

Minutes of a meeting of the SHAREHOLDER MEETING on Wednesday 20 December 2017

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Committee members:

Councillor Price

Councillor Hollingsworth

Councillor Rowley

Councillor Sinclair

Councillor Smith

Councillor Tanner

Councillor Tidball

Officers:

Jackie Yates, Director

Stephen Clarke, Director

Lindsay Cane, Company Secretary

Anita Bradley, Monitoring Officer

Nigel Kennedy, Head of Financial Services/s151 Officer

Catherine Phythian, Committee Services Officer

Apologies:

Councillor(s) Brown, Hayes and Turner sent apologies.

1. Declarations of Interest

There were no declarations of interest.

2. Minutes of the previous meeting

The Shareholder resolved to approve the minutes of the meeting held on 23 March 2017.

3. Appointment of a Director to the Housing Group

The Company Secretary presented this item.

The Shareholder noted Jane Winfield's credentials and commercial experience, particularly with regard to the Barton development.

The Shareholder resolved to:

1. **Note** the resignation of Fiona Piercy as a Director of each of Oxford City Housing Limited, Oxford City Housing (Development) Limited and Oxford

City Housing (Investment) Limited with effect from 31 January 2018;

2. **Appoint** Jane Winfield as a Director of Oxford City Housing Limited, Oxford City Housing (Development) Limited and Oxford City Housing (Investment) Limited with effect from 1 February 2018.

4. Appointment of Auditors for the Housing Group

The Council's Head of Financial Services (s151 Officer) presented this item and referred the Shareholder to the report which had been circulated. He said that the appointment of external auditors was a reserved matter within the Shareholder Agreement and explained that to facilitate the 2017/18 audit it was necessary to procure an external audit service for all the Council's owned or jointly owned companies including the Housing Group.

The Shareholder resolved to:

Delegate the award of the contract for the provision of external audit services for the Housing Group to Oxford City Council's Head of Financial Services (S151 Officer).

5. Proposed amendment to Shareholder's Agreement re inter-company loans

The Company Secretary presented this item and said that while the making of loans was a matter properly reserved for shareholder consent, it had become apparent that in practice this requirement was unduly restrictive for routine operations between the Housing Group companies. He explained that this might occur, for example, if the holding company were to receive a loan from the Council to make a property purchase, but when in the normal course of business that property is transferred to another group company, say the investment company for sale or letting, the repayment obligations under the loan could not "follow" the property without express shareholder consent.

To prevent the Housing Group having to request consent from the Shareholder on each such occasion, it was proposed that the Shareholder grant continuous authorisation to permit any of the Housing Group companies to make and accept inter-group loans and inter-group loan transfers.

The Shareholder resolved to:

Amend the Shareholder's Agreement for the Housing Group in the manner specified in the report to facilitate inter-company loan transfers.

6. Project Delivery Programme

Councillor Tidball and the Monitoring Officer joined the meeting at the start of this item.

The Chair of the Board of Directors presented this item and reminded the Shareholder of the four initial corporate objectives, set by the Council and underpinned by the Business Plan, which set the Housing Group's initial business lines:

- The purchase and management of the new affordable rental homes at Barton Park
- To develop new affordable housing with a range of tenures
- The purchase and management of high value void properties from the Council to help fund the Government's levy on stock holding Local Authorities to compensate Registered Social Landlords for the costs of Right to Buy
- To undertake estate regeneration schemes

The Shareholder then discussed each of these business lines in detail and the following points were noted:

Barton Park

- The transfer of the first tranche of properties was expected in May 2018
- The Housing Group could not influence the scheduled transfer dates
- The Housing Group Project Team and the Council's Landlord Services team were leading on the work needed to prepare for the transfer and ensure that the properties would be ready to let in May 2018
- The Housing Group would have a Service Level Agreement with the Council's Landlord Services to manage the Housing Group stock and this would address sub-contracting arrangements with the Direct Services Trading Companies
- tenants of the Housing Group would have the same level of service and experience as the Council's tenants; service delivery should be unchanged but it would be made clear to tenants, from the outset, whether the landlord was the Housing Group or the Council
- Those policies which are reserved matters for the Shareholder: Rent, Lettings, Sales and Debt Recovery would be considered at the next shareholder meeting in March 2018
- That the costs of the Barton Park Green Levy would be defrayed by the Housing Group as landlord; and that future Housing Group developments should not adopt that specific model but would explore the scope to use the Council's Parks team for landscaping and site maintenance

Affordable Housing site development

- a consortium including Levitt Bernstein architects, Currie and Brown project managers, GL Hearn Planning consultants led by WSP had been appointed to provide the range of professional services required to deliver a successful development programme
- Officer capacity was an issue for the Housing Group as staff were currently undertaking the new tasks for the Housing Group alongside existing work for the Council's housing function
- An officer had been appointed as a dedicated project management resource for the Housing Group to address, in part, this issue
- A Project Team, chaired by Stephen Clarke, met twice monthly to provide co-ordination and oversight on project management; this team included Council officers from other service areas such as Planning and Communications and operated on the principle of "ethical barriers" to separate the needs of the Housing Group from those of the Council

- the initial design feasibility studies for all eight development sites (to assess capacity and including pre-planning application discussions) were underway
- The initial assessment is that the Development Programme could deliver an additional 20-25 housing units over and above the assumptions in the Business Plan

The purchase and management of high value void properties from the Council

- Five properties had been purchased in 2016-17
- A further five properties had been identified for purchase in 2017-18 in accordance with the Business Plan
- the Business Plan assumed that 5 units per annum will be sold by the Council and transferred to the Housing Group over the term of the Plan (equating to 200 units). Not transferring the quota of units in any single year would be a lost opportunity and over time it would have a detrimental impact on the Housing Group's finances which would need to be addressed.

Having considered the arguments presented in the report the Shareholder confirmed that the Housing Group should proceed with the purchase of up to five properties in 2017-18.

Estate Regeneration

- The redevelopment of Blackbird Leys central area was progressing and the Council was expected to appoint a development partner in the summer of 2018
- The local community would be closely involved in the regeneration project

Right to Buy

The Shareholder noted that the Government's policy on the high value void levy and right to buy remained uncertain and was being monitored by officers in both the Council and the Housing Group. The matter would be presented to the Shareholder for a decision once there was greater clarity on the Government's policy position.

The Chair of the Board of Directors explained that their initial view was that the Housing Group should not introduce a Right to Buy policy, until and unless required to do so by Government policy. The justification for this was the requirement to increase and retain the stock of social housing in the city. In the event that a Right to Buy policy was required the Housing Group would explore options to set appropriate qualifying periods and discount levels and the scope to minimise the risk of losing properties to speculative external buyers. Any such policy would be presented to the Shareholder for approval.

The Shareholder resolved to:

1. **note** the report; and
2. **agreed** to meet quarterly to monitor and review the progress being made on the delivery of the Housing Group development programme against the Business Plan objectives

Items to be considered in private - matters exempt from publication

The Shareholder 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. Lucy Faithfull House

The Chair of the Board of Directors presented this item and explained the background to the proposal that the Housing Group should acquire the Lucy Faithfull House site from the City Council through the provision of a loan facility from the City Council. The site would then be included in the Company's Business Plan.

The Shareholder noted the content of the report and the confidential appendix.

The Shareholder resolved to:

1. **Agree** to the acquisition of the Lucy Faithfull House site from Oxford City Council and its inclusion in the Company's Business Plan; and
2. **Support** the provision of a loan facility of up to £13 million to facilitate the development of the site.

The meeting started at 3.05 pm and ended at 3.55 pm

Chair

Date: Tuesday 20 March 2018