

# Agenda

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## Housing Group Shareholder Meeting

Date: **Monday 11 June 2018**

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Time: **5.00 pm**

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

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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](mailto:democraticservices@oxford.gov.uk)

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# Shareholder Meeting

## Membership

**Chair**            Councillor Susan Brown

## Vice-Chair

Councillor Linda Smith

Councillor Ed Turner

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.

### **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.

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# AGENDA

	Pages
<b>Items to be considered in public</b>	
<b>1 Apologies for absence</b>	
<b>2 Declarations of interest</b>	
<b>3 Minutes of the previous meeting</b>	7 - 12
<b>Recommendation(s):</b> That the Housing Group Shareholder resolves to approve the minutes of the previous meeting held on 20 March 2018.	
<b>4 Scrutiny recommendations</b> The Shareholder will wish to consider any recommendations arising from the Companies' Scrutiny Panel meeting on 7 June 2018.	
<b>5 Housing Group - Business Plan progress update</b> To receive a presentation concerning progress made by the Housing Group on the delivery of the Business Plan. This presentation will also be considered by the Companies Scrutiny Panel on 7 June. The Shareholder is invited to consider the presentation, and make any comments or recommendations as appropriate. The presentation will be circulated in advance of the meeting.	
<b>Items to be considered in private - matters exempt from publication</b>	
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 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 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.	

## **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.

## Minutes of a meeting of the SHAREHOLDER MEETING on Tuesday 20 March 2018

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### Committee members:

Councillor Brown

Councillor Price

Councillor Hollingsworth

Councillor Rowley

Councillor Sinclair

Councillor Smith

Councillor Tanner

Councillor Turner

### Officers:

#### For the Council

Anita Bradley, Monitoring Officer

Nigel Kennedy, Head of Financial Services

Catherine Phythian, Committee Services Officer

#### For the Housing Group

Jackie Yates, Director

Stephen Clarke, Director

Jane Winfield, Director

Lindsay Cane, Company Secretary

Bill Graves, Landlord Services Manager

David Watt, Finance Business Partner

Alan Wylde, Housing Development & Enabling Manager

### Also present:

Councillor Andrew Gant, Liberal Democrat Group Leader

Stefan Robinson, Scrutiny Officer

### Apologies:

Councillor Hayes sent apologies.

## 8. Declarations of interest

There were no declarations of interest.

## 9. Minutes of the previous meeting

The Shareholder resolved to approve the minutes of the meeting held on 20 December 2017.

## 10. Scrutiny recommendations

Councillor Gant (Chair of the Scrutiny Committee and member of the Scrutiny Companies Panel) presented the findings of the Scrutiny Companies Panel which had met on 14 March 2018.

He said that although there were no formal recommendations from the Scrutiny Companies Panel they had made a number of observations which were detailed in the report. In particular he highlighted concerns that the schemes being brought forward would require additional resource within the Planning Team and regret that only 2 of a potential maximum of 5 void dwellings were to be transferred to the Housing Group in 2017/18, representing a missed opportunity for the company, which will have a detrimental impact on the companies' finances in the future.

The Shareholder acknowledged the concern that only 2 void dwellings were to be transferred in 2017/18 and explored the reasons behind this. The Shareholder noted that part of the rationale for transferring properties was as a mitigation measure to enable the Council to avoid the high value voids levy; as this levy was in abeyance there was an argument that it would not be in the Council's interest to transfer the properties.

The Shareholder noted that both the Council and the Housing Group had focussed on identifying void properties which offered extension or development opportunities; in practice only 2 such properties had come forward in 2017/18. Officers, speaking for the Council and the Housing Group, gave assurances that they would continue to transfer properties in 2018/19 and had in fact already identified the first of those.

The Shareholder noted the observations of the Scrutiny Companies Panel and the points made in discussion.

## 11. Appointment of Auditors for the Housing Group

The Head of Financial Services (s151 Officer) presented this item. He reminded the Shareholder that the appointment of external auditors was a reserved matter within the Shareholder Agreement and that in December 2017 he had been given delegated authority to award the contract.

He assured the Shareholder that, despite the "cut and paste" aspects of the bid submission, he was satisfied that overall Mazars were best placed to act as external auditors to all of the Council's subsidiary companies including the Housing Group.

**The Shareholder resolved to note** the appointment of Mazars LLP as external auditors for the Oxford City Housing Group.

## **12. Housing Group Policies: Rent & Lettings; Debt Recovery (Reserved to Shareholder)**

The Chair of the Housing Group Board of Directors presented the policies relating to rent, lettings and debt recovery. She explained that these are matters reserved to the Shareholder and that a further policy on Sales would be submitted later in the year. She said that these policies were necessary for the Housing Group to be able to manage effectively the first homes from Barton Park which would be handed over in the summer of 2018. In drawing up all policies the principle adopted is to mirror as far as is practicable those of the Council.

The Chair apologised for a number of typographical errors and said that the policy Rent & Lettings policy would need to be updated to remove the reference to market rents on page 19 of the report. She said that the documents would be corrected prior to publication and suggested that authority to agree the final documents might be delegated to the Directors of the Housing Group in consultation with the Chair of the Shareholder meeting.

### **The Shareholder resolved to:**

1. Agree the Reserved Policies: Rent & Lettings and Debt Recovery; and
2. Delegate authority to finalise the wording of those policies to the Chair of the Shareholder meeting in consultation with the Directors of the Housing Group.

Councillor Smith joined the meeting at the end of this item.

## **13. Housing Group Business Plan 2017-18 - update**

On behalf of the Housing Group Stephen Clarke (Director) introduced the updated Housing Group Business Plan 2017-18.

Alan Wylde (Housing Development Manager) gave a presentation on the 9 housing development schemes and their planned start dates; these were:

- Harts Close – February 2019
- Cumberlege Close – June 2019
- Rose Hill Advice Centre – January 2020
- Rose Hill Community Centre – June 2019
- Warren Crescent – January 2020 (on completion of monitoring regime)
- Elsfield Hall – April 2020
- Between Towns Road – May 2020
- Underhill Circus – late 2020
- Lucy Faithfull House – not yet programmed

The Housing Development Manager highlighted key issues including:

- A start date for the Lucy Faithful House site would be confirmed once the archaeological significance of the site was determined
- The viability of housing schemes within the Housing Group are measured against a number of criteria including:

- An internal rate of return of at least 4%.
- Payback is within 40 years.
- A positive net present value (NPV)
- There were opportunities in terms of; regenerating existing housing stock, the growth and housing deal, and OCHL's borrowing capacity.
- Key risks associated with the proposals concerned building cost inflation and capacity to deliver the schemes whilst other major infrastructure projects were taking place.
- There was also a risk that interest rates of the Public Works Loan Board would increase, creating additional costs for OCHL.

The Shareholder discussion included, but was not limited to, the following points:

### **Tenure mix**

The Shareholder expressed concern that the table presented at paragraph 12 indicated that the revised development programme was not policy compliant in regard to the provision of social housing. The Housing Group Directors explained that this was an evolving picture and that the final tenure mix would not be determined until further information on cost base, tender prices and planning advice was available. The intention was to deliver an overall development programme that met policy requirements. Similarly it was recognised that the shared ownership provision remained truly affordable.

### **Construction**

All of the schemes were on council owned land, and the Housing Group would commission building contractors to undertake the work. The Council's Direct Services companies would not have sufficient capacity to take on this work programme. The Housing Group was exploring the use of alternative build options (e.g. modular or volumetric) to offset the known capacity issues within the traditional building industry. The Shareholder suggested a number of other measures such as offering multiple site construction programmes; developing relationships with local smaller construction firms; possible partnership working with local housing associations. The Housing Group confirmed that they would be considering these options.

### **Member involvement**

The Shareholder meeting would receive quarterly updates on the status of each of the housing development schemes. Members, and specifically ward members, would be consulted on specific schemes as part of the Housing Group's site development procedures and as part of the planning process.

### **Capacity**

The Council was in the process of recruiting an additional staff member to support the Housing Development Manager; the Housing Group would support the funding of this post through the Service Level Agreement with the Property and Regeneration team.

Resource constraints in the Council's planning service had resulted in some delay in obtaining pre-application advice for the housing development schemes. This was a potential threat to the delivery programme for current and future schemes. The Housing Group was in discussion with the planning service management team to



identify a solution to the problem; one option would be to set up a planning partnership agreement as other corporate developers had done.

**Housing Group status**

It might be advantageous for the Housing Group to assume Registered Social Landlord status in order to access grant opportunities but this would have significant implications for the Business Plan and the Council’s Medium Term Financial Plan. A report detailing these issues and recommending a course of action would be presented to the Shareholder at a future meeting.

**The Shareholder resolved to:**

- 1. Note and agree the updates to the Housing Group Business Plan 2017-18

**Items to be considered in private - matters exempt from publication**

**The Shareholder resolved 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 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 and that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**14. Housing Group Business Plan 2017-18 update - exempt items**

The Shareholder moved to private session to discuss the Housing Group financial statements appended to the report.

**The meeting started at 3.30 pm and ended at 4.40 pm**

**Chair .....**

**Date:**

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