

EXECUTIVE – 17 OCTOBER 2024

QUESTIONS

Executive Summary

The following questions regarding public rubbish bins, Greenfield School loan, and ThamesWey businesses have been received under Section 3 of the Executive Procedure Rules. The replies by the Leader and Portfolio Holders are set out below.

1. Question from Sarah Madden

“Please could the council provide more public rubbish bins? Particularly in locations emanating from the station and where taxi drivers stop for their rest.”

Supporting Statement

“I collect litter every couple of days in my area. The area which is usually very bad is the parking bays area on Park Road outside The Park School.”

Reply by Councillor Ellen Nicholson

“Thank you very much Sarah Madden for your efforts in litter picking. I know a number of residents across the Borough voluntarily help to keep our area clean and tidy. I would be very happy to meet you and discuss where a bin might be located on Park Road. I will also write to local taxi companies and their associations and ask that drivers dispose of their rubbish responsibly. We could also look into whether Ward Councillors and the Woking Litter Warriors group may wish to do a litter pick in the area or if local residents might like to get together for a community litter pick a few times a year.”

2. Question from (name withheld)

“Ultra vires loan{s}

Will the Council set-up an independent enquiry into the extraordinary use of taxpayers’ money into the loan to the single entity, Greenfield preparatory school?”

Supporting Statement

“The transaction is not a regeneration project nor is it being undertaken in a regeneration area. As everyone knows, State school funding, never mind funding of a private school, is not in the remit of a BC., so why did past officers of Woking BC. and past elected Conservative Woking councillors jointly authorise this high-risk loan{s}, on such generous terms that’s not available elsewhere in the market? Was Woking BC totally honest with UK Treasury in this whole matter?”

Reply by Councillor Ann-Marie Barker

“In July 2023, the Council asked Grant Thornton, its newly appointed external auditors, to undertake a ‘Value for Money’ review, looking into the governance arrangements that relate to the Council’s historic investment strategy. This is an independent report which is reviewing how past decisions (such as those related to Greenfield School) were made and the financial impact of these decisions on the Council’s financial sustainability.

Grant Thornton have indicated that the Value for Money report will likely be published in October 2024. The Council will make the Value for Money review report, alongside our response to its recommendations, available on our website at the earliest opportunity. It is important to wait for the findings of the independent review before coming to any conclusions regarding individual decisions.”

3. Question from (name withheld)

“Competition issue

What advice did past officers of Woking BC. and past elected Conservative Woking councillors take to ensure the Council did not fall foul of competition rules when making its high-risk loan{s} on such generous terms to Greenfield preparatory school in 2021 and will the Council commit to finding solutions to these issues?”

Supporting Statement

“Cumulative damage continues to be done to others operating in the independent market in and around Woking.”

Reply by Councillor Ann-Marie Barker

“To date no evidence has been found of advice being taken. As stated in answer to your previous question the Grant Thornton report is looking into previous decisions of the Council and we await their report before any further decisions are taken.”

4. Question from (name withheld)

“What was the level of due diligence undertaken prior to granting loans to Greenfield prep school?”

Supporting Statement

“Why did the Council not look into why the school did not approach a bank for a loan....Why did Woking BC authorise the loan without looking into what are normal lending terms for borrowers in this sector {e.g. asset cover, loan duration, operating profit/interest and outstanding loans/ student number ratios etc.}? Why did Woking BC not seek a specialist valuer's advice as to how to value a single prep school business or request a commercial due diligence report to assess the business risks for operators in this sector?”

Reply by Councillor Ann-Marie Barker

“As stated in answer to your previous question the Grant Thornton report is looking into previous decisions of the Council and we await their report before any further decisions are taken.”

5. Question from Sue Heavens

“How will ongoing losses of the council's loss-making Thamesway businesses be funded? Have Thamesway businesses been gifted council-owned houses to sell to cover ongoing losses?”

Supporting Statement

“Following the declaration of effective bankruptcy in June 2023, Woking council took decisive action to cut its staffing and expenditure to align core activities with regular income. However, no announcements have been made regarding Woking council’s loss-making businesses. Thameswey Central Milton Keynes and Thameswey Energy Limited have consistently lost money since their inception and Thameswey Housing has amassed an insurmountable level of debt.

I believe the council should put the interests of tax-payers first and exit these loss-making businesses without delay, while placing future construction projects in the hands of short-listed private sector firms through competitive tenders. (Council-owned Thameswey Housing could not compete fairly in a competitive tender awarded by the council.)

While the council continues to own these businesses, tax-payers continue to be exposed to the significant risk of further losses. Thameswey reported losses of £37.2 million for the 15 month period ending March 2023. This question explores how the council will fund ongoing business losses, and in particular whether Thameswey will be allowed to consume the value of housing stock.”

Reply by Councillor Ann-Marie Barker

“Alongside cost and staff reductions to balance the budget Woking Borough Council is working to solutions for Council owned companies.

Following statutory government intervention and the issuing of a Section 114 Notice in the Spring of 2023, the Council was required to put in place an Improvement and Recovery Plan. The Improvement and Recovery Plan (IRP) outlines the actions the Council will undertake to help ensure the Council achieves financial sustainability and returns to delivering its best value duty.

Commercial arrangements, including council companies, is a key workstream of the Improvement and Recovery Plan. This workstream aims to release the Council from unaffordable commitments, whilst protecting the public purse and optimising the value of existing assets.

Work has taken place across the last year to strengthen company governance and develop outline company business plans, which will enable the Council to take informed and evidence-based decisions regarding their future operation. The draft outline business cases are due to be considered by the Council’s Shareholder Executive Committee in November, with final outline business cases being considered in January 2025.

ThamesWey is completing the phase of Sheerwater that was already in train at the point of the government intervention and Section 114 Notice. This phase will be complete early in 2025. The remaining land for development in Sheerwater will be sold to private developers. WBC has not given houses to ThamesWey for the purpose of sale to generate income.”

Background Papers: None.

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