

Wiltshire Council

Shareholder Group

25 January 2022

Subject: Appointment of Director to the Boards of the Stone Circle Companies

Cabinet Member: Councillor Richard Clewer, Leader to the Council

Key Decision: Non Key

Executive Summary

Following the completion of the governance review into the Stone Circle companies which are 100% owned by Wiltshire Council, one of the recommendations of that governance review was to review the appointments of the Board of Directors of the Stone Circle Companies, amend the current appointments over a 12 month transitional period and appoint the Director of Housing & Commercial (now Director of Assets and Commercial Development) as a director of the Stone Circle Companies.

Proposal(s)

1. Shareholder Group agrees to direct Stone Circle Housing Company to appoint to its Board of Directors the Director of Assets & Commercial Development.
2. Shareholder Group agrees to direct Stone Circle Development Company to appoint to its Board of Directors the Director of Assets & Commercial Development.
3. Shareholder Group agrees to direct Stone Circle Holding Company to appoint to its Board of Directors the Director of Assets & Commercial Development.

Reason for Proposal(s)

To appoint an officer director to provide a link between the leadership of the Council and the activity and direction of the Companies

**Terence Herbert
Chief Executive**

Wiltshire Council

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Purpose of Report

1. The Leader, under delegated executive authority, approved the recommendation to review the appointments on the Board of Directors of the Stone Circle Companies and to appoint the Director of Housing & Commercial to the Boards of Directors of the Stone Circle Companies.

Relevance to the Council's Business Plan

2. The proposals in the report support the Business Plan 2017-2027 priority of Growing the Economy and the goal of more affordable homes to rent and buy. The report also reflects our commercialism as an innovative and effective Council.

Background

3. Cabinet commissioned a governance review into the Stone Circle companies which are 100% owned by Wiltshire Council.
4. One of the recommendations of that governance review was to:
 - a. review the appointments of the Board of Directors of the Stone Circle Companies;
 - b. amend the current appointments over a 12 month transitional period; and
 - c. appoint the Director of Housing & Commercial (now Director of Assets and Commercial Development) as a director of the Stone Circle Companies.
5. As part of this recommendation, it was agreed that this should include replacing the elected Members on the company Boards, expanding the membership of the non-executive appointments with specific housing sector commercial experience and increasing the general non-executive membership to the Housing and Development Companies by two.
6. The 12 month transitional period commenced on 1st November 2021 with the reappointment of the Chair of the Stone Circle Companies.

7. Authority was delegated to the Corporate Director of Resources in consultation with the Leader to appoint the officer director to the Boards of Stone Circle. The decision to approve/appoint Directors to the Boards of Stone Circle is a reserved matter under the Shareholder Agreement between the Council and Stone Circle Holding Company. Reserved matters must be approved by the shareholder.
8. Pursuant to the decision of the Leader of the Council and the Terms of Reference, as a first step in reviewing and amending the appointments on the Boards, the Shareholder Group is asked to consider the proposal to appoint the Director of Assets and Commercial Development to the Boards of Stone Circle Housing Company, Stone Circle Development Company and Stone Circle Holding Company.

Main Considerations for the Council

9. The Stone Circle Companies are required to operate with a minimum of three directors.
10. Following the announcement of Councillor Richard Clewer as Leader of the Council, Councillor Clewer resigned from his position as a Wiltshire Council elected Member director of the Boards of Stone Circle Companies. Since July 2021, the Stone Circle Boards have been carrying a vacancy.
11. The current membership of the Board of Stone Circle Holding Company is as follows:
 - Mr Alistair Cunningham (independent director and Chair)
 - Cllr Bridget Wayman (Wiltshire Council elected Member director)
 - Cllr Ian Thorn (Wiltshire Council elected Member director)
 - Mr John Terry (independent director with specialist expertise in development)
 - Mr Nicholas Samuels (independent director with specialist expertise in housing)
12. The current membership of the Board of Stone Circle Housing Company is as follows:
 - Mr Alistair Cunningham (independent director and Chair)
 - Cllr Bridget Wayman (Wiltshire Council elected Member director)
 - Cllr Ian Thorn (Wiltshire Council elected Member director)
 - Mr Nicholas Samuels (independent director with expertise in housing)
13. The current membership of the Board of Stone Circle Development Company is as follows:
 - Mr Alistair Cunningham (independent director and Chair)
 - Cllr Bridget Wayman (Wiltshire Council elected Member director)
 - Cllr Ian Thorn (Wiltshire Council elected Member director)
 - Mr John Terry (independent director with expertise in development)
14. There is no definitive critique of the make-up of the Boards of Council owned companies. Anecdotal information suggest that local authorities take a mix of approaches to Board membership and often appoint officer directors to the Boards of companies they own. This is intended to provide a link between the leadership of the Council and the activity and direction of the Companies.

Overview and Scrutiny Engagement

15. 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

16. There are no direct safeguarding implications.

Public Health Implications

17. There are no direct public health implications.

Procurement Implications

18. There are no direct procurement implications.

Equalities Impact of the Proposal

19. A low equalities risk score was calculated for the proposals in this report.

Environmental and Climate Change Considerations

20. 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

21. The appointment of an officer directors to the Boards of the Stone Circle Companies is required to ensure robust governance and appropriate oversight and monitoring of Council owned companies.

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

22. It may be necessary for the Companies, the Shareholder Group and the Director of Assets and Commercial Development to monitor and manage conflicts of interest.

Financial Implications

23. There are no direct financial implications to the proposal. The Director of Assets and Commercial Development will not receive additional remuneration for the role.

Legal Implications

24. There are no legal implications to the proposals.

Workforce Implications

25. There are no workforce implications to the proposals.

Options Considered

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

Conclusions

27. The Shareholder Group is advised to adopt the proposals.

Andy Brown, Corporate Director Resources and Deputy Chief Executive

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14 January 2022

Appendices

None

Background Papers

None