

# Agenda

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## Companies Scrutiny Panel

Date: **Thursday 12 March 2020**

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Time: **5.00 pm**

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Place: **St Aldate's Room - Oxford Town Hall**

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For any further information please contact:

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If you intend to record the meeting, it would be helpful if you speak to the Committee Services Officer before the start of the meeting.

# Companies Scrutiny Panel

## Membership

**Chair**                      Councillor James Fry

### **Vice Chair**

Councillor Tom Landell Mills  
Councillor Chewe Munkonge  
Councillor Craig Simmons

The quorum for this Committee is two, substitutes are not permitted.

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# AGENDA

## Pages

### 1 APOLOGIES

### 2 DECLARATIONS OF INTEREST

### 3 ITEMS TO BE CONSIDERED IN PRIVATE

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

If the Panel 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 or at any other point in the meeting, it will be necessary for the Panel to pass a resolution to that effect.

The Panel 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.

Attached are the confidential minutes of the previous meeting.

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### 4 MINUTES OF THE PREVIOUS MEETING

**Recommendation:** That the notes of the meeting held on 14<sup>th</sup> November be approved.

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### 5 RESPONSES TO PREVIOUS RECOMMENDATIONS

At its last meeting the Panel agreed to make a recommendation to Cabinet that 'up to two members of the Shareholder and Joint Venture Group be nominated to participate in the recruitment and selection processes for i) non-executive directors, and ii) the managing director. Involvement to include membership of the interview panel.'

With the agreement of the Chair the report with this recommendation was not submitted on the grounds that the Shareholder and Joint Venture Group had already agreed to make the change.

### 6 SHAREHOLDER AND JOINT VENTURE GROUP REPORTS

To consider reports to the Shareholder and Joint Venture Group (reports to follow as a supplement)

### 7 DATES OF THE NEXT MEETING

This meeting is the final Companies Scrutiny Panel meeting of the civic year. The first meeting of the next civic year is on 22 June 2020.



## **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; licences 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 of the member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

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# Agenda Item 3

By virtue of  
Regulation 21(1)(A) of the Local Authorities (Executive  
Arrangements) (Access to Information) (England)  
Regulations 2000.

Document is Restricted

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## Minutes of a meeting of the COMPANIES SCRUTINY PANEL on Thursday 14 November 2019

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### Committee members:

Councillor Fry (Chair)

Councillor Munkonge

Councillor Simmons

### Officers:

Anita Bradley, Monitoring Officer

Nigel Kennedy, Head of Financial Services

Tom Hudson, Scrutiny Officer

### Also present:

Richard Connolly, Interim Managing Director Housing Companies, Interim Managing Director, Housing Group

Jane Winfield, Regeneration and Major Projects - Team Manager / Director Housing Companies, in role as Director, Housing Group and Barton Oxford LLP

Alan Wylde, Housing Development & Enabling Manager, Housing Group

David Watt, Finance Business Partner, Housing Companies, Housing Group

Tim Sadler, Transition Director / Chairman Direct Services Companies, in role as Director of Oxford Direct Services

Simon Howick, Managing Director, Direct Services Companies, Director of Oxford Direct Services

Tom Bridgman, Executive Director (Development), in role as Director of OXWED

Stephen Hing, OXWED Development Director, OXWED Development Director

## 10. Apologies and Declarations of Interest

There were no apologies or declarations of interest.

It was **AGREED** that the minutes of the previous meeting would be moved to the bottom of the agenda.

## 11. Items to be considered in private

The Panel resolved to move into private session on the grounds that the presence of the public would likely involve the disclosure of exempt information in accordance with paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972.

## 12. Shareholder and Joint Venture Group reports

Minutes of the relevant Shareholder and Joint Venture Group reports are detailed below.

## 13. Housing Company minutes

### Item 5A Housing Group Strategic Business Plan

Richard Connolly, Managing Director of the Oxford City Housing Limited (OCHL), introduced a report in which the Shareholder was asked to review and endorse the strategic business plan, and to agree schedules for debt repayment and dividends.

A number of threats and challenges were identified, including the continuing uncertainty regarding Brexit and the decision of central government to raise interest rates on borrowing from the PWLB by 1%

Councillor Munkonge joined the meeting at this point.

It was stressed that the strategic plan would need to remain fluid due to the number of external factors which could influence the number of houses which could be built. Planning was cited as one uncertainty (both to the upside and downside).

Nigel Kennedy, Oxford City Council Head of Finance, addressed the Panel regarding the impact of the HRA's borrowing to the Council and the projected repayment and dividend schedule. It was reiterated that the Council had the ability not to progress with further investment beyond the term of the Medium Term Financial Plan.

The Panel discussed the options for alternative borrowing.

The Panel discussed corporate branding expenses. The costs were explained as supporting the work of the company in a number of different ways, such as maximising revenue potential through the use of CGI imaging for marketing, to support the purchase of land for the later years, to convey what the company's purpose, and to help internal staff recognise the division between the company and the Council.

Discussion was held by the Panel regarding means of raising the level of energy efficiency in the homes delivered.

Discussion was held over the prevention of slippage in the programme, particularly through planning. A service level agreement with the Council's Planning department had been agreed, and through the experienced garnered in planning to date a positive relationship had been fostered between OCHL and the Planning department. A significant amount of work was being done in the pre, pre-application phase of developments to ensure that not too many steps were being taken prior to discovering a planning issue in need of resolution, allowing much less work to require redesign.

### Item 5b Quarterly Financial Performance Report

David Watt, Strategic Finance Manager OCHL, introduced a report on OCHL's financial and other performance. It was noted that there was little to report under operations because only 35 properties were currently in the hands of OCHL, but this would grow as the stock grew. KPIs were in the process of being developed around this area of performance management. The changes made since the previous iteration of the strategic plan were highlighted in terms of the schemes, the number of houses, and the tenure types to be delivered. Financially, how the rate of interest used in the strategic plan was calculated and covenants were addressed.

Scrutiny was provided over the level of build quality in that of the 35 properties realised to date, there had been a complaint. It was agreed that more attention would be given to ensuring the build quality was as high as expected.

#### Item 5c Addendum to Shareholder Agreement

Lindsay Cane, Company Secretary to OCHL introduced a report recommending that the Shareholder make an addendum to its Shareholder Agreement.

#### Items 5d and 5e Appointment of up to Three Non-Executive Directors and a Managing Director

Lindsay Cane, Company Secretary to OCHL introduced two further reports recommending that the Shareholder appoint up to three non-executive directors, and a managing director. Both sets of roles had been scoped and were being advertised. It was hoped that interviews would take place at the end of November or early December for non-executive directors and mid-December for the recruitment of the managing director. One particular issue raised was in regards to the makeup of those of the Shareholder group who would be involved in recruitment, with a previous recommendation being that it should be the Chair of the Shareholder and Joint Venture Group and one other. Coordinating diaries around the election and Christmas period was proving difficult and it was suggested that a revised make up of up to two members of the Shareholder Group was preferable.

It was **AGREED** that the following recommendation to the Shareholder and Joint Venture Group meeting be made:

**Recommendation 1: That up to two members of the Shareholder and Joint Venture Group be nominated to participate in the recruitment and selection process for i) the recruitment of non-executive directors, and ii) the recruitment of a managing director. Involvement to include membership of the interview panel.<sup>1</sup>**

#### **14. Barton minutes**

Jane Winfield, City Council representative on Barton LLP introduced providing an update on the activities of Barton Oxford LLP over the last quarter.

Seven units from Phase 1 were due to be handed over by the developer to the Council by 29<sup>th</sup> November, taking the total to 54 units overall. A date of 13<sup>th</sup> December had been agreed to hand over a further 14 units to the Council.

Redrow in Phase 3 had been launched the day before the meeting, and it was reported how well Hill (Phase 1 developer) and Redrow were engaging with the local community.

The Panel sought an update with regards to bus connectivity to and from the Barton development. Bus stops were in place, and it was planned that the LLP would work with the community association and bus stop providers advertising the Pick Me Up service. Unfortunately, one bus stop had been vandalised, but it was insured. Although there was the potential that Oxford Bus Company would not run the Pick Me Up service beyond another year, it was hoped that by that stage the County Council would have managed to organise new bus routes to cover the development.

One issue of concern to the residents was that of the speed of cars coming along the A40 at the entrance and egress point to the development. Jane Winfield took an action

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<sup>1</sup> NB – This recommendation was not submitted to the Shareholder and Joint Venture Group due to the fact that it was the intention of the SJVG to make this change anyway.

to speak to the County Council regarding the possibility of having speed-warning signage erected. In the absence of data showing a need for such measures, however, no agreement had been reached to date but that it would continue to be pressed. Another resident-issue discussed was that of cars using the restricted access to Northway as a cut-through. Until number plate recognition cameras had been put in (a duty of the County Council following the funding by the LLP) the barriers preventing use by traffic were not to be removed. It was advised that this could be a cause of tension between the LLP and the County Council; in order to have the County Council adopt the junction in question as quickly as possible it would have to be checked and signed off, which would require a car to be able to drive along it, necessitating the removal of the barriers

Discussion was held over the next phasing would proceed. It was anticipated that there would be conference calls with all the candidates to bottom out each proposal and to allow like-with-like comparisons to be made between them.

Further questioning concerned the make-up of the people living in the Barton development at present, the majority of whom were said to be owner occupiers. Issues of project slippage were also discussed, with the challenge of getting outline planning consent for the project – and drainage issues in particular – having held up the development.

The report was **NOTED**.

## **15. ODS minutes**

Simon Howick and Tim Sadler, ODS Company Directors, joined the meeting at the commencement of this item and presented an update report on the progress of Oxford Direct Services over the previous quarter.

Tim Sadler, speaking as Chair of the Board gave an update on a number of governance issues. It was confirmed to the Panel that the first ODS board meeting had taken place with the recently-appointed non-executive directors, which had been extremely positive. The first meeting of the Assurance Committee had also taken place, providing assurance with regards to internal audit, external audit and accounts. Simon Howick proceeded to lead on introducing the remainder of the report.

The Panel discussed customer feedback which showed a couple of negative spikes relating to streetscene operations. It was fed back that at the time sampling of customers had been undertaken about the public toilets, which brought down the average customer feedback. Panel feedback stressed the importance of having regular cleaners in the city centre toilets not only for hygiene reasons but also to discourage anti social behaviour and drug use. A City Centre toilet scheme was encouraged by the Panel, to make known shops which allowed the public to use their toilets. Though this was not something that was within the remit of ODS, it was confirmed that the Council's Community Services team were seeking to re-establish such a scheme in the city centre.

The Panel sought to learn whether savings would be required if ODS were to achieve its financial targets.

Discussion was held over the specific areas of operation of the different divisions of ODS and the respective challenges of each market, particularly in regards to securing contracts.

The Panel raised questions in relation to how ODS was promoting a diverse workforce. ODS was aware of the position taken by the Council and was seeking to mirror some of its elements. The ODS Director of HR was working to develop clear opportunities for recruitment from work experience through to apprenticeships and on to career grade opportunities, which could be promoted amongst under-represented groups.

In relation to staff turnover, it was asked whether ODS would consider using incentive schemes to align the benefits of productive work to the individual and the business.

Regarding the financial position of ODS the Panel welcomed progress made to date but enquired about more stretching income targets.

The Panel sought reassurance that the TECKAL status of ODS did not act as a barrier to it being able to take on additional work from sources other than the Council.

The Panel **NOTED** the report.

Simon Howick and Tim Sadler left the meeting at the end of this item.

**16. OxWed minutes**

Tom Bridgman, OxWED Director, and Stephen Hing, OxWED Development Director joined the meeting at this point.

Stephen Hing presented the report to the Panel.

The Panel **NOTED** the report.

Tom Bridgman and Stephen Hing left the meeting at the end of this item.

**17. Minutes of the previous meeting**

The minutes of the meeting held on 19 September 2019 were agreed as an accurate record.

**The meeting started at 6.00 pm and ended at 8.11 pm**

Chair .....

**Date: Thursday 12 March 2020**

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