the report</b>	Leader, Councillor David Hingley
<b>Date Portfolio Holder agreed report</b>	28 February 2025
<b>Report of</b>	Monitoring Officer and Assistant Director Law and Governance, Shiraz Sheikh

## **Purpose of report**

This report recommends changes to the Shareholder Agreement that governs the relationship and decision making as between the Council and the Graven Hill companies.

The changes arise following implementation of the Governance Review in 2023.

## **1. Recommendations**

The Shareholder Committee resolves:

- 1.1 To approve the Shareholder Agreement as amended and;
- 1.2 To delegate to the Assistant Director Law and Governance to make further such amendments to the Shareholder Agreement as are necessary including inserting the Data Protection Schedule, as appropriate.
- 1.3 To delegate to the Assistant Director of Law and Governance in consultation with the Leader to enter into the Shareholder Agreement.

## **2. Executive Summary**

- 2.1 The Shareholder Agreement sets out the governing relationships between the Council as sole shareholder and the Graven Hill companies. The Agreement was put in place in December 2018, soon after the companies were established.
- 2.2 Following the Governance Review of the companies in 2023, a number of changes were recommended, to reflect best practice and to strengthen the governance arrangements between the Council and the companies. The attached revisions reflect best practice and are in line with the recommendations of the Governance Review.

## Implications & Impact Assessments

Implications	Commentary			
<b>Finance</b>	There are no financial implications arising directly from this report. Michael Furness, Ad of Finance and S151 Officer, 25 February 2025			
<b>Legal</b>	Legal comments are contained within the body of this report. Shiraz Sheikh, AD of law and Governance and Monitoring Officer, 25 February 2025			
<b>Risk Management</b>	There are no risks arising directly from this report. If any risk arise, it will be managed through the service operational risk and escalate to the Leadership Risk register as and when deemed necessary. Celia Prado-Teeling, Performance Team Leader, 26 February 2025			
Impact Assessments	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?				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>	Housing			
<b>Human Resources</b>	n/a			
<b>Property</b>	n/a			

<b>Consultation &amp; Engagement</b>	The Graven Hill Board has been consulted
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## Supporting Information

### 3. Details of proposed changes

3.1 The changes proposed are shown in the Appendix attached to this report. The changes are shown as underlined text or are struck through, for ease of reference.

3.2 The rationale for the changes is summarised below.

Proposed change	Explanation and reasons for change
Definitions	To clarify key definitions
Business Plan	<p>Adds dates and level of detail required</p> <p>Clarifies that business planning is a rolling three year programme</p> <p>Clarifies that if a new Business Plan is delayed, the previous year's Business Plan subsists.</p> <p>This added flexibility means that the business can continue in the event Shareholder Committee dates do not align with business plan dates, or if there are any legitimate and reasonable delays to the business plan</p>
Board of Directors	<p>Boards to consist of between 2 and 8 directors</p> <p>The Council will make all appointments and removals at Board level, whether Executive or Non-executive, including the Chair of the companies</p> <p>The Council will involve the companies in the recruitment process for Board positions. This will be a collaborative process. It is envisaged that the Council will take the lead on INED appointments and the companies will take the lead on Executive director level appointments.</p> <p>These changes strengthen the Council's oversight and control of key positions in the companies</p>
Board meetings	A minimum of 4 Board meetings each year

	<p>The companies to inform the Council of Board meetings taking place and will share with the Council Board agendas. There will be an open invitation to the Council to attend any Board meeting</p> <p>These changes strengthen the communication between the Council and companies and foster open and early dialogue</p>
Meetings between Council and companies	<p>Formalisation of a Forward plan of scheduled meetings</p> <p>This changes fosters open and ongoing dialogue</p>
Disposal of assets	<p>Clarification made that the companies can dispose of individual house plot sales to private buyers without requiring Council approval.</p> <p>Similarly the management companies that have no financial value but are created as part of the mechanism to sell on apartment blocks can be done by the companies without requiring Council approval.</p> <p>These changes will simplify the process for 'business as usual' company activity</p>
Remuneration	<p>INED fees are to be set by the Council</p> <p>Executive and Board level pay packages are determined by the Council</p> <p>These changes are to ensure the Council has adequate control over pay. The Council will continue to receive recommendations from the companies; Remuneration Committee to inform its decisions on pay packages</p>
Presentation of accounts	<p>Dates inserted for draft and final accounts</p> <p>These changes ensure the timely presentation of accounts</p>
Anti-corruption clauses	<p>Strengthened clauses on bribery and anti-corruption</p> <p>These changes are market normal and strengthen the provisions already in place</p>
Data protection	<p>These clauses will be moved to a schedule, as they may need to change from time to time</p>

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

4.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Make no changes  
This option has been rejected as the Governance Review recommended areas of change to strengthen the governance relationship.

Option 2: Dispense with the Shareholder Agreement  
This option has been rejected, as there would no mechanism for governing the decisions or relationship between the parties.

## 5. Conclusion and Reasons for Recommendations

5.1 The proposed changes will clarify and strengthen the Council’s oversight and management of its wholly owned companies at Graven Hill. The Shareholder Agreement will form the key basis of the Governance Framework, which will be presented to the Shareholder Committee at its next meeting.

### 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 1</b>	Shareholder Agreement – proposed revisions
<b>Background Papers</b>	None
<b>Reference Papers</b>	Governance Review report April 2023 (exempt)
<b>Report Author</b>	Denzil – John Turbervill Head of Legal Services
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<b>Corporate Director Approval (unless</b>	Stephen Hinds – Corporate Director Resources and Transformation

<b>Corporate Director or Statutory Officer report)</b>	
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