

Agenda

for a meeting of the

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Shareholder and Joint Venture Group for Oxford City Council Companies

Date: **Monday 2 September 2024**

Meeting starts at: **6.00 pm**

Place: **Oxford Town Hall**

For any further information please contact the Committee Services Officer:

Dr Brenda McCollum, Committee and Member Services Officer

Telephone: 01865 25 2275

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*

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> <p>This agenda shows the approximate time when the SJVG will consider reports from each company.</p>	
1	Apologies for absence	
2	Declarations of interest	
3	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>	
4	Scrutiny Reports <p>The Finance and Performance Panel will meet on 27 August 2024. The following reports are expected, together with any other recommendations from that meeting:</p> <ul style="list-style-type: none">• ODS Group Performance Report• ODS Executive Pay and Executive Pay Policy	
Items relating to the Companies		
	<p>The agenda item text indicates which documents are available to the public and which are private.</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.

Items for the Shareholder and Joint Venture Group

Items unrelated to an individual company or companies for consideration by the Group.

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

Public reports in this section are available on the website under each agenda to download individually but are not included in an agenda pack.

5 Commentary on Reports Relating to ODS

The Head of Financial Services and Head of Law and Governance will submit commentary to the Shareholder and Joint Venture Group on reports to be considered.

Commentaries to follow.

6 ODS Group Performance Report

13 - 36

Report of: ODS Group Board

Summary and recommendations

Purpose of report: To provide the SHJV with an end of year summary and discuss the dividend for the trading period 2023/2024; to outline progress on growing the commercial business ODSTL.

Recommendation(s): That the Shareholder and Joint Venture Group resolves:

1. To note the ODS Group draft profit for 2023/24 is £3,369k against a budget of £2,719k and the statutory audit is scheduled to be completed at the end of September 2024.
2. To note that the Board will defer any consideration of the declaration of a dividend until the statutory audit is complete.
3. To note a review of the ODSL cost model is underway in addition to the Clienting & Commissioning Review which has a bearing on recommendation 2.
4. To note progress in growing ODSTL which is in line with the current business plan.

7 Addition to ODSTL Terms & Conditions of Employment

37 - 46

Report of: ODSTL Board

Summary and recommendations

Purpose of report: The purpose of this report is to seek shareholder approval to introduce group life cover for ODSTL members of staff.

Recommendation(s): That the Shareholder and Joint Venture Group resolves to:

- 1) to approve the changes to the terms and conditions of the 15 existing staff (as listed in appendix 2)
- 2) to approve the addition of the benefit to the ODSTL pay policy noting that the benefit will therefore be available to all future employees of ODSTL

8 Changes to the Boards of ODSL and ODSTL - Appointments

47 - 48

Report of: Company Secretary of ODSL and ODSTL

Summary and recommendations

Purpose of report: The appointment of Board Directors of ODSL and ODSTL is a matter reserved for the Shareholder, and this report recommends the appointment of a new executive director to the Boards of both companies and also notes the recruitment of a new non-executive Chair of the Boards.

Recommendation(s): That the Shareholder and Joint Venture Group resolves to:

1. Appoint Christopher Urwin as a director of both Oxford Direct Services Limited and Oxford Direct Services Trading Limited;
2. Note the changes to the Boards of the two companies following the retirement of Tim Sadler from his post as Chair.

9 ODS Executive Pay and Executive Pay Policy

49 - 82

Report of: ODS Group Board REMCO

Summary and recommendations

Purpose of report: To seek agreement for an increase of 3.4% for the Executive Team. The recent audit into Executive Pay and the role of REMCO is provided for background.

Recommendation(s): That the Shareholder and Joint Venture Group

resolves:

1. To agree the 2024/25 pay increase for the ODS Executive Team of 3.4%, noting that this is outside of the Executive Pay Policy.
2. To note the internal advisory audit into Executive Pay.

10 Minutes of the previous meeting [part private]

Recommendation: to approve the public and private minutes of the Shareholder and Joint Venture Group meeting on **27 March 2024** as a true and correct record.

83 - 94

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 LLP (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.

Agenda Item 6

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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Agenda Item 8

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Agenda Item 9

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**Open minutes of a meeting of the
Shareholder and Joint Venture Group
for Oxford City Council Companies
on Wednesday 27 March 2024**

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SJVG members:

Councillor Brown (Chair)

Councillor Turner (Vice-Chair)

Councillor Munkonge

Councillor Chapman

Councillor Linda Smith

Councillor Railton

Officers representing the Council and/or supporting the Shareholder:

Peter Matthew, Executive Director for Communities and People (Interim)

Nigel Kennedy, Head of Financial Services

Emma Jackman, Head of Law and Governance and Monitoring Officer

Lucy Brown, Committee and Member Services Officer

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

Tim Sadler, Chair of ODSL/ODSTL, Non-Executive Director, ODS Group

Catherine Pridham, Non-Executive Director, ODS Group

Tom Hook, Director, ODS Group

Simon Howick, Managing Director, ODS Group

James Gutteridge, Financial Consultant, ODS Group

Dave Curtis, Chief Commercial Officer, ODS Group

Lindsay Cane, Company Secretary, ODS Group

Guests present (members of the Companies Scrutiny Panel)

Councillor Katherine Miles, Companies Scrutiny Panel

Apologies:

Councillor(s) Upton sent apologies. Apologies were also received from Caroline Green, Chief Executive and Michael Whitwell, Non-Executive Director, ODS Group.

Minutes

67. Declarations of interest

There were no declarations of interest.

68. Scrutiny comments and/or recommendations

Cllr Katherine Miles, Companies Scrutiny Panel, advised the SJVG that a letter had been received from the Friends of Iffley Village relating to land at Meadow Lane, and as OX Place were not represented at this meeting, the letter had been forwarded to the Council's Monitoring Officer.

69. Oxford City Housing Group, Oxford Direct Services Ltd and Oxford Direct Services Trading Ltd External Auditor Appointment 2023/24 onwards [public]

Nigel Kennedy, Head of Financial Services, introduced the report which sought approval to appoint Mazars LLP as external auditor for the 2023/24 financial statements for Oxford City Housing Group, Oxford Direct Services Ltd and Oxford Direct Services Trading Ltd.

Nigel Kennedy highlighted that it was beneficial to secure the same external auditor for both the Council companies, due to both the complex inter-company relationship that were best dealt with on a consistent basis by one auditor and to enable Council officers to have one point of contact and one process through which to manage the audit.

He advised that the procurement was undertaken through a Crown Commercial Services framework, and there were 10 expressions of interest forms on the framework, however ultimately only one firm submitted a tender which was from the existing auditor for the companies.

Cllr Ed Turner arrived at the meeting.

The Shareholder and Joint Venture Group **resolved** to:

1. Approve the appointment of Mazars LLP as external auditor for the 2023/24 financial statements and the following three years, with the final year being subject to satisfactory performance.

70. Barton Oxford LLP [public]

The following Barton LLP representatives were present for this item:

- Jane Winfield, Director

a) Quarterly Progress Report relating to Barton Oxford LLP

The Shareholder and Joint Venture Group considered a report which provided an update into the activities of Barton Oxford LLP (BOLLP) over the last quarter. Jane Winfield, Director introduced the report and highlighted that since publication of the report, the Competition and Markets Authority had 'called in' the Barratt and Redrow merger, however, there have been no signs that this would not be concluded. She also advised that following the meeting with the BICEP in February, 20mph signs would be erected following completion of the development.

In response to a query raised regarding engagement with Community Employment Plans, Jane Winfield advised that links had been formulated with the Council's Economic Development Team to ensure this remained a focus of the BOLLP. It was noted that contracts had been awarded partly on the company's commitment to social value, and therefore it was imperative that these were followed up to ensure they align with the Council's values.

The Shareholder and Joint Venture Group **resolved** to:

1. Note the contents of the report.

71. SJVG Confidentiality and private session

The Shareholder and Joint Venture Group 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 Oxford City Council, Town Hall, St Aldate's, Oxford OX1 1BX, their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

72. Commentary on ODS Performance Report to Shareholder and Joint Venture Group [private]

The Shareholder and Joint Venture Group (SJVG) received a report from the Head of Financial Services which provided the Shareholder with information on:

- 2023-24 Financial performance for the 10 months ending 31-01-2024
- The ODSL and ODSTL Business Plan 2024-25 to 2027-28

The SJVG discussed the report in private session.

The SJVG noted the contents of the report.

73. Oxford Direct Services Limited

The following representatives of the ODS Group were present for this part of the meeting:

Tim Sadler, Chair of ODSL/ODSTL, Non-Executive Director

Catherine Pridham, Non-Executive Director

Tom Hook, Non-Executive Director

Simon Howick, Managing Director, ODS Group

James Gutteridge, Finance Consultant, ODS Group

Dave Curtis, Chief Commercial Officer, ODS Group
Lindsay Cane, Company Secretary, ODS Group
Anne-Marie Scott, Executive Director of People and Corporate Services, ODS Group

a) ODS Group Performance Report [private]

The Shareholder and Joint Venture Group received a report which provided a summary of the 2023/24 trading year to date, proposed a dividend for the trading period 2022/23, presented two new business plans for ODSL and ODSTL for approval which were underpinned by the 2024/25 ODS budgets.

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

The Shareholder and Joint Venture Group **resolved** to:

1. To note confirmation of the forecast full year trading position for both companies (as at period 10) with a group net profit after tax working assumption of £2.7m.
2. To declare a dividend of £1.4m for the financial year 2022/23 from ODSL.
3. To note a summary of the ODS Group budgets for 2024/25 (which support the new business plans).
4. To approve, the refreshed ODSL Business Plan (as attached at Appendix 1).
5. To approve the refreshed ODSTL Business Plan (as attached at Appendix 2).

74. Minutes of the previous meeting [part private]

The Shareholder and Joint Venture Group received the open and private minutes of the meeting held on 7 December 2023 and approved these as a true and accurate record.

The meeting started at 6.00 pm and ended at 8.25 pm

Chair:

Date:

Note: the next meeting is on Wednesday 24 April 2024

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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