



To: Shareholder and Joint Venture Group Meeting
Date: 24 June 2020
Report of: Company Secretary of the Housing Group of Companies
Title of Report: Governance Update on appointments – 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, and to seek confirmation of recent appointments.
Recommendations: That the Shareholder and Joint Venture Group resolves to:	
<ol style="list-style-type: none"> 1. Note that the Housing Group of companies has made the changes set out in this report (as previously authorised in principle by the Shareholder and Joint Venture Group) in regard 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 Kerry Kyriacou and Rosemary Farrar, who were appointed as non-executive directors of the Housing Group in January 2020, are now recorded at Companies House as Board directors of the Housing Group. 3. Confirm the appointment of Richard Connolly as the third non-executive director of the Housing Group, and note his continuing appointment as a Board director. 4. Confirm the appointment of Mike Day as the Managing Director of the Housing Group and approve his appointment as a Board Director of the Housing Group for registration at Companies House. 	
Appendix 1 – Curriculum Vitae – Mike Day	

Introduction and background

1. The appointment of Board Directors to the Housing Group is a matter reserved for the Shareholder.

2. To provide the operational and strategic strength, capacity and oversight required by the Housing Group to enable it to compete successfully in an ever-evolving housing development market in highly challenging times, additions have been proposed to the Housing Group Boards, both in regard to the recruitment of a new Managing Director and in the appointment of three non-executive directors.

Non-Executive Directors

3. The value of recruiting appropriately experienced individuals to join company Boards as non-executive directors to provide external expertise and “independent” oversight is well recognised, and on 19 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.
4. The Housing Group therefore undertook an appropriate recruitment process for these positions. In accordance with the instruction of the Shareholder and Joint Venture Group, a member of that 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, the appointments were made and both Kerry and Rosemary are now registered as Board directors of the Housing Group at Companies House.
5. These two appointments were made on a three year fixed term basis (with an option for an extension), commencing on 11 February 2020. Under the terms of the appointments, the non-executive directors are required to provide some 16 days’ service per year to the Housing Group.
6. The Interim Managing Director of the Housing Group, Richard Connolly, has also been asked to continue his involvement with the Group by staying on as a third non-executive director - with the intention that this appointment would take effect from the date of the termination of his interim MD role. In this way Richard would be able to provide operational continuity during the transition period before the new Managing Director is fully established in post. Richard is, of course, already a Board director of the three Housing Group companies, but the Shareholder and Joint Venture group is now requested to confirm his appointment in the third non-executive director post. In contrast to the other non-executive directors, this appointment would be for a six months, fixed term basis. During this transition period it is expected that Richard would continue to chair the Housing Group boards.

Managing Director

7. As during the latter part of 2019 Richard Connolly had indicated his intention to leave his post as Interim Managing Director of the Housing Group, at its meeting on 19 November 2019, the Shareholder and Joint Venture Group further approved the recruitment of a new Managing Director.
8. An appropriate recruitment process was therefore undertaken by the Housing Group in January 2020 to seek to fill the Managing Director post. A member of the Shareholder and Joint Venture group formed part of the interview and selection process. Although this initial attempt did not lead to an appointment being made, a further recruitment process was subsequently undertaken, again involving a member of the Shareholder and Joint Venture group. Happily, this second process had a more successful outcome, and led to an offer of the post of Managing director being made to Mike Day, such offer then being accepted. The MD appointment was

offered on the basis of an initial two year fixed term post, with renewal subject to both parties' consent. Mike Day has provided a summary CV for the Shareholder and Joint Venture Group's information, attached to this report as Appendix 1, and has indicated that he will be able to fully take up his new post, on a 4 days per week basis, as from Monday 13 July.

9. At its meeting on 19 November 2019, the Shareholder and Joint Venture Group agreed that authority be delegated to the Chair of the Group to approve the appointment of the selected candidate to the post of Managing Director. The Shareholder and Joint Venture Group is now therefore asked to confirm the appointment of Mike Day as a Board director of each of the companies within the Housing Group.

Financial implications

10. There are financial implications for the Housing Group arising from this report, in that the costs of engaging the non-executive directors will be borne directly by the Housing Group. While the Managing Director will, 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

11. 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 those directors employed by the Council. The Managing Director will, of course, hold particular and direct operational responsibilities in regard to the management and performance of the Housing Group.

Level of risk

12. 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, the quantum of their financial commitments, and consequently the magnitude of their risks in a period of economic uncertainty. The addition of non-executive directors is proven to be a useful tool in ensuring a high level of corporate governance in addition to providing external expertise.

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