

Agenda

for a meeting of the

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Shareholder and Joint Venture Group for Oxford City Council Companies

Date: **Thursday 8 December 2022**

Meeting starts at: **6.00 pm**

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

For any further information please contact the Committee Services Officer:

Lucy Brown, Committee and Member Service Officer

Telephone: 01865 252784

Email: 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.



OXWED

Oxford West End Development Ltd

*Barton Oxford
LLP*

Shareholder and Joint Venture Group

Membership

Chair Councillor Susan Brown

Vice-Chairs Councillor Ed Turner

Members Councillor Chewe Munkonge Councillor Alex Hollingsworth
 Councillor Nigel Chapman Councillor Linda Smith
 Councillor Louise Upton

The quorum for this meeting is three members.

Advisers to the Group (the SJVG)

Lucy Brown	Law and Governance	Nigel Kennedy	s151 Officer / Head of Financial Services
Marcia Ecclestone	Law and Governance		

Agenda items

Number	Agenda item	Approximate start 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>	
1	Apologies for absence	
2	Declarations of interest	
3	Scrutiny comments and/or recommendations <p>The Group is asked to consider any comments and/or recommendations from the Companies' Scrutiny Panel on matters not on the agenda.</p> <p>Representatives of the Companies' Scrutiny Panel may also comment on substantive items.</p>	
4	SJVG Confidentiality and private session <p>If the SJVG 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 SJVG 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.</p> <p>The SJVG 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.</p>	
Items relating to the Companies		
	<p>The agenda item text indicates which documents are available to the public and which are private.</p> <p>Public reports in this section are available on the website under each agenda to download individually but are not included in an agenda pack.</p>	
5	Oxford Direct Services Ltd and Oxford Direct Services Trading Ltd (Private)	

Those who may attend for this company's items:

Company Directors:

Tim Sadler (Non-Executive Director, Chair of the ODS Board)
Catherine Pridham (Non-Executive Director, Chair of ODS Audit Committee)

Michael Whitwell (Non-Executive Director)

Simon Howick (Managing Director)

Gregor Budde (Finance Director)

Others in attendance:

Lindsay Cane (Company Secretary)

David Curtis (Chief Commercial Officer)

5a ODS Group Performance Report

Purpose of report: To introduce a revised ODS Business Plan and give the Shareholder Group an update on the ODS Group performance for 2021/22 and 2022/23.

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Recommendations: That the Shareholder and Joint Venture Group resolves:

1. **To note** the working assumption of the ODS Group 2021/22 net profit after tax is around £1,800k. This remains subject to finalisation and auditing of the accounts
2. **To note** in addition to the £600k recently paid for 2020/21, it is the Board's intention to declare and pay a further dividend once the year end work is complete and any increase in profitability over the 2021/22 Business Plan projection of £1,068k will be taken into account in the Board's deliberations.
3. **To note** the Board approved the combined ODS 2022/23 budget with a net profit after tax target of £2,228k
4. **To note** the period 7 trading position to date
5. **To adopt** the ODS Business Plan approved by Directors (appendix 1) which increases the net profit forecast across the same three year period by £2,491k and adds a further year
6. **To note** the proposed changes in ODSTL Company Directors set out in the accompanying paper

5b Commentary on the ODS to Shareholder from the Head of Financial Services

The Commentary on ODS to the Shareholder and Joint Venture Group Report provides an update on the following three areas:

- The 2021-22 Outturn;
- 2022-23 budget monitoring update;
- 2022-23 to 2025-26 Business Plan.

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5c **Changes to ODSTL Board membership**

Purpose of report: The Shareholder and Joint Venture Group is asked to consider substituting a new director for an existing director on the ODSTL Board and to add an additional executive director to the ODSTL Board.

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

1. Appoint David Curtis to the Board of ODSTL in place of Jane Lubbock, who has submitted her resignation from the Board;
and
2. To appoint Anne-Marie Scott as an additional director of ODSTL.

6 **Minutes of the previous meeting [part private]**

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Recommendation: to approve the public and private minutes of the Shareholder and Joint Venture Group meeting on 28 July 2022 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". 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.

Members Code – Other Registrable Interests

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing** of one of your Other Registrable Interests*** then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Members Code – Non Registrable Interests

Where a matter arises at a meeting which ***directly relates*** to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under Other Registrable Interests, then you must declare the interest.

You must not take part in any discussion or vote on the matter and must not remain in the room, if you answer in the affirmative to this test:

“Where a matter affects the financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest You may speak on the matter only if members of the public are also allowed to speak at the meeting.”

Otherwise, you may stay in the room, take part in the discussion and vote.

*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.

** Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person’s quality of life, either positively or negatively, is likely to affect their wellbeing.

*** Other Registrable Interests: a) any unpaid directorships b) any Body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority c) any Body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

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.

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Open minutes of a meeting of the Shareholder and Joint Venture Group for Oxford City Council Companies



on Thursday 28 July 2022

SJVG members:

Councillor Brown (Chair)

Councillor Hollingsworth

Councillor Chapman

Councillor Turner (remote attendance)

Officers representing the Council and/or supporting the Shareholder:

Caroline Green, Chief Executive

Nigel Kennedy, Head of Financial Services

Marcia Ecclestone, Legal Adviser

Lucy Tyrrell, Committee and Member Services Officer

Company Directors and support staff present for all or part of the meeting (see individual minutes for details):

Caroline Green, Director, OXWED

Simon Howick, Managing Director, Oxford Direct Services

Tim Sadler, Director, Oxford Direct Services

Tom Hook, Non-Executive Director

Catherine Pridham, Non-Executive Director

Jane Lubuck, Commercial Director

Guests present (members of the Companies Scrutiny Panel)

Councillor James Fry, Companies Scrutiny Panel

Councillor Alistair Morris, Companies Scrutiny Panel

Minutes

14. Apologies for absence

Apologies were noted from Cllrs Munkonge, Linda Smith and Upton.

15. Declarations of interest

None received.

16. Scrutiny comments and/or recommendations

Cllrs Fry and Morris were present to represent the Companies Scrutiny Panel and questions and issues identified were taken as part of the discussion under the individual agenda items.

17. SJVG Confidentiality and private session

The SJVG passed a resolution in accordance with the provisions of Paragraph 4(2)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 to exclude the press and members of the public 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.

18. Oxford Direct Services Ltd and Oxford Direct Services Trading Ltd (Private)

Present for this part of the meeting:
Tim Sadler (Chair of ODSL/ODSTL)
Simon Howick (Managing Director)
Jane Lubbock (Commercial Director)
Catherine Pridham (Non-Executive Director)
Tom Hook (Non-Executive Director)

Apologies were received from:
Lindsay Cane (Company Secretary)
Michael Whitwell (Non-Executive Director)
Gregor Budde (Finance Director)

19. 2021/22 year end and 2022/23 year to date report

The SJVG received a report which provided an update on the ODS Group performance for 2021/2022 and outlined progress against the Business Plan for 2022/2023.

The SJVG discussed the report in private session. Members of the Companies Scrutiny Panel contributed questions and comments.

The SJVG noted the contents of the report and **resolved to:**

1. **To Note and approve** the decision taken by the ODSL and ODSTL directors to declare and pay the companies' shareholders a joint dividend payment of £600k from distributable reserves.
2. **To note** the 21/22 outturn, and that subject to:
 - a) finalisation and auditing of the accounts, and
 - b) a quantification of risk and any subsequent financial provision,

the Board's intention to declare and pay a further dividend later this calendar year, to at least meet the 21/22 Business Plan projection of £1,068k.

3. **To note** the progress against the ODS Business Plan for 22/23.
4. **To note** the principal risks and mitigations.
5. **To note** there are on-going discussions with the Council regarding further potential efficiency opportunities including pay, with early engagement planned with the Shareholder given it is a reserved matter.

a) ODS Performance Report - Head of Finance Commentary

The SJVG had before them a report from Nigel Kennedy, Head of Financial Services which provided the Shareholders with a commentary on the ODS Performance Report and was discussed alongside the 2021/2022 year end and 2022/2023 year to date report.

20. Board Development

Catherine Pridham left the meeting.

The SJVG considered the report which provided a brief outline of the board development activities undertaken during that period and **resolved to** agree the recommendations contained within the report.

21. Minutes of the previous meeting [part private]

The Group agreed to approve the minutes of the meeting held on 14 April 2022 as a true and accurate record.

The meeting started at 6.00 pm and ended at 7.30 pm

Chair:

Date: 8 December 2022

Note: the next meeting is on 8 December 2022

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