

**To:** Shareholder and Joint Venture Group Meeting  
**Date:** 19 November 2019  
**Report of:** Company Secretary of the Housing Group of Companies  
**Title of Report:** Appointment of up to three Non-Executive Directors to the Housing Group of Companies

| <b>Summary and recommendations</b>  |   |
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| <b>Purpose of report:</b>   | The appointment of Board Directors, including non-executive directors, to the Housing Group is a matter reserved for the Shareholder, and this report sets out the process through which it is intended that up to three non-executive directors be selected and appointed to join the company Boards.  |
| <b>Recommendation(s): That the Shareholder and Joint Venture Group resolves to:</b> |   |
|   | <ol style="list-style-type: none"> <li>1. Note that the Housing Group of companies wishes to proceed with the recruitment of up to three non-executive directors for the Housing Group to strengthen the existing Boards;</li> <li>2. Nominate two members of the Shareholder and Joint Venture Group to participate in the recruitment and selection process, to include membership of the interview panel, one of whom to be the Chair of the Shareholder and Joint Venture Group;</li> <li>3. Following the selection of the successful candidate(s), to delegate authority to the Chair of the Shareholder and Joint Venture Group to appoint the successful candidate(s) as Board Director(s) of the Housing Group.</li> </ol> |

| <b>Appendices</b> |  |
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| Appendix 1        | Role profile for non-executive directors of the Housing Group of Companies |

## Introduction and background

1. The appointment of Board Directors to Oxford City Council's housing group of companies ("the Housing Group") is a matter reserved for the Shareholder.

2. On 25 September 2019 the Shareholder and Joint Venture Group resolved that efforts should be made to recruit appropriately experienced individuals to join the Boards of the three Housing Group companies as non-executive directors. The value brought by including suitably experienced external, independent individuals within the board as non-executive directors is well-recognised, and fulfils a principle of good corporate governance.
3. The Housing Group, is now therefore proposing to undertake a recruitment process for appropriately qualified and experienced people to fill these positions. The successful candidates would be offered a fixed term contract, with the Housing Group holding an option to renew. It is anticipated that the current interim Managing Director, who will be leaving his MD role at the year end, would be prepared to be considered for one of the non-executive roles for a short fixed term, to provide useful continuity.
4. The recruitment process is underway and interviews for these positions are scheduled to take place in late November / early December. It is proposed that the interview panel will include the Leader of the Council, one other Shareholder representative and the Council's Chief Executive. It is hoped that the successful candidate(s) will be available to take up their appointment(s) early in 2020.

### **Financial implications**

5. There are financial implications for the Housing Group arising from this report, in that the costs of engaging the non-executive directors would be borne by the Housing Group.

### **Appointment as Board Directors**

6. Following the selection of the successful candidate(s) as above, to ensure that they are able to participate fully in Housing Group Board decisions as quickly as possible, it would be helpful if there could be a minimum of delay before consideration is given to appointing the candidate(s) as Board director(s). To facilitate this process, it is proposed that the Shareholder grants delegated authority to the Chair of the Shareholder and Joint Venture group to consider the position and if appropriate to appoint the successful candidate(s) as director(s) of the Housing Group.

### **Legal issues**

7. The Articles of Association of the Housing Group draw no distinction between the roles of executive and non-executive directors. Any non-executive directors appointed will, therefore, hold the same overall responsibilities to the company as the existing executive directors. This is considered a practice indicating good corporate governance, and should increase the resilience and independence of the company Boards.

### **Level of risk**

8. The various advantages of appointing non-executive directors are set out above. The risks of a company not engaging NEDs are therefore also recognised. This is particularly true in a period when the Housing Group is necessarily significantly increasing the volume of its operations, and consequently the magnitude of its risks.

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