

Agenda Item 5.

EXECUTIVE – 16 JULY 2020

[NOTE: DECLARATIONS OF INTEREST]

In accordance with the Officer Employment Procedure Rules, the Director of Finance, Leigh Clarke, has declared a disclosable personal interest (non-pecuniary) in Questions 1 – 4, 7, 10 and 12 - 14 arising from (i) her husband having a small shareholding in Woking Football Club and (ii) being a Council appointed director of Kingfield Community Sports Centre Limited. The interest does not prevent Mrs Clarke from advising on this matter.

In accordance with the Officer Employment Procedure Rules, the Director of Legal and Democratic Services, Peter Bryant, has declared a disclosable personal interest (non-pecuniary) in Questions 1 – 4, 7, 10 and 12 - 14 arising from (i) him being a member of the Cards Trust (the supporters' club for Woking Football Club), (ii) providing occasional unpaid assistance to Woking Football Club, e.g. acting as returning officer at the election of directors and (iii) being a Council-appointed director of Kingfield Community Sports Centre Limited. The interest does not prevent Mr Bryant from advising on this matter.

QUESTIONS

Executive Summary

The following questions have been received under Section 3 of the Executive Procedure Rules. The replies by the Leader of the Council and Portfolio Holders are set out below.

1. Question from Ms Jane Salih

"I have a question relating to plans 2019/1176 & 2019/1177 (Woking Football Club development proposals). The original plans for these developments were submitted in November 2019 and financial reports were made available on the portal. These stated that the 191 affordable homes in Block 1 on the WFC site were the maximum these plans could support. However the Planning Officer's report now takes into account a further 277 affordable homes in Block 2, yet no analysis or financial validation for this revised submission from the applicant has been uploaded to the portal. Given that financial approval of plans is not within the remit of Planning, would the Executive advise whether a revised financial report has been produced and approved, and if so, when and by whom, and why it is not available on the portal for all to examine?"

This is particularly relevant in a Covid-19 environment, when we are told that we are entering the largest recession in 300 years. Any plans involving public funds should surely be re-examined against this scenario."

Reply by Councillor A Azad

"As the applications considered by the Planning Committee were compliant with affordable housing policy, there was no requirement for a financial viability statement to be provided. Financial considerations will be addressed further if, and when, planning permission is obtained."

2. Question from Mr Andy Caulfield

"Can the Executive please explain 2 of the many discrepancies in **planning officers reports on 2019/1176 & 1177**:

1. Planning portal figures (at noon 23/6):

PLAN/2019/1176 - Comments Received: 2334. Objections: 1824. Supporting: 495

PLAN/2019/1177 - Comments Received: 1957. Objections: 1459. Supporting: 484

Planning Officer Report figures:

PLAN/2019/1176: x 1,841 representations in objection. A petition in objection to the proposed development is also hosted on the website Change.org, which contains x1, 533 signatures (as of 11 June). BUT X 4,777 representations in support!!!

PLAN/2019/1177: x1, 347 representations in objection. BUT x3, 452 representations in support!!

* Why the huge disparity??

We appreciate the huge effort by officers to put these reports on such major projects together, but unfortunately they seem to have simply adopted many of Savills comments verbatim on too many key issues without any independent analysis, including these figures! Please can you explain?

(b) Also on 2019/1176, why did the report state that the intimated (unproven) 44.5% affordable housing element was consistent with WBC policy, as the land was a hybrid of publicly and privately owned land? It is not! Since WBC's purchase of Kingfield Community Sports Centre Ltd, is WBC not full landowner of the entire site proposed for redevelopment in 2019/1176, and therefore 50% affordable housing is required per WBC policy?"

Reply by Councillor A Azad

"The 'planning portal' figures quoted reflect the representations received and acknowledged. It is usual practice to acknowledge all representations received on all planning applications. However, due to the very significant level of representations being received on both applications a decision was taken early in the lifetime of both applications that representations submitted in support, which very largely took the form of template letters and postcards, would not be acknowledged. This was in order to reduce the administrative workload in acknowledging these representations which would have had an impact on the business support team ability to carry out normal day to day tasks and to ensure the planning service continued to run efficiently. A message that representations in support would not be acknowledged was placed on the Planning webpages of the Council's website for several weeks and the agent for the applications was notified of this action.

Whilst representations submitted in support were not acknowledged (after approximately 10 February) they were uploaded to the relevant application(s) on the Council's online planning register, often being scanned in batches (i.e. numerous representations scanned and uploaded as a single PDF file), from which the number of representations in both Planning Officer reports were reviewed and counted. Additionally, an update sheet was circulated to Members and relevant Officers, and made publicly available on the Council's website, on the day of Planning Committee (23 June), which included an update on the number of representations received since both Planning Officer reports were prepared. As a significant number of representations in support of the planning application(s) were not acknowledged for the above reasons, this explains the discrepancies between the numbers quoted on the planning portal and the actual number of representations received stated in the officer reports.

Affordable housing

The site is in public and private ownership. The requirements of policy CS12 of the Core Strategy is to provide 40% affordable housing on sites but this increases to 50% when the land is in public ownership. As the land was in public and private ownership, the affordable housing provision was based on how much land was in each type of ownership as detailed in the officers report. Liaison between the case officer and the Council's legal team clarified the extent of the land in public/private ownership. Kingfield Community Sports Centre was identified to be in private ownership."

3. Question from Mr Andy Caulfield

"Appeal against Planning Cttee refusals:

- (a) Will WBC still be as supportive and continue working as closely as previously with Goldev Woking Ltd (GWL) on their proposed appeal (even without Dukelease who appeared to take over running this project in the months leading to planning cttee)? Will WFC be a party, and, if not, can GWL proceed without the Club as joint applicant?
- (b) On this theme, given his bizarre comments at the start of the last Executive, seeking to blatantly politicise the planning cttee the next evening, isn't it now time for the current leader to stand down immediately and allow someone who both lives in Woking and listens to its residents to lead WBC?"

Reply by Councillor A Azad

- "(a) The Council's contractual relationship is with GolDev Woking Limited. The extent of Dukelease's involvement has no impact on this relationship. I am unable to comment on Woking Football Club's intentions or its relationship with GolDev Woking Limited.
- (b) The Leader is appointed by the Council."

4. Question from Mr Andy Caulfield

"Can the Executive confirm that it fully supports open and transparent local government and (a) thus will fully endorse the cross-party O&S recent Task Group recommendations in their entirety and ensure new and improved working practices are immediately implemented? and (b) undertake to fully co-operate with any and all necessary investigations as recommended and support full Council in all votes on these matters on 30th July and beyond?"

Reply by Councillor A Azad

"We are committed to open and transparent local government and will ensure all steps are taken to that effect.

The findings of the Woking Football Club and Associated Developments Task Group were considered by the Overview and Scrutiny Committee on 15 June 2020. These recommendations will be further considered, by Council, at its meeting on 30 July 2020."

5. Question from Mr Robert Shatwell

"Does the council have any framework for the recovery and/regeneration of the town centre following the lockdown due to the Corvid 19 pandemic. If so what is that framework and what are the principles behind the framework?"

Reply by Councillor K M Davis

"Woking Borough Council has produced a Framework for Recovery Strategy. This was considered by the Economic Development Task Group on 25 June 2020 and has been submitted to the Executive for approval tonight. The principles behind the framework are closely aligned to the Government's Re-opening of the High Street initiative and looks to implement measures to create a safe public realm environment, promote open businesses, offer support, guidance and advice to all businesses especially high-risk sectors throughout the Borough."

6. Question from Mr Morgan Adams

"Has the Council furloughed any workers at any point, if so how many?"

Reply by Councillor D J Bittleston

"The Council has not furloughed any employees. Two agency workers were furloughed. One has returned to work and one remains furloughed."

7. Question from Mr Morgan Adams

"In the same meeting referred to in Question 55, a different supplementary question was asked. The question pertained to the amount of public money that the Council had so far spent on either Woking Football Club or Kingfield Community Sports Centre.

In his answer, Mr Morgan failed to recollect the £170,000 of interim financial support provided to Woking Football Club under his delegated authority. This is detailed in the agenda for the Executive held 22/03/2018. This interim support was directly relevant, and was noted in the same meeting that the Sheerwater FC groundshare was resolved (the groundshare was detailed in the answer given).

The Chief Executive was not obliged to answer these questions as they related to confidential or exempt information, but he chose to. I feel this is an important point. He stated that he was not withholding anything else and as a result, the omission of £170,000 seems significant.

Does the Executive consider this answer misleading?"

Reply by Councillor A Azad

"At the meeting Mr Morgan provided a general answer to the question regarding historic support for the football club and I subsequently provided the detail including the support in this question. I do not consider that the answer was misleading."

8. Question from Mr Morgan Adams

"Is it normal for the Council to withhold all information relating to large financial commitments from residents until after there is any way for residents to object to or scrutinize such arrangements?"

Reply by Councillor A Azad

"It is normal practice for the Council to consider commercially sensitive details confidentially, sharing the information with the Members of the Council elected to represent residents of Woking."

9. Question from Mr Lorin Adams

"In the Independent Remuneration Panel Report 2019, a Member responded to the survey with "It's a £110 million business with a large number of subsidiary companies which are currently engaged in building projects worth over £1 Billion." The Member was referring to Woking Borough Council. Does the Executive find it concerning that some members may consider Woking Borough Council a business?"

Reply by Councillor A Azad

"The Council is a public body and not a business.

However, it conducts 'business' in making sure the needs of the residents it serves and the wider Borough are addressed in an efficient manner to make that happen.

It is this context the use of the term "business" was referred to when a Member responded to a survey about Council activity. It was simply a comment reflecting the wide variety of activity undertaken by the Council in meeting the needs of its residents and its area".

10. Question from Mr Lorin Adams

"In response to the answer to Question 52 of the last Executive, does the Executive accept the findings (not the recommendations) of the Woking Football Club & Associated Developments Task Group report?"

Reply by Councillor A Azad

"I answered this Question from Mr Adams at the Executive on 22 June 2020. For the avoidance of doubt, the Executive has not considered the findings of the Woking Football Club and Associated Developments Task Group. All Executive members will have the opportunity to express a view on those findings (and the related recommendations from the Overview and Scrutiny Committee) at the Council meeting on 30 July 2020."

11. Question from Mr Lorin Adams

"In the recent Public Accounts Committee, Spelthorne's level of borrowing is described as not being "consistent with the spirit of the prudential framework". Does the Executive believe that Woking's borrowing is consistent with the spirit of the prudential framework?"

Reply by Councillor A Azad

"The Council has borrowed to improve and regenerate Woking, and to provide housing and infrastructure in the Borough today and for the future. Property acquisitions have had a local strategic importance. I believe that the approach taken by the Council has been consistent with the spirit of the prudential framework."

12. Question from Ms Judy Adams

"Regarding the question asked on 16/01/2020 (Question 4), 06/02/2020 (Question 15), and 22/06/2020 (Question 58):

I appreciate you may feel that you can add nothing to what you have said previously, but, I feel that it may be useful to answer the question posed. I have asked this question a number of times, but I will elaborate for your understanding.

"up to £250,000,000" acknowledges the nature of a loan facility. The fact that the developer is not obliged to use the entire amount available is irrelevant. The Council has agreed to a £250,000,000 loan facility, meaning up to £250,000,000 could be loaned to the developer.

"public money" refers to the fact that the money that the Council has agreed to offer the private developer is public money.

"being used to finance a private developer" refers to the fact that Woking Borough Council has a signed agreement (the Revolving £250,000,000 Facility Agreement) that offers a £250,000,000 loan facility (a form of finance) to a private developer (GolDev Woking Ltd). It was not meant in a literal way (i.e. "is currently being used"), it is meant in a more principled, or hypothetical way (i.e. "of public money being offered by a public body for the financing of a private developer").

"a small detail" relates to a statement by a member of the Executive that only a "small amount of detailed information" is withheld from residents. Considering this, it seems reasonable to conclude that the Council considers a £250,000,000 loan facility agreement (which was part of the small amount of detailed information withheld) to be a small detail. This question is intended to challenge the logic behind this statement, and clarify, for the benefit of residents whose services could be put at risk by the Council's lending activities, whether the Council does indeed consider this amount of money to be a small detail or whether the original statement was made in error or misleading.

Regarding your answer to Question 58 of the last Executive, I would argue that your answer that "the money is not being used to "finance a private developer"" is incorrect. The money is being used to finance a private developer. It may mean a scheme that would otherwise not be viable could go ahead, but that is a consequence of the finance agreement signed between a public body (Woking Borough Council) and a private developer (GolDev Woking Ltd). Therefore, the money is being used to finance a private developer - you confirm this in the first sentence of your answer. The agreement has been signed. Planning consent being a condition of the agreement does not somehow justify the agreement. Such a condition has nothing to do with the principle of the loan facility.

I'd welcome your reply to what has been stated here, but I beg you to please answer the actual question posed.

The question is: Does the Executive consider up to £250,000,000 of public money being used to finance a private developer a small detail?"

Reply by Councillor A Azad

"The replies I have given at previous Executive meetings have answered this question."

13. Question from Ms Judy Adams

"In your response to Question 58, you mention that the loan facility would "enable a scheme that might otherwise not be viable to go ahead". I may agree that the benefit of a public body is that it is able to support projects that are in the public interest that may not be viable for private investors. In the case of this revolving loan facility, the benefit to a private developer seems disproportionate to the public benefit. This is subjective, and the purpose of the Council should in theory be to balance these sides. Of course, the lack of public involvement in the early stages led to a major impediment to achieving this.

It is understood that the Executive argue that the lending of £250,000,000 does not put that money at risk, even though it is just a fact that it does. Your statement that the scheme may otherwise not be viable certainly supports this. It is ultimately a question as to whether the benefit to the approximately 230 WFC supporters who initially supported the development (according to the Statement of Community Involvement) and the developer of the site outweighs the risk to the services of the Borough's businesses and 100,000 residents.

Considering the Executive's statement that the scheme may otherwise not be viable, it is disappointing that the Executive does not seem to understand the concerns of residents. The scale of this loan is substantial, though one may argue that it is only a small amount of detailed information.

It is my understanding that the Executive has previously said that two Council Officers were responsible for the due diligence on the loan.

Considering a significant concern of the Public Accounts Committee's previous inquiry is the skills and experience of Local Authorities in relation to such projects, can the Executive explain the process in deciding that the Officers responsible had sufficient skills and experience in conducting the due diligence, and the process in deciding that this due diligence was sufficient for such a large loan facility?"

Reply by Councillor A Azad

"The Officers concerned have the necessary professional qualifications, skills and experience to undertake the due diligence in this matter. In addition, they are two of the three Statutory Officers of the Council."

14. Question from Ms Judy Adams

"With regard to Question 59 of the previous Executive, would it be correct to conclude that the Executive is not committing to release the evidence base of the Overview and Scrutiny Committee's report, including in redacted form, and will not provide a reasonable timeframe for when residents can access it? I understand that the Council will be reviewing and voting on the recommendations, however, this is an entirely separate issue to the release of the information."

Reply by Councillor A Azad

"It is not for the Executive to decide whether the confidential report of the Overview and Scrutiny Committee should be made public. The Overview and Scrutiny Committee decided that the information should be confidential."

Background Papers: None.

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