

Minutes of a meeting of the SHAREHOLDER GROUP on Tuesday 28 March 2017

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Committee members:

Councillor Price	Councillor Hollingsworth
Councillor Kennedy	Councillor Rowley
Councillor Simm	Councillor Sinclair
Councillor Smith	Councillor Tanner

Officers:

David Edwards, Director OCHL
Jackie Yates, Director OCHL
Lindsay Cane, Monitoring Officer and Secretary OCHL
Nigel Kennedy, s151 Officer
Catherine Phythian, Secretary

Also present:

Councillor Gant, Chair of Scrutiny Committee

Apologies:

Councillor(s) Turner and Brown and Stephen Clarke (Director, OCHL) sent apologies.

1. Declarations of interest

There were no declarations of interest.

2. Oxford City Housing Limited - Shareholder Group meetings - terms of reference

The Shareholder Group considered a report which detailed the proposed terms of reference for the Housing Companies' Shareholder Group meetings.

The Monitoring Officer presented the report and explained the key features of the operational interface between the members of the City Executive Board, representing the Council as shareholder and the Board of Directors of Oxford City Housing Limited (OCHL).

The Chair of the Scrutiny Committee explained that a new standing panel (Scrutiny Shareholder Panel) had been created to review the Shareholder Group's interests in any of the Council's subsidiary companies. This Panel had met on 22 March 2017 to consider the agenda items before the Shareholder Group. He said that this had been a valuable and constructive exercise and that the Panel were supportive of the aims of the company (OCHL).

The Shareholder Group resolved to **approve** the terms of reference for the Housing Companies' Shareholder Group meetings.

3. Oxford City Housing Limited - Shareholders Agreement

The Shareholder Group considered the Shareholder Agreement.

The Monitoring Officer presented the document and explained that there was no legal obligation to have a Shareholder Agreement as there was only one shareholder (the Council), but an agreement had been considered to be useful in terms of establishing good governance and defining clear relationships. The Shareholder Agreement had been refined from a standard model and was fairly typical for companies of this nature. The objective was to establish a balance which allowed OCHL to operate with reasonable autonomy while providing adequate safeguards for the Council.

In discussion the following points were noted:

- The power to initiate a Compulsory Purchase Order (CPO) vested in the Council
- The Freedom of Information (FOI) regulations would apply to OCHL because the Council is the sole owner of the company but commercially confidential matters would be exempt from disclosure under Section 43 of the FOI regulations
- The draft Business Plan was submitted for endorsement not adoption (which is a matter for the company directors);
- The Shareholder Consent Matters (as detailed in Schedule 1 and 2) would be for determination by the Shareholder Group

The Shareholder Group resolved to **agree** the Shareholder Agreement on behalf of Oxford City Council and to nominate Cllr Price to sign on their behalf.

It was noted that on 15 March 2017 the Board of Directors of Oxford City Housing Limited resolved to **agree** the Shareholder Agreement and nominate Jackie Yates to sign on their behalf.

Cllr Smith arrived during this item.

4. Oxford City Housing Limited - Appointment of Directors 2017-18

The Monitoring Officer introduced this item. He reported a late amendment to the published agenda. He explained that in light of the recent resignation of Peter Sloman, it was now proposed that Fiona Piercy should be appointed as a Director of Oxford City Housing Limited, as a replacement for David Edwards, with effect from 1 April 2017.

The Shareholder Group noted Fiona Piercy's credentials and experience.

The Monitoring Officer confirmed that there would be no conflict of interest in Fiona Piercy serving as a Director for both OXWED and OCHL. Indeed there were similar examples of symbioses in the Council.

The Shareholder Group resolved to **approve**:

1. the appointment of Fiona Piercy as a Director of Oxford City Housing Limited with effect from 1 April 2017; and
2. the re-appointment of Jackie Yates and Stephen Clarke as Directors of Oxford City Housing Limited with effect from 1 April 2017.

5. Oxford City Housing Limited - Appointment of Auditors for the 2016-17 accounts.

The Shareholder Group considered a proposal for the provision of external audit services to Oxford City Housing Limited.

The Council's s151 Officer introduced the item and explained that he had hoped to appoint a single company to audit all of the Council's subsidiary companies but that such a brief had met little response in the market. Consequently it was necessary to allocate separate work packages to smaller but well established accountancy firms in order to meet regulatory deadlines. He intended to return to market with a group specification for audit services in future years. The company accounts would form part of the Council's consolidated accounts and as such would be subject to review by the Scrutiny Finance Panel and the Audit & Governance Committee.

The Shareholder Group resolved to **approve** the appointment of Kingston Smith LLP as external auditors to Oxford City Housing Limited for the 2016-17 accounts.

6. Any other business

None.

Items to be considered in private - matters exempt from publication

The Shareholder Group resolved to exclude the press and public from the meeting during consideration of the item in the exempt from publication part of the agenda in accordance with the provisions in Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972 and that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

7. Oxford City Housing Limited (OCHL) – Business Plan 2017/18

The Board of Directors of Oxford City Housing Limited presented the draft OCHL business plan to the Shareholder Group.

They explained that the main aims of the housing company are to increase the supply and range of housing and affordable housing and to provide a financial return to the Council. There are four initial corporate objectives (CO) which were set by the Council and are the company's initial business lines:

1. The purchase and management of the affordable rented homes at Barton (CO1)
2. To develop new affordable housing with a range of tenures (CO2)
3. The purchase and management of high value void properties from the Council to help fund the Government's levy to compensate Housing Associations for exercising the Right to Buy (RTB) (CO3)
4. To undertake estate regeneration schemes (CO4)

The Shareholder Group resolved to:

1. **Note** the progress of the Council's housing company, Oxford City Housing Limited; and
2. **Endorse** the draft OCHL business plan.

Cllr Tanner left the meeting during this item.

The meeting started at 6.00 pm and ended at 7.00 pm