

Wiltshire Council

Cabinet - Shareholder Group

26 March 2024

Subject: Stone Circle Housing Company Nomination Agreement Changes

**Cabinet Member: Cllr Richard Clewer
Leader of the Council and Cabinet Member for Economic Development, Military-Civilian Integration, Heritage, Arts, Tourism, Health and Wellbeing**

Key Decision: Non Key

Executive Summary

This report seeks the Shareholder Group's approval of changes to the Nomination Agreement between Wiltshire Council and Stone Circle Housing Company.

Proposal(s)

The Shareholder Group is asked to note the requested changes to the Nomination Agreement between Wiltshire Council and Stone Circle Housing Company as proposed by the Company and to delegate negotiation and approval of the wording of the variation to the Nomination Agreement to the Corporate Director Resources & Deputy Chief Executive.

Reason for Proposal(s)

Stone Circle Housing Company has requested amendments to the Nomination Agreement to allow the Company to offer properties to alternative groups where the Council's Housing team is unable to provide a suitable nomination and to refine the lettings policy and related indemnity.

**Andy Brown
Corporate Director Resources & Deputy Chief Executive**

Wiltshire Council

Cabinet - Shareholder group

26 March 2024

Subject: Stone Circle Companies Approvals

Cabinet Member: Councillor Richard Clewer, Leader of the Council

Key Decision: Non Key

Purpose of Report

1. This report seeks the Shareholder Group's approval of changes to the Nomination Agreement between the Wiltshire Council and Stone Circle Housing Company.

Relevance to the Council's Business Plan

2. The proposals in the report directly support the Council's business plan to Grow the economy by facilitating the provision of affordable homes and developing new housing on public land.

Background

3. Stone Circle Housing Company has requested amendments to the Nomination Agreement to allow the Company to offer properties to alternative groups where the Council's Housing team is unable to provide a suitable nomination and to refine the lettings policy and related indemnity.

Main Considerations for the Council

4. Stone Circle Housing Company has requested changes to the Nomination Agreement between the Council and the Company dated 20 March 2020, a copy of which is attached at Appendix 1, as varied by the changes agreed by the Shareholder Group on 27 June 2023 and recorded in the Nomination Agreement Variation Letter of the same date, a copy of which is attached at Appendix 2.
5. The requested changes seek to amend the nomination procedure and lettings policy sections of the Nomination Agreement.
6. The Company has proposed the following amended nomination procedure:

The property will be made available to groups in the below order. If no suitable household can be found within the stated period, the Company exercises the right to offer the property to the next group. Once the stated period has expired and the next group has been notified of the property, no further claims will be accepted from the prior group. For the avoidance of

doubt, the time taken for the Company to review an application will not be included in the stated period.

1. *Housing People's Services – service to confirm need and provide a nomination within 10 working days.*
 - a. *If no need is confirmed within 10 working days, the property will be offered to the next group on the list.*
 - b. *If a nomination is rejected, the Council will need to provide another nomination within 5 working days otherwise the property will be offered to the next group on the list.*
 - c. *If a suitable household is not found by the third nomination, no further nominations will be accepted and the property will be offered to the next group on the list.*
 2. *Other services in Wiltshire Council (e.g. Whole Life Commissioning or any service need which presents itself) – service to confirm need within 5 working days.*
 - a. *If the service confirms a need for the property. This will be let directly to the service or partner third-party using the agreed business tenancy template.*
 - b. *If no need is confirmed within 5 working days, the property will be offered to the next group on the list.*
 3. *Open market (at the reduced rental rate) – made available to 'critical workers' as defined by National Government on 20 May 2023 ([Vulnerable children and young people, and critical workers - GOV.UK \(www.gov.uk\)](https://www.gov.uk))*
 - a. *If no suitable household can be found within 10 working days of the advert being listed on the open market, the property will be offered to the next option on the list.*
 4. *Open market (at market rental rate) – on a fixed 12-month contract only. Any rent received above the reduced rental rate will be paid to the Council in line with state aid guidance.*
 - a. *At the end of the fixed 12-month period. The property will be made available to the above groups again to determine if there is a renewed need for the reduced rental rate.*
7. The Company has proposed the following amended lettings policy and indemnity:

Group 1 (Housing People's Services) may nominate any household which it deems suitable, subject to the following requirements:

1. *Confirmation that the named tenants have not been evicted in the previous 5 years for anti-social behaviour and/or rent arrears.*
2. *A clean credit check with no record of County Court Judgments (CCJs), Insolvencies, Individual Voluntary Arrangements (IVAs), Bankruptcies, Sequestrations or Debt Relief Orders (DROs) of any amount within the previous 5 years, whether active or satisfied.*
3. *An income and expenditure analysis to show the property is affordable based on the rent being no more than 38% of income (including Universal Credit or other benefits) and proof of stated income.*
 - a. *If Housing Benefit has been assumed as part of the analysis but is not currently awarded (so no evidence can be provided), this should be clearly stated.*

4. *Verification of right to rent for named tenants and permitted occupants who are 18+.*
5. *Confirmation that the Council will provide a deposit bond and RIA, or that the household will be providing this themselves.*

For nominations who do not meet requirement 4, the Company will be unable to offer a tenancy.

For nominations which do not meet requirements 1 to 3, the Council will provide a written indemnity for the first twelve months of the tenancy.

- *For the avoidance of doubt, if the Council confirm a nomination meets the above requirements, and this is later found to be incorrect, it is accepted that the Council has provided an indemnity for the first twelve months by default.*
- *In cases where the Company and Council do not agree on the suitability of a nomination – this will be escalated to a member of the Shareholder Group. If no decision is made within 5 working days, the nomination will be deemed as unsuitable.*

The Company maintains the right to reject any nomination. If a nomination is rejected, the Company will provide written confirmation clearly stating the rationale for this.

- *In cases where the Council do not agree on the validity of a rejection – this will be escalated to a member of the Shareholder Group. If no decision is made on the appeal within 5 working days, the nomination will be deemed as unsuitable.*

Overview and Scrutiny Engagement

8. Select Committees will retain their scrutiny function in relation to the Shareholder Group. The Overview & Scrutiny Management Committee will be able to call the Shareholder Group to account for progress in relation to any Company for which the Council is a shareholder and any returns it is making.

Safeguarding Implications

9. There are no direct safeguarding implications.

Public Health Implications

10. There are no direct public health implications.

Procurement Implications

11. There are no direct procurement implications.

Equalities Impact of the Proposal

12. A low equalities risk score was calculated for the proposal in this report.

Environmental and Climate Change Considerations

13. There are no direct environmental and climate change considerations associated with the proposals in this Report.

Risks that may arise if the proposed decision and related work is not taken

14. If the proposed decision is not taken, there is a risk that properties will not be filled if the Council's Housing team is unable to provide suitable nominations.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

15.

Financial Implications

16. There are no direct financial implications in respect of this proposal.

Legal Implications

17. The Company and the Council have taken legal advice in respect of the proposal, including State Aid and Subsidy Control considerations.

18. The document is based on the Council's standard nomination agreement template, but specific clauses have been included to ensure that the arrangements comply with state aid/subsidy control as well as to reflect that the Company is meeting other housing needs.

Workforce Implications

19. There are no workforce implications to the proposals.

Options Considered

20. The Shareholder Group has the option to disregard the proposals and determine alternative arrangements.

Conclusions

21. The Shareholder Group is asked to adopt the proposal.

Andy Brown (Corporate Director Resources & Deputy Chief Executive)

Perry Holmes (Director - Legal and Governance)

Appendices

Appendix 1 - Nomination Agreement

Appendix 2 – Nomination Agreement Variation Letter

Background Papers

None