

Agenda

www.oxford.gov.uk



Shareholder Meeting

Date: **Wednesday 20 December 2017**

Time: **3.00 pm**

Place: **St Aldate's Room, Town Hall**

For any further information please contact the Committee Services Officer:

Catherine Phythian, Committee and Member Services Officer

Telephone: 01865 252402

Email: democraticservices@oxford.gov.uk

Shareholder Meeting

Membership

Councillor Bob Price

Councillor Tom Hayes

Councillor Mike Rowley

Councillor Linda Smith

Councillor Marie Tidball

Councillor Susan Brown

Councillor Alex Hollingsworth

Councillor Dee Sinclair

Councillor John Tanner

Councillor Ed Turner

The quorum for this meeting is three members.

Copies of this agenda

Reference copies are available to consult in the Town Hall Reception. Agendas are published 6 working days before the meeting and the draft minutes a few days after.

All agendas, reports and minutes are available online and can be:

- viewed on our website – mycouncil.oxford.gov.uk
- downloaded from our website
- viewed using the computers in the Customer Services, St Aldate's, or
- subscribed to electronically by registering online at mycouncil.oxford.gov.uk

AGENDA

	Pages
Items to be considered in public	
1 Apologies for absence	
2 Declarations of Interest	
3 Minutes of the previous meeting	9 - 14
Recommendation(s): That the Housing Group Shareholder resolves to approve the minutes of the previous meeting held on 28 March 2017.	
4 Appointment of a Director to the Housing Group	15 - 16
The Company Secretary will present this item.	
Recommendation(s): That the Housing Group Shareholder resolves to: <ol style="list-style-type: none">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;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.	
5 Appointment of Auditors for the Housing Group	17 - 18
The Oxford City Council's S151 Officer (Head of Financial Services) will present this item.	
Recommendation(s): That the Company's Shareholder resolves to: Delegate the award of the contract for the provision of external audit services for the Housing Group to Oxford City Council's S151 Officer (Head of Financial Services).	

6	Proposed amendment to Shareholder's Agreement re inter-company loans	19 - 22
----------	---	---------

The Company Secretary will present this item.

Recommendation(s):

That the Housing Group Shareholder resolves to:

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

7	Project Delivery Programme	23 - 30
----------	-----------------------------------	---------

The Chair of the Board of Directors will present this item.

Recommendation(s):

That the Housing Group Shareholder resolves to:

1. Notes the report and progress being made.

8	Lucy Faithfull House	31 - 32
----------	-----------------------------	---------

The Chair of the Board of Directors will present this item.

Recommendation(s):

That the Housing Group Shareholder resolves 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.

Items to be considered in private - matters exempt from publication

If the Shareholder wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Shareholder to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (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.

The Shareholder may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Matters Exempt from Publication

9 Confidential Appendix - Lucy Faithfull House Feasibility

33 - 36

The Chair of the Board of Directors will present this confidential item.

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

This page is intentionally left blank

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

www.oxford.gov.uk



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

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

Document is Restricted

This page is intentionally left blank

To: Shareholder meeting: The Housing Group
Date: 20 December 2017
Report of: Company Secretary
Title of Report: Appointment of Director to the Housing Group of Companies

Summary and recommendations	
Purpose of report:	Only the Shareholder may appoint Directors to the Housing Group of companies and thus on the resignation of an existing Director, the Shareholder will need to appoint a replacement director to ensure compliance with the Articles of Association.
Recommendation(s): That the Housing Group Shareholder resolves to:	
	<ol style="list-style-type: none"> 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.

Introduction and background

1. The Shareholder Agreement provides for the Shareholder to appoint the Directors to the Housing Group of companies.

Further section headings

2. Fiona Piercy has handed in her resignation as an employee of Oxford City Council and in consequence will also resign 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.
3. It is proposed that Jane Winfield, Regeneration & Major Projects Service Manager for Oxford City Council, should be appointed as a Director of each of the three Housing Group companies with effect from 1 February 2018 as a replacement for Fiona Piercy.
4. No other changes are proposed to the Boards of Directors for the Housing Group of companies.

Financial implications

5. There are no financial implications arising from this report. An employee of Oxford City appointed as a Company Director of the Housing Group does not receive separate remuneration for their service.

Legal issues

6. The Shareholder Agreement for the Housing Group of companies stipulates that the Boards shall have a minimum of three Directors.

Report author	Lindsay Cane (Company Secretary, Housing Group)
Telephone	01865 252570
e-mail	lcane@oxford.gov.uk

To: Housing Group Shareholder Meeting
Date: 20 December 2018
Report of: Oxford City Council S151 Officer
Title of Report: Procurement of External Auditor(s) for Council Companies

Summary and recommendations	
Purpose of report:	To provide an update on the current position in respect of external auditor procurement.
Recommendation(s): That the Company's Shareholder resolves to	
1.	Delegate the award of the contract for the provision of external audit services for the Housing Group to Oxford City Council's S151 Officer (Head of Financial Services).

Appendices	
None	

Introduction and background

1. The provision of an external audit service for all the Council's owned or jointly owned companies needs to be procured.
2. The Council has previously attempted unsuccessfully to procure audit services through a single contract for all its companies. Subsequent feedback suggested potential suppliers felt unable to meet the tight reporting deadlines simultaneously required across all entities. This resulted in having to separately seek quotations from audit firms for each company in order to close the 2016/17 accounts.
3. To facilitate the 2017/18 audit it is now proposed to run a tender process for the provision of external audit services for all companies but with the potential to split the contract into separate lots for one or more company.
4. The appointment of external auditors is a reserved matter within the Shareholder Agreement.

Progress on Procurement

5. A Request for Quotation has been drafted and will be updated with the latest information the audit firms will need to inform their quotations. It is intended that the invitation to tender will be published in December 2017 but this is reliant on

receiving the required information from all of the companies the Council has an interest in and so the contract may not be tendered until the New Year.

6. The contract period is intended to be for an initial period of three years with the option to extend for two further periods of 1 year up to a maximum contract period of 5 years.
7. Once the results of the tender process are known it is intended to present the results to the Housing Group Board of Directors for comment. Following which the Oxford City Council S151 Officer (Head of Financial Services) will determine the award of the contract lots based on the merits of the tenders received.

Financial implications

8. The cost of the audit for the Housing Group for the 2016/17 financial year will inform the potential costs for the audit services for the Housing Group as a whole for 2017/18 and subsequent financial years.

Legal issues

9. There are no implications arising from contracting an auditor. There are, however, compliance issues if an auditor is not in place.

Level of risk

10. It is anticipated that splitting the contract into lots will drastically reduce the chance of a nil response to the tender. However, having to manage multiple auditors will have resource implications for Oxford City Council Financial Services staff.

Report author	Bill Lewis
Job title	Financial Accounting Manager
Service area or department	Financial Services
Telephone	01865 252607
e-mail	blewis@oxford.gov.uk

To: Shareholder meeting – Housing Group
Date: 20 December 2017
Report of: Company Secretary
Title of Report: Proposed amendment to Shareholder’s Agreement

Summary and recommendations	
Purpose of report:	To request the Shareholder consider, and if appropriate agree, a proposed change to the Shareholder’s Agreement for Oxford City Housing Limited and its two subsidiaries Oxford City Housing (Investment) Ltd and Oxford City Housing (Development) Ltd (“the Housing Group”).
Recommendation(s): That the Housing Group Shareholder resolves to:	
1. Amend the Shareholder’s Agreement for the Housing Group in the manner specified in this report to facilitate inter-company loan transfers.	

Appendices	
Appendix 1	Supplemental Agreement 1: to the Shareholder Agreement (Dec 2017)

Introduction and Proposal

- The Shareholder’s Agreement of 28 March 2017 made between the Council (as shareholder) and Oxford City Housing Limited sets out a list of matters which are reserved to the Shareholder, and as such can only be carried out with the express consent of the Council. In the main these matters represent fundamental corporate decisions (e.g. varying the Articles of Association or introducing new shareholders) and as such should clearly remain solely with the Shareholder.
- Number 20 on the list of Shareholder Consent Matters states:
The Company and any Group Company shall not, unless it has Shareholder Consent:
make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit

(other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity (other than in the normal course of trading);

3. While the making of loans is a matter properly reserved for shareholder consent, it has become apparent that this wording also inadvertently catches routine operations between the companies, particularly when properties are transferred between Housing Group companies for development in one company and disposal in another. 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.
4. To prevent the companies having to request consent from the Shareholder on each such occasion, the companies would ask the Shareholder to consider granting the Company Boards the following continuous authorisation:

“The Shareholder grants to the Boards of the three housing group companies continuous authority (until notified to the contrary) to permit any of the said companies to make and accept inter-group loans and inter-group loan transfers, where any such loans or transfers are made to facilitate any company activity which is consistent with the Group’s Business Plan.”

Financial implications

5. The ability to transfer loan repayment obligations with inter-group property transfers is required in order to be able to demonstrate to the companies auditors and others that the company holding the loan also holds the property, and thus has the ability and security to make the required repayments.

Legal issues

6. Each inter-group loan transfer will need to be properly agreed by the relevant Boards and documented. A short Supplemental Agreement setting out the above proposal is attached to this report as Appendix 1, ready for signature if agreed.

Report author	Lindsay Cane, Company Secretary
Telephone	01865 01865 252570
e-mail	lcane@oxford.gov.uk

This Supplemental Agreement is made the day of 2017

And is to be read in conjunction with the Shareholder’s Agreement dated 28th March 2017 (“the Agreement”) made between Oxford City Council (“the Council”) and Oxford City Housing Limited (“the Company”), acting for itself and on behalf of its two subsidiaries Oxford City Housing (Investment) Limited and Oxford City Housing (Development) Limited (“the Group Companies”)

WHEREAS

Schedule 1 of the Agreement lists a number of matters which are reserved to the Shareholder, and thus cannot be implemented without the Council’s consent. Item number 20 on that list states:

The Company and any Group Company shall not, unless it has Shareholder Consent:

make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity (other than in the normal course of trading);

IT IS NOW AGREED

1. The above reserved matter shall be read as amended by the following:

The Shareholder grants to the Boards of the Group Companies continuous authority (until notified to the contrary) to permit any of the said companies to make and accept inter-group loans and inter-group loan transfers, where any such loans or transfers are made to facilitate any company activity which is consistent with the Group’s Business Plan.

2. Subject to the above, the Agreement shall continue in full force and effect.

Signed

For and on behalf of the Council

Signed

For and on behalf of the Company

This page is intentionally left blank

To: OCHL Shareholder Meeting
Date: 20 December 2017
Report of: OCHL Board of Directors
Title of Report: Development Programme Progress Report

Summary and recommendations	
Purpose of report:	To update the Shareholder on progress with delivery of the Company's Business Plan
Recommendation(s): That the Shareholder:	
1. Notes the report and progress being made.	

Appendices	
Appendix 1	Schedule of OCHL policies in development
Appendix 2	Outline milestone development programme

Introduction and background

1. In March 2017 the Shareholder approved Oxford City Housing Limited's (OCHL) Business Plan. This report provides an update on delivery against the Business Plan objectives.
2. The main aims of the Company are to increase the supply and range of housing, in particular affordable housing and to provide a financial return to the Council.
3. The four initial corporate objectives set by the Council which are underpinned by the Business Plan and provide the Company's initial business lines are:
 - 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

A progress update on each of these objectives is provided below.

The purchase and management of the new affordable rental homes at Barton Park.

4. Good progress has been made with the necessary arrangements for a back to back transfer from the Council to OCHL for the properties as they are purchased. Handover of the first phase of social housing from Hills is scheduled to begin in May 2018.
5. OCHL are currently working to establish the suite of corporate and landlord policies, performance frameworks, Service Level Agreements for the provision of Landlord Services by the Council, as well as the sub-contracting arrangement that needs to be in place between the Council and the Council's other wholly owned company ODS; so that the properties can be taken into management at the appropriate time.
6. Those policies which are reserved matters for the shareholder: Rent, Lettings, Sales and Debt Recovery are scheduled to be considered at the next shareholder meeting in March 2018. A schedule of all policies currently under consideration is attached at Appendix 1.
7. The Company has also initiated work on a web site which will host its policy's, provide a link to the Council's Tenants Portal for repairs reporting etc. and provide a means for the Company to communicate with its tenants.

To develop new affordable housing with a range of tenures

8. Following a detailed procurement process, a consortium including Levitt Bernstein architects, Currie and Brown project managers, GL Hearn Planning consultants led by WSP have been appointed to provide the range of professional services required to deliver a successful development programme.
9. Additional resources with housing development capability are currently being sourced for inclusion within the Council's Regeneration and Major Projects Team to provide essential capacity to drive this work-stream and client the WSP consortium. The scope and cost of this support is set out in a Service Level Agreement agreed between the Council and the Company.
10. Good progress has been made with WSP on the design feasibility for all eight initial development sites to better assess the overall capacity of each and pre planning application discussions have begun with the Council's Planning Service. Initial assessment is that the Development Programme could deliver an additional 20-25 units over and above the assumptions in the Business Plan.
11. Appendix 2 attached sets out the current assessment of how each site could progress to completion.
12. A report elsewhere on the agenda recommends the inclusion of the Lucy Faithfull House site within the Company's Development Programme going forward.

Transfer of high value voids

13. Following approval by the Council's City Executive Board five properties were purchased by and transferred to OCHL in March 2017. They were properties that had been identified as they became void as having the potential for either development or extension to create larger units. The properties were

subsequently leased back to the Council for use as temporary accommodation pending the design and procurement of the works. OCHL has commissioned Oxford Direct Services to price this work.

14. The Government's policy relating to the high value void levy remains uncertain with a recent announcement that it will not be applied for 18/19. However, they are progressing with a housing association 'right to buy' pilot which may mean only a temporary reprieve.
15. Whilst the Council could choose not to sell further similar voids to the OCHL it should be noted that there is a presumption within the Company Business Plan that 5 units per annum will be sold and transferred, (the maximum allowable without Secretary of State authority) over the 40 years of the Plan this equates to 200 units. Not transferring the units would have a detrimental impact on the Company's finances which would need to be addressed.
16. Simply deferring for one year would not have a significant impact on the Company's Business Plan. However, if the Government subsequently goes ahead with its policy the Council will have lost the opportunity to sell the 5 units for 2017/18 as the sales have to be completed by 31 March 2018. The Company would therefore recommend that the Council continues with the sale of 5 voids to OCHL in 2017/18 in accordance with the agreed Business Plan.

To undertake estate regeneration schemes

17. The redevelopment of Blackbird Leys central area is progressing and the Council is currently in the process of procuring a development partner. It is envisaged that OCHL will buy the affordable rented units. The redevelopment of Underhill Circus as part of the Barton Regeneration Programme is already part of OCHL's Development Programme.

Financial implications

18. There are no specific financial implications arising from this report. The OCHL Board are monitoring the financial position of the Company on a monthly basis and have agreed a Scheme of Delegation to facilitate the effective development and delivery of agreed sites. As schemes move through the delivery phase following planning approval and works procurement, they will be closely monitored in order that any necessary adjustments can be made to the Business Plan in terms of cost, numbers of units and timelines. Any significant divergence from the Business Plan will be reported to the Shareholder as required.
19. Similarly the impact of any shift in Council policy with regard to the sale of high value voids will need to be considered going forward.

Legal issues

20. There are no specific legal implications arising from this report.

Level of risk

21. OCHL have established a Project Team and deployed standard project management methodologies to oversee the various work streams necessary to deliver the Company's four business lines. This together with the purchase of additional resources to support the development programme will help de-risk delivery.

22. The site specific feasibility work will help minimise the risk to the Housing Group associated with its development programme in the areas of cost, Planning, quality and timescales.

Report author	Alan Wylde
Telephone	01865 252319
e-mail	awylde@oxford.gov.uk

Appendix 1 – Schedule of OCHL Policies in Development

Work-stream	Policy	Current Status	OCHL Board meeting discussion
Tenancy	Survivorship	Agreed by Board	Sept 17
	Under-occupation	Subsumed into Rent and Lettings Policy	
	Grounds for Possession	Subsumed into Debt Recovery Policy	
	Assignment	Agreed by Board	Sept 17
	Housing Fraud	Subsumed within Tenancy Agreement	
	Data Authorisation	Subsumed within Tenancy Agreement	
	Legal Proceedings	Subsumed into Debt Recovery Policy	
Allocations	Allocation to Under 35s	Subsumed into Rent and Lettings Policy	
	Transfers	Subsumed into Rent and Lettings Policy	
	Suitability	Subsumed into Rent and Lettings Policy	
Rents	Rent Setting	Subsumed into Rent and Lettings Policy	
	Service Charges	Subsumed into Rent and Lettings Policy	
Income Recovery	Payments and Income Recovery	Subsumed into Debt Recovery Policy	
	Write-offs	Subsumed into Debt Recovery Policy	
Right to Buy	Right to Buy	Will be subsumed into Sales Policy	
Organisational	Health & Safety	Not yet drafted.	19/03/17
	Equality and Diversity	Not yet drafted.	19/03/17
	Complaints, compliments and comments	Not yet drafted.	19/03/17
	Customer Care	Not yet drafted.	19/03/17
	Members and cases	Not yet drafted.	19/03/17
Repairs	Day to Day Repairs	Not yet drafted.	24/01/18
	Planned Maintenance	Not yet drafted.	24/01/18

	Void Property Management	Agreed by Board	Sept 17
Home Ownership	Sinking Funds	Will be subsumed into Sales Policy	N/A
	Leasehold Management	Will be subsumed into Sales Policy	N/A
Reserved	Rent and Lettings Policy	Drafted and circulated to Project Team	24/01/18
	Debt Recovery Policy	Drafted and circulated to Project Team	24/01/18
	Sales Policy	To be drafted mid 2018	19/09/18
Tenancy Agreement	Tenancy Agreement	Drafted, awaiting repairs info	19/03/18

Appendix 2 OCHL Development Programme

Scheme	2017		2018												2019												2020												
	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		
Harts Close		■	■		■		■						■																										
Elsfield Hall		■			■																						■												
Cumberlege CI		■			■																																		
Warren Crescent	■																																						
Between Towns Rd			■				■																																
Rose Hill - CC		■				■																																	
Rose Hill - Advice		■			■																																		
Underhill Circus				■																																			

- Planning Permission Already Achieved
- Begin Pre Application Process
- Submission of Planning Application
- Planning Permission obtained
- Start on site
- Completion

This page is intentionally left blank

To: Housing Group Shareholder Meeting
Date: 20 December 2017
Report of: OCHL Board
Title of Report: Lucy Faithfull House

Summary and recommendations	
Purpose of report:	To seek shareholder agreement to include the redevelopment of Lucy Faithfull House in the Housing Group Development Programme subject to financing being made available from Oxford City Council.
Recommendation(s): That the Company's Shareholder resolves to:	
<ol style="list-style-type: none"> 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. 	

Appendices	
Appendix 1- Confidential	Lucy Faithfull House Feasibility

Introduction and background

1. Lucy Faithfull House was a hostel in Oxford city centre providing services and accommodation to homeless people. The hostel closed last year after the services and accommodation were decommissioned by the County Council with the homelessness units being re-provided elsewhere. The City Council as freeholder then purchased the long lease back from Riverside in order to control the future of the site. The Council has subsequently taken the decision to demolish the buildings and arrange for the site to be redeveloped for housing.
2. At a meeting on 16 October 2017 the Council's City Executive Board resolved to:

Authorise officers to investigate the viability of undertaking the development of the site with Oxford City Housing Limited (OCHL) as part of its overall development programme.

Detail

3. The Council undertook feasibility work on the site in 2016 with both architectural and cost consultancy input which demonstrated that the site was capable of delivering a flatted scheme of between 40-55 homes consisting of 1 and 2 bed flats.
4. The cost analysis updated with advice from WSP, the Company's development management partners, indicates that a completed scheme could be delivered for around £2,500/m², giving a cost for the largest conceivable scheme of around £12.3m including fees.

Financial implications

5. The potential financial performance of the scheme is outlined in the OCHL Development Progress Report which appears elsewhere on the agenda which shows the scheme meets the development financial parameters of the Company. As the scheme is not currently contained within the Business Plan, funding would need to be secured from Oxford City Council to acquire the site and undertake the necessary development work.
6. It is therefore recommended that the Shareholder support provision of a £13m loan facility from Oxford City Council to cover the estimated build costs including contingency and associated professional fees. This will be the subject of an officer report to the Council's City Executive Board conditional to Shareholder consent being obtained.

Legal issues

7. Under the terms of the Shareholder Agreement, this is a matter which is reserved for the shareholder.

Level of risk

8. The scheme is a low risk development due to the high land values of the site mitigating against high build costs. There is a possibility of archaeological remains being present which could slow down progress and this will be proactively managed with the Council's archaeology team to minimise possible disruption and preserve and recover any remains that may be in situ.
9. The site will be added to OCHL's overall delivery programme which will continue to be managed closely to minimise any disruption.

Report author	Alan Wylde
Telephone	01865 252319
e-mail	awylde@oxford.gov.uk

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

Document is Restricted

This page is intentionally left blank