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| To: | | Shareholder and Joint Venture Group Meeting |
| Date: | | 17 March 2020 |
| Report of: | | Company Secretary of the Housing Group of Companies |
| Title of Report: | | Governance Update – Housing Group of Companies |
| Summary and recommendations | | |
| Purpose of report: | | To update the Shareholder and Joint Venture Group on recent developments in regard to the composition of the Boards of three Housing Group companies. |
| Recommendations: That the Shareholder and Joint Venture Group resolves to: | | |
| 1. | Note that the Housing Group of companies has made the changes set out in this report to the composition of the Boards of each of three Housing Group companies: Oxford City Housing Limited; Oxford City Housing (Development) Limited and Oxford City Housing (Investment) Limited (collectively “the Housing Group”). | |
| 2. | Note that the two individuals selected as the new non-executive directors have been recorded at Companies House as Board directors of the Housing Group. | |
| 3 | Note that a further recruitment campaign is now required to recruit and appoint a new MD under the previous Shareholder delegated approval. | |

**Introduction and background**

1. The appointment of Board Directors to the Housing Group is a matter reserved for the Shareholder.
2. To provide the additional strength and capacity required by the Housing Group to enable it to compete successfully in the ever-evolving housing development market, additions have been made to the Housing Group Boards, both in regard to the recruitment of a new Managing Director and in the appointment of two new non-executive directors.

**Non-Executive Directors**

1. The value of recruiting appropriately experienced “external” individuals to join company Boards as non-executive directors is well recognised, and on 19th November 2019 the Shareholder and Joint Venture Group agreed that up to three non-executive directors be recruited to join the Boards of the Housing Group.

1. The Housing Group therefore undertook an appropriate recruitment process for these positions. As required, a member of the Shareholder and Joint Venture Group formed part of the interview and selection process. This led, in January 2020, to offers of appointment being made to the two selected candidates - Kerry Kyriacou and Rosemary Farrar. These offers were both accepted.
2. These two appointments were made on a three year fixed term basis, commencing on 11th February 2020. Under the terms of the appointments, the non-executive directors are required to provide 16 days service per year to the Housing Group.
3. The current Interim Managing Director of the Housing Group, Richard Connolly, has also been asked to continue his involvement with the Housing Group by staying on as a third non-executive director. This appointment will take effect from the termination of his current interim MD role. In this way Richard can provide managerial continuity and direct Housing Group experience into the future.

**Managing Director**

1. With Richard Connolly then shortly due to leave his post as Interim Managing Director of the Housing Group, at its meeting on 19th November 2019, the Shareholder and Joint Venture Group further approved the recruitment of a new Managing Director.
2. An appropriate recruitment process was therefore undertaken by the Housing Group to seek to fill the Managing Director post. As required, a member of the Shareholder and Joint Venture group formed part of the interview and selection process. This led, in January 2020 to an offer being made to the selected candidate.

The MD appointment was offered on the basis of an initial two year fixed term post, with renewal subject to both parties’ consent. The offer was declined on 03rd March and a further recruitment campaign is now being planned. As before, the Shareholder will be represented on the Interview Panel by up to three members.

**Appointment as Directors**

1. At its meeting on 19th November 2019, the Shareholder and Joint Venture Group agreed that authority be delegated to the Chair of the Group to approve the appointment of each of the selected non-executive directors and the selected Managing Director as Board directors of the Housing Group. This approval was obtained, and thus Kerry Kyriacou, Rosemary Farrar have all now been/will be recorded as company directors of all three of the Housing Group companies at Companies House. Richard Connolly will remain a director of the Housing Group companies for the duration of his appointment as a non-executive director.

# Financial implications

1. 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 directly by the Housing Group. While the Managing Director would, technically, be an employee of the City Council, all the employment costs incurred will be passed on to the Housing Group These costs are in line with the Approved Business Plan previously endorsed by the Shareholder.

# Legal issues

1. 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. The Managing Director will, of course, hold particular and direct responsibilities in regard to the management and performance of the Housing Group.

# Level of risk

1. The need for a dedicated Managing Director of the Housing Group is clear in a period when the three companies are significantly increasing the volume of their operations, and consequently the magnitude of their risks. The addition of non-executive directors is proven to be a highly useful tool in ensuring good corporate governance.

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