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TO THE CHAIRMAN AND MEMBERS OF THE SHAREHOLDER EXECUTIVE COMMITTEE

You are hereby summoned to attend a meeting of the Shareholder Executive Committee to be held on 24 September 2024 at 7.00 pm in the Council Chamber, Civic Offices, Gloucester Square, Woking, Surrey GU21 6YL.

The agenda for the meeting is set out below.

RICHARD CARR
Chief Executive

NOTE: Filming Council Meetings

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). The images and sound recording will also be used for training purposes within the Council. The broadcast will be stopped when the confidential/Part II item on the agenda is reached. 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.

AGENDA

PART I - PRESS AND PUBLIC PRESENT

- 1 Apologies for absence
- 2 Declarations of Interest (Pages 3 - 4)
 - (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 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.
 - (iii) 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.
- 3 Minutes (Pages 5 - 8)

To approve the minutes of the meeting of the Shareholder Executive Committee held on 23 July 2024 as published.

4 Urgent Business

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

Matters for Determination

5 Report of the Shareholder Liaison Service (Pages 9 - 10)

Reporting Persons – Kevin Foster and Shareholder Liaison Service

6 Work Programme (Pages 11 - 12)

Reporting Persons – Kevin Foster and Shareholder Liaison Service

Exclusion of the Press and Public

7 The Chairman will move and the Vice-Chair will second:-

“That the press and public be excluded from the meeting during consideration of items 8 to 10 in view of the nature of the proceedings that, if members of the press and public were present during these items, 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).”

PART II – PRESS AND PUBLIC EXCLUDED

Matters for Determination

8 ThamesWey Performance Report (Pages 13 - 38)

Reporting Person – ThamesWey Ltd Chair

9 Victoria Square Performance Report (Pages 39 - 70)

Reporting Person – VSWL Chair

10 Report of the Shareholder Liaison Service (Pages 71 - 82)

No Company Representatives will be in attendance for this agenda item.

Reporting Persons – Kevin Foster and Shareholder Liaison Service

AGENDA ENDS

Date Published - 16 September 2024

For further information regarding this agenda and arrangements for the meeting, please contact Douglas Davern on 01483 743018 or email doug.davern@woking.gov.uk

Schedule Referred to in Declaration of Interests

Council-appointed directorships

Kevin Foster, Strategic Director – Corporate Resources	
Brookwood Cemetery Limited	Kingfield Community Sports Centre Limited
Brookwood Park Limited	LAC 2021 Limited (Dormant)
Export House Limited	Woking Necropolis and Mausoleum Limited
Woking Shopping Limited	

Louise Strongitharm, Strategic Director – Communities	
Rutland Woking (Carhouse Lane) Limited	Rutland Woking (Residential) Limited
Rutland (Woking) Limited	

MINUTES
OF A MEETING OF THE
SHAREHOLDER EXECUTIVE COMMITTEE

held on 23 July 2024

Present:

Cllr A-M Barker (Chair)

Cllr I Johnson	Cllr D Roberts
Cllr L Lyons	Mrs C Storey
Cllr E Nicholson	

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Forster.

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.

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

3. MINUTES

RESOLVED

That the minutes of the meetings of the Shareholder Executive Committee held on 20 May and 27 June 2024 be approved and signed as true and correct records.

4. URGENT BUSINESS

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

5. REPORT OF THE SHAREHOLDER LIAISON SERVICE

The Leader welcomed the representatives from ThamesWey Ltd and Victoria Square Woking Ltd (VSWL) to the meeting. The Committee received the Part 1 report from the Shareholder Liaison Service which stated that the reports brought by the companies to the

meeting were the annual business plan for ThamesWey and the monthly requirements relating to business records for ThamesWey and VSWL.

RESOLVED

That the report be received.

6. THAMESWEY BUSINESS PLAN OVERVIEW

As part of the circulated agenda pack, the SEC received powerpoint slides on the ThamesWey Business Plan from Alan Collett, Chairman, and Mark Rolt, Chief Executive Officer. Alan Collett took the Committee through the slides which set out information on the five key objectives for the ThamesWey Group; the focus of the Business Plan; the Milton Keynes district energy network; the Woking energy network; the residential part of the business; corporate matters; and finance and risk.

It was highlighted that a new Board member would be recruited in the Autumn to assist with customer service in the residential sector; and that work was taking place to consider how the legal structure of the entities comprising the ThamesWey Group could be simplified as a part of maximising best value for the Shareholder.

The Committee noted that it was expected that the Canalside development should be completed by the end of Quarter 1 2025. The yellow phase was under construction and the remainder of the development was occupied. The ThamesWey Board was reviewing the 'cost to serve' of its residential offer to optimise its profitability. In relation to Brookwood Lye, a further planning application had been developed and, following changes requested by the Local Planning Authority it was expected that it would be formally submitted by the end of July 2024. The timeframe for the identification and disposal of core and non-core assets would be a period of six months. It was noted that the Council's Internal Auditors, Mazars, were conducting an audit of financial controls at ThamesWey, which currently had no internal audit function.

A paper would be submitted to the Shareholder Liaison Service on the Heat Network Improvement Programme, for which DESNZ had awarded ThamesWey a low interest loan of £9m to enable the heat networks to expand south of the railway and join the Poole Road and Victoria Way networks together, which would improve the carbon position and should lead to more customers and revenue. Investment would continue to be required as the trend of energy networks was to move away from natural gas towards electricity and heat pumps.

RESOLVED

That the Business Plan Overview be received.

7. WORK PROGRAMME

It was noted that the Shareholder Liaison Service would consider the addition of papers on the Heat Networks Improvement Programme and Rent Restructuring to future meetings of the Committee.

RESOLVED

That the Work Programme be received.

8. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of items 9 and 12 in view of the nature of the proceedings that, if members of the press and public were present during these items, 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).

9. VICTORIA SQUARE PERFORMANCE REPORT

The SEC received the performance report from Jane Wynne, Chair, Tim Wells, Chief Executive Officer, and Elisabeth Hill, Finance Director which had been circulated as part of the agenda pack.

RESOLVED

That the performance report be received.

10. THAMESWEY PERFORMANCE REPORT

The SEC received the performance report from Alan Collett, Chair, and Mark Rolt, Chief Executive Officer which had been circulated as part of the agenda pack.

RESOLVED

That the performance report be received.

11. THAMESWEY BUSINESS PLAN 2024/25

The SEC received the ThamesWey Business Plan 2024/25, and noted that approval of the Plan would be considered under the next item on the agenda, the Part II report from the Shareholder Liaison Service.

RESOLVED

That the ThamesWey Ltd Business Plan be received.

12. REPORT OF THE SHAREHOLDER LIAISON SERVICE

(NOTE: No company representatives were present during the meeting for this item.)

Michael Hainge and Ian Edward introduced the Part II report of the Shareholder Liaison Service to the SEC, which included the recommendation that the ThamesWey Business Plan be approved subject to the below condition.

It was noted that both companies were seeking to meet the reporting requirements of the Companies Governance Framework, however further work was required and they were aware of the areas needed focus, for example some top level Key Performance Indicators

should be included. Regarding ThamesWey, it was noted that no progression of the rent restricting proposal should take place until the paper had been approved by the SEC.

Members discussed the information received at the meeting, both as part of the agenda pack and the points made verbally at the meeting, and agreed a response to the companies which was resolved accordingly.

RESOLVED

- That (i) the report be noted and further updates on companies reporting progress would be provided to the committee; and
(ii) the ThamesWey Ltd Business Plan be approved subject to assurance that the plan would be further developed over the next two months to provide the Council with detail on the planned timescale and measurable outcomes for the activities set out in the current plan.

This document was published on Wednesday, 24 July 2024 and the decisions within it will be implemented on Thursday, 1 August 2024, subject to call-in.

The meeting commenced at 7.00 pm
and ended at 9.50 pm

Chairman: _____

Date: _____

SHAREHOLDER EXECUTIVE COMMITTEE – 24 SEPTEMBER 2024

REPORT OF THE SHAREHOLDER LIASON SERVICE

Executive Summary

This is the Part 1 report of the Shareholder Liaison Service (SLS) to the Shareholder Executive Committee (SEC). The SLS comprises officers for Commercial, Financial and Governance. The team reports into the Strategic Director, Corporate Resources.

The function of the Committee is to: -

Hold the companies to account for delivery of the Business Plan and, in particular, the company's performance:

- in financial matters
- against the social goals of the company as set out in the company's Objects, Business Case or Business Plan; and
- against the values of the Council.

Evaluate and monitor:

- the financial and social returns on investment (be that shareholding, loans, or direct investment); and
- risks and opportunities including those arising from joint ventures or new opportunities.

The Committee is also reminded of the Council's responsibilities under the Exceptional Financial Support arrangement (EFS). These responsibilities are reflected in this report in the context of company plans to improve financial oversight and the ThamesWey Limited business plan. The responsibilities arising from the EFS arrangements can be summarised as follows:

EFS requirement	Reflected in the report and wider activity
<p>a) <i>a robust asset disposal plan to the satisfaction of Commissioners and Government. This must be underpinned by a detailed assessment of options considering the associated risks and benefits, and a review of the Council's companies' financial positions including detailed cashflows, within three months unless otherwise agreed by Commissioners</i></p>	<ul style="list-style-type: none"> - Reporting requirements of the Companies' Governance Framework - Interpath advisory and assurance work - Business plan requirements - Lender Board
<p>a) <i>A strict debt reduction plan to the satisfaction of Commissioners and Government, linked to the options appraisal and agreed asset disposal plan;</i></p>	<ul style="list-style-type: none"> - Lender board - Interpath work

Report of the Shareholder Liaison Service

	<ul style="list-style-type: none"> - Asset disposal options and business cases required as part of the companies' business plans
<p>b) <i>Robust commercial governance and assurance frameworks to the satisfaction of Commissioners and Government to ensure effective decision-making and risk mitigation, and to facilitate an orderly and timely exit from the Council's commercial arrangements with its companies</i></p>	<ul style="list-style-type: none"> - Implementation of the Companies' Governance Framework - Operation of the Commercial Governance Board - Appointment of new company chairs and NEDs - Amendment of Part 6 of the constitution - Creation and operation of the SEC

The reports brought by the companies to the September committee are: -

- ThamesWey Limited monthly update and finance update for July 2024
- Victoria Square monthly update

The monthly information is summarised and reviewed in a part II report to the committee.

Recommendations

The Committee is requested to:

RESOLVE That

- (i) the report be received.

Reasons for Decision

Reason: To adhere to the reporting requirements as set out in the Companies Governance Framework.

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

Background Papers: None

Reporting Person: Shareholder Liaison Service
Kevin Foster, Strategic Director – Corporate Resources
Email: kevin.foster@woking.gov.uk, Extn: 3198

Contact Person: Kevin Foster, Strategic Director – Corporate Resources
Email: kevin.foster@woking.gov.uk, Extn: 3198

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

Date Published: 16 September 2024

REPORT ENDS

SHAREHOLDER EXECUTIVE COMMITTEE – 24 SEPTEMBER 2024

SHAREHOLDER EXECUTIVE COMMITTEE - WORK PROGRAMME

Executive Summary

The annual work of the Shareholder Executive Committee (SEC) is set out in the reporting framework contained within the Corporate Governance Framework (CGF), which was approved by the Executive on 16 November 2023. The Work Programme for the 2024/25 year, together with the CGF reporting requirements, are set out below. No changes have been made since the previous meeting.

Work Programme

SEC meeting date	Monthly items (see framework below)	Quarterly items (see framework below)	6 monthly items (see framework below)	Annual items (see framework below)
27-Jun-24	April and May			Business Plan (Victoria Square)
23-Jul-24	June	April - June		Business Plan (Thameswey)
24-Sep-24	July and August			
31-Oct-24	September	July - September	April - September	Business Plan (Brookwood Cemetery Companies)
28-Nov-24	October			Outline Business Cases
30-Jan-25	November and December	October – December		
27-Mar-25	January and February			
17-Apr-25	March	January - March	October - March	Assessment, Improvement Plans

CGF Reporting Framework

Council owned entities will be required to provide regular reports to the Shareholder. The Shareholder Liaison Service will determine the minimum reporting requirements for each entity, based on the schedules below.

Monthly:

- Performance against business plan/ budget
- Financial reporting current view of outturn turnover, profit before tax, expected year end cash balance
- Risk management update
- Cash flow forecast for companies with high liquidity risk
- Any shareholder consent matters

Shareholder Executive Committee – Work Programme

Quarterly

As monthly plus

- Conflicts of interest register
- Progress against internal audit and assurance work plans
- Latest cash-flow forecast

Every six months

As quarterly plus

- Revised and updated risk register

Annually

As six-monthly plus

- Results of the board self-assessment / third party assessment
- Associated improvement plans
- Business plan

Recommendations

The Committee is requested to:

RESOLVE That the Work Programme be received.

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

Background Papers: None.

Reporting Person: Shareholder Liaison Service
Kevin Foster, Strategic Director – Corporate Resources
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Contact Person: Kevin Foster, Strategic Director – Corporate Resources
Email: kevin.foster@woking.gov.uk, Extn: 3198

Date Published: 16 September 2024

REPORT ENDS

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