

**MINUTES OF THE SHAREHOLDER SUB COMMITTEE  
HELD ON**

15 January 2019

7.30 - 8.20 pm

**PRESENT**

**Sub Committee Members**

Councillor Mark Ingall (Chair)  
Councillor Joel Charles  
Councillor Andrew Johnson  
Councillor Danny Purton

**Officers**

Andrew Murray, Head of Housing  
Adam Rees, Governance Support Officer

**Additional Attendees**

John Phillips, Managing Director of HTS (Property and Environment) Limited

24. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Mark Wilkinson and Michael Harrowven, Non-Executive Chair of the HTS (Property and Environment) Limited Board.

25. **DECLARATIONS OF INTEREST**

John Phillips, Managing Director of HTS (Property and Environment) Limited declared a pecuniary interest in Item 7a, Appointment of Non-Executive Chair of HTS Group and Managing Director of HTS (Property and Environment) Ltd. He said that he, and his wife who was in attendance as a member of the public, would leave the room whilst the item was considered.

26. **MINUTES**

**RESOLVED** that the minutes of the meeting held on 11 December 2018 are agreed as a correct record and signed by the Leader, subject to the following amendment to Minute 20 so that it stated that Councillor Director reports would appear before the Sub Committee on a quarterly basis.

27. **MATTERS ARISING**

a) Minute 20 - References from HTS Group Ltd Board

In response to questions by Councillor Charles, Councillor Purton said that the remuneration for Councillor Directors was linked to the Council's Special Responsibility Allowance for Portfolio Holders so that any increase or decrease would not need to be approved by the Sub Committee.

28. **SUB COMMITTEE WORK PLAN**

Councillor Charles questioned why there was not a report on the Council's strategic priorities for the development of HTS. In response, the current workplan is established by the Cabinet strategic priorities for HTS which includes Business Plans for both HTS (Property and Environment) Ltd and HTS Housing Regeneration Ltd. The upcoming Best Value Review will look at strategic priorities for HTS (Property and Environment) Ltd aligned to Council corporate priorities.

**RESOLVED** that the Work Plan was noted.

29. **OPERATIONAL AND PERFORMANCE REPORTS**

a) Performance Reports and Balanced Scorecard

*Councillor Mark Ingall said that Item 6d, Council Directors Quarterly Report was now being considered as part of this item (Item 6a).*

The Sub Committee received a report which highlighted the operational and financial performance for HTS (Property and Environment) Ltd. The Company had achieved 100 per cent of its KPIs for October and November 2018 and there was an outturn of retained profit totalling £485,000 to November 2018.

Councillor Charles asked whether additional stretch targets could be implemented. The Council reviews annually five year stretch targets within the Balanced Scorecard. In response to a subsequent question on retained profit, John Phillips explained that £59,000 drop was due to delays in the capital programme. This money would be recouped in the subsequent quarter.

**RESOLVED** that:

**A** The Sub Committee acknowledged the performance and financial position set out in paragraphs 4 to 10 as follows:

- (i) HTS (Property and Environment) Ltd achieved 100 per cent success rate for October and November 2018 against the suite of major and minor Key Performance Indicators (KPI's) that govern the contract.

- (ii) An outturn of retained profit totalling £485,000 to 30 November 2018.

b) Customer Service

The Sub Committee received a report which summarised HTS (Property and Environment) Ltd's complaints to the month of November 2018.

**RESOLVED** that:

**A** The Sub Committee noted the report and summary of complaints to the month of November 2018 as set out in paragraphs 2 to 7 as follows:

- (i) HTS (Property and Environment) Ltd achieved a ratio of 0.86 per cent against a total of transactions to November 2018 of 27,895.

c) Risk Management

The Sub Committee received a report which set out the strategic risks for HTS (Property and Environment) Ltd.

The Sub Committee discussed the future third party growth opportunities for HTS (Property and Environment) Ltd. In response to a question by Councillor Johnson, John Phillips stated that currently, most of HTS' current third party profit came through the use of HTS' assets such as the Mead Park depot.

Councillor Charles stressed the importance of the organisation maintaining its momentum in order secure future growth. Councillor Purton said that it was important to recognise that there were risks surrounding housing development, as well as opportunities.

**RESOLVED** that:

**A** The Sub Committee noted the strategic risks as relating to HTS (Property and Environment) Ltd together with their analysis and mitigation.

30. **REFERENCES FROM THE HTS BOARD**

- a) Appointment of Non-Executive Chair of HTS Group and Managing Director of HTS (Property and Environment) Ltd

*John Phillips and Penny Phillips left the room for the consideration of this item.*

The Sub Committee received a report which recommended that the current appointments for the Non-Executive Chair (HTS Property and Environment) Ltd and for the Managing Director of HTS (Property and Environment) Ltd be extended for a further three years.

**RESOLVED** that:

**A** The Sub Committee approved the revisions to the current appointments for the Non-Executive Chair (HTS Property and Environment) Ltd and for the Managing Director of HTS (Property and Environment) Ltd for a further three years.

31. **REFERENCE FROM HTS (PROPERTY AND ENVIRONMENT) LTD**

a) Updated Business Plan

The Sub Committee considered a report on an updated business plan for HTS (Property and Environment) Ltd.

**RESOLVED** that:

**A** The Sub Committee approved the Board's proposed update to the current business plan.

32. **REFERENCES FROM CABINET**

a) Creation of HTS (Housing and Regeneration) Company

The Sub Committee received a referral from Cabinet to note the creation of HTS (Housing and Regeneration) Company, including a draft business plan and revised terms of reference for the Sub Committee.

Councillor Charles said that he did not feel the business plan was comprehensive enough. Then, in response to a question by Councillor Charles, John Phillips said that he and Michael Harrowven had significant input into the draft business plan and it would be developed in a similar way to the Business Plan for HTS (Property and Environment) Limited.

**RESOLVED** that:

**A** The Sub Committee noted the approved recommendations, as set out in paragraph 2 of the report, in line with Cabinet decision of December 2018.

33. **MATTERS OF URGENT BUSINESS**

None.

34. **DATE OF NEXT MEETING**

3 April 2019.

CHAIR OF THE SUB COMMITTEE