

Agenda for a meeting of the

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Shareholder and Joint Venture Group for Oxford City Council Companies

Date: **Tuesday 19 November 2019**

Meeting starts at: **6.00 pm**

Place: **The Old Library - Oxford Town Hall**

For any further information please contact the Committee Services Officer:

**Catherine Phythian / John Mitchell / Jennifer Thompson,
Committee and Member Services Officers**

Telephone: 01865 25 2275

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This meeting will be held mostly or entirely in private session as the Group will be discussing commercially sensitive matters and information relating to the Council's companies.

Many of the reports are not available to the public as they contain commercially sensitive information relating to the Council's companies.



*Barton Oxford
LLP*

Shareholder and Joint Venture Group

Membership

Chair	Councillor Susan Brown	
Vice-Chairs	Councillor Linda Smith	Councillor Ed Turner
Members	Councillor Nigel Chapman	Councillor Mary Clarkson
	Councillor Tom Hayes	Councillor Alex Hollingsworth
	Councillor Mike Rowley	Councillor Marie Tidball
	Councillor Louise Upton	

The quorum for this meeting is three members.

All Members of Cabinet are Members of this Group (the SJVG).

Advisers to the Group (the SJVG)

Anita Bradley	Monitoring Officer/ Head of Law and Governance	Nigel Kennedy	s151 Officer / Head of Financial Services
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Copies of this agenda and those papers available to the public

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, public reports and public 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 items

Number	Agenda item	Times/ Pages
	<p>Public reports can be viewed individually from the SJVG meeting page on the council's website.</p>	
	<p>Separate packs for each company, containing all the reports for that company, are sent to the SJVG members and their support officers and to those attending on behalf of that company.</p>	
	<p>This agenda shows the approximate time when the SJVG will consider reports from each company.</p>	
1	Apologies for absence	Approx start time 6.00 pm
2	Declarations of interest	Approx start time
3	SJVG Confidentiality and private session	Approx start time
	Access to reports and admission to Shareholder and Joint Venture Group Meetings	
	<p>A limited company in which a local authority holds an interest, even a 100% interest, falls outside the strict requirements of local government law.</p>	
	<p>It follows, therefore, that meetings between the shareholder of a private limited company and the directors of such company are essentially private matters, to which the public holds no automatic right of admittance.</p>	
	<p>While this Council would be entitled, therefore, to treat its shareholder meetings as entirely private matters, in the spirit of transparency it has allowed public access to the "open" parts of the meeting, only going into private session when any matters of a confidential, commercial or financial nature are discussed.</p>	
	The agenda lists all reports to be considered and whether access to these is 'public' or 'private'.	

The Chair of the SJVG will confirm at the start of the meeting:

- **which reports and parts of the business are to be discussed in public session (to which the public and those not directly involved in the Company can be admitted) and**
- **which reports and parts of the business are to be discussed in private (to which only the relevant Company's directors and their advisers will be admitted).**

The Chair at her discretion may decide to move from public to private discussion or vice-versa at any point during the meeting.

4 Scrutiny recommendations

**Approx
start time
6.05 pm**

The Shareholder to consider recommendations of the Companies' Scrutiny Panel.

5 Oxford City Housing Ltd - the Housing Group (Part Private)

**Approx
start time
6.15 pm**

Those who may attend for this company's items.

**Pages 15-
84**

Company Directors:

Richard Connolly (Chair of the Board)

Stephen Clarke

Jane Winfield

Others in attendance

Lindsay Cane (Company Secretary)

David Watt (Strategic Finance Manager)

Alan Wylde (Adviser)

5a Housing Group Strategic Business Plan (Private)

The Interim Managing Director of the Housing has submitted a report to introduce the OCHL Strategic 10 year Business Plan and explain the changes since the Draft Strategic Business Plan of September 2019. The Shareholder is asked to endorse the OCHL Plan.

Detailed recommendations are set out in the report.

5b Housing Group: Quarterly reporting on finance and performance to SJVG (Private)

The Strategic Finance Manager for the Housing Company has submitted a report which covers performance for the first half of 2019/20 and comments on the effect of the most recent updates made to the approved 10 year Strategic Development Plan. Performance impact is discussed in the body of the report but also exemplified via a series of dashboards displaying data and performance on operational activities, development and acquisition progress and finally financial performance. The areas selected for measurement and comment represent the initial suggested points of interest, however it is hoped and expected overtime that the company Shareholder will identify other areas of interest for future assessment so this report continues to be valuable and fit for purpose for all concerned.

Recommendations: That the Shareholder and Joint Venture Group resolves to:

1. **Note** the contents of the report discussing current performance across the main areas of activity i.e. operations, development and finance.
2. **Note** the revised draft Business Plan schedule of projects at Appendix 1.
3. **Note** the contents within the series of dashboards across the remaining appendices and provide comment and feedback for future reporting.

5c Addendum to the Shareholder Agreement

The Company Secretary of the Housing Group of Companies has submitted a report to propose an addendum to the Shareholder's Agreement which allows the directors to continue to operate the Housing Group in accordance with the Council's objectives without necessarily always seeking to maximise the company's profits.

Recommendations: That the Shareholder and Joint Venture Group resolves to:

Agree the draft addendum to the Shareholder's Agreement

5d Appointment of up to three Non-Executive Directors to the Housing Group of Companies

The Company Secretary of the Housing Group of Companies has submitted a report which sets out the process through which it is intended that up to three non-executive directors be selected and appointed to join the company Boards as the appointment of non-executive directors, to the Housing Group is a matter reserved for the Shareholder.

Recommendations: That the Shareholder and Joint Venture Group resolves to:

1. **Note** that the Housing Group of companies wishes to proceed with the recruitment of up to three non-executive directors for the Housing Group to strengthen the existing Boards;
2. **Nominate** two members of the Shareholder and Joint Venture Group to participate in the recruitment and selection process, to include membership of the interview panel, one of whom to be the Chair of the Shareholder and Joint Venture Group;
3. **Following** the selection of the successful candidate(s), to delegate authority to the Chair of the Shareholder and Joint Venture Group to appoint the successful candidate(s) as Board Director(s) of the Housing Group.

The appendix to this report will be issued as a supplement.

5e Appointment of a Managing Director to the Housing Group of Companies

The Company Secretary of the Housing Group of Companies has submitted a report which sets out the process through which it is intended that a new Managing Director be selected and appointed to join the Board. The appointment of Board Directors to the Housing Group is a matter reserved for the Shareholder.

Recommendations: That the Shareholder and Joint Venture Group resolves to:

1. **Note** that Oxford City Council, on behalf of the Housing Group, is proceeding with the recruitment of a Managing Director for the Housing Group for an initial fixed term of 2 years, to replace the current Interim Managing Director;
2. **Nominate** two members of the Shareholder and Joint Venture Group to participate in the recruitment and selection process, to include membership of the interview panel, one of whom to be the Chair of the Shareholder and Joint Venture Group;

3. **Following** the selection of the successful candidate, to delegate authority to the Chair of the Shareholder and Joint Venture Group to appoint the successful candidate as a Board Director to the Housing Group for the term of his/her appointment as interim Managing Director.

The appendix to this report will be issued as a supplement.

6 Barton Oxford Limited Liability Partnership (LLP): (Part Private)

Approx start time
7.15 pm

Those who may attend for this company's items.

Pages 85-88

City Council's representatives on the Limited Liability Partnership (LLP):

Stephen Clarke

Caroline Green

Jane Winfield

6a Barton LLP Update (Open)

The Regeneration and Major Projects Service Manager has submitted a report to provide an update into the activities of Barton Oxford LLP over the quarter.

Recommendations: That the Shareholder and Joint Venture Group resolves to:

Note the contents of the report.

6b Barton LLP Update Appendix (Private)

7 Oxford Direct Services Ltd and Oxford Direct Services Trading Ltd (ODS) (Private)

Approx start time
7.30 pm

Those who may attend for this company's items.

Pages 89-104

Company Directors:

Simon Howick

Aled Bath

Tim Sadler

Others in attendance:

Lindsay Cane (Company Secretary)

7a Oxford Direct Services Update (Private)

The Managing Director of Oxford Direct Services has submitted an update on the work of Oxford Direct Services.

Recommendations: That the Shareholder and Joint Venture Group resolves to:

1. **Note** progress with capital grant funding for transformation
2. **Note** the intention to extend the fleet to take advantage of the ESO grant

8 Oxford West End Development (OxWED) (Private)

**Approx
start time**
7.50 pm

Those who may attend for this company's items.

Pages 105-
112

Oxford City Council's Company Directors

Gordon Mitchell

Tom Bridgman

Others in attendance

Lindsay Cane (Company Secretary)

Stephen Hing (OxWED Development Director)

8a OXWED: Quarterly reporting on finance and progress to SJVG (Private)

The Development Director for OxWED has submitted a report to update

the Shareholder and Joint Venture Group on the work of OxWED.

Recommendations: That the Shareholder and Joint Venture Group resolves to:

Note the report.

9 Minutes of the previous meeting (Public)

**Approx
start time**
8.20 pm

Recommendation: to approve the public minutes of the Shareholder meeting held on 25 September as true and accurate record.

Pages 113-
end

10 Minutes of the previous meeting (Private)

Recommendation: to approve the private minutes of the Shareholder meeting held on 25 September as true and accurate record.

Commercially sensitive information

The private/ restricted access parts of this agenda contain commercially sensitive information relating to the Council's companies and joint ventures. The handling of confidential information is an important element in the relationship of trust that exists between members, officers and the public.

A mishandling of such information or its accidental or deliberate disclosure will damage that trust as well as possibly lead to formal proceedings being taken against the Council, individual members or officers.

The duty not to disclose information provided to a member in confidence is governed by the General Obligations under the Members' Code of Conduct contained in the Council's constitution (Paragraph 22.7).

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.

Shareholder and Joint Venture Group

Information about Oxford City Council companies

Information about each company is also available on the [Companies House](#) website.



1. Oxford Direct Services (ODS)

ODS is the wholly owned trading arm of the Council. It is structured as two companies that work together to deliver cost-effective public and commercial services include building, waste & recycling, streetscene, parks & open spaces, highways & engineering, motor transport and pest control.

Companies:

- (i) **Oxford Direct Services Limited (ODSL)** (Company no.10719222) a “Teckal” company* which provides services directly to the Council; and
- (ii) **Oxford Direct Services Trading Limited (ODSTL)** Company no.10719214 is a trading company which trades and competes for business in the wider city economy:

Oxford City Council is the sole shareholder in both companies and both are controlled by the same Board of Directors.

*see para 5 for the definition of “Teckal”



2. The Housing Group Oxford

Oxford City Housing Limited (OCHL) is the Council's wholly owned housing company which aims to increase housing supply in Oxford. OCHL has two wholly-owned subsidiaries and the three companies are known collectively as “The Housing Group”

The Housing Group benefits from “Teckal” status

Oxford City Housing Limited – OCHL (Company no.10212716)

This is the parent or holding company for the two subsidiaries (listed below) which were established for the purposes of:

- (i) Buying and selling of own real estate and
- (ii) Letting and operation of own or leased real estate
- (iii) Development of housing projects

Oxford City Housing (Investment) Limited – OCH(I)L (Company no.10370637)

The purposes include:

- (i) Buying and selling of own real estate and
- (ii) Letting and operation of own or leased real estate

The company primarily procures the social rented housing being delivered at the major new mixed-tenure development at Barton Park, required of housebuilders as part of the Section 106 Agreement entered into by Barton Park LLP (the joint venture between the City Council and Grosvenor Estates). This arrangement is planned to continue for both current and future phases and is anticipated to provide in total 354 social rented homes over a number of years. The homes are let and managed by the Council but ownership remains with the company. The rental stream services the loans taken out by the company from the Council's General Fund. Future activity would also potentially include forms of ownership of market rented housing.

Oxford City Housing (Development) Limited – OCH(D)L (Company no.10370647)

The purpose is:

- (i) Development of housing projects

The company delivers mixed tenure housing developments which include the sale of affordable housing units to the Council. For each development scheme there is usually:

- Open market housing for sale
- a 50% affordable housing requirement (subject to scheme viability) in the negotiated S106 agreement and
- 'additionality' where the Council secures grant/subsidy to support the purchase of some or all of the open market housing on each scheme, to 'flip the tenure' to achieve additional affordable housing, where this represents value for money.

3. Oxford West End Development Ltd (OXWED) (Company no.09957392)



OXWED is a joint venture development partnership company with Nuffield College created to enable the delivery of a major new mixed used development on the Oxpens site, a key site to the west of Oxford City Centre.

The Council and Nuffield College each have a 50% holding in OXWED and each can appoint three directors to the OXWED Board which takes some strategic and all operational decisions.

OXWED has different shareholder arrangements from the other Council Companies because most shareholder decisions must only be taken by jointly by the shareholders (the Council and Nuffield College).

4. Barton Oxford Limited Liability Partnership (LLP) (Company no.OC368330)

Barton Oxford LLP is a joint venture development partnership of the Council and Grosvenor Developments Ltd created to enable the delivery of the major new development now known as Barton Park.

The structure and governance of an LLP is different from that of a Limited Company.

5. Definitions

Teckal status: The Housing Group and ODS benefit from “Teckal” status allowing them to trade (contract for works, services or supply) with the Council and other “Teckal” companies wholly within the ownership of the Council, without having to go through a competitive tender process.

A “Teckal” company benefits from contracts for works, services or supply from its controlling Contracting Authority (the Council) without having to go through a competitive tender process and must meet these tests among others:

- the Council must exercise a control which is similar to that which it exercises over its own departments – this means it/they must exercise a decisive influence over both strategic objectives and significant decisions of the controlled company either itself or through another subsidiary; and
- more than 80% of the activities of the company must be carried out in the performance of tasks entrusted to it by the Council.

