

AGENDA SUPPLEMENT (1)

Meeting: Cabinet - Shareholder Group

Place: Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Tuesday 10 October 2023

Time: 1.00 pm

The Agenda for the above meeting was published on 2 October 2023. Additional documents are now available and are attached to this Agenda Supplement.

Please direct any enquiries on this Agenda to Stuart Figini of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225-718221 or email stuart.figini@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225)713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

6 **Quarterly Performance Report (Pages 3 - 6)**

Report of the Corporate Director Resource & Deputy Chief Executive (S.151 Officer)

10 **Quarterly Performance Report (Pages 7 - 12)**

Part II Appendix of the Quarterly Performance Report

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| DATE OF PUBLICATION: 9 October 2023 |
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Wiltshire Council

Shareholder Group

10 October 2023

Stone Circle – Quarterly Performance Report

Purpose of Report

1. To review the performance report, appended to this report as a part two confidential item, which has been prepared by 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. The Cabinet agreed to establish the Companies at its meeting on 23 July 2019. The cabinet agreed a review of Governance arrangements for Council owned Companies at its meeting in September 2021. Following the review, it was agreed to establish the Shareholder group to undertake the reserved matters for the Council. e: previous decisions, policy issues, any statutory requirements, consultation arrangements and any other relevant issues.
4. The Cabinet approved the business plan for 2023/24 at the shareholder group meeting on 27 June. At that meeting performance management was discussed and agreed that quarterly update reports would be produced going forward. This is the first performance report received from the companies.
5. It has been an outstanding governance issue to ensure oversight of the companies performance against approved business plan is being regularly reported through as part of the Councils overall performance management framework. This will now form part of the reporting into the performance report to Cabinet.

Main Considerations

6. Attached at Appendix One is the Quarterly report (quarter 2) from the Stone Circle Housing Company. Due to the performance and commercial contents of the report this has been classed as confidential.
7. As yet we have not received an update report on the Stone Circle Development Company, however this is likely to be more specific to projects e.g. progression and issues relating to the development at Calne, Priestley Grove, rather than around performance metrics associated with the housing company. A verbal update is expected from the chair on the progress of the development company.

8. The keys issues for the Shareholder Group will be performance reported around the level of arrears and the number of vacant properties, details of which are contained in the confidential appendix.
9. The report, in the main, focuses on performance against the business plan but does not provide a report on the current financial performance of the company.

Overview and Scrutiny Engagement

10. The contents and outcome of this report will form part of the Cabinet Performance report going to Cabinet in November, which will be subject to the Councils scrutiny process.

Safeguarding Implications

11. None identified.

Public Health Implications

12. None identified.

Procurement Implications

13. None identified.

Equalities Impact of the Proposal

14. None identified.

Environmental and Climate Change Considerations

15. Stone Circle Housing Company has committed to improve the EPC rating of the properties it purchases where economic to do so. Stone Circle Development Company has proposed all-electric developments, as previously agreed. The Development Company aims to build homes for life which minimise the carbon footprint within the overall economics of development.

Workforce Implications

16. None identified.

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

17. Although there are no direct implications arising from the proposals, there are clear risks to the Council around non delivery of performance against the approved Stone Circle business plan, particularly in relation to voids and arrears. There are also financial risks which are covered off under the financial implications.

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

18. There are no direct implications arising from the proposals at this stage.

Financial Implications

19. Without receiving an update on the current financial forecasts for the companies it is hard to assess the current position this financial year or therefore future financial years. All roads lead back to the Council in terms of the companies financial performance, negative or positive.
20. The business plan was approved for one year against the backdrop of higher interest rates, pressure on the LHA rent levels and prevailing inflation cost pressures.
21. The business plan that was approved had an option around a 5% loan rate and 2% annual increases in rent from 2024/25 was on the basis that the company would not breakeven in the original timescales that were approved when Stone Circle was first incorporated.
22. A financial forecast is required for this year, together with financial modelling over the longer term to assess the options around the future financial stability and strength of the company. This will help inform the business plan activity for 2024/25 as well as the financial parameters required to be set by the shareholder for that financial year.

Legal Implications

23. None identified.

Options Considered

24. Explain the options you have considered, those you have rejected and why. This is particularly important when dealing with key decision items where there is a legal requirement to include this information.

Proposals

25. To review and comment the performance report from the company and consider any additional information required or follow up course of action.
26. To request an update on the companies financial position for the current financial year.
27. To request financial modelling to be undertaken around the companies longer term financial position to help inform the 2024/25 business plan.

Andy Brown, Corporate Director Resource & Deputy Chief Executive (S.151 Officer)

Date of report

Appendices:

Appendix One – Quarterly Shareholder Report Q2 Draft (Confidential)

Background Papers

None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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