

# AGENDA

**Meeting:** Cabinet - Shareholder Group

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

**Date:** Tuesday 3 December 2024

**Time:** 10.30 am

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Please direct any enquiries on this Agenda to Stuart Figini of Democratic Services, County Hall, Trowbridge, direct line 01225-718221 or email [stuart.figini@wiltshire.gov.uk](mailto:stuart.figini@wiltshire.gov.uk)

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

All public reports referred to on this agenda are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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## Membership:

Cllr Richard Clewer

Cllr Nick Botterill

Cllr Phil Alford

Leader of the Council

Cabinet Member for Finance, Development  
Management and Strategic Planning

Cabinet Member for Housing

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## **Public Participation**

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

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1 **Apologies**

To receive any apologies or substitutions for the meeting.

2 **Minutes of Previous Meeting** (*Pages 5 - 6*)

To confirm as a true and correct record and sign the minutes of the Cabinet Shareholder Group meeting held on 25 June 2024.

3 **Declarations of Interest**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee or Monitoring Officer.

4 **Leaders Announcements**

To receive any announcements from the Leader.

5 **Public Participation and Questions from Councillors**

The Council welcomes contributions from members of the public.

This meeting is open to the public, who may ask a question or make a statement. Questions may also be asked by members of the Council.

Written notice of questions or statements should be submitted to Democratic Services at [committee@wiltshire.gov.uk](mailto:committee@wiltshire.gov.uk) by 12.00 noon on Wednesday 27 November 2024.

6 **Update report from Stone Circle Housing**

To receive an update from Stone Circle Housing.

7 **Scrutiny Task Group Update** (*Pages 7 - 16*)

To receive an update from the Scrutiny Task Group.

8 **Additional responsibilities for Shareholder Group** (*Pages 17 - 20*)

To receive a report from the Director of Legal and Governance and Monitoring Officer.

9 **Exclusion of the Press and Public**

This is to give further notice in accordance with paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private.

To consider passing the following resolution:

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified**

**in Item Number 10 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

*Reason for taking item in private:*

*Paragraph 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).*

**10 Update report from Stone Circle Development (Pages 21 - 32)**

To receive a verbal update from Stone Circle Development Company.

## Cabinet - Shareholder Group

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**MINUTES OF THE CABINET - SHAREHOLDER GROUP MEETING HELD ON 25 JUNE 2024 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.**

**Present:**

Cllr Richard Clewer (Chairman), Cllr Nick Botterill and Cllr Phil Alford

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58 **Apologies**

There were no apologies.

59 **Minutes of the Previous Meeting**

The minutes of the meeting held on 26 March 2024 were received for consideration, and it was,

**Resolved:**

**To approve and sign the minutes as a true and correct record.**

60 **Declarations of Interest**

There were no declarations.

61 **Leaders Announcements**

There were no announcements.

62 **Public Participation and Questions from Councillors**

No statements or questions were received.

63 **Urgent Items**

There were no urgent items.

64 **Exclusion of the Press and Public**

It was,

**Resolved:**

**To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Minute Number 65 because it is likely that if members of the public were present there would be disclosure to them of exempt information as**

**defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

65 **Stone Circle Company Business Plan**

The Shareholder Group received a report detailing further amendments made to the Stone Circle Housing Company Business Plan following the meeting of the group on 26 March 2024 and the comments and recommendations made at that meeting. This was introduced by Nick Samuels, Chairman of the Stone Circle Housing Company and Stone Circle Development Company.

This had included details relating to rent increases in years when Local Housing Authority rates were not increased, acquisition of further properties, removal of repayment scenarios, and inclusion of sale of assets as part of the long-term strategy. The financial and projection impacts of the changes on the portfolio were detailed.

The group discussed the changes and the business plan as a whole, including tax implications from releasing properties, the council acting as funder of last resort, ongoing work with developers and agents, problems with the national and local renters market, and potential options to increase or maintain sustainability of the company.

There was also discussion of the development company, and progress building out the current sites with planning permission.

At the conclusion of discussion, it was,

**Resolved:**

**To note the changes to the Stone Circle Housing Company Business Plan 2024/25.**

(Duration of meeting: 10.30 - 11.20 am)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services, direct line 01225 718504, e-mail [kieran.elliott@wiltshire.gov.uk](mailto:kieran.elliott@wiltshire.gov.uk)

Press enquiries to Communications, direct line 01225 713114 or email [communications@wiltshire.gov.uk](mailto:communications@wiltshire.gov.uk)

**Wiltshire Council**

**Cabinet Shareholder Group**

**3 December 2024**

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**Subject:** Stone Circle Governance Task Group recommendations

**Cabinet Member:** Cllr Phil Alford  
Cabinet Member for Housing

**Key Decision:** Non key

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## **Executive Summary**

This report sets out a proposed responses to the recommendations of to the recent Stone Circle Governance Task Group for approval.

## **Proposals**

Shareholder Group is asked to

- 1) Consider the attached appendix of draft responses
- 2) Approve the response subject to any suggested amendments

## **Reason for Proposals**

To complete the response to the Task Group and its recommendations which were accepted in full by Cabinet

Lead Corporate Director Name

Lizzie Watkin (Interim Corporate Director Resources)

## **Wiltshire Council**

### **Cabinet Shareholder Group**

**3 December 2024**

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**Subject: Stone Circle Governance Task Group recommendation**

**Cabinet Member: Cllr Phil Alford  
Cabinet Member for Housing**

**Key Decision: Non key**

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#### **Purpose of Report**

1. A recent Scrutiny Task Group on the Stone Circle companies suggested four recommendations, three of which were for Cabinet and were agreed.
2. This report sets out some proposed wording to give effect to those recommendations.

#### **Relevance to the Council's Business Plan**

3. The Council's relationship with Stone Circle reflects the themes in Business Plan of "Improving social mobility and tackling inequality" and also "Working Together." It has its greatest relevance in our aim to "We have the right housing."

#### **Background**

4. The recent Scrutiny Task Group that looked at the work of the Stone Circle companies made three recommendations.

#### **Recommendation**

- 1 That the council defines the purpose of both Stone Circle Housing and Stone Circle Development. The statement of purpose should include precise objectives and intended outcomes to enable ongoing scrutiny and to reference when reviewing performance and decision-making of Stone Circle Housing and Stone Circle Development. The statement of purpose, objectives and targets should be accessible to members and the public.
- 2 That Cabinet Shareholder Group minutes be made available to all members together with a simplified version of the shareholder group terms of reference to clarify the group's role and responsibilities in relation to Stone Circle Group.
- 3 That the terms of reference for the Cabinet Shareholder Group includes clarification on the extent to which Stone Circle companies operate independently or follow Council standards in their operations.

These are agreed by Cabinet, with a response being reported to Overview & Scrutiny Management Committee on 27 November 2024.

Appendix 1 sets out draft wording to give effect to the recommendations.



### **Main Considerations for the Council**

5. Officers can now take action to implement the recommendations with approval from the Shareholder Group.

### **Safeguarding Implications**

6. None identified

### **Public Health Implications**

7. None identified

### **Procurement Implications**

8. None identified

### **Equalities Impact of the Proposal**

9. None identified

### **Environmental and Climate Change Considerations**

10. None identified

### **Workforce Implications**

11. None identified

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

12. None identified

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

13. None identified

### **Financial Implications**

14. None identified

### **Legal Implications**

15. None identified

### **Overview and Scrutiny Engagement**

16. This report is in response to a recent Scrutiny Task Group

### **Options Considered**

17. As Cabinet has agreed the recommendations of the Scrutiny Task Group, the option to do nothing was discounted.

### **Conclusions**

18. The report provides draft wording for approval to give effect to the Scrutiny Task Group recommendations about the Stone Circle companies

### **Lead Director Perry Holmes, Director of Legal & Governance**

Report Author: Perry Holmes [perry.holmes@wiltshire.gov.uk](mailto:perry.holmes@wiltshire.gov.uk)

### **Appendices**

Appendix 1 Stone Circle Scrutiny Task Group Recommendations and draft responses

### **Background Papers**

**Final report of the Stone Circle Governance Scrutiny Task Group report**

**<https://cms.wiltshire.gov.uk/documents/s230166/Final%20Report%20of%20the%20Stone%20Circle%20Governance%20Task%20Group.pdf>**

## **Appendix 1**

### **Stone Circle Governance Task Group Recommendations and draft responses**

**22 November 2024**

#### **Recommendation**

- 1 That the council defines the purpose of both Stone Circle Housing and Stone Circle Development. The statement of purpose should include precise objectives and intended outcomes to enable ongoing scrutiny and to reference when reviewing performance and decision-making of Stone Circle Housing and Stone Circle Development. The statement of purpose, objectives and targets should be accessible to members and the public.*

#### **Draft response**

##### **Stone Circle Housing Purpose**

The purpose of Stone Circle Housing is to purchase residential properties with funding from the Council, as sole shareholder, to let at Local Housing Allowances (LHA) rent levels + 10%. The Council will receive a return on this investment through interest on borrowing and rent. The financial model reflects that the borrowing period is necessarily long. This activity reflects the fact that there are local residents who can afford to pay more in rent than the rents charged for council tenancies but cannot afford to pay market level rents. Stone Circle Housing operates in the significant gap between the two and has a target to purchase 100 units a year for the current business plan period. The Council has nomination rights into Stone Circle properties.

##### **Stone Circle Housing Performance**

Stone Circle Housing will provide detailed performance information on a monthly basis to the Corporate Leadership Team and quarterly to the Cabinet Shareholder Group to cover issues such as numbers of properties purchased compared to Business Plan projections, the number of voids and the amount of rent arrears. Some information will be commercially sensitive.

##### **Stone Circle Development Purpose**

The purpose of Stone Circle Development is to purchase surplus Council land, obtain planning permission and develop housing units to sell. The Council will receive a return on this investment through interest in borrowing and the payment of a profit dividend at the end of each development. This activity reflects the fact that the Council has significant land holdings some of which are surplus to operational need and there is a shortage of affordable housing in Wiltshire.

##### **Stone Circle Development Performance**

Stone Circle Development will provide similar information in the same time frames to cover the progress made on live and prospective development sites. This will include

the individual financial viability of specific sites. Some information will be commercially sensitive.

### **Recommendation**

- 2 That Cabinet Shareholder Group minutes be made available to all members together with a simplified version of the shareholder group terms of reference to clarify the group's role and responsibilities in relation to Stone Circle Group.*

### **Proposed draft response**

#### **Cabinet Shareholder Group simplified terms of reference**

The Cabinet Shareholder Group will, on behalf of the Cabinet, to hold the Stone Circle companies to account to deliver against their agreed business plan objectives.

The Cabinet Shareholder Group will hold a strategic role as shareholder, with operational matters the responsibility of the Stone Circle companies.

### **Recommendation**

- 3 That the terms of reference for the Cabinet Shareholder Group includes clarification on the extent to which Stone Circle companies operate independently or follow Council standards in their operations.*

### **Proposed draft response**

#### **Stone Circle companies' operational independence**

The Stone Circle companies have operational responsibilities to deliver the business plans agreed by the Cabinet Shareholder Group. Some operational activity involves the Council providing services to the companies through resourcing arrangements.

Currently there are arrangements for a company secretary role to be provided by Council's Legal Services team and the purchase of properties for Stone Circle Housing by the Council's Estates team. The companies have independent arrangements for Human Resources, Payroll and Accountancy and the management of risk. Stone Circle Housing is transitioning to having its own property acquisition resource to speed up the process to meet business plan targets. The investment the Council makes into the Stone Circle companies is reported as part of the Capital Monitoring reports to Cabinet. The Stone Circle companies have their own responsibilities to lodge accounting and other information to Companies House.

## SHAREHOLDER GROUP

### TERMS OF REFERENCE

#### Overview

The Shareholder Group will exercise the Council's role as shareholder in any company, limited by shares wholly or partly owned by the Council for the purposes of service provision and/or trading activities including any joint venture. The Shareholder Group acts with the delegated authority of Cabinet to ensure the performance of any such company is satisfactory. Some actions in relation to the Council's companies are reserved to the Cabinet. These are set out below.

Any reference in these terms of reference to a "company" or "companies" is defined as a company in which the Council holds shares.

The Shareholder Group may also decide, from time to time, whether to accept proposals to submit a bid to provide goods and / or services which, if successful would commit the council to the establishment of a new company (which may include a joint venture company). In these instances, the decision of the Shareholder Group would be referred to the Cabinet for final approval.

#### **Matters reserved to Cabinet**

None

#### **Membership**

Leader of the Council (Chairman), Richard Clewer

Cabinet Member for Development Management, Strategic Planning and Climate Change, Nick Botterill

Cabinet Member for Housing, Strategic Assets, Asset Transfer, Phil Alford

The Chief Executive, Corporate Director for Resources and Deputy Chief Executive and the Director of Legal & Governance may attend the Shareholder Group to provide advice. Additional advisors may be invited to attend the Group as required.

Changes to the Membership of the Shareholder Group will be agreed by the Leader of the Council and given effect by the Director of Legal & Governance.

#### **Purpose**

The Shareholder Group will:

1. Have the power to appoint and remove Company Directors
2. Approve and monitor Company Business Plans
3. Approve the allotment of further shares in a Company (whether to third party shareholders or the Council)
4. Exercise any reserved powers in the Articles of a Company and any Shareholder Agreement with a Company

5. Endorse any amendments to Company Business Plans
6. Periodically evaluate financial performance of a Company
7. Agree significant capital or revenue investments proposed by a Company
8. Determine the distribution of any surplus or the issue of any dividends from a Company
9. Consider any recommendation from Company Directors to cease trading
10. Report to the Council annually on trading activity
11. Review the risks associated with trading activities.

The Shareholder Group will not have operational control over Companies. All decisions regarding the day-to-day operation of each Company, its business developments and commercial opportunities, staff terms and conditions and the development and implementation of its internal procedures, rest with the Directors of each Company.

#### **Relationship to scrutiny**

Select Committees will retain their scrutiny function in relation to the Shareholder Board. 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.

#### **Scope**

In respect of Teckal-compliant companies

The Shareholder Group will:

1. Monitor Teckal compliance at least annually.
2. Ensure the Business Plan of a Teckal compliant Company is aligned to the corporate objectives of the Council.

In respect of non Teckal-compliant wholly Council-owned companies

The Shareholder Group will:

1. Seek to achieve appropriate returns on investment from trading activities.
2. Ensure trading activities are conducted in accordance with the values

of the Council.

In respect of any shareholding and/or joint ventures

The Shareholder Group will:

1. Evaluate the return and benefits of the shareholding against the values of the Council.
2. Where appropriate, exercise influence over the company and /or joint ventures in accordance with the values of the Council.

In respect of the submission of a bid which will commit the council to the establishment of a company (or Joint Venture)

The Shareholder Group will:

1. Evaluate the return and benefits of the proposal, including an evaluation of the proposed profit share in a Joint Venture.
2. Seek to achieve appropriate returns on investment from trading activities.
3. Ensure trading activities are conducted in accordance with the values of the Council.

#### **Operation of the Shareholder Group**

1. [Subject to the matters reserved to Cabinet stated above,]The Cabinet has delegated to the Shareholder Group the authority to take decisions in respect of 100% of the Council's shareholding in any Company.

2. The Shareholder Group will meet quarterly, or as required.

3. The quorum for a meeting of the Shareholder Group is a minimum of two members, one of whom must be the Leader, who will chair the meeting.

4. The Shareholder Group may take decisions outside of a Company's general meeting as follows:

- a. At meetings of its members by consensus of those present, unless any member of the Group requires a vote, in which event a majority decision will be taken with each member of the Shareholder Group present having a single vote. The Chairman of the meeting has a casting

vote in the event that there is no clear majority; or

b. In cases of urgency, by a decision made by the Leader in consultation with the Chief Executive.

5. Any decisions made by the Shareholder Group in accordance with 4a or b above, must be notified to the relevant Company's directors and the other Members of the Shareholder Group as soon as reasonably practicable following such decision being taken.

6. If a general meeting of a Company is called, the Shareholder Group will be required to nominate a corporate representative to attend the general meeting of a Company and vote on any resolutions proposed. In advance of any general meeting, the Shareholder Group may convene a meeting to discuss and determine any resolutions to be proposed at a general meeting. In such circumstances, decision making may be taken in accordance with the principles set out in 4a above. In cases of urgency, decision making may be taken in accordance with the principles set out in 4b above including, for the avoidance of doubt, the appointment of a corporate representative.

7. The Chairman approves the agenda for each meeting. The agenda and papers for consideration are circulated at least five working days before the meeting. After each meeting, the Chairman approves the meeting notes and actions and signs any resolutions agreed by the Shareholder Group.

8. The Shareholder Group will review the Terms of Reference annually.



**Wiltshire Council**

**Cabinet Shareholder Group**

**3 December 2024**

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**Subject:** The wider responsibilities of the Shareholder Group

**Cabinet Member:** Cllr Phil Alford  
Cabinet Member for Housing

**Key Decision:** Non key

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### **Executive Summary**

This report sets out a review of other commercial activity by the Council before regular reporting is brought to the Shareholder Group

### **Proposals**

Shareholder Group is asked to

- 1) Approve the completion of the officer review of other companies wholly or partly owned by the Council which will be reported to a future meeting

### **Reason for Proposals**

To give full effect to the Terms of Reference of the Shareholder Group and identify any risks and opportunities for reporting regularly and appropriate oversight

Lead Corporate Director Name  
Lizzie Watkin (Interim Corporate Director Resources)

## **Wiltshire Council**

### **Cabinet Shareholder Group**

**3 December 2024**

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**Subject: Scrutiny Task Group recommendation actions**

**Cabinet Member: Cllr Phil Alford  
Cabinet Member for Housing**

**Key Decision: Non key**

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### **Purpose of Report**

1. The terms of reference of the Cabinet Shareholder Group include oversight of other companies where the Council has corporate responsibility as well as the Stone Circle companies. Examples would include the South West Audit Partnership (SWAP) and Adoption West. This report sets out that a review will take place of these organisations and others with a view to these being reported to Cabinet Shareholder Group on a regular basis.
2. The recent litigation started by Thurrock Council against an unincorporated organisation (APSE) reminds us of the need to ensure good governance of all council activity and that includes responsibility for other companies where the Council has some interest.

### **Relevance to the Council's Business Plan**

3. This proposed review is linked to the Business Plan objective that "We take an evidence based approach to decision making."

### **Background**

4. The Terms of Reference for the Cabinet Shareholder Group includes:

#### **"Overview**

The Shareholder Group will exercise the Council's role as shareholder in any company, limited by shares wholly or partly owned by the Council for the purposes of service provision and/or trading activities including any joint venture. The Shareholder Group acts with the delegated authority of Cabinet to ensure the performance of any such company is satisfactory."

So far, the focus of the Shareholder Group has been the performance of the Stone Circle Companies. Officers intend to review the activity of the Council to establish which other companies should also be reported to the Shareholder Group such as Adoption West and the South West Audit Partnership (SWAP).

### **Main Considerations for the Council**

5. Commercial activity brings with it risk and opportunity and it is right that the Shareholder Group on behalf of the Cabinet has oversight and are able to influence that activity.

**Safeguarding Implications**

6. None identified

**Public Health Implications**

7. None identified

**Procurement Implications**

8. None identified

**Equalities Impact of the Proposal**

9. None identified

**Environmental and Climate Change Considerations**

10. None identified

**Workforce Implications**

11. None identified

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

12. None identified

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

13. None identified

**Financial Implications**

14. None identified

**Legal Implications**

15. None identified

**Overview and Scrutiny Engagement**

16. Once the review that is proposed is complete there will be relevant consultation with the Scrutiny team.

**Options Considered**

17. The option to do nothing was discounted.

### **Conclusions**

18. A review of other commercial activity by the Council is proposed before regular reporting is brought to the Shareholder Group in addition to that about the Stone Circle companies.

### **Perry Holmes, Director Legal & Governance**

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Report Author: Perry Holmes [perry.holmes@wiltshire.gov.uk](mailto:perry.holmes@wiltshire.gov.uk)

### **Appendices**

None

### **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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