

MINUTES  
OF A MEETING OF THE  
**EXECUTIVE**

held on 17 October 2024

Present:

Cllr A-M Barker (Chair)  
Cllr E Nicholson (Vice-Chair)

Cllr S Greentree                      Cllr L Lyons  
Cllr I Johnson

Absent:     Councillor D Roberts

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Roberts.

**2. DECLARATIONS OF INTEREST**

In accordance with the Officer Employment Procedure Rules, the Strategic Director – Corporate Resources, Kevin Foster, declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he was a Council-appointed director. The interests were such that Mr Foster could advise the Executive on those items.

The interest of the Head of Transformation, Digital and Customer Services, Adam Walther, was referred to in the agenda but it should be noted that Mr Walther was not present at the meeting.

**3. MINUTES**

RESOLVED

That the minutes of the meeting of the Executive held on 12 September 2024 be approved and signed as a true and correct record.

**4. URGENT BUSINESS**

There were no items of Urgent Business under Section 100B(4) of the Local Government Act 1972.

## 5. QUESTIONS

The Leader welcomed Mrs Sue Heavens who had submitted a question under Section 3 of the Executive Procedure Rules regarding ThamesWey businesses. Four further questions had been submitted by members of public regarding public rubbish bins and Greenfield School loan. A copy of the questions together with the replies was before the Executive. The Leader advised that the members of public unable to attend the meeting would be sent a copy of the replies to their questions. The questions, together with the replies from the Leader and Portfolio Holder, were presented as follows:

### Question 1 from Sarah Madden

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

### Supporting Statement

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

### Reply from Councillor Ellen Nicholson

“Thank you Sarah for your question and thank very much for your efforts in litter picking. I am one of your Ward Councillors in Mount Hermon which contains Park School and I know a number of residents across the Borough voluntarily help to keep our area clean and tidy and we are very appreciative of that. I would be very happy to meet with you and discuss where a bin might possibly be located on Park Road near to the School. I will also write to local taxi companies and their associations to ask the drivers to dispose of their rubbish responsibly. We could also look into whether Ward Councillors and the Woking Litter Warriors, or a similar group, may wish to do a litter pick in the area or if local residents might like to get together for a community litter pick a few times a year, and we can facilitate this through Neighbourhood Services.”

### Question 2 from (name withheld)

“Ultra vires loan{s}

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

### Supporting Statement

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

Reply from Councillor Ann-Marie Barker

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

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

Question 3 from (name withheld)

“Competition issue

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

Supporting Statement

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

Reply from Councillor Ann-Marie Barker

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

Question 4 from (name withheld)

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

Supporting Statement

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

Reply from Councillor Ann-Marie Barker

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

Question 5 from Sue Heavens

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

Supporting Statement

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

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

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

Reply from Councillor Ann-Marie Barker

“Thank you very much for your question Sue, and Sue does mention in her supporting statement about the measures the Council took within the Council directly over the last year following the Section 114 and the Government intervention. In my response I would like to say that alongside cost and staff reductions to balance the budget Woking Borough Council is working to solutions for Council owned companies.

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

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

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

ThamesWey is completing the phase of Sheerwater that was already in train at the point of the government intervention and Section 114 Notice. This phase will be complete early in 2025 and the Council has already announced that the remaining land for development in

Sheerwater will be sold to private developers. WBC has not given houses to ThamesWey for the purpose of sale to generate income.”

Mrs Heavens was thanked for her question and invited to ask a supplementary question.

Supplementary Question from Sue Heavens

“Yes I have got a selection, I will pick one. So the first question was about funding losses. ThamesWey reported losses of £37 million for the 15 month period ending March 2023, its last published report. The Council's businesses have therefore the potential to lose more than the Council's entire core funding. £19 million, I think, for 24-25. So last time they lost £37 million in 15 months. So it seems to me that they represent a very high level of risk exposure to taxpayers. In the past, Woking Council has chosen to fund 100% of its businesses because it wants to keep 100% of the profits. But that means taxpayers are exposed to 100% of the business risks, and they have to bear 100% of the losses. So the question is, does the Council still believe it's in the best interest of taxpayers to take 100% of the business risk? Is the Council open to running competitive tenders to allow successful private sector companies to operate Council projects, sharing the risk by putting in their own funds at risk in the projects for a share of the profits?”

Reply from Councillor Ann-Marie Barker

“Thank you for that. So you are absolutely right, the huge amounts invested in both Council companies and in other commercial ventures very much dwarf the core income of the Council. As you've sort of highlighted in the summary to your original question, a lot of the Council's efforts in the last year have been about getting the core budget of the Council, the day to day spending of the Council, getting that on track. We are obviously looking to Government as to how we might manage that huge level of overhanging debt that we have, which includes some of the borrowing for the companies. There's a huge amount of risk exposure there, and it's all because of the approach taken in the past, where Woking Council often took 100% of the risk looking for the ultimate profits I guess, at the end of the day.

I think we've indicated already with the work we've done in Sheerwater, it was obviously very clear that ThamesWey could not complete that project, but it did make sense for ThamesWey to complete the phase that was in construction at the time of the Government intervention and Section 114. But we are now looking to sell the land for others to develop there.

As I mentioned in my earlier reply, we're looking to the companies to come up with business plans and we're looking at what the future might be for all of those companies. I think it's going to be absolutely key for us to get those companies working and operating well. As I mentioned earlier, getting the governance practices in place. We've got the oversight of the companies in a much better place now with the Shareholder Executive Committee in place. And we would be considering a range of options as to what happens to those companies in the future. We'll be looking to share that with the public as we get closer to making decisions about the future of council companies.”

The deadline for written questions from members of the public was 12 noon, seven days before the Executive. The next Executive would be held on 14 November 2024, so the deadline for written questions was 12 noon, 7 November 2024.

**6. WOKING FOR ALL STRATEGY EXE24-082**

The Leader of the Council, Councillor Barker, introduced the report which sought the approval of the Executive to the draft framework for the refreshed Woking For All Strategy (WFAS). The Leader explained that the WFAS was adopted by Council in March 2022 and updated in June/July 2022 following the change in administration. Due to Government intervention and the Section 114 Notice last year, it had not been possible to undertake the planned annual refresh of the Strategy as it had been necessary to focus on resident consultations regarding service restructures. However, the Executive was informed that work to review and refresh the WFAS had taken place in recent months in order to set out what the Council was most concerned to achieve on behalf of residents, and to ensure a continued focus on the Improvement and Recovery Plan (IRP).

The Executive welcomed the proposed framework which would set out a clear strategic direction for the Council. The Executive agreed that the framework, based around three top level themes (Thriving Communities, High Performing Council, and Effective Partnerships), would provide a simplified structure which would make the WFAS more accessible to residents and stakeholders. The Executive on 14 November 2024 would receive a consolidated draft WFAS, to include actions for each theme and associated objective, for recommendation to Council in December 2024.

**RESOLVED**

That the draft framework for the refreshed Woking For All Strategy (WFAS) be agreed to enable the next stage of development to be undertaken.

Reason: To enable the adoption of a refreshed Woking Borough Council Corporate Plan.

**7. UPDATE ON GENERAL FUND AND HOUSING REVENUE ACCOUNT BUDGETS 2025-26 EXE24-090**

The Leader, on behalf of the Portfolio Holder, Councillor Roberts, introduced the report which provided an update on the work being undertaken to prepare the 2025/26 Budget and Medium Term Financial Strategy (MTFS). Following the previous budget update report to the Executive before the summer, it was explained that the report before the Executive outlined the next steps towards delivering a balanced budget for 2025/26 and to securing a sustainable position in the Council's financial strategy to 2027/28.

It was noted that the Council would need continued exceptional financial support in 2025/26 as it worked towards the managed rationalisation and disposal of investments and resulting debt reduction. The Executive noted that the Council's likely residual debt after disposal and rationalisation of its investments in company holdings and property was expected to be of a value which would require a new approach from Government. Discussions with Government regarding a permanent and sustainable solution to the legacy debt challenge was ongoing. The importance of delivering a balanced budget for 2025/26 in order to give the Government confidence that the Council was returning to a financial sustainable position was highlighted.

The Executive was advised that the report indicated a £5m underlying budget gap for 2025/26. Officers were reviewing options for addressing the budget gap with a focus on corporate and strategic workstreams. It was intended to bring proposals to the December Executive.

Regarding the Housing Revenue Account (HRA), it was noted that the level of reserves had been improved following adjustments to historic recharges. A 30 year business plan was being prepared to inform a strategy to deliver sustainable HRA finances.

The Leader set out the proposed timetable for the budget setting process. As last year, it was likely that a Special Council meeting would be required in early March 2025 for final Budget and Council Tax setting. The Executive welcomed that the Resource and Finance Scrutiny Committee and Finance Working Group would be scrutinising the budget proposals.

**RESOLVED**

- That (i) the current assessment and categorisation of the approved 2024/25 budget into the three categories of “one-off”, “debt overhang” and “underlying” elements, be noted;
- (ii) the process put in place to compile the 2025/26 Budget and Medium-Term Financial Strategy [MTFS] be noted and endorsed;
- (iii) the planned timetable and schedule of activities to deliver a final Budget and MTFS report at the end of February / beginning of March 2025 be noted and endorsed; and
- (iv) the proposed approach to consultation on the proposed budget be noted and endorsed.

Reason: The Council is legally required to set a budget (considering the longer-term outlook through an MTFS, which is, in the opinion of the s151 Officer, robust and allows for adequate future levels of reserves to manage potential risk levels. The report appraises Members of the work undertaken and planned to provide Council with budget options that meet those requirements.

The development and delivery of a sustainable and balanced budget is integral to the over-arching Working For All Strategy, which is the Council’s corporate plan. The overall approach to setting the 2025/26 budget remains in accordance with the guiding principles adopted by the Council in July 2023, and in particular included the need to be a smaller and more efficient Council, looking to fund non-statutory services only where they were self-funded.

**8. UK SHARED PROSPERITY FUND (UKSPF) EXE24-085**

The Executive received a report which sought approval of the Executive to re-allocate £50,000 of UK Shared Prosperity Fund (UKSPF) to the Digital Inclusion project. The Executive was advised that the Digital Inclusion project was one of three ‘reserve’ projects identified as meeting the UKSPF criteria in the event any of the approved projects not go ahead. It was explained that the project ‘Supporting Economic Growth and Local Business’, which had the aim of businesses working collaboratively as a Place Board, had not progressed as planned due to Council resources needing to be focused on the delivery of the Improvement and Recovery Plan. It was considered not to be the right time to

launch the initiative. The Council's work with Surrey County Council (SCC) to support local businesses was highlighted.

It was explained that the UKSPF funding would be directed to Surrey Coalition of Disabled People to enable the roll out of its 'Tech Angels' project in Woking. The project connected people who were at the highest risk of digital exclusion with volunteer 'Digital Buddies'. Following a question regarding how the project would be monitored to ensure value for money, it was confirmed that clear metrics would be used to track the project including the number of participants, number of sessions held, and gaining feedback from participants which could be used to improve and promote the project.

The Executive welcomed the proposal to re-allocate UKSPF funding to the Digital Inclusion project which would meet the UKSPF priority E36 regarding increasing levels of digital inclusion.

**RESOLVED**

- That (i) £50,000 of UK Shared Prosperity Fund (UKSPF) be re-allocated and used to renew the Digital Inclusion project; and
- (ii) a change request be submitted to Ministry of Housing, Communities and Local Government (MHCLG).

Reason: The Digital Inclusion project meets the UKSPF criteria for the funding available, whilst also supporting the Council's strategic objectives.

**9. ASSET DISPOSAL EXE24-053**

Following the decision by Council in February 2024 to approve the closure of Brockhill Extra Care, and authority by the Executive in June 2024 to commence the sales process of the Council's freehold interest in the site, the Executive received a report which sought authority to complete the sale to the selected bidder following vacant possession. Councillor Johnson, Portfolio Holder for Housing, thanked everyone involved in supporting and finding alternative accommodation for the residents. It was reported that two residents remained at Brockhill and alternative accommodation had been identified. It was noted that the site would be brought forward for development of a care home, meeting the needs of older and vulnerable people. In addition, the sale of Brockhill would generate a capital receipt which would support investment in the remainder of the Council's housing stock.

**RESOLVED**

- That (i) following a competitive open market disposal process and subject to vacant possession being achieved, the site should be sold freehold to the successful selected bidder;
- (ii) authority be delegated to the Strategic Director - Communities, in consultation with the Portfolio Holder for Housing and the Director of Legal and Democratic Services, to complete the sale on the basis of the agreed Heads of Terms; and



- (iii) authority be delegated to the Strategic Director - Communities, in consultation with the Portfolio Holder for Housing, to make any further decisions required in respect of the final decommissioning of the building in order to achieve vacant possession which is a condition of the sale.

Reason: To provide residents with a clear plan around the closure of Brockhill Extra Care scheme and the long-term future for the site.

#### 10. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of item 11 in view of the nature of the proceedings that, if members of the press and public were present during this item, there would be disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, to the Local Government Act 1972.

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### 11. ASSET DISPOSAL EXE24-054

RESOLVED

That the commercially sensitive information, in support of the Asset Disposal report under Part I of the agenda, be noted.

Reason: To provide residents with a clear plan around the closure of Brockhill Extra Care scheme and the long-term future for the site.

<p><b>This document was published on Friday 18 October 2024 and the decisions within it will be implemented on Monday 28 October 2024, subject to call-in.</b></p>
--

The meeting commenced at 7.00 pm  
and ended at 8.07 pm.

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_