

# Agenda for a meeting of the

www.oxford.gov.uk



## Shareholder and Joint Venture Group for Oxford City Council Companies

Date: **Wednesday 25 September 2019**

---

Time: **6.00 pm**

---

Place: **Long Room - Oxford Town Hall**

---

For any further information please contact the Committee Services Officer:

**Jennifer Thompson**

Telephone: 01865 25 2275

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

---

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

<b>Chair</b>	Councillor Susan Brown	
<b>Vice-Chairs</b>	Councillor Linda Smith	Councillor Ed Turner
<b>Members</b>	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
---------------	--	---------------	--

### 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, public reports and public minutes are available online and can be:

- viewed on our website – [mycouncil.oxford.gov.uk](http://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](http://mycouncil.oxford.gov.uk)

# AGENDA

Pages

1 **Apologies for absence**

2 **Declarations of interest**

3 **SJVG Confidentiality and private session**

**Access to reports and admission to Shareholder and Joint Venture Group Meetings**

A limited company in which a local authority holds an interest, even a 100% interest, falls outside the strict requirements of local government law.

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.

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.

**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 **SJVG Terms of reference and meeting arrangements**

**Purpose of report:** to set out the terms of reference and meeting arrangements for this Group.

15 - 18

The Head of Law and Governance will present this report.

**Recommendation:** to agree the terms of reference and meeting arrangements for the Shareholder and Joint Venture Group.

## 5 Scrutiny comments and/or recommendations

The Group is asked to consider any comments and/or recommendations from the Companies' Scrutiny Panel meeting on 19 September 2019.

### Items relating to the Companies

The agenda item text indicates which documents are public and which are private.

## 6 Oxford City Housing Ltd - the Housing Group

### Company Directors:

Richard Connolly

Stephen Clarke

Jane Winfield

### Others in attendance

Lindsay Cane (Company Secretary)

Alan Wylde (Adviser)

David Watt (Strategic Finance Manager)

### 6a The future strategic direction of the Council's Group of Housing Companies (draft Business Plan) [Private]

**Purpose of report:** to introduce the first draft of both the OCHL Strategic Plan and 10 year indicative Business Plan and to seek shareholder endorsement. At this stage the draft Business Plan is provided within the Strategic Plan, to establish an indicative 'envelope' within which the OCHL Group may progress to the detailed Business Plan for the Shareholder on 19 November 2019.

**Recommendations:** the Shareholder and Joint Venture Group is asked to:

1. Review and endorse the first draft of both the OCHL Strategic Plan and indicative Business Plan at Appendix 1.
2. Consider the specific points raised in the report, to inform the progress of the Strategic Plan and detailed Business Plan for the Shareholder meeting on 19 November 2019.

*The report and appendices are private as they include matters considered to be commercially sensitive and relating to the finance or business affairs of the Council, the company, and other third-parties.*

**6b Housing Group - Quarterly reporting on finance and progress  
[Part private]**

19 - 22

**Purpose of report:**

This report incorporates and seeks to measure the impact of the most recent changes made to the previous approved development programme within OCHL's current Business Plan (BP). The Risk Register is undergoing a significant review given the change in strategic development, accelerated programme activity and future partnering arrangements and this will be reported at the next meeting. Furthermore, a series of development Key Performance Indicators (KPI's) along with several financial performance measures are being identified and collated for reporting in future OCHL performance reports to the Shareholder meetings for review, comment and feedback.

**Recommendations:** that the Shareholder and Joint Venture Group resolves to:

1. Note the revised development modelling (dashboards), financial performance and financial position of OCHL's combined activities.
2. Note the revised draft Business Plan schedule of projects at Appendix 1.
3. Note the impact of the proposed 10 year development programme will have on OCHL activity and debt redemption possibilities, OGD social rented dwelling delivery, HRA headroom borrowing, future OCHL MTFP obligations and new build numbers.

*The report is public. The three appendices are private as they include matters considered to be commercially sensitive and relating to the finance or business affairs of the Council, the companies, and other third-parties.*

**6c Housing Group - Project Delivery Programme update [Public]**

23 - 26

**Purpose of report:** to provide an update to the SJVG on the status and progress of the Housing Group's development site delivery programme.

**Recommendation:** that the Shareholder and Joint Venture Group resolves to note the status of the Housing Group Delivery Programme.

*The report is public.*

**6d** **Furnished Tenancy Scheme (Reserved under Rent & Lettings Policy) [Public]** 27 - 38

**Purpose of report:** to seek approval from the SJVG for an amendment to the Rent and Lettings Policy to include a Furnished Tenancy Scheme.

**Recommendation:** that the Shareholder and Joint Venture Group resolves to approve an amendment to the Housing Group's Rent and Lettings Policy to include a Furnished Tenancy Scheme.

*The report and the two appendices are public.*

**6e** **Governance arrangements for the OCHL Group of Companies [Part private]** 39 - 46

**Purpose of report:** to seek approval for the proposed governance arrangements.

**Recommendations:**

that the Shareholder and Joint Venture Group resolves to:

1. Approve the proposals for the recruitment of two NEDs (Non-Executive Directors) for the OCHL group of companies, the proposed job description and the proposed remuneration;
2. Agree that two elected members as representatives of the Shareholder, the Chief Executive of the Council and an OCHL Board Director will be included in the recruitment panel;
3. Agree that formal shareholder consent be obtained on the final selected NED applicants chosen for appointment;
4. Agree that consideration is given to the need for and recruitment of a permanent MD as part of the outcomes of the current OCHL review.

*The report and Appendix 2 are public. Appendix 1 is private as it includes matters considered to be commercially sensitive and relating to the finance or business affairs of the Council, the company, and other third-parties.*

## 7 Barton Oxford Limited Liability Partnership (LLP):

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

Stephen Clarke

Jane Winfield

## 7a Barton Park Development Quarterly progress report [Part private] 47 - 52

**Purpose of report:** to provide an update into the activities of Barton Oxford LLP (BOLLP) over the quarter and progress of housing delivery at Barton Park.

**Recommendation:** the Shareholder and Joint Venture Group resolves to note the contents of the report and the appendix.

*The report is public. The one appendix is private as it includes matters considered to be commercially sensitive and relating to the finance or business affairs of the Council, the LLP and other third-parties.*

## 8 Oxford Direct Services Ltd and Oxford Direct Services Trading Ltd (ODS)

### Company Directors:

Simon Howick

Aled Bath

Tim Sadler

### Others in attendance

Lindsay Cane (Company Secretary)

## 8a Oxford Direct Services (ODS) Board Quarterly update report [Private]

**Purpose of report:** to provide the SJVG with an update on the companies' activities.

**Recommendation:** that the Shareholder and Joint Venture Group resolves to note the report.

*The report is private as it includes matters considered to be commercially sensitive and relating to the finance or business affairs of the Council, the companies, and other third-parties.*

## 9 Oxford West End Development (OxWED)

### Oxford City Council's Company Directors

Gordon Mitchell

Tom Bridgman

### Others in attendance

Lindsay Cane (Company Secretary)

Stephen Hing (OxWED Development  
Director)

### 9a OxWED Quarterly Oxford City Council Shareholder Update [Part private]

53 - 56

**Purpose of report:** to provide an update on the company's activity.

**Recommendation:** that the Shareholder and Joint Venture Group resolves to note the report and the appendices.

*The report is public. There are three appendices to this report: one which is public and two which are private as they include matters considered to be commercially sensitive and relating to the finance or business affairs of the Council, the company, and other third-parties.*

## 10 Minutes of the previous meeting (Shareholder meeting, 23 July 2019) [Part private]

57 - 62

**Recommendation:** to approve the public and private minutes of the Shareholder meeting of 23 July 2019 as a true and correct 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 “Tekal”



#### 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:

- 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.

