

EXECUTIVE – 10 SEPTEMBER 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 Question 10 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 Question 10 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 Heather Kane

“Upon perusing the voting record of Woking’s elected member of parliament, Mr. Jonathan Lord, it quickly became apparent that Mr. Lord frequently votes in a way that seemingly diverges from the overall tone of the views expressed by the local conservatives groups. Interestingly, I noticed that Mr. Lord has, on numerous occasions, voted against environmental protection and conservation laws, despite WBC’s public declarations that they are focused on tackling issues facing the environment and the future of our planet. With this in mind, does the council condemn Mr. Lord’s stance on these issues as indicated by his voting record?”

Reply by Councillor K M Davis

“No, I'm not condemning the voting record of Jonathan Lord MP as I don't have sufficient facts to hand or know the reasons why he may have voted the way he did.

More importantly, Jonathan is entirely aware of Woking’s commitment to protecting the environment. Our first climate change strategy was adopted in 2002, although our efforts began much earlier in 1990. Woking 2050 is our current strategy, adopted in 2015, and sets out a vision guiding our collective efforts to create a sustainable Borough by reducing our environmental impact. Our Climate Change and Sustainability Timeline (see www.woking.gov.uk/nature-and-sustainability/climate-change/climate-change-and-sustainability-timeline) details key activities undertaken over the years. A lot of what we have achieved is thanks to partnership working with key stakeholders, local politicians, commercial partners and community volunteers to meet our common environmental goals.

On 25 July 2019, the Council declared a ‘climate and ecological emergency’. This recognises the continued priority the Borough gives to addressing global climate change, including biodiversity and habitat losses, through strong local commitment and most

importantly actions. The Council pledged to become zero carbon by 2030 across its own estate and operations. In furtherance of this goal, we have developed a Climate Emergency Action Plan (CEAP) which identifies priority actions for the forthcoming year, along with clear definitions and baselines against which to monitor continuing progress. These priority actions focus on aspects of the Council estate and operations which are carbon intensive such as energy consumption, energy efficiency, transport and development. These were agreed at our Executive and Council meetings in February 2020. The CEAP is available to view on our website at www.woking.gov.uk/nature-and-sustainability/climate-change/climate-emergency-action-plan.”

2. Question from Ms Heather Kane

“WBC have maintained that environmental issues such as combating climate change are considered of high importance. We know that carbon dioxide levels are a huge contributing factor to the huge environmental devastation and ensuing societal and economic collapse that awaits future generations if action is not taken by our elected governments and those we entrust with the power for change. With this in mind, can the council provide an estimate for the total embodied carbon production of the Victoria Square developments?”

Reply by Councillor K M Davis

“In bringing forward the development of Victoria Square, the Council sought to reduce rainwater run-off, to incorporate high levels of insulation and provide combined heat and power for use by its occupants. The Council did not calculate the embedded carbon in the development. I will ask Sir Robert McAlpine, the contractor, if it can provide an estimate and I will publish it when it is available.”

3. Question from Ms Heather Kane

“WBC’s rate of borrowing, and subsequently its debt, has ballooned since 2016. Minimum Revenue Provisions, the minimum amount which a Council must charge to its revenue budget each year to set aside a provision for repaying external borrowing, are in place to ensure that the debts incurred by this current generation in government are not passed on to burden the future generations. What is the current MRP set by WBC and can you share the calculation?”

Reply by Councillor A Azad

“The Minimum Revenue Provision (MRP) for 2019/20 was £6m, and £53m of loan repayments are currently held as capital receipts for repayment of the underlying debt.

The MRP calculation is in accordance with the Council’s MRP policy and Capital strategy which was approved in February 2020.

Pre 2007 General Fund debt is charged at 4%, or 1% for shares.

For Commercial properties acquired since 2016/17 the principal repayments for the equivalent 50 year annuity loan are used as the MRP.

For other expenditure funded by General Fund borrowing the MRP is based on the underlying asset life.

Loan repayments are set aside for the repayment of the underlying debt, held in capital receipts in the Statement of Accounts.

The majority of the Council’s borrowing has been applied to long life assets, land and buildings. It is therefore appropriate to spread the repayment of the debt over the long term.

Where the annuity approach is taken, the total financing cost is constant over the life of the loan with the principal repayment element (charged as MRP) starting low and increasing over time while the interest element decreases.”

4. Question from Mr Oliver Whittall

“In your answer to Question 5 on the 16th of January 2020, I note that machine readable formats are mentioned with regards to documents published by the council. As a visually impaired member of the community, I often utilize tools such as text-to-speech, and thus was disappointed to see that this year’s draft Statement of Accounts has once again been published in a non-machine readable format. Does the Executive accept that this continued practice creates significant obstacles to attaining true transparency as a governing body, by excluding less-able members of your community with this oversight with regards to accessibility?”

Reply by Councillor A Azad

“The draft unaudited Statement of Accounts was published on the Council’s website before the end of August in accordance with the revised timetable due to the Covid-19 pandemic. Unfortunately it has not yet been possible to translate these into a machine readable format, but this will be investigated for the final version.”

5. Question from Mr Oliver Whittall

“How much have the Victoria Square towers cost so far, and what does the Council expect the towers to have cost by completion?”

Reply by Councillor A Azad

“To 31 August 2020 Victoria Square Woking Ltd has drawn £430m through the loan facility provided by the Council. The total loans drawn is reported in the Treasury section of the Green Book publication each month. A process of reviewing the financial impact of the Covid-19 pandemic due to construction delays as a result of the lockdown, social distancing on site and supplier issues is underway. This will provide the information to forecast the short and longer term consequences of variations both in construction, and the operation of the new development. The update will be reported to the Council as soon as it is complete.”

6. Question from Mr Oliver Whittall

“In total, how much money has been loaned to Thamesway companies and how much has been repaid?”

Reply by Councillor A Azad

“The original value of the current loans to Thamesway companies was £383m. Of this, £10m has been repaid, leaving £373m outstanding at 31 March 2020.

Loans to Thamesway Housing or through Thamesway Developments for Housing schemes (excluding Sheerwater) account for £262m. These operate on an interest only basis for the initial period with the principal repaid over the later years of the loan. This enables lower rents to be achieved in the earlier years which increase over time providing scope to repay the capital. A further £57m relates to the Sheerwater regeneration scheme for property acquisition and initial phases of construction.”

7. Question from Mr Lorin Adams

“In the last Questions to Council, the Executive provided a list of foreign trips related to “office work” by Officers and Directors of WBC-owned bodies. The last entry in the list was for a trip on 20th September 2018.

In 2019, a total of £1,182.67 was spent at British Airways by the Corporate Management Group of the Council.

In April 2018, an additional £113.25 was spent at British Airways for travel by an Andy Denner. No such officer is mentioned in the document provided.

One flight was partially refunded in 2017, and it’s assumed that this is the flight booked for Ray Morgan.

Two payments to British Airways are recorded in relation to a Solace Conference Ireland in 2016 by the CMG, totalling £140.64. No such conference is mentioned in the document provided.

A final payment of £359.02 was paid in 2016 for Town Twinning Travel, excluding the Mayor’s flights.

Additionally, £1,528.88 was spent in 2015 despite no travel being recorded during this time.

Can the Executive explain these apparent discrepancies? Did any of these payments listed above involve flights for Officers or Directors of Council-owned bodies?”

Reply by Councillor A Azad

“The payments to British Airways referred to in your question made during 2019, April 2018 and in relation to a Solace Conference in 2016 were all for internal UK flights only and therefore were not included in the list of foreign trips provided for Questions to Council on 30 July 2020.

Regarding Town Twinning travel, the Mayor’s travel costs were not disclosed as the previous Question to Council only referred to Officers and Directors of WBC-owned bodies, not Elected Members of the Council.

It would be helpful to have more information in order to be able to answer your query regarding the partial refund of one flight in 2017.

It is not clear from where the figure of £1,528.88 (spent in 2015) has been sourced and Officers would need further information to be able to address your query.”

8. Question from Mr Lorin Adams

“On the 18th-19th April 2018, according to the information provided at the last Questions to Council, the CEO and deputy CEO travelled to Germany.

According to the spend data published on the Council’s website, on the 18th April 2018 £162.42 was spent on “plane food” for the roughly 2-hour flight, and £43.42 was spent at the Turkish Kitchen, by the Ray Morgan account.

The following day, on the 19th April 2018, £404.08 was spent at Zum Janni, a Greek restaurant. A further £108.33 was spent at Waldgathof Gelaender.

Can the Executive provide the receipts for these expenses?”

Reply by Councillor A Azad

"Please find set out below three of the four receipts however the outstanding receipt has not been located at this time."

GORDON RAMSAY

PLANE FOOD

Heathrow Terminal 5
Wellington Road
Heathrow Airport
Hounslow
London
TW6 2GA

Tel: 0208 897 4545

www.gordonramsayplanefood.com

Server: Ana
18/04/18 02:29pm
Table No: 67 Covers: 6

2 Tonic Water	£7.00
6 Cover Charge	£9.00
2 Salmon Skewer	£23.00
3 Triple Cooked Chips	£13.50
4 Horreti	£24.00
2 Rigatoni Pasta	£29.00
1 Steamed Sea Bass	£18.00
7 Camden pale ale	£40.25
1 baby Squid	£10.50

Opt Svc Ch: £20.66
Amt. Due **£194.91**

VAT Included £29.05

Euro	@1.3287:	258.98
Dollar	@1.8474:	321.09
Yen	@174.3474:	33,982.05

An optional 12.5% service charge

is included

Check in at Plane Food for pre-flight dining
or order a Gordon Ramsay Plane Food picnic

Buy a Gordon Ramsay gift experience
at www.gordonramsayrestaurants.com

Call 0208 897 4545 or visit our website to book

Includes VAT at current rate.
VAT No: 208 9597 78 Inv No: 187043

TURKISH KITCHEN

75 Commercial Way
GU21 6NN

MERCHANT ID: 2101441955
TERMINAL ID: 210144195501
DATE: 18/04/2018 TIME: 13:37
BATCH: 000028-001 INVOICE: 000557
RAW: 810812249020 AUTH NO.: 810536
VISA CREDIT SALE
AID 40000000031010
*****6774 100

SALE AMOUNT **£52.10**

VERIFIED BY PIN

I agree to pay the above final amount
according to the card merchants issuer
agreement

CUSTOMER COPY

TC: 04F3101E9267C74

Restaurant Stadthalle
Zum Janni
Jahnstraße 14
91757 Treuchtlingen
Tel. 09142-1790

Datum 19.04.18 14:57 Uhr
Beleg-Nr. 0052
Trace-Nr. 000215

Bezahlung
VISA CREDIT

Nr. #####6642 0001
VU-Nr. 600315889
Genehmigungs-Nr. 432812
Terminal-ID 52094478
Pos-Info 00 053 03
AS-Zeit 19.04. 14:57 Uhr

EMV-Daten 0080000000/F80
01111410302//90029000023
03000800080008F80001/1636
EE48/40

AS-Proc-Code = 00 053 73
Capt.-Ref. = 0002
AID59: 057282

Betrag EUR **484,90**

Trinkgeld EUR _____

Gesamt EUR _____

Zahlung erfolgt

Approved

Bitte Beleg aufbewahren

9. Question from Mr Lorin Adams

“In Question 11 of the previous Questions to the Executive, Cllr. Azad stated that the Council’s borrowing has been to “improve and regenerate Woking”, and that such an approach has been consistent with the spirit of the prudential framework.

The National Audit Office report into local authority commercial investment identifies out-of-town acquisitions to be generally indicative of investment solely or predominantly for yield. Investments solely for yield are assumed to be unlawful.

Can the Executive explain how the activity of Thameswey Central Milton Keynes Ltd could be said to “improve and regenerate Woking”, and whether investment in a company with activity in Milton Keynes could honestly be said to be consistent with the prudential framework?”

Reply by Councillor A Azad

“The investment in Milton Keynes started in 2005 through a joint initiative with English Partnerships, a Government Agency now succeeded by Homes England. Central Government was promoting Combined Heat and Power and the Council’s company, Thameswey Energy Limited, was chosen because of the experience gained in Woking. The objective of the project is to reduce carbon dioxide by co production of heat and power. As part of Thameswey, the project returns revenue to the company for us in the Borough in supporting its environmental projects. In addition, the Council Taxpayer benefits from an interest margin on the Loan. This was and is wholly consistent with the prudential framework.”

10. Question from Ms Judy Adams

“Unfortunately, your answer to my repeatedly asked question may have been so evasive or ambiguous that I have not been able to deduce its meaning from your written answers.

For the avoidance of doubt, I assume that: the Executive does not consider a £250m loan agreement to involve risk, and because of this such an agreement is considered a small detail.

Is this a fair representation of your view?”

Reply by Councillor A Azad

“I’ve answered the question numerous times, and am now not able to add anything further.”

11. Question from Ms Judy Adams

“According to the Council’s spend data, of the more than £19,000 our Chief Executive has spent at restaurants serving Italian cuisine, more than £16,000 has been at Latino. The Ray Morgan account has shown loyalty to Latino.

The current pandemic has hit the hospitality industry particularly hard, and the loss of Latino could prove to be a significant blow to Woking’s £110m business-making ability. The Council’s incredibly generous grant scheme has been able to support businesses using the £14.9m provided by Government for this purpose...

Can the Executive assure residents that Latino, and businesses like it, weren't allowed to slip through the net and have been able to access the support they need?"

Reply by Councillor A Azad

"I can assure residents that Officers contacted all businesses that were eligible for the Government's Small Business, Retail, Leisure and Hospitality Grant Schemes.

The Council has paid out £13,950,000 to 1008 businesses identified as eligible under these schemes and a further £677,000 under the Discretionary Grant scheme."

12. Question from Ms Judy Adams

"Having briefly reviewed the application for the new Goldsworth Road development, I notice that the viability report states:

"The appraisal and supporting evidence, which is subject to independent verification, demonstrates that the Residual Land Value from the model lies below the Benchmark Land Value. A nil package of affordable housing would be justified on the basis of this evidence."

As it is likely not otherwise viable, I assume that this means the development is supported by the Council. No detail is too small for your residents, and financial products carry inherent risk.

Considering that the Public Accounts Committee report has recently made clear that "commercial sensitivity is not an adequate excuse for concealing risk and uncertainty", how much has Woking Borough Council offered or agreed to provide the developer in financing or funding?"

Reply by Councillor A Azad

"The Council has not offered, or agreed to provide, the developer with any financing or funding."

13. Question from Mr Morgan Adams

"Should Surrey become a Unitary Authority, can the Executive explain what would happen to our debt? Would liability for it be spread over the whole of Surrey?"

Reply by Councillor A Azad

"In the event of Local Government Reorganisation the assets and liabilities of the legacy Authorities are brought together to form the new Authority/Authorities."

14. Question from Mr Morgan Adams

"In the Bureau of Investigative Journalism report, our Finance Officer is quoted as saying "should there be a significant permanent reduction in income, service provision would need to be reviewed". Can the Executive elaborate on the services that would be prioritized for reduction in such a scenario?"

Reply by Councillor A Azad

“Post Covid it is only right the Council reviews all future budgets.

However, all of the Council’s activities would be considered carefully to establish what reduction in costs, or increase in income, is possible in order to set future budgets on a prudent basis with the minimum impact on residents.”

15. Question from Mr Morgan Adams

“The pandemic has shown the value of Woking's open spaces to many in the Borough. Considering this, is the Council planning steps to safeguard our open spaces in a scenario of economic hardship?”

Reply by Councillor D J Bittleston

“Over the past few months we have seen a significant increase in the number of people using our parks and other open spaces across the Borough. While this increase in footfall has introduced new challenges in terms of management and maintenance, we are delighted that so many people have taken the opportunity to make the most of the open spaces available to them. Throughout this period and in the future, the Council remained committed to providing quality open spaces for people to enjoy, and will continue to do so through any further challenges that we may face.”

Background Papers: None.

Reporting Person: Ray Morgan, Chief Executive
Email: ray.morgan@woking.gov.uk, Extn: 3333
Douglas Spinks, Deputy Chief Executive
Email: douglas.spinks@woking.gov.uk, Extn: 3440
Peter Bryant, Director of Legal and Democratic Services
Email: peter.bryant@woking.gov.uk, Extn: 3030
Leigh Clarke, Director of Finance
Email: leigh.clarke@woking.gov.uk, Extn: 3277
Louise Strongitharm, Director of Housing
Email: louise.strongitharm@woking.gov.uk, Extn: 3599
Julie Fisher, Director of Community Services
Email: julie.fisher@woking.gov.uk, Extn: 3301
Geoff McManus, Director of Neighbourhood Services
Email: geoff.mcmanus@woking.gov.uk, Extn: 3707

Contact Person: Peter Bryant, Director of Legal and Democratic Services
Email: peter.bryant@woking.gov.uk, Extn: 3030
Leigh Clarke, Director of Finance
Email: leigh.clarke@woking.gov.uk, Extn: 3277
Geoff McManus, Director of Neighbourhood Services
Email: geoff.mcmanus@woking.gov.uk, Extn: 3707

Chris Norrington, Business Liaison Manager
Email: chris.norrington@woking.gov.uk, Extn: 3900

Portfolio Holder:

Councillor David Bittleston
Email: cllrdavid.bittleston@woking.gov.uk

Councillor Ayesha Azad
Email: cllrayesha.azad@woking.gov.uk

Councillor Kevin Davis
Email: cllrkevin.davis@woking.gov.uk

Councillor Colin Kemp
Email: cllrcolin.kemp@woking.gov.uk

Shadow Portfolio Holder:

Councillor Ann-Marie Barker
Email: cllrann-marie.barker@woking.gov.uk

Councillor Ken Howard
Email: cllrken.howard@woking.gov.uk

Councillor Deborah Hughes
Email: cllrdeborah.hughes@woking.gov.uk

Councillor Ian Johnson
Email: cllrian.johnson@woking.gov.uk

Date Published:

10 September 2020

