

Minutes of a meeting of the COMPANIES SCRUTINY PANEL on Wednesday 12 December 2018

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Committee members:

Councillor Simmons

Councillor Corais

Councillor Munkonge

Councillor Howlett

Council Officers:

Anita Bradley, Monitoring Officer

Nigel Kennedy, Head of Financial Services

Jennifer Thompson, Committee and Members Services Officer

Housing Company (OCHL)

Stephen Clarke, Director

Jane Winfield, Director

Alan Wylde, Housing Development & Enabling Manager

David Watt, Finance Business Partner

Lindsay Cane, Company Secretary

Also present:

Councillor Mike Rowley, Board Member for Housing, Housing

Apologies:

Councillors Fry and Landell Mills sent apologies.

45. Appointment of Chair for this meeting

In the absence of Councillor Fry (Chair of the Panel) Councillor Munkonge was appointed as Chair for this meeting.

46. Declarations of Interest

None.

47. Notes of the Previous meeting

The Panel agreed the notes of the last meeting as a correct record.

48. Dates of Future Meetings

The Panel noted that the dates of their meetings would align with those of the Shareholder:

- 3 January 2019 - cancelled (as shareholder meeting cancelled)
- 6 March 2019 – final date to be confirmed to align with shareholder meetings on/ around 7 March 2019.

49. Exclusion of the press and public

The Panel resolved to exclude the press and the public from the meeting during consideration of the remainder of the items on the agenda, in accordance with the provisions of Paragraph 4(2)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 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 Panel were of the view that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The Panel considered the rest of the business in private session.

50. The future strategic direction of Oxford City Housing Limited (OCHL)

For the purposes of providing a public minute, a summary of the discussion had in private session is provided here.

Directors explained the impact of changes (including those out to consultation) in Government policy and funding for affordable housing, including the abolition of the Council's Housing Revenue Account (HRA) borrowing limit altogether and changes to policy on allowable rents.

This required a change in the OCHL's business plans and the Council's plans to make best advantage of the new freedoms and constraints provided by the changes in policy. However, there was some uncertainty as government policy could be rapidly changed, so the company provided a measure of continuity and contingency in the Council's long term planning. Also some development was best carried out by OCHL.

So it was deemed prudent to retain OCHL as a going concern but revise its business plan to allow the Council and the company to take the opportunities created by these policy shifts.

The Panel recommended to the Scrutiny Finance Panel:

as the business plan impacted on the Council's medium term financial plan and its budget, the Scrutiny Finance Panel should look carefully at OCHL's proposals and the Council's own housing programme, reviewing proposed borrowing and the impact on long term finances for both the Council and the HRA.

51. OCHL Development Programme

For the purposes of providing a public minute, a summary of the discussion had in private session is provided here.

Alan Wylde gave a presentation on the each of OCHL's sites for development. Sites were at different stages in the process: some were still at pre-planning stages; others were at the stage of tendering for building contracts. Some sites had been redesigned to increase the number of units. All sites complied with the policy of having 50% affordable housing: the site at Rosehill would be entirely affordable units. OCHL were discussing options with the Low Carbon Hub for generating low-cost solar power on the Rosehill site.

He reported that 43 homes and flats in Barton Park would transfer to the Council (not OCHL) between January and April 2019.

OCHL had taken 7 homes transferred from the Council's HRA stock. These would be extended to provide larger houses, or on larger plots additional homes would be built, or both. OCHL and the Council's housing team regularly reviewed vacant properties to see which could be redeveloped to increase the social housing stock either through the HRA or through OCHL

OCHL was contracting with Oxford Direct Services to carry out some construction work to allow both companies to test the capacity of ODS to deliver good quality homes on small sites, with a view to scaling up ODS's construction operations.

Key lessons were:

1. Not to underestimate the length of time it would take to get a development from initial scoping of the site to starting work;
2. To engage properly and early with planning services, and make good use of the pre-application advice service to assess initial outline designs;
3. Consider carefully the implications of planning conditions on the speed of delivery as well as on the costs and complexity;
4. All across the construction industry in the south east there were persistent difficulties in finding tradesmen and professional services across all specialities and across all sectors;
5. Procure building services for batches of small sites due to start at similar times to create a more attractive contract;
6. To develop a list of contractors who can provide good quality consistent work;
7. Consider the use of novel building methods including modular homes to give a higher quality build, on constrained sites, or to counteract labour shortages.

The Panel recommended that the Housing Shareholder Group:

- 1) Requests directors to continue to revise the 5-year plan, and also revise the profit and loss account, to take account of actual and likely slippage and the contributory factors.
- 2) That future reports to the Shareholder concerning cash flow management and forecasts should show which housing units are intended for direct sale to the Council's HRA and which would be retained by OCHL.

The meeting started at 6.00 pm and ended at 7.15 pm

Chair

Date:

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