

OCHL Minutes

OCHL Company Directors Stephen Clarke and Jane Winfield were joined by Lindsay Cane, Company Secretary, and David Watt, Strategic Finance Director. Chair of the Board, Richard Connolly, was unable to attend.

Housing Group Governance

Governance Update

Stephen Clarke reported that the Housing Group had successfully appointed two non-executive directors, both with significant experience in residential development within the private sector and housing associations, one with a finance specialism and the other with a greater development focus. The appointment of a managing director had, on the other hand, not been successful. With a wide range of quality at the interviews only one appointable candidate emerged who, ultimately, could not make the role fit around other commitments and declined the offer. The position would be re-advertised as soon as possible. In the meantime, Richard Connolly, the current managing director, has agreed to continue on a two-day per week basis until a replacement could be appointed.

The report was **NOTED**.

Register of Directors' Interests

Lindsay Cane, Company Secretary, presented to the Panel a report proposing that the Shareholder, in light of the recent additions to the Board of the Housing Company, update its register of interests. Doing so was endorsed as a good time to refresh the register to ensure transparency and would be good practice. The report was **NOTED** with the Panel's support.

Housing Group Performance Report

Non Financial Performance

For the purposes of ease of comparison, the Housing Group had adopted the same key performance monitors as the Council for their management of properties. Against those indicators Stephen Clarke reported positive performance: rent collection had improved from the previous quarter, an expected development due to the fact that the structure of Universal Credit tends to put people in technical arrears at the commencement of their tenancy. Rent collection was reported to be slightly ahead of that of the Council, which was notable due to the fact that the rents in Housing Group properties were above average.

The development programme was highlighted to have changes within specific elements of the business plan, but that the overall numbers within the business plan had remained stable from its original publication. Delays to units in current development were highlighted, but were being caused for different reasons, from issues arising from footpaths to drainage and groundworks complications. One development not mentioned in the report was that a contract had been signed with ODS for the development of a zero-carbon, off-site fabrication development at Bracegirdle Road.

Financial Performance

David Watt introduced to the Panel the financial elements of the performance report.

Attention was drawn towards the financial impacts of some of the changes to the number of properties developed, with a slight reduction on profitability arising as a result. Work was

being undertaken to raise the profit margins back to original levels, however. The debt repayment and dividend strategy was reaffirmed and confirmed as still being considered deliverable. Nigel Kennedy, Head of Financial Services, confirmed he was satisfied that the company was on track to deliver its requirements to the shareholder.

In overall questions discussion was held over the Oxfordshire Growth Deal. The company had delivered its requirements in Year 1, and were on track to do so in Year 2 but with little room for slippage.

Reasons for slippage, particularly around the Rose Hill development were questioned as to whether they were foreseeable and mitigated. It was explained that with increasing on the ground knowledge of conditions throughout the planning and building process housing numbers become more accurate, which in the case of Rose Hill had led to a reduction, but elsewhere numbers had increased. It was also mentioned that the sites being developed were sites which companies in the private sector would not deem viable, and that the company was delivering numbers of housing for the Council at an ambitious pace, which would reduce the level of certainty prior to commencing projects. No overall pattern could be determined for the causes of delays, suggesting no area of particular weakness. The company was encountering and learning from a variety of issues. More staff resource was now available in that area, and it was felt that this would be expected to increase reliability of time and density figures, as well as bringing forward some of the more complex joint-venture sites in the latter phases of the business plan.

Officers were invited to speak on greater depth about how the Council's environmental concerns were being met through the programme. The company had just agreed to the nine-property Bracegirdle Road development, which would be a zero carbon development and a trial for how other projects could improve their carbon reduction. The company had already modelled the additional costs of building all homes to Passivhaus standards, but it would be up to the shareholder to make policy decisions as to how to react to those models and any trade-offs required between the number of affordable units, the carbon cost of the homes and the returns to the Council. It was suggested that the political agenda was moving further towards climate issues than in the agreed business plan, though even the current levels exceeded the requirements for energy efficiency within the draft Local Plan.

The report was **NOTED**.