

# Public Document Pack



## TO THE CHAIRMAN AND MEMBERS OF THE **EXECUTIVE**

You are hereby summoned to attend a meeting of the Executive to be held on Thursday, 8 December 2022 at 7.00 pm in the Council Chamber, Civic Offices, Gloucester Square, Woking, Surrey GU21 6YL.

Please note the meeting will be filmed and will be broadcast live and subsequently as an archive on the Council's website ([www.woking.gov.uk](http://www.woking.gov.uk)). The images and sound recording will also be used for training purposes within the Council. Generally, the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed.

The Chairman of the meeting has the discretion to terminate or suspend filming, if in his/her opinion continuing to do so would prejudice the proceedings of the meeting or, on advice, considers that continued filming might infringe the rights of any individual.

As cameras are linked to the microphones, could Members ensure they switch their microphones on before they start to speak and off when finished and do not remove the cards which are in the microphones.

The agenda for the meeting is set out below.

JULIE FISHER  
Chief Executive

## **AGENDA**

### **PART I - PRESS AND PUBLIC PRESENT**

1. Minutes

To approve the minutes of the meeting of the Executive held on 17 November 2022 as published.

2. Apologies for Absence

3. Urgent Business

To consider any business that the Chairman rules may be dealt with under Section 100B(4) of the Local Government Act 1972.

4. Declarations of Interest (Pages 5 - 6)

- (i) To receive declarations of disclosable pecuniary and other interests from Members in respect of any item to be considered at the meeting.
- (ii) In accordance with the Officer Employment Procedure Rules, the Chief Executive, Julie Fisher, declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which she is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mrs Fisher may advise on those items.
- (iii) In accordance with the Officer Employment Procedure Rules, the Strategic Director - Corporate Resources, Kevin Foster declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mr Foster may advise on those items.
- (iv) In accordance with the Officer Employment Procedure Rules, the Strategic Director - Place, Giorgio Framalitto, declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mr Framalitto may advise on those items.
- (v) In accordance with the Officer Employment Procedure Rules, the Strategic Director - Communities, Louise Strongitharm, declares a disclosable personal interest (non-pecuniary) in any items concerning the companies of which she is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mrs Strongitharm may advise on those items.

**Questions**

5. To deal with any written questions submitted under Section 3 of the Executive Procedure Rules. Copies of the questions and draft replies will be laid upon the table.

**Matters for Recommendation**

6. Empty Homes Plan EXE22-049 (Pages 7 - 34)  
Reporting Person – Louise Strongitharm

**Matters for Determination**

7. Medium Term Financial Strategy (MTFS) EXE22-077 – to follow  
Reporting Person – Leigh Clarke
8. Housing Infrastructure Fund (HIF) - Update EXE22-058 (Pages 35 - 48)  
Reporting Person – Giorgio Framalitto
9. Update on the ThamesWey Business Plans EXE22-078 (Pages 49 - 54)  
Reporting Person – Julie Fisher

AGENDA ENDS

Date Published - 30 November 2022

For further information regarding this agenda and arrangements for the meeting, please contact Julie Northcote on 01483 743053 or email [julie.northcote@woking.gov.uk](mailto:julie.northcote@woking.gov.uk)



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# Agenda Item 4.

## Schedule Referred to in Declaration of Interests

### Council-appointed directorships

<b>Julie Fisher, Chief Executive</b>	
Brookwood Cemetery Limited	Thameswey Guest Houses Limited
Brookwood Park Limited	Thameswey Housing Limited
Energy Centre for Sustainable Communities Ltd	Thameswey Limited
Rutland Woking (Carthouse Lane) Limited	Thameswey Maintenance Services Limited
Rutland Woking (Residential) Limited	Thameswey Solar Limited
Rutland (Woking) Limited	Thameswey Sustainable Communities Limited
Thameswey Central Milton Keynes Limited	VSW Hotel Limited
Thameswey Developments Limited	Victoria Square Residential Limited
Thameswey Energy Limited	Victoria Square Woking Limited
Woking Necropolis and Mausoleum Limited	

<b>Kevin Foster, Strategic Director – Corporate Resource</b>	
Brookwood Cemetery Limited	Thameswey Housing Limited
Brookwood Park Limited	Thameswey Limited
Energy Centre for Sustainable Communities Ltd	Thameswey Maintenance Services Limited
Thameswey Central Milton Keynes Limited	VSW Hotel Limited
Thameswey Energy Limited	Victoria Square Residential Limited
Thameswey Guest Houses Limited	Victoria Square Woking Limited
Woking Necropolis and Mausoleum Limited	

<b>Giorgio Framallico, Strategic Director - Place</b>	
Brookwood Cemetery Limited	Thameswey Developments Limited
Brookwood Park Limited	Thameswey Energy Limited
Export House Limited	Thameswey Limited
LAC 2021 Limited (Dormant)	Thameswey Solar Limited
Kingfield Community Sports Centre Limited	Thameswey Sustainable Communities Limited
Thameswey Central Milton Keynes Limited	Woking Necropolis and Mausoleum Limited
Woking Shopping Limited	

<b>Louise Strongitharm, Strategic Director – Communities</b>	
Rutland Woking (Carthouse Lane) Limited	Thameswey Developments Limited
Rutland Woking (Residential) Limited	Thameswey Guest Houses Limited
Rutland (Woking) Limited	Thameswey Housing Limited
Thameswey Limited	



EXECUTIVE – 8 DECEMBER 2022

## EMPTY HOMES PLAN

### Executive Summary

The previous Empty Homes Plan covered the period 2015 to 2018. The 2021 revision of the National Planning Policy Framework maintains the expectation that Local Authorities should implement plans and decisions to support efforts to identify, and bring back into residential use, empty homes and other buildings. This should be supported using enforcement powers where appropriate.

Houses that are left unoccupied can quickly fall into disrepair and impact local neighbourhoods. Bringing empty properties back into use can benefit individual owners, potential occupiers, businesses and the wider community.

This report seeks approval to adopt the Empty Homes Plan 2022 – 2027 which sets out in detail our priorities and how we intend to accomplish them. It also details how we will work to prevent properties becoming ‘long-term’ empty and how we will bring back into use homes that have been previously left empty.

Three strategic priorities have been identified to reduce the number of empty homes within the Borough, which are as follows:

1. Minimise the number of empty homes through the Council’s interventions.
2. Maximise the opportunities for returning empty homes back to use through initiatives and incentives.
3. Maximise the effectiveness of enforcement action to bring empty homes back into use.

A public consultation was carried out and the Housing Task Group has been consulted on the new Empty Homes Plan strategy.

### Recommendations

The Executive is requested to:

#### **RECOMMEND TO COUNCIL That**

- (i) **the Empty Homes Plan 2022 – 2027, as set out in Appendix 1 to the report, be adopted; and**
- (ii) **the Strategic Director - Communities be delegated authority to make minor amendments to the Empty Homes Plan in consultation with the Portfolio Holder for Housing.**

### Reasons for Decision

Reason: To provide a transparent framework for the Council to bring empty homes back in to use.

The item(s) above will need to be dealt with by way of a recommendation to Council.

**Background Papers:** None

**Reporting Person:** Louise Strongitharm, Strategic Director - Communities  
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**Contact Person:** Louise Strongitharm, Strategic Director - Communities  
Email: [louise.strongitharm@woking.gov.uk](mailto:louise.strongitharm@woking.gov.uk), Extn: 3599

**Portfolio Holder:** Councillor Ian Johnson  
Email: [cllrian.johnson@woking.gov.uk](mailto:cllrian.johnson@woking.gov.uk)

**Shadow Portfolio Holder:** Councillor Steve Dorsett  
Email: [cllrsteve.dorsett@woking.gov.uk](mailto:cllrsteve.dorsett@woking.gov.uk)

**Date Published:** 30 November 2022



### 1.0 Introduction

- 1.1 The 2021 revision of the National Planning Policy Framework maintains the expectation that Local Authorities should implement plans and decisions to support efforts to identify, and bring back into residential use, empty homes and other buildings. This should be supported using enforcement powers where appropriate.
- 1.2 The Council's Housing Strategy 2021-26 highlights that empty homes are recognised as a wasted resource, particularly in areas such as Woking where there is such a high demand for all types of housing. Houses that are left unoccupied can quickly fall into disrepair and impact local neighbourhoods. Bringing empty properties back into use can benefit individual owners, potential occupiers, businesses and the wider community.
- 1.3 The Plan details how we will work to prevent properties becoming 'long-term' empty and how we will bring back into use homes that have been previously left empty. Three strategic priorities have been identified to reduce the number of empty homes within the Borough, which are as follows:
  - Minimise the number of empty homes through the Council's interventions;
  - Maximise the opportunities for returning empty homes back to use through initiatives and incentives; and
  - Maximise the effectiveness of enforcement action to bring empty homes back into use.
- 1.4 The Housing Task Group has been consulted and a public consultation took place in September via Engagement HQ.

### 2.0 Local position

- 2.1 Nationally long term empty homes have risen steadily since 2016 and are now 19% higher than in 2016. There are 653,025 empty homes in England, of which 237,340 have been empty for over 6 months (DLUHC, October 2021) with 31,070 of the total number of empty homes being found in the South East region. Within Surrey, there are 12,485 empty homes, and 4,339 of these have been empty for more than 6 months. Woking is mid table in terms empty homes numbers when compared to other Surrey Districts and Boroughs.
- 2.2 In Woking there were 42,554 chargeable Council tax properties as of October 2021, of which 729 are long term empty homes, that includes properties that are exempt from paying Council Tax. In October 2021 there were 360 long term empty homes in Woking which equates to 0.8% of the total housing stock within the Borough. This is a 22% reduction from 460 in 2020 at the height of the Covid-19 pandemic.

### 3.0 Identifying empty homes

- 3.1 A property that is unfurnished and empty for more than 6 months and not exempt from Council Tax is classed as a Long Term Empty property. A property empty for 24 months or more and not exempt from Council Tax is classed as a Long Term Empty Premium Empty property.
- 3.2 Members of the public can report an empty property via the Council's website or Members may report direct to the team. A monthly report using Council Tax data is run to identify the Long Term Empty and Long Term Empty Premium properties.
- 3.3 Properties are prioritised for casework by officers completing a risk assessment, assessing the property condition, speaking to neighbours about the impact on them,

confirming debts to the Council, the level of engagement from the owner and whether it attracts anti-social behaviour.

### **4.0 Reasons a property is empty long term**

- 4.1 While many properties routinely become empty as an inevitable consequence of being sold, and are soon re-occupied, there are often complex reasons why a property becomes a Long Term Empty and quick solutions may not be possible.
- 4.2 A large portion of empty homes are exempt from Council Tax liability and these are not usually investigated unless they become a safety or anti-social behaviour concern. Properties can be exempt if the owner is in a care home or hospital, the owner has passed away and probate has not been granted, the liable person is in detention and the property is a second home.
- 4.3 Much of officer's casework is concentrated on advising and supporting empty home owners that may have mental health issues (including hoarding) or lack of funds or skills to improve their property or they may be too embarrassed to ask for help or they may have a sentimental attachment to the property. Casework is often long term to allow building trust with the empty home owner, or in some cases to track them down in the first place.

### **5.0 Joint working**

- 5.1 The Empty Homes Working Group was established in 2021 and meets bi-annually to discuss the top ten cases of concern, appropriate actions and to reduce duplication across teams that may be dealing with the same properties. The meeting is attended by representatives from Private Sector Housing Liaison, Housing Standards, Council Tax, Environmental Health, Planning Enforcement, Legal and Neighbourhood Services. When relevant, Community Safety colleagues will also be invited.
- 5.2 Due to the vulnerabilities of some empty home owners, Adult Services, Surrey Fire and Rescue Service and the Police are consulted from time to time. Empty home owners with hoarding traits in the empty property and their own home may be referred to the Woking Hoarding Protocol Team.
- 5.3 If suitable, a potential sale to Thamesway Housing Limited is facilitated. A potential sale is currently being negotiated and a long term empty property in Knaphill was sold to THL earlier this year.

### **6.0 Strategic priorities**

- 6.1 Priority one - Advice and support to empty home owners. Information on generating an income by letting their property either through the Let's Rent service or an agent is provided alongside the offer of a fast track sale to THL.
- 6.2 Priority two - Initiatives and incentives include a grant and/or referral for a low cost loan to improve the property ready for occupation or sale. With housing repairs and maintenance services now in-house, there is an opportunity to provide expert surveying advice and to project manage property improvements.

The empty homes grant eligibility criteria and use has been defined in the Empty Homes Plan.

- 6.3 Priority three - Enforcement action is available to the Council should all other options be exhausted. This can include Compulsory Purchase Orders and Enforced Sales.

### 7.0 Corporate Strategy

- 7.1 The Council's Housing Strategy 2021-26 highlights that empty homes are recognised as a wasted resource, particularly in areas such as Woking where there is such a high demand for all types of housing. The Empty Homes Plan supports the Corporate Strategy for health and wellbeing for all, safe thriving and sustainable communities and engaged communities.

### 8.0 Implications

#### Finance and Risk

- 8.1 Empty homes are liable for Council Tax if they are not in an exempt category. If there are high Council Tax arrears, the Council Tax department will consider applying for a Charging Order to ensure the debt is cleared when the property is sold.
- 8.2 Long Term Empty Premium properties are subject to an empty home Council Tax premium of 100% of the standard occupied charge, doubling the amount of Council Tax that must be paid. After five years the empty home premium will double again, meaning a requirement to pay an additional 200% on top of the normal bill. If the property has been empty for more than 10 years the empty home premium will triple, meaning that the owner will be required to pay an additional 300%. These approaches both maximise the level of Council Tax income for those homes that are left empty and helps to encourage owners to return empty homes back into use.
- 8.3 The use of in-house surveying expertise to assist with improving properties can also attract a small fee of 3% to project manage the works.
- 8.4 Should a Compulsory Purchase Order be approved, the Council will need to ensure there is a back to back to sale to another entity to minimise the cost to the Council. Any enforcement action of this type should have regard to the Council's Debt Recovery Policy.

#### Equalities and Human Resources

- 8.5 The Plan will provide a framework for staff to bring empty homes back in to use.

#### Legal

- 8.6 A Legal Team representative attends the Empty Homes Working Group and would need to be consulted should high level enforcement action be considered for review by CLT.

### 9.0 Engagement and Consultation

- 9.1 The draft Plan was published on Engagement HQ for 4 weeks from 2<sup>nd</sup> September 2022 and residents were asked to comment on the Plan and if they supported each strategic priority. The full breakdown of the outcome is in Appendix 2.
- 9.2 The draft Plan was downloaded 78 times and the consultation received 22 responses. When combining the responses to all questions, 78% supported the approach outlined in the Plan.
- 9.3 Respondents were asked to provide information on any empty homes they are aware of, with 40% stating they are aware of an empty property and 13.6% providing specific addresses.
- 9.4 The Housing Task Group was consulted on the draft Plan on 15 March 2022 and 15 November 2022.

9.5 The Empty Homes Plan 2022 – 2027 will be available on the Council's website and will be referred to in future Empty Homes Questionnaires and Empty Homes promotion.

REPORT ENDS



**Woking Borough Council**

**Empty Homes Plan**

**2022 – 2027**

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## Introduction

Woking Borough Council's Vision: Towards Tomorrow Today sets out three thematic areas that form a statement of intent for shaping the Borough's future. One of these themes; 'Place – An enterprising, vibrant and sustainable place' sets out how the Council will help create a high-quality natural environment which has strong identity and is a place where people want to be.

The 2021 revision of the National Planning Policy Framework maintains the expectation that Local Authorities should implement plans and decisions to support efforts to identify, and bring back into residential use, empty homes and other buildings. This should be supported by the use of compulsory purchase powers where appropriate.

The Council's Housing Strategy 2021-26 highlights that empty homes are recognised as a wasted resource, particularly in areas such as Woking where there is such a high demand for all types of housing. Houses that are left unoccupied can quickly fall into disrepair and impact local neighbourhoods. Bringing empty properties back into use can benefit individual owners, potential occupiers, businesses and the wider community.

This plan sets out in greater detail our priorities and how we intend to accomplish them. It also details to local Councillors, local residents, and our stakeholders how we will work to prevent properties becoming 'long-term' empty and how we will bring back into use homes that have been previously left empty.

The Council has identified three strategic priorities to reduce the number of empty homes within the Borough, which are as follows:

1. Minimise the number of empty homes through the Council's interventions
2. Maximise the opportunities for returning empty homes back to use through initiatives and incentives
3. Maximise the effectiveness of enforcement action to bring empty homes back into use

## Empty Homes in Woking

Woking Borough Council wants to increase the number of empty homes that are brought back into use as a sustainable way of increasing the overall supply of housing, and to reduce blight on neighbourhoods. Homes that lie empty and unoccupied are a wasted resource, and this is especially the case given the current high demand for all forms of housing across the Borough. Long-term empty homes often create eyesores in a local neighbourhood, and detract from it being a place where people want to live.

Empty homes can also place a burden on local neighbourhoods through:

- detracting from the visual amenity of the local area;
- encouraging anti-social behaviour, vandalism, and other criminal activity;
- attracting vermin where gardens become unkempt and overgrown, or are subject to fly-tipping;
- providing harbourage for pigeons where windows and/or the roof structure is insecure;
- creating concerns for immediate neighbours due to lack of general maintenance and disrepair, and;
- being targeted by squatters.

In extreme circumstances Empty homes can also be attributed to fuelling a 'spiral of decline' in a local area where a sense of neglect discourages inward investment and new households are dissuaded from moving into the neighbourhood, whether they are seeking to rent or own a home. This impacts negatively on the local economy.

Returning empty homes back into use can enhance local neighbourhoods through:

- Maintaining property values;
- Providing increased housing options for local residents, and;
- Improving the sense of pride in a local neighbourhood.



## **Why do homes become empty?**

Homes become empty for a variety of reasons. While many routinely become empty as an inevitable consequence of being sold, and are soon re-occupied, other homes remain empty for a wide range of other reasons, including where:

- the owner is unable to organise building works that are required;
- the property is subject to probate;
- the property has been inherited and the beneficiary is struggling to move on;
- the owner has moved into residential care, or other supported housing;
- the property is subject to redevelopment proposals;
- the owner has moved away or abroad;
- the options for bringing the home back into use are not understood by the owner;
- the owner refuses to rent the property, and;
- the owner is waiting for an increase in its capital value.

Due to the wide and varied factors that influence homes remaining empty, homes that are empty for longer than 6 months that are considered 'long-term' empty homes that warrant additional support to bring back into use. In these cases the housing market may not, in itself, provide the catalyst necessary to return the property back into use.

## **The local position**

Nationally long term empty homes have risen steadily since 2016 and are now 19% higher than in 2016.<sup>1</sup> There are 653,025 empty homes in England, of which 237,340 have been empty for over 6 months (DLUHC, October 2021) with 31,070 of the total number of empty homes being found in the South East region. Within Surrey, there are 12,485 empty homes, and 4,339 of these have been empty for more than 6 months.

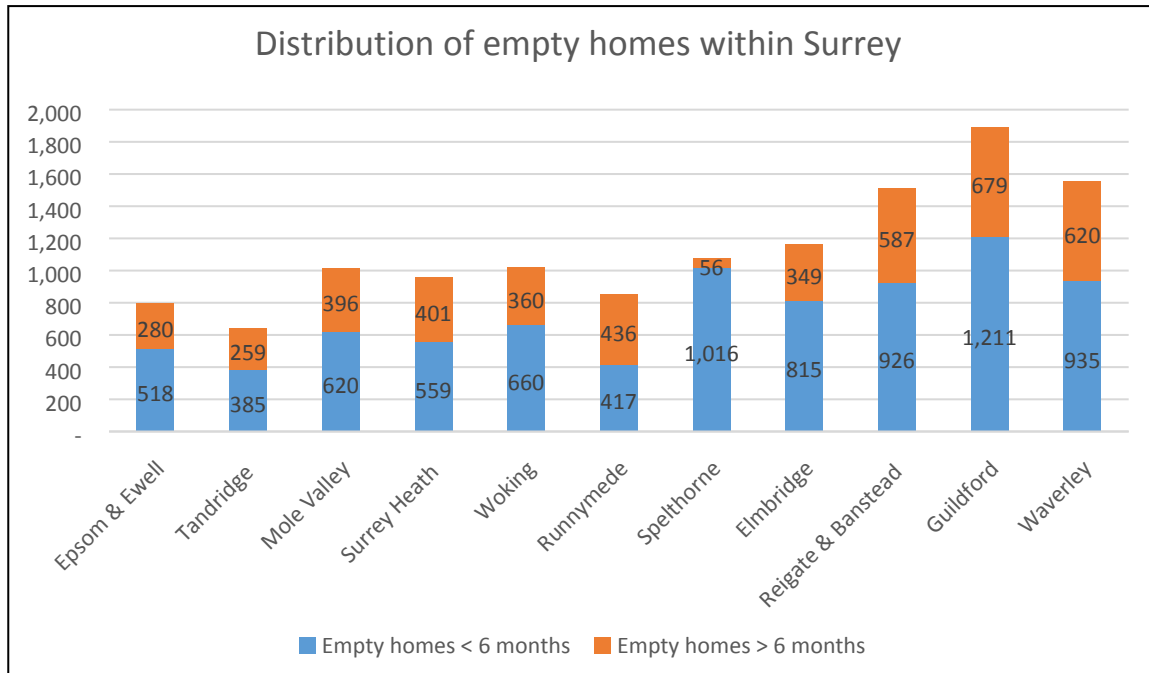
In Woking there were 42,554 chargeable Council tax properties as of October 2021 and of which 729 are long term empty homes<sup>2</sup> which includes properties that are exempt from paying Council Tax e.g. the owner has passed away, it is a second home or not habitable. In October 2021 there were 360 long term empty homes in Woking which equates to 0.8% of the total housing stock within the Borough. This is a 22% reduction from 460 in 2020 at the height of the Covid-19 pandemic.

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<sup>1</sup> Empty Homes Agency February 2022

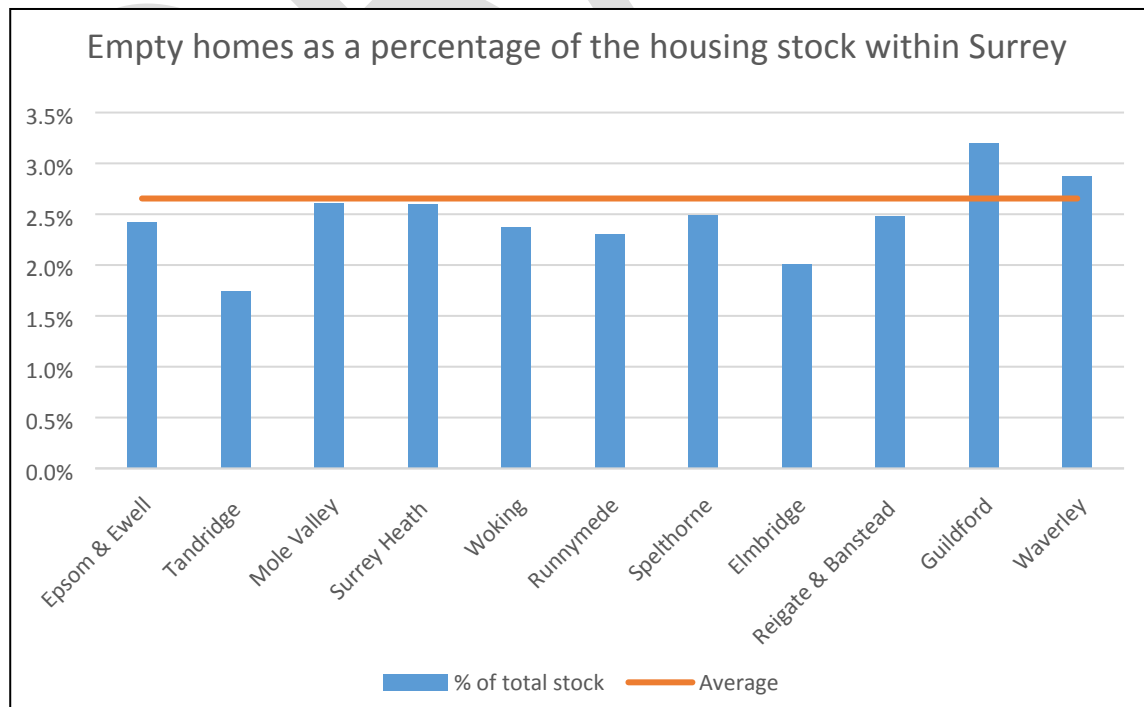
<sup>2</sup> [Council Taxbase 2021 in England - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/council-taxbase-2021-in-england)

Table 1: Distribution of all empty homes within Surrey<sup>3</sup>



Across Surrey as a whole it is estimated that 2.5% of the total housing stock lies empty (see Table 2) with Woking having slightly fewer empty homes (2.4%) than the Surrey average.

Table 2: All empty homes as a percentage of the housing stock within Surrey



<sup>3</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

## **Strategic Priorities**

### **Priority 1 – Minimise the number of empty homes through the Council's interventions**

The Council has a wide range of formal and informal interventions available to help to resolve the varied problems associated with empty homes, and the careful assessment of the most appropriate course of action for each case is essential to ensure that homes are brought back into use effectively. In rare cases, returning the property back into use is not appropriate, and demolition may be the best course of action to facilitate the re-development of the site.

Given the relatively low numbers of empty homes in Woking, and the distribution of those properties across the whole of the borough, it is essential that in addition to utilising desk-top records, local residents are able to easily report empty homes in their neighbourhoods, so that action can be instigated to return them back into use. Residents are able to report empty homes online through the Council's website and this [web form](#) is currently found within the empty homes web pages.

#### **Providing advice and assistance to empty homeowners**

In the first instance, working informally with property owners is often the most effective method for bringing empty homes back into use. There are a wide variety of reasons why a home is empty, and dialogue with the owner or person responsible will identify the specific reasons that home is empty and then officers can consider the opportunities available to bring the home back into use.

Advice is provided on the steps to becoming a private landlord, and we can provide guidance on any repairs or improvements required to meet the appropriate standards for private renting. Empty property owners are also advised how to join the Council's Let's Rent Complete service. Properties in this scheme can be managed by the Council, which rents the property at an affordable rent level while guaranteeing the rent level to the owner. This provides a stress-free rental option for inexperienced landlords, or where the owners live outside of the Woking area and this has been a barrier to renting the property previously.

Where empty properties have not fallen into disrepair and owners wish to retain responsibility for management, the Council offers assistance with accessing our Let's Rent Connect service where a bond and rent in advance from the Council enables tenants to rent accommodation without the need to provide a cash deposit as is normally the case in the private rented sector.

#### **Working with partners**

The Council is also able to assist with advice regarding planning and building control matters to enable redevelopment or conversion of those homes that require significant works to bring them back into use, including redevelopment opportunities to deliver

affordable housing schemes. The Council has established working arrangements with a wide range of partners, including housing associations, and where empty property owners wish to sell their properties the Council can also provide a fast-track purchase option through Thamesway Housing Ltd. where the property complies with the company's funding structure.

The Empty Homes Agency toolkit [Community Action on Empty Homes Toolkit](#) promotes best practice as working with local community groups to assist with improving gardens or empty homes to bring them back in to use. This is something the Council wants to investigate.

Currently around 5% of all empty homes are known (through Council Tax records) to have become empty as a result of their owners entering residential care. Very often these properties remain empty for long periods of time while the owner remains in residential care before eventually being sold to repay residential care fees. There is an opportunity to develop a lease scheme working in partnership with colleagues in the social care profession to provide a rental income for the owner to offset the potential residential care costs and reduce the impact on residential care costs on the eventual property sale.

Since the 2012 and 2015 Empty Homes Programmes, there has been no central government funding aimed at tackling empty homes and current regional programmes are aimed at new build affordable housing or helping first time buyers purchase property. The Private Sector Housing team will, however, apply for any relevant empty homes funding should it be made available. This may include partnership working with other registered housing providers.

**Over the next 5 years, the Council aims to:**

- Maximise the number of empty homes returned to use or demolished for redevelopment
- Review the information and advice available on the website to reduce the number of empty homes
- Review the promotion of the Council's Let's Rent service to empty property owners
- Investigate the opportunities for providing a lease and rent scheme for homes left empty due to their owners entering residential care

## **Priority 2 – Maximise the opportunities for returning empty homes back to use through initiatives and incentives**

### **Professional Renovation Advice**

In many cases, properties either become empty or remain empty as a result of the owner's inability to finance repairs or maintenance issues. This can range from relatively small funding gaps through to the need to finance major structural repairs. It is often the case that the failure to resolve a relatively minor problem at an early stage (for example a slipped roof tile) can result in its longer-term impact threatening the continued occupation, especially where the owner is not aware of the disrepair or does not appreciate the importance of investing in repairs. We have a professional renovation advice service where our surveyors can provide free, professional advice on renovating a property, including a list of works required and an estimate of costs. They can also offer advice or assistance with the planning process.

### **Assistance with selling an empty home**

In some cases, properties remain empty due to the owner's failure to market the property for sale. This may be due to an unrealistic expectation of the current market value (especially where the property is in poor condition) or concerns regarding the fees and costs associated with selling the property. There are also perceived barriers to selling the property due to either a fundamental mistrust of the property selling process, or a lack of knowledge and skills to be in a position to market the property. In these circumstances the Council has an opportunity to promote the acquisition of empty homes through Thamesway Housing Ltd with a view to renovating and bringing them back into use. We also hold a list of people who are interested in buying empty properties which can save money on estate agent or auction fees.

### **Let's Rent – private renting**

The Council has a long-established 'Let's Rent' service which is free and provides landlords and owners of empty properties with a regular rental income and professional lettings service, whilst also assisting Woking residents threatened with homelessness. The Let's Rent service has an experienced and friendly team that supports landlords throughout the process and provides professional up to date advice on minimum property standards and landlord responsibilities.

**Let's Rent Connect-** Through this service, we introduce landlords to prospective tenants, arrange the tenancy agreement, property inventory and pay a cash incentive, rent in advance and provide a high value bond in lieu of a deposit to cover rent arrears and damages. In addition free regular property inspections and professional advice is provided throughout the tenancy to ensure the property is compliant and the tenancy runs smoothly. No fees or commission are payable for this service and the landlord is under no obligation to accept anyone nominated by us.

**Let's Rent Complete-** Through this scheme, the landlord can lease their property to us for a minimum of two years, guaranteeing a rental income that is paid annually and in

advance, even if the property is vacant. We will professionally manage the property and handle all responsibilities involved with the letting from tenant liaison to call outs and most repairs.

More information can be found at [www.woking.gov.uk/letsrent](http://www.woking.gov.uk/letsrent)

## **Financial Assistance**

The Council currently offers financial assistance to owners to encourage empty homes to be brought back into use, however the take up has been relatively low. Despite this, it is undoubted that financial assistance to empty homeowners if utilised has the real potential to facilitate homes being returned to use that would otherwise remain unoccupied, and as a result provide positive neighbourhood improvements as well as increasing the supply of accommodation within Woking. Given the various financial circumstances associated with empty homes, it is important to consider the use of both discretionary grants and loans to maximise the opportunities for both returning homes back to use, whilst recycling capital funding where possible to support future homes being returned to use. Where financial assistance is offered to a property owner it will be conditional on the Council nominating a household threatened with homelessness to occupy the property. This ensures that the Council's funding returns a home back into use, as well as providing a valuable home to a household in housing need which reduces the burden on the Council's Housing Service.

## **Loans and grants**

Financial assistance, including discretionary grants and low-cost loans, is available from us and our partner, Parity Trust. Financial assistance is assessed on a case-by-case basis and a personalised package can be tailored to your needs. To discuss what assistance may be available for your circumstances please contact the Private Sector Housing Team [emptyhomes@woking.gov.uk](mailto:emptyhomes@woking.gov.uk) . Further Empty Homes Grant \* information can be found in Annexe 2.

## **General assistance**

Other ways that the Council can assist empty home owners to bring their property back in to use can include the following:

- Inspect and identify work required to bring a property up to a lettable/sellable standard
- Project manage the work and sign off (3% admin fee of cost of works) to include Schedule of Works and organising three quotes
- Supply and fit a free keysafe for ease of access with contractors and the Council
- Refer to Parity Trust for access to loan costs loans

- Put empty home owners in touch with interest buyers including Thamesway Housing Limited
- Free one off garden clearance (to be considered on a case by case basis) using Woking Borough Council staff volunteer days
- Provide confirmation that a property has been empty home for more than two years to reduce VAT to 5% on refurbishment work
- Refer to support agencies and have regard to Safeguarding at all times.

### **Empty Homes Council Tax Premium**

The Council has already introduced the Empty Homes Premium within the local Council Tax charging regime. A property that has been empty and substantially unfurnished for 24 months or more will be subject to an empty home premium of 100% of the standard occupied charge. This will double the amount of Council Tax that has to be paid. After five years the empty home premium will double again, meaning that you will be required to pay an additional 200% on top of you bill. If the property has been empty for more than 10 years the empty home premium will triple, meaning that the owner will be required to pay an additional 300%. These approaches both maximise the level of Council Tax income for those homes that are left empty and helps to encourage owners to return empty homes back into use.

### **Over the next 5 years, the Council aims to:**

- Promote the acquisition of empty homes through Thamesway Housing Ltd
- Promote the Let's Rent scheme to empty property owners
- Research community-led housing solutions to returning empty homes back into use

\*The annual Empty Grant is subject to review each year and can be withdrawn by the Council at any time. The Empty Homes Grant available for 2022/23 is £20,000.

### **Priority 3 - Maximise the effectiveness of enforcement action to bring empty homes back in to use**

#### **Bring empty homes back into use**

In the first instance informal action is very often the most effective approach to bringing empty homes back into use. Where informal action is sought, the Council aims to provide transparency regarding the consequences to the property owner in the event that actions are not completed. However, in some cases, informal action is either ineffective or inappropriate, and the Council has wide ranging powers to instigate enforcement action to secure improvements to empty homes, including:

- Compulsory purchase - this is where we apply to the Secretary of State to buy a property from an owner, even if they don't give their consent.
- Enforced sale - this allows the sale of an empty property to be forced to recover debts that are owed to us.
- Empty Dwelling Management Order - this is a legal measure that allows us to take over an empty property on a temporary basis to have it renovated and reoccupied. Once costs are recovered this can generate an income for the owner.
- Enforcement Notices such as Prevention of the Damage by Pests Act 1949 and Section 29 of the Local Government (Miscellaneous Provisions) Act 1982

#### **Instigating enforcement action**

Where an empty home causes a severe negative impact within the neighbourhood, and where the property owner has not responded to informal action, the property will be referred to the Empty Homes Working Group to decide what and if enforcement action is appropriate. This group consists of representatives from different Council departments such as Legal, Environmental Health, Planning Enforcement, Housing and Council Tax ensuring a mix of expertise. Where the Council takes enforcement action it will be proportionate to the individual circumstances of the case and will contribute to the overall aim of either returning the property back into use or reducing the negative impact that the property poses to the locality.

Properties will be prioritised for action using a risk assessment methodology that will assess the impact of each empty home on neighbours, and the wider neighbourhood as well as debts to the Council and any vulnerabilities of the owner. We will also aim to recover all reasonable costs incurred in taking the enforcement action, and this may result in a legal charging order being placed on the property to recover costs and interest accrued since the action was taken. In cases where debts have accrued following enforcement action, the Council may seek to enforce the sale of the property to settle those debts. The Council's [Recovery Policy](#) outlines the statutory recovery process and the options available to the Council when considering enforcement action.



**Over the next 5 years, the Council aims to:**

- Review scope of empty homes interventions in the Housing Standards enforcement policy.
- Refer high risk properties to the Empty Homes Working Group to agree an enforcement plan.
- Consider commencing enforcement action following failed informal action.

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## ANNEXE 1 – Empty Homes Action Plan

Strategy Priority 1 - Minimise the number of empty homes through the Council's interventions					
No.	Commitment	Actions/Milestones	Lead Officer	Risks	Status
1.1	Maximise the number of empty homes returned to use	200 homes returned to use during the life of this plan (2022-2027)	Private Sector Housing Manager	Staffing resources	
1.2	Review the information and advice available on the website to reduce the number of empty homes	Web pages reviewed at least bi-annually, and updates implemented.  Work with colleagues in Marcomms to raise awareness of the work being done to bring empty homes back into use to Woking residents	Private Sector Housing Liaison Team Leader	Information is not kept up to date or accurate  Other priorities prevent awareness campaigns	
1.3	Review the promotion and effectiveness of the Council's Let's Rent scheme to empty property owners	Additional 5 empty homes returned to use through the Let's Rent scheme over the lifetime of this plan.	Private Sector Housing Liaison Team Leader	Disengagement of empty homeowners	
1.4	Investigate the opportunities for providing a lease and rent scheme for homes left empty due to their owners entering residential Care	Additional 5 empty homes returned to use through private sector leasing over the lifetimes of this plan.	Private Sector Housing Manager	Disengagement of empty homeowners and/or families  Potential to upset family members if not treated sensitively	

<b>1.5</b>	Maintain a database of empty properties and keep in regular contact with owners	Bi-monthly Empty Homes Questionnaire to be sent to new Long Term Empty property owners and followed up.	Private Sector Housing Liaison Team Leader	Staffing resources  Empty-Home owners reservations about Council enquiries.	
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**Strategy Priority 2 - Maximise opportunities for returning empty homes back to use through initiatives and incentives**

<b>No.</b>	<b>Commitment</b>	<b>Actions/Milestones</b>	<b>Lead Officer</b>	<b>Risks</b>	<b>Status</b>
<b>2.1</b>	Promote the acquisition of empty homes through Thamesway Housing Ltd	10 long term empty homes acquired over the lifetime of this plan	Private Sector Housing Manager  and  Private Sector Housing Liaison Team Leader	Disengagement of empty homeowners to acquisition  Limitations acquisitions for funding	
<b>2.2</b>	Review the financial assistance available to empty homeowners	5 long term empty properties brought back in to use using financial assistance from the Council over the lifetime of this plan	Private Sector Housing Manager	Limitations on capital funding  Disengagement of empty homeowners to acquisition	
<b>2.3</b>	Work informally with empty	Research community-led housing	Private Sector		

	homeowners before considering enforcement options where appropriate.	solutions to returning empty homes back into use.	Housing Manager		
2.4	Refer to Woking Borough Council's Hoarders Group and other Adult Care Services to ensure safeguarding	Bring 1 property back in to use following referral to the Hoarders Group.	Private Sector Housing Liaison Team Leader	Non engagement of the empty home owner	

<b>Strategy Priority 3 - Maximise the effectiveness of enforcement action to bring empty homes back into use</b>					
<b>No.</b>	<b>Commitment</b>	<b>Actions/Milestones</b>	<b>Lead Officer</b>	<b>Risks</b>	<b>Status</b>
3.1	Review enforcement options available and update procedures and policies as required.	Identify key empty homes for potential CPO action  Empty Homes Working group to inform enforcement options for high-risk empty properties referred to the group	Private Sector Housing Manager	Failure to recover debts  Failure to recover legal costs Staffing resources Reputational risk	
3.2	Review the risk-based assessment for empty property enforcement interventions	Risk assessment methodology and procedures implemented.	Private Sector Housing Manager	Failure to enforce after property identified as high risk	
3.3	Ensure the Council's enforced sales procedures	Staff trained in empty homes enforcement options and to attend safeguarding	Private Sector	Staffing resources	

	do not contradict the Charging Policy	training.	Housing Manager		
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## Annexe 2 – Empty Homes Grant criteria

	<b>Empty Homes Grant (discretionary)</b>
Purpose	The Empty Homes Grant (EHG) is discretionary. It provides owners with a means to bring a long term empty property back in to beneficial use which they may not have been able to achieve on their own. It also enables the Council to work directly with owners to provide a home to Woking residents in housing need.
Eligibility	<p>Applicant qualifying criteria:</p> <ul style="list-style-type: none"> <li>• Applicant must be the empty home owner or person able to legally act on their behalf;</li> <li>• Applicant must be at least 18 years old;</li> <li>• Freeholder or leaseholder with at least 10 years lease remaining;</li> <li>• Property has been empty for at least 12 months and in the applicants ownership for at least 3 months.</li> </ul> <p>Property qualifying criteria:</p> <ul style="list-style-type: none"> <li>• Property does not meet the Decent Homes Standard;</li> <li>• Property has at least one category one hazard under the Housing Health and Safety Ratings System (HHSRS);</li> <li>• Property is classed as a Long Term Empty or Long Term Empty Premium property identified through Council Tax records and has been empty at least 12 months;</li> <li>• Property will meet the minimum Let's Rent letting standard <a href="http://www.woking.gov.uk/letsrent">www.woking.gov.uk/letsrent</a> and the owner agrees to improve the property if the EHG does not cover the costs</li> </ul>
Eligible works	<p>Where an EHG is used the property will be brought up to the Decent Homes Standard and will be free of category one hazard under the HHSRS.</p> <p>A Council Surveyor will provide the applicant with a Schedule of Works (SOW) for the EHG and a report for any additional work required to meet the Let's Rent letting standard in advance of a grant being approved.</p> <p>The Council can organise quotes and project manage work required for the EHG.</p>

	<p>The Council can organise quotes and project manage work required above the EHG for a 3% fee of the value of the works.</p> <p>The Council can supply and fit a free keysafe for ease of access with contractors and the Council and applicant.</p> <p>There may be circumstances where the EHG can be used for legal costs in order to bring a property back in to use, e.g. probate. This will be at the discretion of the Private Sector Housing Manager/Director of Housing.</p>
<p>Financial arrangements</p> <p style="text-align: center;">Page 31</p>	<p>Subject to availability the EHG will be offered to qualifying applicants owning a qualifying property.</p> <p>Three quotes must be provided for the eligible work which must be carried out by one of the three contractors whose quotes the applicant has submitted against the SOW provided and been approved by the Council.</p> <p>The EHG will be paid to the applicant on completion of the agreed work following an inspection by a Council Surveyor to confirm it meets an acceptable standard and subject to the receipt of satisfactory invoices.</p> <p>The work must be completed within 6 months of the EHG approval letter being issued.</p> <p>[If you are a landlord and this grant approval includes work you are required to carry out as a result of a Notice served under the Housing Act-2004, then such works must be completed within the timescale specified in the said notice(s).]</p>
<p>Conditions</p>	<p>Maximum grant per property is £20,000*</p> <p>The amount of grant offered will be assessed on an individual basis.</p> <p>The applicant will be required to complete the EHG application form, provide proof of ownership and freehold/leasehold details.</p> <p>The EHG will be dependent on the inspection carried out by the Council and the applicants commitment to carry out work in excess of the EHG to meet the Let's Rent lettable standard. In such cases the applicant will be required to provide sufficient evidence to demonstrate they have access to additional funds to enable the work to be completed to ensure the property will be brought back in to use.</p> <p>The grant is repayable by placing the empty property on to Let's Rent for 5 years minimum and a local land charge will be placed against the empty property.</p>

	The Council may demand the repayment of the EHG if the recipient disposes (whether by sale, assignment, transfer or otherwise) of the premises in respect of which the grant was given within 10 years of receipt of the EHG.
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\*the total annual Empty Grant is subject to review each year and can be withdrawn. The Empty Homes Grant available for 2022/23 is £20,000.



## Empty Homes Consultation analysis

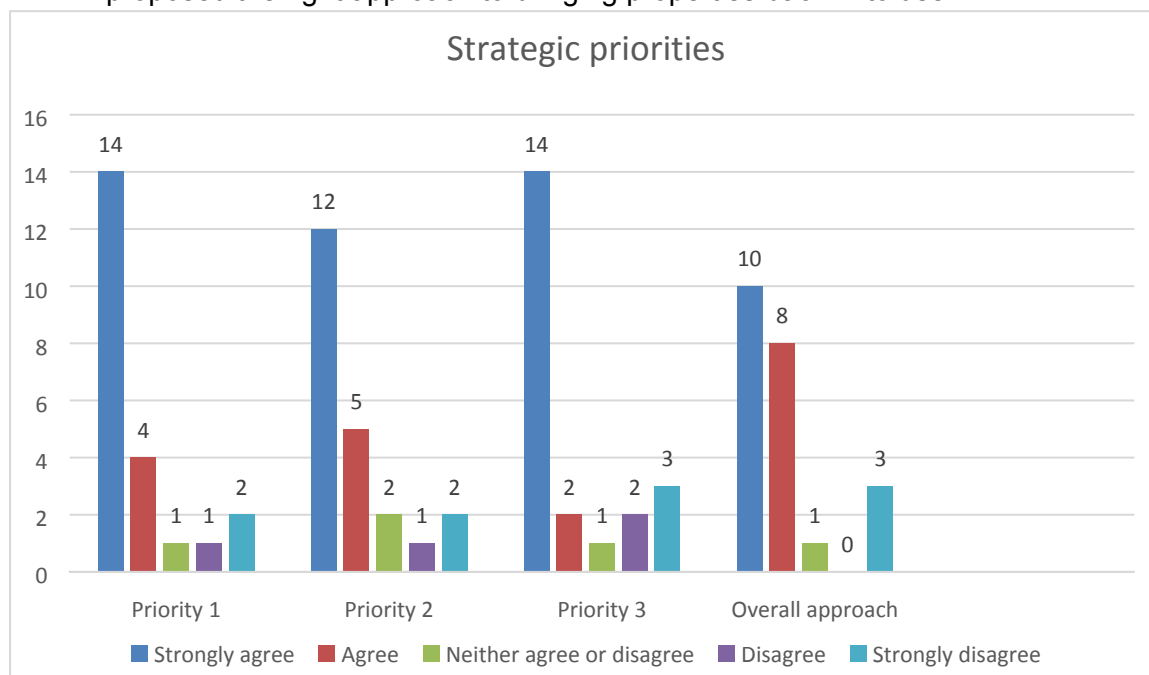
The consultation was open 02/09/22 – 02/10/22 on Engagement HQ. The page received 248 visits and 78 downloads of the plan. In total 22 people responded.

### Outcome

The first question asked if respondents are aware of any empty homes in the borough and to provide information if they answered yes. The response was 40% yes (9) and 4 specific addresses were provided and are being investigated. One person that knew of an empty property strongly disagreed with the Council intervening and stated ‘absolutely not’ when asked to provide an address.

Respondents were asked to confirm if they supported the strategic priorities identified in the plan:

1. Assisting empty home owners by providing advice
2. Assisting empty home owners by providing support and incentives
3. Taking enforcement action against empty home owners when all other options are exhausted
4. Overall, to what extent do you agree or disagree that Woking Borough Council has proposed the right approach to bringing properties back in to use?



The responses overwhelmingly supported the proposed approach to bringing empty homes back in to use with 78% (69 out of 88) combined choosing either ‘Strongly agree’ or ‘Agree’ with the priorities.

## Comments

Respondents were invited to make any further relevant comments which are listed below. The first comment is redacted to remove an address:

*Surely the fact that it is furnished is only relevant in the short term, both the properties in xxxxxx are furnished but xxxx has been unoccupied for decades. Also, I accept that a property where the owner is in care is more challenging however if the state of the property has seriously deteriorated then the owner should be forced to sell or make the appropriate repairs especially if the property is attached or terraced as xxxx ls.*

*Any property that is bought and left empty should be used- the owner of 20 had another property for many years which sat empty until the council got involved*

*It's a very fine line between why it is empty and putting it back into use. Anything that can be done to help is worth it.*

*If home owners have empty properties they should be made to either sell them or relinquish them and new buyers should be given assistance to bring them back up to living standard but they should be for living in and not buy to let!*

*We are a family of 6 living in a 2 bed council property in Woking, we are entitled to a 4 bed but have been told we may have to wait years, if the council could utilise empty homes especially larger ones for families such as mine, I would wholeheartedly support their proposals!!*

*Enforcement would help the housing crisis.*

*The exceptions regarding this are inexhaustible. What if I leave my home for more than 6 months to care for a relative in another country? What if I travel for as long as I want to in my retirement? What if a deceased estate cannot locate heirs? What if in the case of a probate the government itself is causing the delay? You do not have the right to decide what is acceptable or not, it goes against English property ownership principles!!! If a home is abandoned and has outstanding Council tax then you may have a weak case because you would have to prove abandonment, but otherwise never.*

*It is a good idea to help bring empty properties back into use but it should not end up with enforcement action against the owner(s).*

*There should be no empty properties sitting in our Borough when there is such a high need*

**END**

EXECUTIVE – 8 DECEMBER 2022

## HOUSING INFRASTRUCTURE FUND (HIF) - UPDATE

### Executive Summary

The Victoria Arch widening scheme is mainly funded by the government's Housing Infrastructure Fund and is project managed by Woking Borough Council with support from Surrey County Council, Network Rail and Homes England. The replacement bridge and improved infrastructure would secure an objective to provide additional road capacity, reduce air pollution, secure safer access for pedestrian and cycle journeys, provide more reliable bus journeys and secure the vitality of the rail network.

This report updates on the work progressed to date following on from the July 2022 Executive report which provided updates on the project and identified a number of key issues and actions in relation to the delivery of the project including:

- Land Acquisitions
- Utility Diversions
- Bridge Replacement
- Highway Works

The report also updates on the work done to date on sharing of risk with partners, and provides a programme update.

The Executive received an update on the Housing Infrastructure Fund at its meeting on 7 October 2021 where it agreed to a revised timetable for the project given a number of key issues. At the 22 July 2022 Executive it was reported that a revised cost position for the current project, if proceeded with in its current design, would place a significant forecast budget requirement of an additional £53-54m to complete the project, above the current £115m budget. These cost increases were due to the increase in project scope as well as heavily increased construction and inflation costs. It was therefore agreed to undertake a fundamental review of the project.

The Council administration is concerned about the scale of the budget deficit, risks to the Council and potential significant road closure involved in the proposed Victoria Arch widening scheme. This report gives an update to the fundamental review on the project to identify whether there is a viable project that can delivered without additional expense to Woking Borough Council.

The scale of the budget requirement has been communicated to Homes England alongside a request for greater project risk sharing with both Network Rail and Surrey County Council.

### Recommendations

The Executive is requested to:

#### **RESOLVE That**

- (i) an update on the transport modelling, design options and funding opportunities be presented to the Executive in the New Year 2023;

- (ii) it be noted, the submitted planning applications which seek to secure a temporary access to the aggregates yard from York Road and the use of the current access to the yard from Guildford Road as a permanent access continue to be assessed by the Local Planning Authority and reach a decision to inform the project delivery;

And further to note the resolve made in July 2022:

- (iii) the commitment made by the Council and its partners to deliver a replacement bridge project and the risks accepted by the Council in its agreement with Homes England and that significant work has been progressed to date on the project, be noted;
- (iv) the additional costs associated with the current designed project based on land acquisitions, utility costs, bridge and highway costs and inflation meaning that further and substantial Government funding is needed before further significant expenditure can be undertaken which would be at the Council's risk, be noted;
- (v) the need for the continuation of high level meetings with Homes England and through them with key partners at the Department for Transport and Department for Levelling Up, Housing and Communities in order to secure additional funding for the project be supported; and
- (vi) given the likely exposure and scale of risk in committing to further expenditure at this stage, a fundamental review of the project continue in order to:
  - a. conclude discussions on the availability of additional funding to meet the current project design;
  - b. review with partners other design options to reduce the overall costs of the project including any proposals which remove the need to lower the road and / or reduce the road from a dual carriageway to a single carriageway;
  - c. ensure that any redesigned options meet with value for money requirements and achieve sufficient environmental and community benefits envisaged from the project; and
  - d. reassess highway capacity requirements under Victoria Arch through revisiting the transport modelling work previously undertaken to explore whether, through value engineering, a more cost effective bridge design can be achieved.

**Reasons for Decision**

Reason: In order to complete the review of the project to assess financial risks and opportunities to the Council in progressing with delivering the Housing Infrastructure Fund project, considering in full the alternatives and seek risk sharing with project partners/ opportunities for further funding bids.

The Executive has the authority to determine the recommendation(s) set out above.

**Background Papers:** None.

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**Date Published:** 30 November 2022



### 1.0 Introduction

- 1.1 On 13 February 2020, Woking Borough Council accepted a £95m grant administered by Homes England, to complete the acquisition of the Triangle site on the south side of the town, deliver the significant improvements to the town centre's road network and widening the out of date Victoria Arch by 2024. The total project cost was envisaged as £115m with the funding gap being met by support from Network Rail and developer contributions.
- 1.2 The project is complex not least due to its town centre location and resulting impacts on public, businesses, and residents, but also the interdependencies on adjacent infrastructure and stakeholders.
- 1.3 It was reported at the Council Executive meeting in July 2022 that the total budget for the project has risen by £53/54m over the original £115m budget, due to the original scope of the project extending with detailed construction design, as well as inflation and increased material and labour costs. For this reason a fundamental review of the project delivery is currently being undertaken with a pause on certain workstreams until there is greater certainty that the project can be delivered without additional expense to Woking Borough Council.
- 1.4 The project review objectives have been set out in categories in order to ensure all aspects of the project are assessed in this review. The various options available for the delivery of the infrastructure are:
  - Do Maximum (the currently designed scheme, which due to the increased construction costs and inflation is currently valued at £53-54m over the current budget);
  - Do Medium (a reduced scheme, which is to be determined and costed through this review process);
  - Do Nothing (not delivering an infrastructure scheme).

### 2.0 Project Workstreams Update

- 2.1 At the July 2022 WBC Executive meeting it was reported that the programme was set to see a completion in infrastructure delivery in early 2027 (Programme B), however due to the high and inflated costs of the utility diversion infrastructure and land acquisitions, these critical parts of the project have not been able to be progressed and so that programme is no longer achievable. An outline project programme has been created which can be initiated at any stage depending on progress of the project review (See appendix).
- 2.2 Despite not being able to go forward with Programme B, the project is still making progress within the current allocated project budget.
- 2.3 The planning applications for the Day Aggregates temporary and permanent access proposals have been submitted to the Local Planning Authority (LPA). The local residents received update letters and the LPA will assess the applications through due process following validation which was on 20 October 2022. The outcome of these applications will determine how the project can be delivered.
- 2.4 The Compulsory Purchase Order (CPO) has not been able to be progressed following the receipt of legal advice. The advice was clear in stating that the absence of planning permission for a development on the Triangle site and the uncertainty about the deliverability of the project, would present a risk to the successful completion of the CPO process.
- 2.5 The solution to this is that the Council could progress the CPO through the Highways Act 1980, which would not require planning permission on the Triangle site. Woking Borough Council officers have discussed with Surrey County Council legal services the principle of acting upon the previous resolution granted by the Cabinet Member for Transport, Infrastructure & Growth to "acquire land compulsorily as required by the Housing Infrastructure Fund project for Woking

town centre using the Council's powers under the Highways Act 1980 if negotiation proves unsuccessful.”

- 2.6 The transport modelling work currently being undertaken by WSP (as explained later in this report) will be available early in the New Year 2023 and at that point the Council hope to be in a position to announce a firmer timetable for the CPO to bring forward with Surrey County Council as project partners under the Highways Act. This would give more certainty to the deliverability of the project.
- 2.7 The demolition and clearance of the Triangle site has been taken as far as possible. Discussions are still continuing with the outstanding third party landowners on the site to try to negotiate a reasonable acquisition. The Council has also tried to explore all options for demolition of the rest of the Triangle site, including demolition of the outstanding properties on behalf of the current property owners, however this has not been possible.
- 2.8 The Triangle site has now been fully secured with hoarding and made safe to ensure site safety. The hoarding will remain clear of visuals until the project is recommenced.
- 2.9 The trial holes carried out by Skanksa in June 2022 have been reported and the resulting programming for the statutory undertaker diversion work has been confirmed. The key outputs from the trial holes were to identify if there were any below ground risks which the project team were unaware of and to also ensure the soil sub-strata was as expected. This work confirmed the programme, based on the current design, would require a road closure of approximately 3 years (7 months of which would be closed for pedestrians and cyclists) and at this time is unable to be reduced.

### **3.0 Homes England funding position**

- 3.1 Homes England has commissioned Gleeds, an independent property and construction consultancy, to check costs and risks on all HIF forward funded projects. Gleeds will report to Homes England on costs and risk, to highlight cost increases between point of contract and current day. This, in turn, could support cases for additional funding. This review is currently being undertaken for the Woking HIF scheme and Homes England are waiting for the review to come back. WBC and Homes England will then prepare a joint action plan on any recommendations and the content of the report.
- 3.2 Once this review has been received, depending on the outcome, Woking Borough Council intend to also write to the Department for Transport (DfT) and Department of Levelling Up, Housing and Communities (DLUHC) seeking further opportunities for funding.

### **4.0 Review of Project objectives**

- 4.1 It is essential to review the originally set objectives of the HIF project to determine whether now is the correct time to be delivering this major infrastructure project, given the current time of UK high construction costs and inflation costs.
- 4.2 The table in the appendix summarises the objectives of the project and assesses the Red Amber Green (RAG) impacts on delivering different schemes, Do Maximum (the currently designed scheme), Do medium (a reduced scheme), Do nothing (not delivering a scheme). The main objectives being:
  - Increasing capacity for traffic
  - Increasing pedestrian/cycle routes for improved sustainable access
  - Improving air quality
  - Climate change benefits through the modal shift towards pedestrian and cycle movements.



- 4.3 The table indicates that whilst a reduced Do Medium scheme may not offer the full benefits of the original Do Maximum scheme, it still offers 67% benefits to the town centre, which is much better than Do Nothing. This will be further quantified by the Quantitative Cost Risk Analysis being undertaken for the project.

### **5.0 Review of Highway Design Options**

- 5.1 In order to test out options for the bridge and road infrastructure to assess whether a reduced scheme at a lower cost and less disruption can be delivered, it is important that the road network is modelled to ensure that the housing being proposed for the town centre can be supported with the correct highway improvement.
- 5.2 WSP carried out the previous transport modelling work with the Woking Town Centre S-Paramics Model (WTCM) and further work has been instructed to update the information. The modelling outcomes need to be used to understand whether the design options are appropriate.
- 5.3 The consultants will include the impact on the network of the additional housing numbers as set out in the Local Plan plus additional housing numbers which have been referred to in the emerging Town Centre Masterplan and the higher originally planned HIF housing numbers. This work by WSP is due to be completed early in the New Year 2023 which will inform whether a reduced highway capacity scheme under Victoria Arch can be provided.

### **6.0 Review of Bridge Design Options**

- 6.1 The Housing Infrastructure Fund (HIF) project team, made up of the infrastructure project partners-Network Rail, Octavius, Surrey County Council and Woking Borough Council have undertaken scheme optioneering, in-depth consideration of various alternatives and options to find the best or preferred alternative, ensuring that the scheme to date has been the best fit and makes the best use of resources and budget. Unfortunately, as has been reported with the increased scope of works, construction costs (material and labour) and inflation, this scheme is no longer deliverable within the allocated budget.
- 6.2 Once the transport modelling has been undertaken to inform any possible reduction in highway capacity for the scheme, a review of the bridge design options to date will be undertaken.

### **7.0 Consider outcomes of SCC review of the project**

- 7.1 Surrey County Council (SCC) employed Atkins, who are on their Local Transport Framework, to undertake a review of the Woking HIF project.
- 7.2 The review considered the appropriateness of current budget, risks inherent with works cost estimate and delivery strategy given current project uncertainties and identified funding shortfall. The review was not intended to be a red / amber type assessment; but as an activity to add value to the project's delivery strategy. Where cost and budget pressures are identified possible mitigations would be suggested where practical.
- 7.3 The Executive summary of the Atkins review, dated November 2022, has been provided by Surrey County Council. The conclusion is that Atkins have undertaken a full review of the scheme within the scope and compressed duration of their commission. They have made several recommendations for improvements to the bridge construction methodology and design. They have suggested ways in which the programme could be shortened to reduce the cost of preliminaries. They have outlined opportunities to reduce the length of the closure of the A320 and the associated impact on traffic congestion.
- 7.4 The conclusion by Surrey County Council is that the project team have considered all the proposed recommendations by Atkins whilst carrying out their own review (to be concluded)

of the scheme and where appropriate have taken these into account. With respect to the overarching design ethos, whilst there are some minor amendments with the methodology to bring the bridge construction forward, there are no fundamental changes to the design that can be recommended at this stage given the constraints that the project team are working within.

7.5 The recommendations within the report are being actioned by the project team.

### **8.0 Town Centre Masterplan**

8.1 Among other matters the Masterplan sets out what Woking's townscape could look like by 2030 and, once approved, will provide developers with detailed guidance relating to building heights, density, infrastructure, and environmental measures. The masterplan consultation ran for 12 weeks from 25 July 2022 to 17 October 2022. An update on the Masterplan is due to be reported to the Executive in the New Year 2023.

8.2 Should the housing numbers delivered in the town centre need to be reduced from the number in the HIF contract between WBC and Homes England, it is important that Homes England are satisfied that the new housing numbers still provide good value through a positive Benefit Cost Ratio (BCR). BCR is an indicator showing the relationship between the relative costs and benefits of a proposed project, expressed in monetary or qualitative terms. If a project has a BCR greater than 1.0, the project is expected to deliver a positive net present value to a firm and its investors.

8.3 In addition to this, it is important to use, alongside the Local Plan and higher HIF numbers, the proposed Masterplan numbers in the transport modelling work which will determine whether the width and capacity of the road infrastructure in the vicinity and under Victoria Arch can be reduced, as discussed above.

8.4 A possible reduction in the town centre housing numbers would also mean that the full HIF recovery strategy S106 tariff, which seeks to bridge the gap between the total scheme cost (£115 million) and the HIF grant (£95 million) will not be achieved. The current strategy seeks to secure a minimum standard contribution of £2,000 per unit for residential development within the town centre in order for the Council to achieve sufficient funds to bridge the gap between the total scheme cost and the grant, based on the original housing numbers (4,500) contained within the original HIF contract with Homes England.

8.5 At this time there is uncertainty on the overall number of homes proposed by the masterplan above the local plan allocations. The comments received from the consultation and the implications of the recent appeal at Crown Place, granting permission for 366 units will need to be considered. Should housing numbers be lower than the HIF proposals, other means of funding will therefore be sought, which primarily would be through the profits from the Triangle site. The need to ensure this site comes forward in the most viable way to buffer this potential loss from the recovery strategy is essential.

### **9.0 Risks of closing the project**

9.1 One of the options would be to 'do Nothing', however, this would require a termination of the contract between Homes England and Woking Borough Council.

9.2 The Grant Determination Agreement (GDA) signed in March 2020 between Woking Borough Council (WBC) and Homes England (HE) for the delivery of the Housing Infrastructure Fund and grant provides that if any Finance Document is terminated without the consent of Homes England then a Fundamental Default is considered to have occurred. The GDA itself is defined as a Finance Document. In the event that WBC were to terminate the GDA, assuming Homes England refused to consent to termination, then the provisions of Clause 12 would come into play. Pursuant to Clause 12.1.4 HE could issue a direction requiring WBC to repay any HIF Funding received to date plus interest (at RBS base rate).

## Housing Infrastructure Fund (HIF) - Update

- 9.3 Notwithstanding the above, the Council has worked very closely with Homes England on the project, holding regular meetings them and project partners Surrey County Council and Network Rail. Homes England have been fully sighted on and have understood the complexities and reasons for the change in project scope and have equally understood the more recent issues of increased material and labour costs and how these have had an impact on the budget. In this context the Council has acted reasonably to deliver the project and should the project ultimately need to close, a high level conversation with Homes England would need to take place with a negotiation on how to close the project.
- 9.4 Homes England have agreed to provide an estimate of the financial consequences of WBC terminating the GDA so this figure will be reported as soon as it has been shared with WBC.
- 9.5 The current total spend on the HIF project to end of October 2022 is

Total Budget	Total Spend to date	WBC Spend	HIF Spend	Anticipated Spend
<b>£115m</b>	<b>£41,231,487.55</b>	<b>£5,826,763.50</b>	<b>£35,404,724.05*</b>	<b>£2,374,345**</b>

\*Includes 2021/2022 Homes England capacity claim fund (additional to £95m budget)

\*\*Additional costs relating to the Triangle land acquisition costs will be incurred

Where anticipated spend is the cost of:

- costs to complete outstanding contracts with consultants;
- costs to gain planning permission for housing on the Triangle site, to establish the value of the land and secure a housing development.

### 10.0 Network Rail

- 10.1 The current works for the HIF scheme will deliver a renewed bridge asset and passive provision for the future Woking Area Capacity Enhancement (WACE) scheme. However the Department for Transport has not prioritised the Woking Area Capacity Enhancement rail scheme at this time. It will be revisited as funding returns to the south and passengers return to the railway.
- 10.2 Victoria Arch is in Network Rail's renewal plan because a proportion of the bridge is understrength. If the HIF project does not go ahead, then NR will have to provide strengthening for the existing bridge which would obviously come at a cost to them (one that they were including back into their contributions to the HIF project) and disruption, while they carried out this strengthening.
- 10.3 Network Rail confirm that one of the key benefits is that the current design, when partnered with the road levels, will mitigate the risk of bridge strikes and therefore disruption caused both at road and track level. Between 2012 and 2019 there have been 15 bridge strikes of varying impact between 20 minutes to 90 minutes disruption to rail and road.

### 11.0 Risk Sharing

- 11.1 The significant increased cost to deliver the Woking HIF project (projected to be £53-54m), in light of recent construction cost increases and unprecedented inflation rises, has given cause for concern over WBC being the sole risk owner for the delivery of the project. Consequently discussions have been held by WBC with project partners, Homes England, Network Rail and Surrey County Council on risk sharing.
- 11.2 The current status of this is that Homes England are doing their own review of all HIF projects to understand what actions could be taken to deliver the schemes.
- 11.3 SCC have been asked to risk share given the highway improvements provided as a result of the benefits provided by the HIF project. SCC are currently considering this decision following the recent outcome of the Atkins review.

11.4 Network Rail (NR) have been asked to risk share on a project which would potentially provide benefits to them in terms of opportunities it brings for future capacity to the rail network as a whole and not just in Woking, potentially improving headroom clearance, thereby reducing the chance of bridge strikes and so reducing cost impacts for NR at this bridge. They have confirmed they are not able to take on any risk liability.

### **12.0 Project Cost benefit**

12.1 A risk register is provided for the project, however this is not costed. A consultant is undertaking a Quantitative Cost Risk Analysis (QCRA) which will provide a quantified risk evaluation.

### **13.0 Economic/social impact of road closing**

13.1 The QCRA will contribute to informing on the economic impact of closing the road.

13.2 The information provided above in the Network Rail Section shows the impact during bridge strikes at Victoria Arch.

13.3 The WBC HIF Project team have prepared a Road Diversions Mitigation Strategy, which is currently in draft, however the likely costs of this road diversion strategy are in the region of £3m. This is subject to many factors, such as finalising what road closures are needed.

13.4 It is important to reduce the impacts of the road closure on the town centre and surrounding area so as to enable the town centre to be rebuilt and regenerated as much as possible post pandemic. This is why a Do Medium bridge option is being considered with the intention of reducing the road closure duration.

### **14.0 Corporate Strategy**

14.1 The Woking for All Strategy 2022-27 Supplementary and Amended Priorities 2022-23 sets the strategic priorities for the Council against the current overarching strategic themes of: Healthier Communities, Engaged Communities, Greener Communities, Prospering Communities and High Performing Council.

14.2 The Woking for all Strategy 2022-27 commits to the Council to work in partnership with Homes England and Network Rail to deliver a replacement for the Victoria Arch bridge and transport connectivity within Woking Town Centre.

14.3 The Executive's Amended Priorities 2022-23 sets out the intention to review the Victoria Arch project and the recommendation set out in this report accords with that priority.

14.4 Further to the above, the objectives of the project would secure environmental enhancements and promote active travel supporting other key green and healthier community themes.

### **15.0 Implications**

#### Finance and Risk

15.1 The Council's assessment work undertaken in the Spring 2022 highlighted significant additional budget requirements. Given the scale of the budget requirement and risks to the Council the fundamental review is being undertaken and there is a pause on certain workstreams until there is greater certainty that the project can be delivered without additional expense to Woking Borough Council.

15.2 The impacts of time required to review the project is likely to add additional delay costs to the project.

- 15.3 The risk if this review is not carried out is that the additional project cost increases set out within this report are solely at risk to this Council and the financial risks are not shared or met by other project partners.
- 15.4 Risks are partially mitigated by the continuation of certain workstreams including the discussion with land owners to acquire the land necessary to complete the project and the submission and determination of the planning applications for the access road to Days Aggregates.

### Equalities and Human Resources

- 15.5 An Equalities Impact Assessment was carried out for the project originally in 2021 and was reviewed again in 2022.

### Legal

- 15.6 Legal Services have been consulted on this report. A Compulsory Purchase Order will need to be secured in order to progress the acquisition of the outstanding areas of land which are required for the project to be delivered successfully and cannot reasonably be acquired by mutual agreement.

## **16.0 Engagement and Consultation**

- 16.1 The Council consulted on the HIF housing numbers as part of the town centre masterplan. In accepting the HIF grant, the Council made a commitment to deliver housing on a number of its own sites (including land owned by wholly owned companies) and a further commitment to use 'best endeavours' to secure the delivery of other housing sites in order to secure around 3,300 new homes in the town centre above the housing numbers set out in the Council's Local Plan.
- 16.2 A 12 week consultation programme on the masterplan has already taken place.
- 16.3 The Day Aggregates goods yard applications have been submitted to the planning authority and statutory consultation has taken place as part of that process.

## **17.0 Victoria Way Highway Works update**

- 17.1 Victoria Square Woking Limited are carrying out highway works for Victoria Way under a Section 278 agreement. The final phase of S278 works has commenced and will be completed by summer 2023. These highway works facilitate the Housing Infrastructure Fund project completion works such as a permanent pedestrian crossing at the end of the High Street to Goldsworth Road albeit with the ability to remove equipment should the implementation of the HIF project require such. Any abortive works to the highway will be kept to a minimum. It is considered important that the highway is 'finished' given the importance of an attractive gateway to the town, encouraging visitors to the centre and to return again.

## **18.0 Conclusions**

- 18.1 There are still elements of the review which need to be completed to be able to understand whether a reduced scheme, at a lower cost, and less disruption can be achieved. As well as whether WBC are able to risk share with project partners. A lot of this work relies on project partners timescales.
- 18.2 Despite not being able to go forward with Programme B, the project is still making progress within the current allocated project budget by progressing with the Day Aggregates planning applications, the transport modelling, and options to take forward the CPO which is all within the current project budget.

REPORT ENDS

**PROJECT BENEFITS**

PROJECT BENEFITS	Outcome of providing full HIF scheme (Do maximum)	Outcome of providing reduced HIF scheme (Do medium)	Outcome of providing no HIF scheme (Do nothing)
Substantial improvement to movement within the town centre	The current designed scheme provides full and safety compliant movement improvement for all modes of transport, vehicles, buses, cycles and pedestrians. SCORE = 2	A reduced scheme may only provide approx. 50% of the benefits to movement within the town centre.  SCORE = 1	Delivering no scheme would not make any improvements to movement within the town centre  SCORE = 0
Reduced town centre highway congestion which will improve vehicle journey times and reliability, including bus journeys.	The transport modelling for this full scheme shows that the highway infrastructure to be delivered will provide for an additional 3,304 new houses within the town centre and so reduce the town centre highway congestion.  SCORE = 2	Transport modelling for a reduced scheme needs to be carried out to determine whether a reduced scheme can be provided which will still support additional housing within the town centre, as set out in the Masterplan. This modelling work is being scoped and costed SCORE = 1	Delivering no highway infrastructure improvements at Victoria Arch would not provide any support for additional housing within the town centre, which would mean the Council is unable to provide further much needed housing.  SCORE = 0
Improved safer cycling and walking facilities linking the town centre under Victoria Arch to the southern part of Woking town centre and around the railway station, thereby reducing the reliance on the private car, and improving air pollution.* (In Surrey, 41% of carbon emissions come from transport, with around half of that coming from private vehicles)	The current designed scheme provides 2 culverts under Victoria Arch one on either side which each provide a 5 metre wide segregated footway and cycleway. This is a fully compliant safe method of travel improvement for cyclists, pedestrians and mobility impaired.  SCORE = 2	Considering options for a reduced scheme, such as: <ul style="list-style-type: none"> <li>• reduced width cycleway/footways under the Arch - this would have to be provided as shared links rather than segregated links which may not meet policy guidance for safety;</li> </ul> or <ul style="list-style-type: none"> <li>• one culvert on one side of the Arch – which would lead to a reduced connectivity improvement on the other side of the Arch.</li> </ul> SCORE = 1	There would be no improvement to cycling and walking facilities linking to the town centre, which would mean policies relating to sustainable travel, air pollution and climate change agenda are not met.  SCORE = 0
An enhanced railway bridge, funded and delivered as part of this project, supports future Network Rail objectives such as Woking Station redevelopment, and future Flyover (yet to be approved by the Department for Transport), will significantly increase passenger capacity on the	The full scheme would deliver a new railway bridge which would then have an extended lifetime and would not need to be maintained for many years to come.	Although there are a few options which may be considered as a reduced scheme, which would then need to be agreed, costed and assessed in terms of deliverability, it may still mean that a new bridge does deliver this objective.	There would be no new bridge delivered by the project and so ongoing bridge maintenance at cost and disruption would be required.

Housing Infrastructure Fund (HIF) - Update

Wessex Region rail network which will underpin both local and regional growth.	SCORE = 2	SCORE = 2	SCORE = 0
Improvement to the town centre highway will unlock housing development potential as 13 town centre brownfield sites, which will provide up to 3,304 extra town centre apartments and above existing commitments.	The full scheme would provide road infrastructure to unlock the full 3,304 additional housing units in the town centre, as referenced in the Housing Infrastructure Fund grant contract with Homes England.  SCORE = 2	A reduced scheme will not be able to deliver the full 3,304 housing units within the town centre, however it may be that a reduced width scheme can still support a reduced level of housing in the town centre which maybe agreed as part of the Masterplan process and which may also be acceptable to Homes England. SCORE = 1	Delivering no scheme would mean that additional housing would not be supported within the town centre.  SCORE = 0
Continues the regeneration of Woking town centre, which benefits the wider borough and supports the Council's ambition of being a regional focus of economic prosperity.	The full scheme continues regeneration of the town centre and supports the Council's ambition of being a regional focus of economic prosperity.  SCORE = 2	Providing a reduced scheme could still support the economic benefits of regeneration of Woking town centre. If it a reduced scheme is possible, which is cheaper and takes less time to build, it could be an improved short term option for the town centre. SCORE = 2	Delivering no scheme would mean that the regeneration of this part of Woking town centre is not achieved and is likely to reduce the opportunity for economic prosperity.  SCORE = 0
	TOTAL SCORE = 12 (100%)	TOTAL SCORE = 8 (67%)	TOTAL SCORE = 0 (0)%



EXECUTIVE – 8 DECEMBER 2022

## UPDATE ON THE THAMESWEY BUSINESS PLANS

### Executive Summary

The Council established the ThamesWey Group of Companies to assist in the delivery of the Council's strategic priorities. The ThamesWey Companies deliver their activity in line with approved business plans which are normally approved for a rolling three year period.

As the Council embarks on a period of Strategic Review, change and improvement, it is timely and necessary for a review to be undertaken of the purpose of each Company both now and in the future. This is particularly relevant as the ThamesWey Business plans are based around the Council's strategic priorities and policies.

Under the Council's new company governance arrangement, the Shareholder Advisory Group (SAG) has considered the draft Business Plan and requested further exploration of a number of options to minimise risk and improving financial performance (particularly reducing peak debt). In light of this, the ThamesWey Business Plan will require further work prior to being re-considered by the Board and presented to Executive and Council for approval in February 2023.

### Recommendations

The Executive is requested to:

#### **RESOLVE That**

the update on the ThamesWey Business Plan 2023 – 2026 be noted.

### Reasons for Decision

Reason: To update the Executive on the positive progress being made on the ThamesWey Business Plan, aligning it with the priorities set out in the Woking for All Strategy.

The Executive has the authority to determine the recommendation(s) set out above.

**Background Papers:** None.

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## Update on the ThamesWey Business Plans

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**Date Published:** 30 November 2022

### 1.0 Introduction

- 1.1 The Council established the ThamesWey Group of Companies to assist in the delivery of the Council's strategic priorities. In establishing the Companies, the Council took a long term view on investment in infrastructure with a view to securing benefit for the residents of the Borough and supporting the Council's economic development and housing strategies. The parent company, ThamesWey Ltd, is wholly owned by the Council.
- 1.2 The ThamesWey Companies deliver their activity in line with approved business plans which are normally approved for a rolling three year period. The 2020 Business Plans for the individual companies were approved by Council in December 2019. These covered the following companies:
  - ThamesWey Limited (Group Plan)
  - ThamesWey Energy Limited
  - ThamesWey Central Milton Keynes Limited
  - ThamesWey Housing Limited (including ThamesWey Guest Houses Limited)
  - ThamesWey Developments Limited
  - ThamesWey Maintenance Services Limited
  - ThamesWey Sustainable Communities Limited
- 1.3 The Business Plans are normally reviewed and agreed annually by the respective ThamesWey boards. These Business Plans are then presented to the Executive and Council for approval in advance of the company financial year and incorporated into the Council's budget setting processes. The ThamesWey Group Business Plan 2020 covered the period 2020-2023 and was carried forward to 2021 and 2022 in light of the Covid-19 pandemic (as were all Council Service Plans).

### 2.0 Business Planning Process

- 2.1 As the Council embarks on a period of Strategic Review, change and improvement, including its Fit for the Future Programme, Medium Term Financial Strategy (MTFS) and new "Woking for All" Strategy, it is timely and necessary for a review to be undertaken of the purpose of each Company both now and in the future. This is particularly relevant as the ThamesWey Business plans are based around the Council's strategic priorities and policies.
- 2.2 The Council is the major (but not sole) funder of the Group Companies either by way of loans made to the companies on which interest is payable, grant funding, or through the purchase of share capital.
- 2.3 Section 3 (Corporate Strategy) below highlights the additional priority commitments and actions within the Woking for All Strategy 2022-2025 that were established by the new administration and agreed by Council at its meeting on 21<sup>st</sup> July 2022. These specific priority commitments established key considerations for what the Shareholder Advisory Group needed to take into account when reviewing the ThamesWey business plans.
- 2.4 The additional priority commitments at section 3 equally align with issues subsequently raised by the minister within the Department for Levelling Up Housing and Communities in his letter to the Leader of the Council on 18<sup>th</sup> October 2022 which accepts the strategic regeneration ambitions of the Council but raises expectations (concerns) about:

## Update on the ThamesWey Business Plans

- Needs to be sustainable
- Needs to have proportionality (Debt and funding arrangements)
- Needs to recognise and address financial risk

The details of this letter have already been made public and brought to the attention of all Councillors.

- 2.5 In addition to the above, role of the Council was, and is, to initiate; stimulate and create the foundations and conditions for economic and social regeneration – an exit / stage beyond full Council ownership of assets and regeneration vehicles was always envisaged whilst not being explicit about when this should be considered.
- 2.6 In July 2022, the Council approved new company governance arrangements. These included establishing a Shareholder Advisory Group (SAG), operating in the role of a company management committee, to perform the shareholder function on behalf of the Council across all owned or affiliated companies. The role of this group is to provide the necessary oversight from a shareholder's perspective that the parameters, policies and boundaries that the shareholder has established for the company are being adhered to.
- 2.7 A consolidated ThamesWey Business Plan (covering all of the Group companies) has been drafted and approved by the Board for 2023 – 2026 to reflect the Council's Fit for the Future programme and Working for All strategic priorities. This was due to go to Full Council on 1 December 2022 for approval.
- 2.8 However, when the Shareholder Advisory Group (SAG) considered the Business Plan, it requested further exploration of a number of options to minimise risk and improving financial performance (particularly reducing peak debt), including:
- Revisiting assumed loan margins for some of the Group companies.
  - Exploring alternative sources of finance and potential equity investment.
  - Further consideration to the approach to ThamesWey Central Milton Keynes (TCMK).
  - Reviewing some of the base assumptions and scope for the Sheerwater regeneration project, including the compensation to the Housing Revenue Account (HRA) for costs incurred in delivering the project.
  - Exploring housing association involvement in delivering the Sheerwater regeneration.
- 2.9 In light of the requests made by SAG, the ThamesWey Business Plan will require further work prior to being re-considered by the Board. The ThamesWey Business Plan is now due to be presented to Executive and Council for approval in February 2023.

### 3.0 Corporate Strategy

- 3.1 The ThamesWey Group of Companies were set up with the specific remit of supporting the Council's strategic objectives. In particular, the Companies support the provision of high quality affordable and key worker homes; transforming Sheerwater; promoting and investing in low carbon energy supply across the Borough and creating high-quality built environments fit for the future. The objectives of the companies accord with the Council's Working for All Strategy.
- 3.2 The Council's strategy for Council Investment to stimulate local growth; borough wide social and economic transformational change and delivering the local priorities of social and

affordable housing regeneration and town centre regenerated vibrancy, remain and is a constant through the current and previous business planning periods.

- 3.3 Whilst there has been a change in the Council's administration in 2022, the priorities of the incoming administration have been established through the Woking for All Corporate Strategy. Of particular relevance are the priority commitments and actions, extracted below, relating to being a High Performing and a financially responsible council with sustainable and affordable plans.

### A high performing council

#### A financially responsible council with sustainable and affordable plans

**Ensure that affordability, financial control and delivery of value for money are embedded in how the Council conducts its business**

##### Additional priority commitments

- Get the Council's finances under control – this is our first priority
- Consider new approaches to increase income
- Make decisions in an open and transparent way

##### Actions

- Work constructively with the Department for Levelling Up, Housing and Communities (DLUHC) to deliver plans for a sustainable budget and directly address the concerns the Government has about the Council's levels of debt and exposure to financial risk
- Deliver clearer and more transparent financial performance reporting through to meetings of the Council
- Seek greater leverage of private sector and market investment into Woking to enhance the economic vitality of the borough and maximise the benefit that Woking communities experience from this investment

### A high performing council

**Develop and strengthen strategic and financial planning and performance and risk management**

##### Additional priority commitments

- Review the financial model used to fund council owned companies
- Get expert opinion to advise on the financial sustainability of the Council's investments into companies

##### Actions

- Review all council investments and set clear performance targets for the returns these investments need to provide for the Council and the borough

## 4.0 Implications

### Finance and Risk

- 4.1 The ThamesWey Business Plan 2023-2026 will set out the financial requirements of the Group and the risks and sensitivities within the plans.
- 4.2 The Shareholder Advisory Group (SAG) has requested that further options be explored prior to submitting the Business Plan to Council for approval with the aims of minimising risks and improving financial performance.

Equalities and Human Resources

- 4.3 There are no equalities or human resource implications arising from this report.

Legal

- 4.4 There are no legal implications arising from the report. Legal Services shall ensure that any proposed future changes to the Companies, including streamlining and rationalisation, shall be in accordance with company law and best practice.

**5.0 Engagement and Consultation**

- 5.1 The ThamesWey Business Plan for 2023 – 2026 will be closely aligned with the Council's Woking for All Strategy, which was developed following extensive engagement and consultation with residents and other stakeholders.

REPORT ENDS