

# 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, 28 June 2018 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.

RAY MORGAN  
Chief Executive

## **AGENDA**

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

1. Minutes

To approve the minutes of the meetings of the Executive held on 22 March 2018 and 21 May 2018 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

To receive declarations of disclosable pecuniary and other interest from Members in respect of any item to be considered at the meeting.

In accordance with the Members' Code of Conduct, the Leader of the Council, Councillor D J Bittleston, Councillor Mrs B A Hunwicks and Councillor C S Kemp have declared a non-pecuniary interest in Agenda Items 8, 9, 11 and 12 arising from their positions as Directors of the Thamesway Group of Companies.

In accordance with Officer Procedure Rules, the Chief Executive, Ray Morgan, the Deputy Chief Executive, Douglas Spinks, Strategic Director, Sue Barham and Head of Democratic and Legal Services, Peter Bryant, have declared an interest in Agenda Items 8, 9, 11 and 12 arising from their positions as Directors of the Thamesway Group of Companies.

In accordance with Officer Procedure Rules, the Chief Executive, Ray Morgan, has declared an interest in Agenda Items 8, 9, 11 and 12 arising from his position as a Director of Victoria Square Woking Limited.

In accordance with Officer Procedure Rules, the Deputy Chief Executive, Douglas Spinks, and Head of Democratic and Legal Services, Peter Bryant, have declared an interest in Agenda Items 8, 9, 11 and 12 arising from their positions as Directors of Woking Necropolis and Mausoleum Limited, Brookwood Park Limited and Brookwood Cemetery Limited.

In accordance with Officer Procedure Rules, the Chief Executive, Ray Morgan, and the Deputy Chief Executive, Douglas Spinks, have declared an interest in Agenda Items 8, 9, 11 and 12 arising from their positions as Directors of Export House Limited.

In accordance with Officer Procedure Rules, the Chief Executive, Ray Morgan, and the Head of Democratic and Legal Services, Peter Bryant, have declared an interest in Agenda Items 8, 9, 11 and 12 arising from their positions as Directors of Dukes Court Owner T S a r l.

#### **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.

#### **Notices of Motion**

At its meeting on 5 April 2018, the Council referred the following Notice of Motion to the Executive for consideration.

6. Notice of Motion - Cllr A-M Barker - Tackling Plastics (Pages 5 - 6)

#### **Matters for Determination**

7. Community Infrastructure Levy (CIL) (Pages 7 - 12)  
Reporting Person – Douglas Spinks
8. Economic Development Strategy Annual Report 2017-18 (Pages 13 - 42)  
Reporting Person – Douglas Spinks
9. Treasury Management Annual Report 2017-18 (Pages 43 - 54)  
Reporting Person – Leigh Clarke

10. Woking Integrated Transport Package (Pages 55 - 60)  
Reporting Person – Douglas Spinks
11. Risk Management and Business Continuity Annual Report (Pages 61 - 66)  
Reporting Person – Ray Morgan

### **Performance Management**

12. Performance and Financial Monitoring Information

Please bring to the meeting your copy of the Performance and Financial Monitoring Information (Green Book) March 2018.

AGENDA ENDS

Date Published - 20 June 2018

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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EXECUTIVE – 28 JUNE 2018

## NOTICES OF MOTION

### **Executive Summary**

At its meeting on 5 April 2018, the Council referred the following Notice of Motion to the Executive.

Councillor A-M Barker

“Tackling Plastics

Council is concerned that:

300 million tons of new plastic is made worldwide each year.

There is now a ratio of 1:2 plastic to plankton in our oceans.

Only 12% of plastic waste in the UK is reprocessed.

Council notes

There are many practical alternatives to plastics available for straws, cups and takeaway food containers that are either reusable or sustainable.

Freedom Leisure, our leisure facilities operator, has recently committed to reduce plastic and coffee cup waste.

Council commits to

Reduce as far as possible the use of disposable plastics in its offices and other facilities.

Work with local businesses to support them in reducing their use of disposable plastics.

Promote the use of reusable hot drinks cups to employees, contractors, business partners and local businesses.”

Officer Comment

“Woking 2050 – the Council’s Climate Change Strategy – looks at our whole way of living and how it can influence our environment. Two of the Strategy’s key goals for the Borough are that resources are used wisely and that the natural environment is protected and enhanced. The Council can make a positive contribution to the vision for Woking 2050 and we can play a key role in shaping the Borough’s future and in helping the community to do the same.

As part of the recent WWF Earth Hour campaign, the Council pledged to work through Council operations to identify how we can remove as much plastic as possible and, in line with the strategic environmental aims of Woking 2050, positive steps have already been taken. The Council has removed plastic water bottles from meetings in the Council Chamber, a reduction which will equate to a saving of some 720 bottles a year. By the end of May 2018, china cups will replace plastic and paper cups in our meeting rooms. Further to this, by the end of this financial year we will look to phase out plastics from our staff kitchens at the Civic Offices.

The Council is also taking steps to launch a local Refill campaign across the Borough. The campaign was first launched by UK charity City to Sea in 2015 as a way to make refilling water bottles easier for the public in participating cafes and restaurants. Establishments display window stickers to inform the public that they are welcome to refill their bottle for free. There are now 13 schemes and over 1,600 participating refill stations in the UK. Steps are being taken to enable a launch of the campaign locally this summer. Further to this, the Council is proactively identifying locations for bottle filling stations and drinking water stations across the Town Centre. Together these schemes will help tackle single use plastics.”

**Background Papers:** None.

**Reporting Person:** Cllr Ann-Marie Barker  
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**Date Published:** 20 June 2018

EXECUTIVE – 28 JUNE 2018

## COMMUNITY INFRASTRUCTURE LEVY (CIL)

### Executive Summary

The report seeks delegated authority for the Deputy Chief Executive to carry out the administration of CIL enforcement as prescribed by the Community Infrastructure Levy Regulations 2010 (as amended) (hereafter called the Regulations). This will include the authority for the withdrawal of exemptions and reliefs, impose surcharges and late payment interest and take formal enforcement action to secure the recovery of the CIL. The limits of what the Deputy Chief Executive can/cannot do in exercising this authority is prescribed by the Regulations. The Deputy Chief Executive will exercise this authority through the functions of the Planning Policy Manager whose service functions include serving Demand Notices, receiving Commencement Notices and monitoring and reporting CIL payments.

Regulation 65(7) of the Regulations allows the Council to withdraw a Liability Notice that it has issued by giving notice to that effect in writing to the persons on whom it was served. Delegated authority is also being sought for the Deputy Chief Executive to exercise this function. Guidance on when a Liability Notice could be withdrawn will be published by the Deputy Chief Executive to ensure consistency in the decision making process and the proper administration of this authority.

It is the view of the Deputy Chief Executive that based on experience so far, a number of the enforcement powers will rarely be used. However, it is important to clarify and confirm who has the authority to exercise these functions to avoid any successful future legal challenge when they are used. Legal and allied action will be delegated to the Head of Democratic and Legal Services.

The Council adopted CIL in October 2014 and has been operating since 1 April 2015. The Council is one of the first authorities in Surrey to introduce CIL and Officers have had significant operational experience to administer all aspects of the CIL Regulations. Officers are also doing the best they can to inform agents and applicants of their obligations under the CIL Regulations. For example, Officers are presently considering highlighting these in the informative attached to planning consents.

The proposals contained in this report do not affect the current arrangements for determining how CIL is spent.

### Recommendations

The Executive is requested to:

#### RESOLVE That

- (i) Delegated authority be given to the Deputy Chief Executive in consultation with the Portfolio Holder for Planning to administer CIL enforcement in accordance Regulations 80 to 92 of the Community Infrastructure Levy Regulations 2010 (as amended);
- (ii) Delegated authority be given to the Deputy Chief Executive in consultation with the Portfolio Holder for Planning to, when justified, withdraw a CIL Liability Notice issued by the Council in accordance with Regulation 65(7) of the Community Infrastructure Regulations 2010 (as amended);

- (iii) Delegated authority be given to the Head of Democratic and Legal Services to administer CIL enforcement in accordance with Regulations 93 - 111 of the Community Infrastructure Levy Regulations 2010 (as amended); and
- (iv) Delegated authority be given to the Deputy Chief Executive for the administration of Community Infrastructure Levy under Part 8 of the Community Infrastructure Levy Regulations 2010 (as amended).

**Reasons for Decision**

Reason: To ensure the effective and efficient administration of CIL enforcement without the risk of a successful legal challenge.

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

**Background Papers:** [Community Infrastructure Levy Regulations 2010 \(as amended\)](#).

**Reporting Person:** Douglas Spinks, Deputy Chief Executive  
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**Contact Person:** Ernest Amoako, Planning Policy Manager  
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**Portfolio Holder:** Councillor Ashley Bowes  
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**Shadow Portfolio Holder:** Councillor Louise Morales  
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**Date Published:** 20 June 2018

### 1.0 Introduction

- 1.1 The Council adopted its Community Infrastructure Levy in October 2014. It came into effect from 1 April 2015 and has been operating effectively since. CIL is relatively new and lessons continue to be learnt through our own experience and the experience of other authorities. The delegated authority being sought by the report will strengthen further the effective administration of CIL.
- 1.2 CIL is the primary means used by the Council to secure developer contributions towards infrastructure provision to support development. Members should also note that a proportion of the CIL income is required to be passed on to local communities where the development had occurred to be used on local infrastructure projects. This could be 15% or 25% of the CIL income arising from the development depending on whether the community has a Neighbourhood Plan or not. The importance of CIL to ensuring sustainable development across the borough cannot be underestimated. It is therefore critical that it is effectively administered, monitored and enforced to ensure that the necessary contributions are appropriately secured to provide the necessary infrastructure. Section 106 Planning Obligations will continue to apply but only in limited circumstances where the infrastructure is particularly necessary to enable a particular development to come forward. Any Section 106 Agreement must be necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind to the development.
- 1.3 Presently, CIL is only charged on residential and retail developments to ensure the economic viability of all types of development across the Borough. The administration of CIL is significantly prescribed by Government Regulations with limited scope for discretion. Broadly, the CIL process comprises the Council serving a Liability Notice on the person who assumes liability or land owner to pay a prescribed amount of levy to implement a planning consent, the applicant/land owner notifying the Council prior to commencement of the development when the development is likely to commence, the Council then issuing a Demand Notice requesting that the person who assumed liability or land owner pay the CIL levy on commencement of the development and/or in accordance with the terms of payment as set out by the Council's instalment policy. When the person who assumed liability or land owner fails to pay the levy in accordance with the strict requirements of the Regulations, the Regulations sets out enforcement provisions. It is envisaged that enforcement action will be rarely used, nevertheless, having the delegated authority to take any enforcement action when required will minimise the risk of a successful legal challenge when the person who assumed liability or land owner decides to challenge the Council on a decision to enforce the Regulations.
- 1.4 The report therefore seeks delegated authority for the Deputy Chief Executive to carry out the administration of the CIL enforcement procedures as prescribed by the Regulations. The Deputy Chief Executive will exercise this authority through the Planning Policy Manager whose service functions include serving Demand Notices, receiving Commencement Notices, monitoring and reporting on CIL payments.
- 1.5 Regulation 65(7) of the Regulations is a specific provision that allows scope for the Council to withdraw a Liability Notice issued by it by giving notice to that effect in writing to the persons on whom it was served. The Regulations do not provide any further guidance on when it is appropriate to withdraw a Liability Notice. Delegated authority is sought for the Deputy Chief Executive to exercise this responsibility and to provide the necessary guidance on when this Regulation would apply. The guidance will ensure consistency in application and the proper use of the authority. It is important to highlight that this would apply in very limited situations when it can be justified by very special circumstances. An example would be when the Council had wrongly issued a Liability Notice or miscalculated the liability.

## Community Infrastructure Levy (CIL)

- 1.6 The administration of CIL is part of the day to day operation of the planning service. Decisions on the above are therefore taken on a day to day basis often within strict deadlines. It is therefore appropriate that this authority resides with the Deputy Chief Executive whose overall functions include 'Place' under which the planning function sits. There are also specific aspects of CIL enforcement, in particular, relating to Regulations 93 – 111 of the Regulations where delegated authority has been sought for the Head of Democratic and Legal Services to enforce.
- 1.7 The proposals contained in this report do not affect the current arrangements for determining how CIL is spent.

### 2.0 Summary of key enforcement matters which delegated authority is sought

2.1 The Regulations regarding CIL enforcement are many and detailed and it is not intended to list all of them. However, a summary of the key headlines are set out below to give Members an idea of what they are. Full details can be accessed by the following link. Particular reference is made to Regulations 80 to 121: <https://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents>.

2.2 **Surcharges and interest** – Collecting authorities can impose a range of financial penalties on a person(s) when the liability, collection and/or payment processes have not been followed correctly. These penalties are designed to ensure that authorities do not lose out financially by having to carry out additional tasks. The Regulations allows the Council to apply specifically prescribed surcharges for:

- failure to assume liability (£50);
- apportionment of liability (£500);
- failure to submit a notice of chargeable development (20% of chargeable amount or £2,500, whichever is lower);
- failure to submit a Commencement Notice (20% of chargeable amount or £2,500, whichever is lower where payment is not received after the end of 30 days. A further 5% may be imposed if payment is not received after 6 months and a further 5% after 12 months);
- disqualifying events;
- late payment (5% of payable amount or £200, whichever is greater);
- failure to comply with an information notice (20% of chargeable amount or £1,000, whichever is the lower);
- late payment interest (Regulation 87) – annual rate of 2.5% above the Bank of England base rate.

The surcharges and/or interest in relation to the above will be collected by treating it as if it were part of the CIL that the person is liable to pay. The surcharges are prescribed by the Regulations and the Council has no discretion to vary them. In this regard, the Deputy Chief Executive will apply any future revisions to the charges that the Government may wish to introduce.

## Community Infrastructure Levy (CIL)

- 2.3 **CIL stop notices** (Regulations 89 – 94) – The Council may issue a stop notice when the chargeable development has started and CIL has not been paid and the Council considers it expedient to stop the development until the amount has been paid. In taking this action, the Council must first serve a warning notice of its intention to impose a CIL stop notice before serving the stop notice in writing. A stop notice must be withdrawn if payment is made or it can be withdrawn for other reasons.
- 2.4 **Offence** – a person served with a stop notice commits an offence if he/she contravenes the stop notice.
- 2.5 **Injunction** – The Council may apply to the Court for an injunction if it considers it necessary or expedient for any actual or apprehended breach of a CIL stop notice to be restrained by injunction.
- 2.6 **Recovery of CIL** – Collection authorities have various powers (Regulations 96 – 107) to recover charges that are due. These include:
- 2.7 **Liability Order** – The Council must serve a ‘reminder notice’ on the person whom the application is to be made before it applies for a Liability Order. This must state every amount in respect of which the authority is to make the application. A reminder notice may be served in respect of an amount at any time after it becomes due. Where the amount stated in a reminder notice is wholly or partly unpaid at the end of the period seven days beginning with the day on which the reminder notice was served, the Council may apply to a Magistrates’ Court for a Liability Order against the person by whom it is payable.
- 2.8 **Distress** – After a Liability Order has been made, the Council may levy the amount by distress and sale of goods of the debtor against whom the liability order was made. The procedure is set out in Regulation 98. The debtor can make full payment up to the point before the goods are sold.
- 2.9 **Commitment to prison** – Regulation 100 allows the Council to apply to a Magistrate Court for the issue of a warrant committing the debtor to prison where the Council has been unable to recover the amount due. The Regulations sets out how this provision would apply. This will be an exceptional situation and will be used as a last resort for the Council when all other methods of enforcement have been exhausted.
- 2.10 **Charging Order** (Regulations 103 – 104) – Following the procurement of a Liability Order and where more than £2,000 is owed, the Council may apply to the Court for a Charging Order. This method of enforcement may be used as an alternative to distress.
- 2.11 Whilst the above provides a succinct summary of the enforcement provisions of the Regulations, they are by no means exhaustive in detail. The delegated authority being sought relates to all matters regarding enforcement as prescribed by the CIL regulations.

### 3.0 Appeals

- 3.1 There is a check and balance to ensure fairness in the administration of the CIL procedures. It allows scope for interested persons who are aggrieved to appeal against the decisions of the collecting authority, in this case the Council. For example, a person who has requested a review of a chargeable amount and is aggrieved of the decision of the Council may appeal on the ground that the chargeable amount has been calculated incorrectly. A person may also appeal against apportionment of liability, grant of charitable relief, imposition of a surcharge, incorrect determination of a deemed commencement date and an imposition of a stop notice. The appeals procedure protects the applicant against the inappropriate use of the enforcement powers and could also be a necessary check and balance for ensuring that the Council exercises its enforcement powers with due care.

### 4.0 Implications

#### Financial

- 4.1 CIL is expected to generate a significant amount of money towards infrastructure provision to support development. The CIL Charging Schedule estimates this to be about £14M over 10 years. However, this amount can only be realised if the CIL procedures are appropriately administered, monitored and enforced by the Council. The delegated authority being sought will help to achieve that. The procedures relating to CIL are prescribed by Government Regulations, including responsibilities of the Charging Authority and interested persons who apply for CIL liable developments. Presently the administration of CIL is being funded from the investment programme and existing staff resources. However, given its legalistic nature, the enforcement of CIL procedures could be a significant burden on staff time in both Planning and Legal Services. This will be closely monitored. The CIL Regulations allows for CIL income to be spent on administration expenses incurred in connection with the set up and administration of the CIL to the value of no more than 5% of the annual CIL income. Based on the figures provided in the Charging Schedule there could be sufficient money to support the administration of the CIL procedures if future monitoring would justify the need for additional resources.

#### Human Resource/Training and Development

- 4.2 The enforcement of CIL procedures could require significant staff resources across Planning and Legal Services. It could be time consuming given the prescriptive nature of the CIL Regulations, which the Council has no flexibility to change.

#### Community Safety

- 4.3 Addressed as part of the Sustainability Impact Assessment.

#### Risk Management

- 4.4 There is the risk of a successful legal challenge against enforcement action taken by the Council if there is no clarity on who has the authority to enforce those actions. This could adversely impact on the amount of money that could be secured under CIL.

#### Sustainability

- 4.5 Addressed as part of the Sustainability Impact Assessment.

#### Equalities

- 4.6 Addressed as part of the Equalities Impact Assessment.

#### Safeguarding

- 4.7 There are no safeguarding implications arising directly from this report.

### 5.0 Consultations

- 5.1 The Portfolio Holder for Planning has been consulted.

REPORT ENDS



EXECUTIVE – 28 JUNE 2018

## ECONOMIC DEVELOPMENT STRATEGY ANNUAL REPORT 2017-18

### Executive Summary

The Economic Development Strategy 2017 - 2022 was approved by Council at its meeting on 4 April 2017. The strategy documents a series of recommendations to be implemented over the period.

This strategy includes a summary of priorities relating to the identified themes of Economic Dynamism, Economic Strengths, Workforce Skills, Connectivity & Infrastructure, Place Making and a vision for 2050.

It is apparent that Officers are already pursuing many of the recommendations and it is considered unlikely that further initiatives can be pursued at this point (see Appendix A).

Notable activity highlights include:

- the Woking Careers Fair held on 25 April, designed to particularly support entry to employment by young people, and for people returning to work after a break.
- Woking Borough Council is working with Network Rail on a £150m package of rail improvements which is scheduled for Control Period 6, although this has not been allocated by central government.
- The Shah Jahan Mosque was upgraded to a Grade 1 Listed Building by Historic England on 13 March – the only mosque in the UK with this accolade – and the adjacent library building is now Grade 2 listed.

The Economic Development Task Group was also impressed by the Borough's new inward investment guide 'Choose Woking' (see Appendix B).

Business Liaison's engagement platform, Woking Works, has continued to be successful; in partnership with ArcomIT, Barlow Robbins Solicitors, Clever Marketing, Hamlyns Chartered Accountants, and NatWest Bank, business support is being provided to both start-up and established businesses. It demonstrates the continued progress made to engage with local businesses and to carry out many of the priorities in the first year of the 2017 - 2022 Strategy.

The draft report was considered by the Economic Development Task Group, at its meeting on 28 March 2018, and its comments are referred to in the introduction of this report.

### Recommendations

The Executive is requested to:

#### RESOLVE That

- (i) Officers continue to carry out the recommendations identified in the Economic Development Strategy 2017-22; and
- (ii) the Economic Development Task Group continues to monitor the Economic Development Strategy on a bi-annual basis.

**Reasons for Decision**

Reason: To ensure successful delivery of the Economic Development Strategy 2017-22 and to agree that the activities that are ongoing are supported.

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

**Background Papers:** None.

**Reporting Person:** Douglas Spinks, Deputy Chief Executive  
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**Date Published:** 20 June 2018

## 1.0 Introduction

- 1.1 It is a requirement of the Economic Development Task Group (EDTG) for Officers to produce bi-annual reports that provide the Group with activity updates in respect of the strategy's recommendations. The full report is attached as Appendix A.
- 1.2 The EDTG, at its meeting held on 28 March 2018, considered the report and in particular discussed the following items:
  - a) Property Occupation – some concern was expressed over low property occupation which is currently 10.7%. Douglas Spinks pointed out that Officers were working closely with a potential occupier for One Victoria Gate.
  - b) Heathrow Airport – the potential opportunities from Heathrow and its ambition to expand were discussed. The Group was advised that Officers were engaged in discussions over the future of the airport in respect of the expansion plans. Douglas Spinks added that Government would put the construction of the southern extension to the rail network to Heathrow Airport out to tender.
  - c) The Careers Fair – organisations participating represented a good cross section of the Borough's employment market.
  - d) Ultrafast connectivity – Douglas Spinks supported the aspiration for ultrafast (100mbps) connectivity and work was being undertaken to submit a £3.5m bid to the Department for Digital, Culture Media and Sport to connect Council assets (Monument Way Depot and business parks) and subsequently businesses in those areas.
  - e) Commercial Space – A discussion took place concerning the extent of the Council's ownership of retail space across the Borough. Ray Morgan advised that the Council owned approximately 55% of retail space, with vacancy levels at less than 3%. In respect of office space, the Council owns 22-24% of office floor space to let.
  - f) Attracting Key Retail Brands - Douglas Spinks advised that the Council proactively sought to provide a mix of units and services for the benefit of residents, rather than seeing to achieve the highest financial returns.

## 2.0 Implications

### Financial

- 2.1 There are no financial implications arising from the report as expenditure required to pursue recommendations is identified within departmental budgets.

### Human Resource/Training and Development

- 2.2 There are no HR/ Training and Development implications arising from the report.

### Community Safety

- 2.3 There are no Community Safety implications arising from the report.

### Risk Management

- 2.4 There are no Risk Management implications arising from the report.

Sustainability

- 2.5 The Economic Development Strategy provides recommendations across five themes that encourage a strong, diverse and sustainable economy.

Equalities

- 2.6 There are no Equalities implications arising from this report.

Safeguarding

- 2.7 There are no Safeguarding implications arising from this report.

**3.0 Consultations**

- 3.1 The report was presented to the Economic Development Task Group and its comments have been included in the report.

REPORT ENDS

**Economic Strategy  
2017-2022  
Biannual Progress Report  
November 2017- March 2018**

**Prepared by:  
Ernest Amoako, Laura Meader, Chris Norrington,  
Douglas Spinks, Riette Thomas, Glenn Thorogood**

**Date:  
15 March 2018**

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## 1. Introduction

As agreed at the Economic Development Task Group meeting held on 30 October 2017, the Business Liaison Team is now pleased to report activity updates in the following format, under the themes within the Council's Economic Development Strategy 2017 – 2022.

## 2. Business Intelligence

Through ground research, including national and social media, the following headlines are provided to the Task Group for its information.

### **Woking as productivity leader**

*Forbes* Magazine has identified Woking as one of the top places in the UK for SMEs productivity, with an average turnover per employee of £274,000.

<https://www.wokingworks.com/news/2017/11/29/woking-in-the-top-10-most-productive-locations-for-smes-in-the-uk>

### **Company moves and news**

Chinese electrical goods company, Haier, have decided to retain their UK office and restrict their focus to the UK market, rather than open a European office because of the uncertainty over BREXIT. They are based in One Crown House.

'Regional REIT' purchased eight units within Genesis Business Park in Sheerwater. Before the completion, previous owner Northwood pre-let 13,460 sq. ft. to Nuvias Security (Wick Hill) in the recently refurbished Genesis One.

In November 2017, air quality monitoring specialist, Duvax Technologies, relocated its headquarters from Woking to a purpose built facility in Banbury, Oxfordshire. This move was to support Duvax' internal growth and their academic links.

Financial services technology provider Fidessa is in advanced talks with Swiss firm Temenos over a £1.4bn takeover approach.

High street retailers Toys 'R' Us and Maplin have gone into administration. The Toys 'R' Us unit is set to close by the end of April 2018.

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### 3. Economic Development Strategy updates by theme

#### Theme 1: Economic dynamism: enterprise, innovation and entrepreneurship.

ED 1	<b>Continue to actively promote business start-up through Woking Works.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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The Business Liaison Team continues to provide Start Up 1-2-1 support to local businesses, with new branding and marketing materials rolling out from April 2018.

Since November 2017, the programme has received 38 enquiries which resulted in 13 1-2-1 clinics for new clients. There were also follow up sessions with eight existing clients. This is an increase from the previous period which saw 23 enquiries and 10 1-2-1 clinics.

Currently, Business Liaison is exploring collaboration with the SETsquared incubator hub based at Surrey University – which runs a virtual hub in Woking and focuses on high growth ‘tech’ start ups.

Additionally, Business Liaison has started to explore how Woking Works – the Business Liaison partnership with leading local firms and business organisations - can work with Inspiring Enterprise, an organization which provides pre-start support for unemployed residents locally.

This would be a new activity for Business Liaison, aiding the Council in forming a more inclusive start-up community, with a wider reach and more effective channels to support emerging and growing businesses. The ambition is to create a ‘Start Up Club’ by the end of the third quarter 2018.

ED 2	<b>Extend Woking Works’ remit to supporting new business to business growth and ensure that start-ups are developed to the next stage.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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Business Liaison has continued to run the free business advice surgeries for companies that are three to five years old and looking to grow.

This is an expansion of the support that the Woking Works partnership offers at the start up clinics for businesses which have been trading up to three years. Alongside corporate partners, Woking Works ran a session at the C2I Incubator in Export House, supporting five businesses who sought advice in a range of areas: planning for growth; sales and marketing strategies; and intellectual property.

#### November 2017 surgery clients

- Safety Nett (health and safety training consultancy)
- Surrey Flexi Apartments (short term residential lettings)
- Synergy Dance (dance clubs)

Owing to low take up from the business community, the session planned for January 2018 was cancelled. Business Liaison is investigating alternative ways to market this valuable facility, to reach and support more businesses in the Woking area.



ED 3	<b>Help to ensure there is sufficient commercial stock of the right quality to meet demand from the growing business population e.g. move on space and easy-in, easy-out space such as C2I incubator.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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The Council is keen to promote the options available for start up companies, as well as for younger businesses looking to occupy larger office space. Within the Council's portfolio, space could be made available within Export House, Cleary Court, Stewards House, Morris House and Pearl Assurance House.

The Council also helps to promote other local facilities for this market, such as Collaborate in Steward House, and at local businesses with room to accommodate other small firms, such as Optichrome printers in Maybury.

The following companies are currently occupying space in the Export House Incubator.

<b>Company</b>	<b>Sector</b>	<b>Desks</b>	<b>Occ. %</b>
Atom Republic	Video games developer	2	7
Clever Marketing	Marketing and Communications	4	15
Holdsway	Interim Management recruitment	2	7
WSS Energy	Energy consultants	3	11
Ascertia	Digital signature technology	5	19
Springhouse Law	Solicitors	3	11
Rosewood Solicitors	Solicitors	1	5
Game Wagon (Vacated Feb 18)	Computer game events and training	2	7
Exportize Ltd	Logistics	2	7
Classicus (Joined Jan 18)	Insurance	3	11
<b>Total</b>		<b>27</b>	<b>-</b>

At present, the C2i Incubator is operating at 91 % unit occupancy against a KPI of 80% unit occupancy (unit 8 is currently vacant).

The Council's site allocations Development Plan Document (DPD) has sufficient land, including commercial property, to enable its employment growth to be met.

Victoria Gate is complete but unoccupied, and the Council is not aware of potential tenants to date. In addition, 'Space' (formerly Kings Court) and Woking One (Albion House) are under construction, with no planned occupier at present.

At the meeting on 28/03/2018 some concern was expressed over low property occupation, in particular in respect of larger units such as Victoria Gate. Douglas advised that Officers had been working closely with a prospective tenant for Victoria Gate.

ED 4	<b>Investigate whether Woking can host a technology hub/incubator linked/aligned to local key technology sectors.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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The Business Liaison Team is collaborating with SETsquared, which is funded by the European Regional Development Fund (ERDF), to create a space/ hub with a partner such as Collaborate

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(see ED3, above).

The ERDF can be used to match-fund such Council activity as the Business Liaison Team's budget for Star Up businesses.

ED 5	<b>Review University business links on Research &amp; Development and innovation for high Research &amp; Development investors.</b>	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Business Liaison
ED 6	<b>Support and review the range of networks for existing businesses, especially those aligned to Woking's key sectors:</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison

The Business Liaison Team continues to market the regular networking events for the local Chambers of Commerce (Woking and Surrey) as well as Woking Connections (independent) and the Woking Independent Networking Breakfast.

The Business Liaison program of events and initiatives attract a range of businesses, including - but not specifically aligned to - the Oil & Gas, Advanced Engineering and Communications sectors.

ED 7	<b>Help to ensure that supporting business infrastructure is in place both physical and wider business support e.g. conference centre</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison Planning Policy
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The Council's Planning Team has reviewed its Infrastructure Delivery Plan, which sets out the requirements to support growth including education, transport, water, and utilities, as well as social infrastructure. A draft version has been completed.

Business support programmes (see ED1 and ED2) delivered by the Business Liaison Team and corporate partners are in place, and the H.G. Wells Conference & Events Centre, and Gorse Hill (under new ownership), continue to offer excellent support for business conferencing and events.

ED 8	<b>Work closely with Enterprise M3 Local Enterprise Partnership to maximise local investment within the Borough.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison Planning Policy
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Woking Borough Council is engaging with Enterprise M3 (EM3) to bid for funds for a Sustainable Transport Improvement scheme. A business case is currently being produced. These works will be in addition to the £23m of improvements currently underway (of which £11 million is a LEP grant.)

Business Liaison Officers have also engaged with the Enterprise M3 LEP by providing information to contribute to the LEPs new Strategic Economic Plan and look forward to its publication. In addition, officers are working with EM3 on a bid for funding from central Government's Housing Infrastructure Growth Fund for sites south of the railway, and north of the town centre along the A320. The outcome of the bid is yet to be announced.

The Council has also secured funding of £9.4 million from the marginal viability fund towards

the Sheerwater Regeneration project. These infrastructure improvements are necessary to support anticipated growth in the area.

ED 9	<b>Promote Woking as a regional “Growth Hub” location, consider Enterprise Zone designation should the opportunity arise.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison Planning Policy
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The Council continues to work closely with the LEP’s Growth Hub to continue to market Woking as a growth town. The Growth Hub is represented as an ‘associated partner’ at the Woking Works business advice clinics, and the Business Liaison Team monitors Government releases on future enterprise zones.

## **Theme 2: Economic strength: Business clusters, growth companies, retention, internationalisation and resilience.**

ES 1	<b>Monitoring and supporting Woking’s high tech knowledge intensive sectors and clusters.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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Business Liaison is not currently monitoring or supporting these sectors. Further work and resource is needed to successfully identify and engage with them. However, the team continues to engage with the McLaren Group, and supports the Surrey Digital Awards.

Additionally, we will be supporting NatWest’s Women in Digital Enterprise programme in April.

ES 2	<b>Identify and help promote local supply chains.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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In March, Sir Robert McAlpine (SRM) hosted a further ‘Meet the Buyers’ event to attract local companies to supply the current Victoria Square construction, specifically for tier 2 contractors, which 150 people attended. SRM will look to run another in 6 months’ time, which would include further members of their primary supply chain. This was promoted to local businesses through Woking Works and the Chambers of Commerce.

Business Liaison has also been in discussion with Heathrow (via Woking Chambers of Commerce) to promote local companies, as part of their procurement process for the new runway.

The potential opportunities from Heathrow Airport and its ambition to expand were discussed at the meeting on 28/03.2018. The Members of the Task Group were advised that Officers were engaged in discussions over the future of the Airport to ensure the Borough as well placed should a decision be reached in respect of the expansion plans. Officers added that the Government would be going out to tender for the construction of a southern extension to the rail network to Heathrow Airport. It was noted that the Council’s position, and that of Surrey County Council, was supportive of the expansion of Heathrow Airport.

ES 3	<b>Help support businesses export and become export ready, focusing on businesses in high export propensity sectors.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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Export training sessions are hosted in Woking and promoted to local businesses through Woking Works.

An event to promote the benefits of export will be held in June with Surrey Chambers of Commerce.

ES 4	<b>Develop a proactive 2017-2022 'business retention' strategy</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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Business Liaison is working with Invest in Surrey and the Department of International Trade to begin engagement with companies who have been identified as high risk exits due to Brexit.

The Council also continues to improve the town's public realm to attract new businesses and strengthen its offer to live, work and play in the Borough.

ES 5	<b>Develop a quality 2017-2022 inward investment proposition</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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New marketing materials are in production, to assist Business Liaison Officers and other Council colleagues when directly engaging with businesses looking at moving into or around the Borough. These include the Woking Business Guide, and Choose Woking inward investment brochure. It was noted that an online, interactive version of the Choose Woking brochure would also be available.

The commercial property portal on Woking Works ([www.wokingworks.com](http://www.wokingworks.com)) is now live, with five local agents signed up and regularly listing available properties.

The Business Liaison Team, through Woking Works, has been engaging with the #WeAreWoking campaign to promote the town centre developments across the Borough to a wider audience.

ES 6	<b>Proactive engagement strategy with key Borough businesses</b>	<b>Status:</b> Current activity	<b>Lead:</b> Business Liaison
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The Business Liaison Team has been successfully organising and actively promoting business events through the Woking Works partnership.

### **Business Events to date**

- **November:**
  - Cyber Crime Breakfast with Arcom IT on 16 November 2017. Guest speakers included a cyber security consultant and a lecturer from the Information Security Group at Royal Holloway University. Attended by 40 business people.
- **December:**
  - Woking Winter Warmer on 18 December 2017. Networking event and promotional opportunity for the partnership and associates, attended by 90 local business people.
- **February:**
  - GDPR breakfast on 22 February, hosted with Surrey Chambers of Commerce and NatWest. Approximately 150 people attended the event.

- **March:**

- International Women’s Day on 8 March. It was a Q&A panel event, attended by 50 local business people.
- NatWest ‘State of the Nation’ Breakfast on 13 March, with an economic update from an RBS economist. Attended by 130 business people.

In addition to this, the Business Liaison Team attended local networking events with the Chambers of Commerce. Officers also supported the Woking Community Matters Project Partnership (CMPP) launch in January 2018 and encouraged local businesses to take part.

### **Business Awards**

Through the C2I Woking Digital brand, Woking Borough Council has again sponsored the Business: Blog award at the 2018 Surrey Digital Awards. Three Woking businesses, Lab, topclick and Red Sentence were shortlisted.

ES 7	<b>Map &amp; nurture high growth companies &amp; stimulate University links</b>	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Business Liaison
ES 8	<b>Investigate further why Woking is below Surrey and SE levels for £0.5-1m, £1- 2m and £2-5m share of companies.</b>	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Business Liaison

### **Theme 3: Workforce skills, education & employment**

WS 1	<b>Prepare for possible devolution of adult skills budget to Local Authorities by identifying priorities – skills for productivity, employment and</b>	<b>Status:</b> Not actively pursuing	
WS 2	<b>Promote STEM skills, encourage links with organisations such as SATRO, events such as ‘The Big Bang’ and initiatives such as graduate placements.</b>	<b>Status:</b> Not actively pursuing	
WS 3	<b>Form a locally-focused, employer led Woking skills group, possibly as a strand within Woking Works</b>	<b>Status:</b> Not actively pursuing	
WS 4	<b>Encourage key local employer input into the wider Surrey Skills Board to influence the county-wide strategy</b>	<b>Status:</b> Not actively pursuing	
WS 5	<b>Encourage linkages with the Further &amp; Higher Education sector and help facilitate and stimulate employer engagement.</b>	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Business Liaison

The Business Liaison Team is organising a careers fair for 25 April 2018. The event will promote opportunities for local businesses and Woking Borough Council will engage with students at local further and higher education establishments, as well as people returning to work after a break, looking for jobs or seeking careers guidance from local companies. This will provide an additional opportunity to engage with schools and colleges as well as to promote vocational training, internships and apprenticeships. Those organisations participating represented a good cross

section of the employment market in the Borough, though the Job Centre would not be represented as staff would not be available.

WS 6	<b>Encourage local recruitment, particularly by knowledge economy employers.</b>	<b>Status:</b> Updated	<b>Lead:</b> Business Liaison
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Unemployment across the Borough continues to decline (see the table below for Job Seekers Allowance count and employment rate).

However, some local businesses have expressed concerns to the Business Liaison Team about recruiting locally and are struggling to fill roles across a range of entry levels.

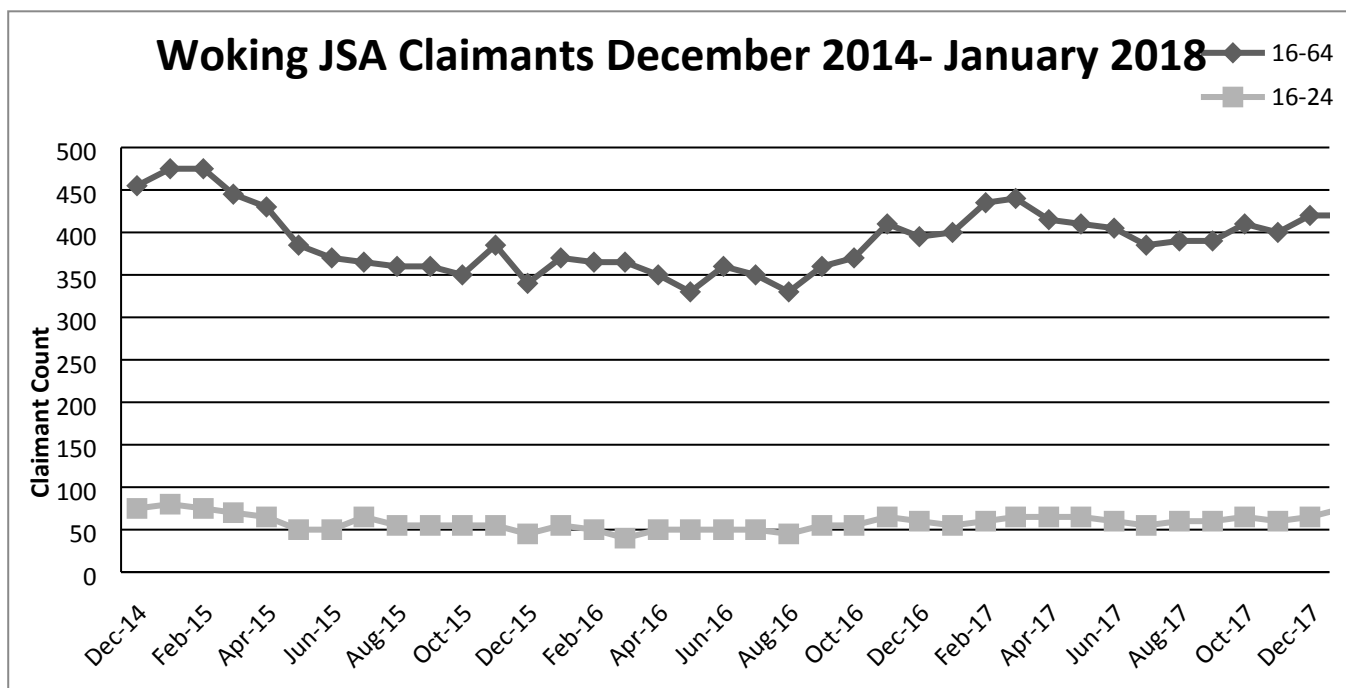
The Woking Careers Fair, as per WS5, will include information on changing career, and promoting local opportunities with Woking businesses (including Woking Borough Council and our own contractors).

### Unemployment – JSA Claimant Count

Since 2014, there has been a continued fall in the Job Seekers Allowance (JSA) claimant count in Woking.

Across the 16-64 working age group, the rate as at February 2018 was 0.7 %, or 420 individuals (see Figure 1 below), which equates to a slight rise over the previous period.

Youth unemployment measured against the 16-24 JSA claimant count) has continued to remain flat over the last 12 months and is at 0.7% or 75 individuals, though as seen a small increase.

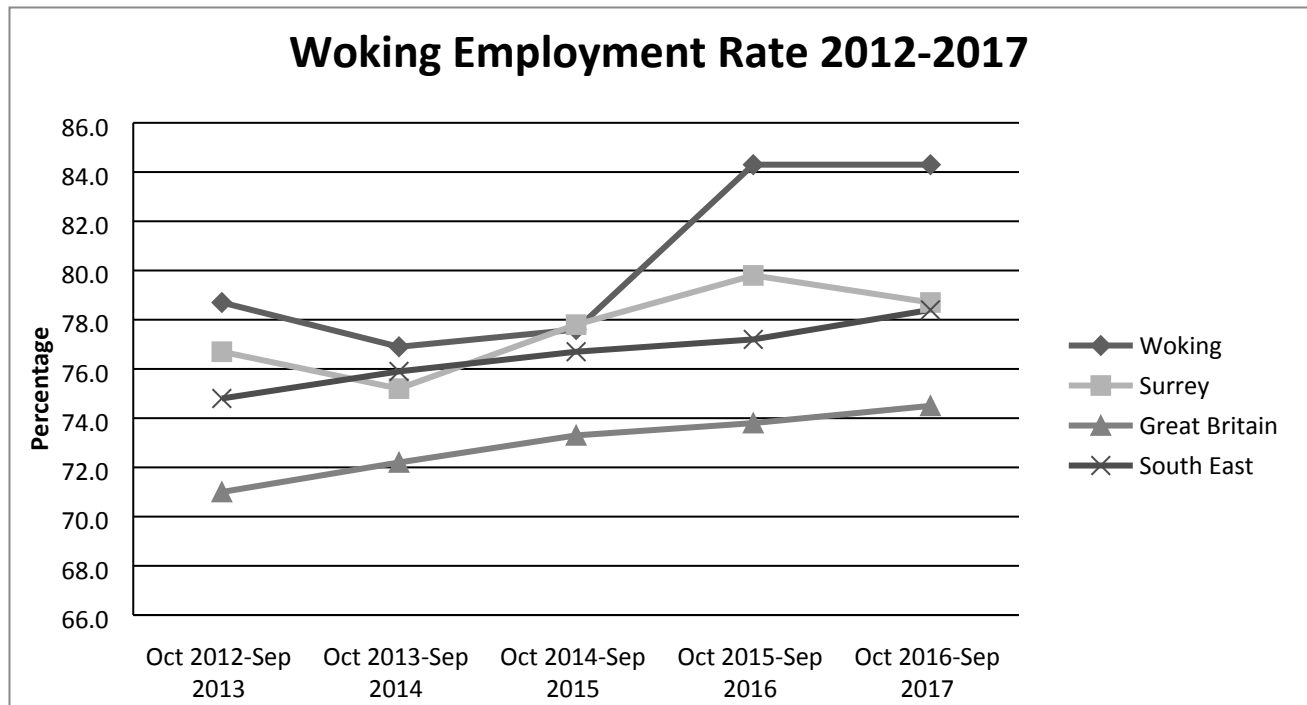


(Figure 1: JSA claimant count December 2014- January 2018)

### Woking Employment Rate

Employment rates for Woking compared to Surrey, the South East and Great Britain is shown in Figure 2. Despite a downward spike in the period to in 2013, Woking has continued to have a higher rate of employment than the county, regional and national rates. The employment rate for Woking is 84% or, 52,600 individuals defined as in employment or self employed, from a

working age population of 61,500. The job density rate for the Borough is 0.96 (the level of jobs per resident aged 16-64; for example, a job density of 1.0 would mean that there is one job for every resident aged 16-64).



(Figure 2: Woking Employment Rate)

WS 7	<b>Encourage secondary schools to promote new opportunities available via apprenticeships and higher apprenticeships</b>	<b>Status:</b> Not actively pursuing	
WS 8	<b>Support aspirations to relocate Woking College campus within the town centre</b>	<b>Status:</b> Not actively pursuing	
WS 9	<b>Work with nearby International Schools cluster to promote Woking as a location for international businesses.</b>	<b>Status:</b> Not actively pursuing	
WS 10	<b>Work with Surrey University and others to investigate options for siting a HE campus within the Borough</b>	<b>Status:</b> Not actively pursuing	



## Theme 4: Connectivity and Infrastructure

C&I 1	<b>Maximise WBC, County and Enterprise M3 investment in infrastructure to deliver the priorities in the Local Transport Strategy &amp; Forward Programme</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate Planning Policy
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Woking Borough Council seeks opportunities to maximise the use of land, preferably on brownfield within the urban area, and make best use of our own assets.

Woking Borough Council is working with Surrey County Council to assess and maximise the efficient delivery of education, transport and waste infrastructure in the Borough.

The Council is also working with Enterprise M3 to maximise funding and delivery of transport infrastructure in the Borough. As per ED8, Planning officers are working with Enterprise M3 on bids to support transport and housing projects.

C&I 2	<b>Work with partners such as Highways England and Network Rail to promote improvement of linkages to the motorway and trunk road networks inc. LHR</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate Planning Policy
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Woking Borough Council has worked with Guildford Borough Council and Surrey County Council on a study to assess the impact of transport improvements on the A3 corridor on businesses in Woking and Guildford.

Woking Borough Council is working with Network Rail on a £150m package of rail improvements which is scheduled for Control Period 6, although this has not been allocated by central government. Proposed improvements include a flyover and widening Victoria Arch to allow for more trains, which could increase passenger numbers travelling through the station by 40%.

The Council is working in partnership with other stakeholders, including the Department for Transport, Highways England, and Surrey County Council to improve transport conditions on M25 between Junctions 10 and 16.

C&I 3	<b>Maintain pressure on SCC Highways for Travel SMART initiatives within the Borough including integrated management systems</b>	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Corporate Planning Policy
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C&I 4	<b>Continue to support the aspiration for ultrafast 100Mbps connectivity + &amp; enhanced 5G connectivity when rolled-out</b>	<b>Status:</b> Current activity	<b>Lead:</b> Woking Digital
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Council Officers working on Woking Digital are set to put in a bid to the Department of Digital, Culture and Sport for the Local Full Fibre Network Fund. If successful, this funding could help roll out the Council's fibre network from the town centre to Council assets and business parks in Sheerwater.

Douglas advised that the Council supported the aspiration for ultrafast (1100Mbps) connectivity and work was being undertaken to submit a funding bid for £3.5m to the Department of Digital, Culture, Media and Sport to help roll out the Council's fibre network from the Town Centre to



Council assets such as the Monument Way Depot and business parks.

At the meeting on 28/03/2018, it was reported that there were several road works being undertaken in West Byfleet and the task group enquired whether the opportunity could be taken to install the ducting necessary for ultrafast connectivity. However, it was noted that the Council could only encourage the service providers to work with the Council.

C&I 5	<b>Continue to proactively develop housing in the borough and enter joint ventures &amp; partnership arrangements as appropriate</b>	<b>Status:</b> Current activity	<b>Lead:</b> Housing Corporate
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The Council has identified a five-year land supply to enable housing delivery in the foreseeable future and have been proactive in ensuring that housing completions, on average, match our housing requirements.

The Council has also, where possible and appropriate, entered into developer agreements with developers to bring forward housing. It also works with other agencies to create an environment for housing delivery by creating places where people want to live.

The Council is preparing its Site Allocations Development Plan Document to allocate specific deliverable sites to enable housing provision during the entire Core Strategy period up to 2027. It is also safeguarding land, to meet future development between 2027 and 2040.

C&I 6	<b>Explore densification of new developments, to maximise occupation levels on scarce land availability</b>	<b>Status:</b> Current activity	<b>Lead:</b> Planning Policy
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Woking Borough Council seeks to maximise the efficient use of land by focusing most new developments in the town centre and urban areas which are readily accessible to key services.

C&I 7	<b>Review and promote innovative construction methods and innovative more sustainable buildings</b>	<b>Status:</b> Current activity	<b>Lead:</b> Planning Policy
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Policy in the Core Strategy requires housing developers to meet specific energy and water requirements to make buildings sustainable and encourage lifetime home methods. It is Council policy that commercial developers meet BREEAM standards.

C&I 8	<b>Maximise the development of and upgrade to Grade A commercial space to meet inward investment requirements</b>	<b>Status:</b> Current activity	<b>Lead:</b> Planning Policy
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Continued investment by the Council is creating an environment in which businesses and landlords also want to invest. This is resulting in the improvement of office stock.

Demand for different grades of commercial space is primarily business driven, and office refurbishment and new A Grade developments such as Victoria Gate (2017), Woking One (2018) and Space / Kings Court (2019) will show if there is demand for this kind of space in Woking or whether it remains speculative.

Woking Borough Council now owns approximately 12% of the Borough's total commercial space (source: CoStar, including all office, retail, industrial and warehouse space). This enables the retention of office floor space which might otherwise be converted to residential

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accommodation.

The Members of the Task Group discussed the extent of the Council's ownership of retail space across the Borough. Officers advised that the Council owned approximately 55% of retail space, with vacancy levels at less than 3%. It was understood that there were only four units available to let across the Borough.

With respect to office space, it was estimated that the Council owned between 22 and 24% of office floor space available to let. In the Town Centre alone, the Council owned 76,000sqft at the Civic Offices, 55,000sqft at Orion Gate and 224,000sqft at Dukes Court. The acquisition of Red House along Cemetery Pales was due to be completed on the following day and space in Export House was being refurbished for re-let.

C&I 9	<b>Closely monitor loss of commercial space to residential use and consider use of planning powers if necessary.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Planning Policy Corporate
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Woking Borough Council continues to monitor the loss of commercial space to residential though the prior approval process. If it is revealed that the scale of conversion is significant enough to undermine the Council's Economic Development Strategy, then the Council may wish take action. The outcome of the monitoring is reported in the Annual Monitoring Report.

C&I 10	<b>Encourage the supply of commercial space across all uses/grades in line with user demand</b>	<b>Status:</b> Current activity	<b>Lead:</b> Planning Policy
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Planning Policy has commissioned studies that provide employment projection requirements of all sectors and planning allocation of land to enable sectors to grow.

The study identified the following:

- A continued downward projection in B2 (General Industrial) sites.
- Increased demand for B8 (Storage and Distribution), although the sites tend to be at the smaller end of the scale.
- A retail demand for 93,000 ft<sup>2</sup> of new space.

Office demand is market driven, and at present Woking, like the rest of Surrey, has older and lower quality stock. If the right stock is available, businesses will take it. Currently there are a number of speculative developments at the higher end which will test the local market (see C&I 8).

C&I 11	<b>Update local housing policies in line with emerging Government policy via the February 2017 Housing White Paper.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Planning Policy
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Planning Policy commits to reacting to changes in government policy when informed. This is a regular occurrence and not limited to the production of White Papers.

## Theme 5: Place Making

PM 1	<b>Continue with town centre redevelopment through major schemes such as Victoria Square</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate Planning Policy
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Victoria Square works are now well underway, work on site started in June 2017 and set for completion in 2021, with the Marks and Spencer store opening in late 2020, and store fit out from Easter 2020. Letting activity for the other retail units will begin in 2019

Coplan is set to be appointed (subject to agreement) by Woking Borough Council as its development partner for the next significant step in the transformation of Woking Town Centre, undertaking the main developer role for the Woking Gateway project.

Woking Borough Council is continuing to invest in commercial properties across the town centre as long term investments. Recent acquisitions include Dukes Court in November 2017.

PM 2	<b>Continue investment in public realm infrastructure throughout the Borough</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate
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Improvement and traffic management works are continuing, with new traffic flow down Chertsey Road and High Street now in place. Works to a new bus stop at Town Quay (by Bedser Bridge) are underway.

The Council has started to connect commercial properties to the Council's fibre network across the town centre. A pilot exercise had been undertaken at Morris House where three ultrafast fibre connections had been installed, providing speeds of up to and over 100Mbps. The pilot had been successful and discussions were now being held with other local businesses to explore the potential of expanding the ultrafast service. New tenants, Seymours, KGW Family Law and Curchod and Co are connected to the network.

As mentioned at C&I 4, it is the intention of officers to submit a bid to the Department of Digital, Culture and Sport for the Local Full Fibre Network Fund, which, if successful, could help roll out the Council's fibre network to council properties and business parks in Sheerwater.

PM 3	<b>Continued investment in the Celebrate Woking programme, but widening remit to include inward investment proposition</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate Business Liaison Celebrate Woking
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The 2018 Celebrate Woking programme of events is underway. In 2018, Woking will mark 100 years since Armistice Day and also celebrate 100 years of British Women's right to vote. The Woking Remembers part of the programme was launched with a talk and play about the life of Dame Ethel Smyth.

Party in The Park will focus on the two centenary events and involve communities across the Borough. A number of community events are also underway. Eagle Radio will work closely with the Borough this year in promoting the programme.

The exhibitor booking arrangements for the Woking Food and Drink Festival have been overhauled, with a new web-based trader application system which went live in March 2018.

Business Liaison Officers continue to engage with local businesses to build partnerships and support the community events, and raise further sponsorship funding to support the Celebrate Woking programme.

PM 4	<b>Attract sought after and key retail brands to improve the Woking Shopping offer, ensure continued investment in shopper parking</b>	<b>Status:</b> Current activity	<b>Lead:</b> Estates Corporate
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As a result the Council's continued investment in the town centre, the public realm continues to attract retailers and restaurants to the town such as the Woking One refurbishment, which has now seen the canopy removed by the railway station and works to the public realm underway. Costa Coffee has agreed a lease on a new unit opposite the station. Currently, there is no tenant identified for the A3 (restaurant) unit on the Commercial Way side of the development.

At the meeting on 28/03/2018, The Chairman expressed concern over the possibility of Woking Town Centre becoming the same as many other town centres in terms of the retail offer available. Officers advised that the Council proactively sought to provide a mix of units and services for the benefit of residents, rather than seeing to achieve the highest financial returns. Examples include Harpers, Aracelli's, the Santa Fe Coffee Company and Market Walk, which offered the opportunity for small traders to operate at a relatively low rent level.

Heathside Crescent Multi-Storey Car Park Refurbishment and Extension will increase the total parking provision from 479 to 793 spaces, resulting in a net additional 314 car parking spaces (anticipated opening in 2019, subject to planning consent).

The Victoria Square development includes two further floors to be built on the Red car park as well as a new Green car park, which will provide 238 (net) new parking spaces.

PM 5	<b>Upgrade the cinema offer, possibly attracting an IMAX and 4DX cinema operator to the town.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate
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Discussions are ongoing.

PM 6	<b>Develop key visitor attractions such as Muslim Heritage sites and Canal development such as the basin marina plans</b>	<b>Status:</b> Current activity	<b>Lead:</b> Celebrate Woking Corporate Planning
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Officers are supporting the development of an educational package to promote the Mosque, Peace Garden and Brookwood Cemetery as heritage sites in the Borough, and attract a wider visitor audience.

The **Shah Jahan Mosque** was upgraded to a Grade 1 Listed Building by Historic England on 13 March – the only mosque in the UK with this accolade – and the adjacent library building is now Grade 2 listed.

**Woking Palace** has been identified in the Site Allocations Development Policy Document to improve the site to allow for visitor access (coach access).

**Brookwood Cemetery** has been identified in the Site Allocations Development Policy Document to enable improvements to be made to retain its heritage, integrity and its function. It is currently the most visited heritage site in the Borough, owing to unique use of a special lime stone.

## Basingstoke Canal

WBC has adopted a policy which will enable a marina to be built (The policy set in the Development Policy Document which would allow proper management of development in vicinity of the Basingstoke Canal

PM 7	<b>Continue to pursue a McLaren visitor centre and greater recognition of McLaren brand in relation to Woking as its home.</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate
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Recent meetings have been held with key representatives from McLaren to discuss this further.

PM 8	<b>Continue to prioritise provision of quality hospitality operators, including +4* hotel operator and quality restaurants</b>	<b>Status:</b> Current activity	<b>Lead:</b> Estates Corporate
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Refurbishment of Morris House is now complete, and the space includes two new restaurant units on the ground floor.

A repeat of the 'Best Bar None' scheme to promote responsible alcohol licensed premises across the Borough has been approved, and sponsorship has been secured from brewer Asahi UK.

The Council has also successfully submitted a bid to the Surrey Police and Crime Commissioner's Community Safety Fund (CSF) for additional funding. The scheme will enable the Council to better engage with businesses in this sector, with the intention of participating in the wider accreditation scheme 'Purple Flag' in future.

PM 9	<b>Develop the Woking brand further – young, dynamic and diverse – live, work and play and Woking's place in the regional offer</b>	<b>Status:</b> Current activity	<b>Lead:</b> Corporate Celebrate Woking Business Liaison Marketing
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Officers across the Council continue to engage and support the #WeAreWoking campaign to raise awareness and engage with the local business community, residents and visitors.

Messages will be shared through the existing Woking Works and Celebrate Woking brands.

The #WeAreWoking team will also have a presence at key events such Party in the Park and the Woking Food and Drink Festival. In addition, representatives attended the Surrey Half Marathon in March 2018 in support of their wellbeing campaign.

On 8 November 2017, the Business Liaison Team ran another TEDxWoking event, this time on the theme of Innovation. The event attracted nine speakers giving live presentations, all with local connections to Woking, and attracted 100 guests to watch the speakers on the day. The videos from the speakers have already been viewed over 100,000 times on the TEDx YouTube channel.

A proposal for distributing the Woking loyalty card to Woking Borough Council Staff was being drawn up by the Cashback World for the Council to consider. Seven retailers were already engaged in the scheme. Forty shops were signed up to 'Love to Shop' which would be rolled out in conjunction with 'Woking Rewards'. Cashback World was working hard to promote Woking Rewards to local businesses.

PM 10	<b>Consider a Woking landmark building like London's The Shard, Gherkin or Cheesegrater</b>	<b>Status:</b> Current activity	<b>Lead:</b> Planning Policy Corporate
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Officers seek to continue to improve the quality of design in new developments in key town centre sites.

PM 11	<b>Promote Woking's natural capital including countryside, commons and canal alongside the urban offer</b>	<b>Status:</b> Current activity	<b>Lead:</b> Green Infrastructure Team Business Liaison Team
-------	--	------------------------------------	--

Woking Works has incorporated the benefits Woking offers in terms of green space in its new inward investment marketing materials.

Site Allocations DPD identifies a number of sites suitable alternative natural green spaces to provide access to the countryside.

As a policy requirement, developers are encouraged to make contributions to green spaces and the environment.

PM 12	<b>Analyse competitive comparative indices and identify issues that can be addressed thus improving Woking's future rankings:</b>	<b>Status:</b> No further update	<b>Lead:</b> Business Liaison Team
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### A Vision for Woking 2050

2050V 1	<i>Woking 2050: A Vision for a Sustainable Borough</i> should be updated to include economic factors and regularly updated to reflect emerging trends and studies.	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Corporate
2050V 2	Woking's revenue stream from car parking needs to be 2050 proofed ahead of strategic changes to car ownership and use patterns	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Corporate Car Parking
2050V 3	Plans for supertall, hi-rise residential apartments need to be 2050 proofed in terms of predicted needs for families, single people, home-working, employment hubs and communal space.	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Corporate Planning policy
2050V 4	Woking Shopping should invest in a 2050 strategy to identify developments needed to maintain its relevance as a shopping destination as consumer behaviour continues to move from commodity to experiential shopping.	<b>Status:</b> Not actively pursuing	<b>Lead:</b> Corporate





# CHOOSE WOKING

See your business flourish.



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# Why Woking?

“Woking Borough Council is committed to an ambitious economic vision to secure Woking’s position as the location of choice in the South of England.

“Over the past five years, the Council has made major investments in Woking Town Centre, creating a public realm that can be enjoyed by all. We believe this approach is vital in underpinning our economic growth, as Woking extends its high quality, modern environment where businesses choose to locate and people aspire to live.

“The next phase of improvement includes the exciting Victoria Square development, which is underway and will bring continued prosperity to Woking. We invite you to be part of this premier business location.”

**Councillor David Bittleston**  
Leader of Woking Borough Council



# The location of choice

## Commuter connections

A train to London Waterloo takes just 25 minutes. Heathrow, Gatwick and Southampton international airports are just an hour away. Local airport, Fairoaks, and key arterial road routes, including the M25, M3 and A3 can all be reached within 15 minutes of Woking.

## The environmental edge

It’s not just the commuter connections which make Woking an ideal base for the 5,000 business that are based here – it also has excellent environmental credentials. As one of the ‘greenest’ Boroughs in the UK, Woking leads on the application of innovative transport and energy initiatives that could benefit your business. So it’s no surprise that environmentally-focused businesses, including WWF-UK and McLaren, chose to locate here.

## World class innovation

WWF-UK’s Living Planet Centre was built using state-of-the-art sustainable building technologies, and achieved the BREEAM rating ‘outstanding’.

The McLaren Group employs around 3,500 people located largely at its iconic McLaren Technology Centre headquarters in Woking. Innovative and entrepreneurial, the largest part of McLaren is McLaren Automotive, the creator of luxury sportscars and sportscars alongside McLaren Racing, the Formula 1 race team.

Other international HQs that call Woking home include Asahi, Fidessa, Petrofac, Cargemini, Mustang Engineering, and Ambassador Theatre Group – the largest theatre group in the world.



1. Building research Establishment Environmental Assessment Methodology worldwide rating of excellence.



## Commercial space

Woking offers a wide range of quality commercial premises at competitive rates within the M25 commercial property market.

There's an excellent choice of properties available across industrial, retail and office uses, with both freehold and leasehold options.

448,500ft<sup>2</sup>

of available commercial space

£25 per ft<sup>2</sup>

Woking Grade A Office Space,  
with central London at c.£65 per ft<sup>2</sup>

Offering much more than simply a managed office facility, **Woking's Connect 2 Innovation Incubator** is an entrepreneurial environment offering high quality offices and co-working space, advisory support and services tailored for growth-focused businesses.

Its aim is simple: to support the launch, survival and rapid growth of new businesses. Members share two attributes: growth potential and ambition.

Also situated in a convenient central location, **Collaborate** additionally offers great desk space for small businesses, freelancers and entrepreneurs.

"Woking is a great place for WWF, offering excellent public transport links and local amenities alongside fantastic natural surroundings."

**Robert Hardy,**  
Executive Director of  
Operations, WWF-UK

## Woking's green credentials

Woking has long been committed to protecting the environment.

The Borough boasts Beacon Status for the adoption of sustainable energy and tackling climate change, and leads on the application of innovative transport and energy initiatives that could benefit your business, such as electric car charging points, car share schemes, and the town's Combined Heat and Power Plant.

Natural Woking is a biodiversity and green infrastructure strategy for the Borough. This seeks positive outcomes for habitats and people, by:

- enhancing provision and accessibility to green spaces
- conserving appropriate existing biodiversity and habitats
- creating opportunities for species to return to the Borough.

There are thousands of acres of woods and heathland to explore across Horsell Common. Plus the Basingstoke Canal and River Wey run through the Borough, offering a wealth of walking, cycling, boating and other leisure opportunities.



## Woking Works

Woking Works is a partnership between Woking Borough Council's Business Liaison Team, five key local businesses, two independent business advisors and local business organisations, designed to support business people as they live, work and play in our Borough.

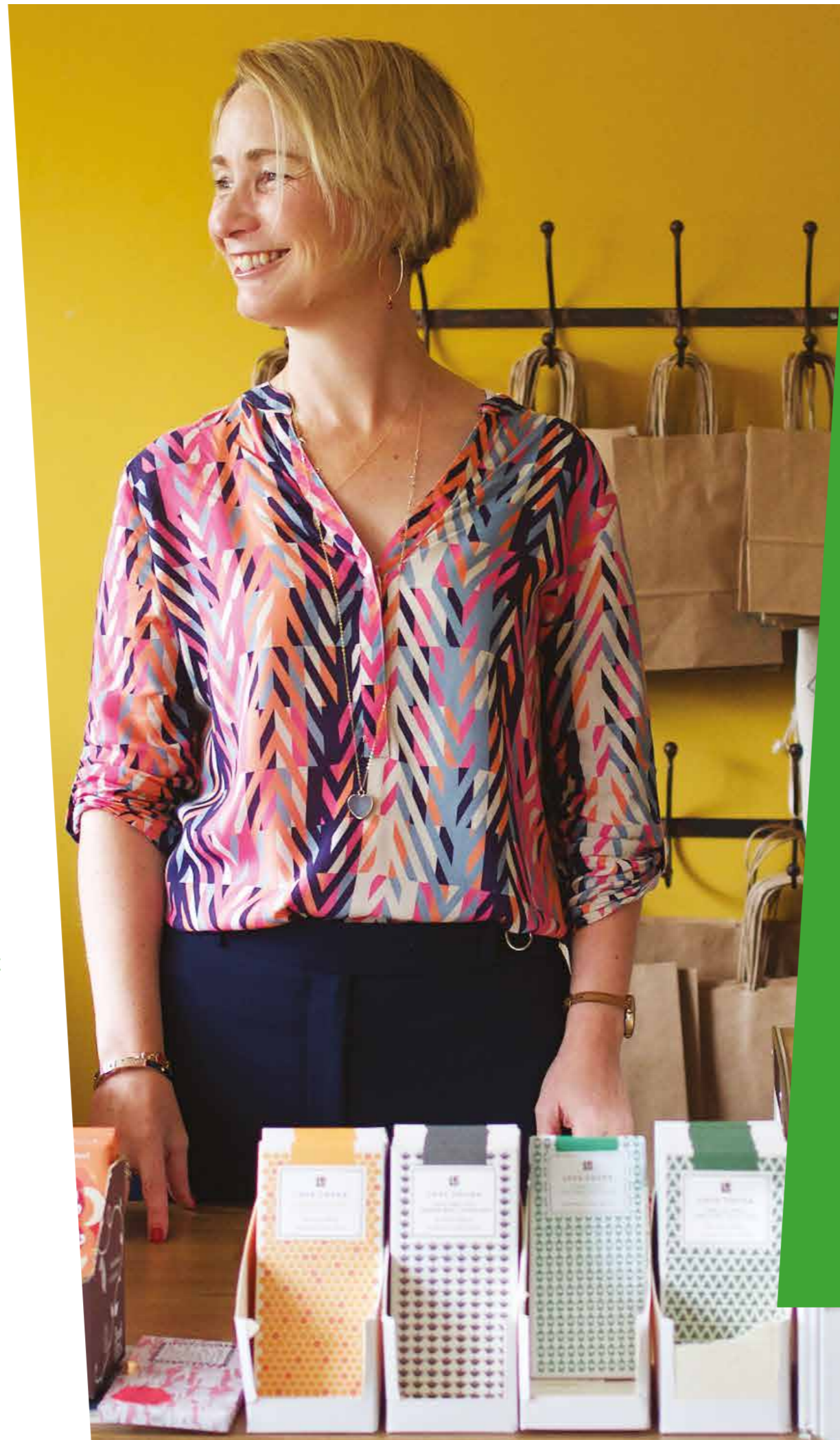
Woking Works aims to encourage start-ups, support existing business and attract new businesses through relocation, in order to boost the growth, prosperity and vitality of our ambitious Borough.

Woking Works began in 2007 as a simple business directory, but now offers a wide range of services:

- expert advice for start-ups
- support for SMEs via partner-led business surgeries
- networking events and evening receptions
- breakfast briefings
- workshops on essential topics like data protection and social media, and updates on the national and local economy
- property portal listing commercial premises
- high profile events like TEDx Woking.

"Hamlyns' accountancy firm began as a start up in Woking 26 years ago. We chose to start our business here because the town offers the best of both worlds. We not only enjoy the benefits of a thriving local business scene but also the town being just a short ride from London's opportunities."

**Chris Shrubb,**  
Hamlyns Chartered Accountants



## See your business take off with Start Up Woking

Start Up Woking is a free programme of business advice and support for new businesses and entrepreneurs. It is provided by the Woking Works partnership to businesses of any size or sector, and is reinforced by a network of local professional organisations and expert advisors.

Start Up Woking offers a wide range of advice and help to people who have either been running their own business for up to three years, or who have yet to begin. Set up in 2012, the programme has supported around 300 businesses to date which were looking to grow their idea into a profitable enterprise. An impressive 69% of these are still trading.

The free programme includes:

- one-to-one appointments with a business advisor
- comprehensive online information
- networking events.

Speaking about the advice she received from Start Up Woking, Claire Leigh said: "My new business - Two Ducks - was trading well as a pop-up shop but outgrowing the space I was in, so I decided to move into a shop in St John's Village and share the space with another business. I contacted Start Up Woking to help me review where the business was at, look at where it could be improved and check I was on the right track."



I found the free business review to be really helpful, as it provided me with further actions plus some reassurance we were on the right track and advice on how to incentivise and retain customers. A year on I took over the whole shop in the village, and now employ several part-time members of staff! I would recommend Start Up Woking to anyone in Woking who is thinking of starting or growing their business."

Established businesses can also take advantage of the Woking Works programme of business support, through its regular, partner-led business surgeries, as well as the extensive calendar of networking events and seminars that are open to all local businesses.

To find out more about how Start Up Woking can help your business flourish, please see [www.wokingworks.com/startup](http://www.wokingworks.com/startup) and get in touch with the team today.



# Woking lifestyle

Woking has approximately 40,000 households with a growing choice of quality homes, from ultra-modern apartments to large family homes and unique character properties.

Affordable housing schemes and shared ownership options are also part of Woking's offer to help more people live and work here. Our 'Woking 2027' strategy identifies 5,000 new homes planned to meet the future needs of residents and incoming workers.

TO BUY IN WOKING<sup>1</sup>

TO RENT IN WOKING<sup>2</sup>

15%

10%

MORE AFFORDABLE THAN NEIGHBOURING BOROUGHS

MORE AFFORDABLE THAN NEIGHBOURING BOROUGHS

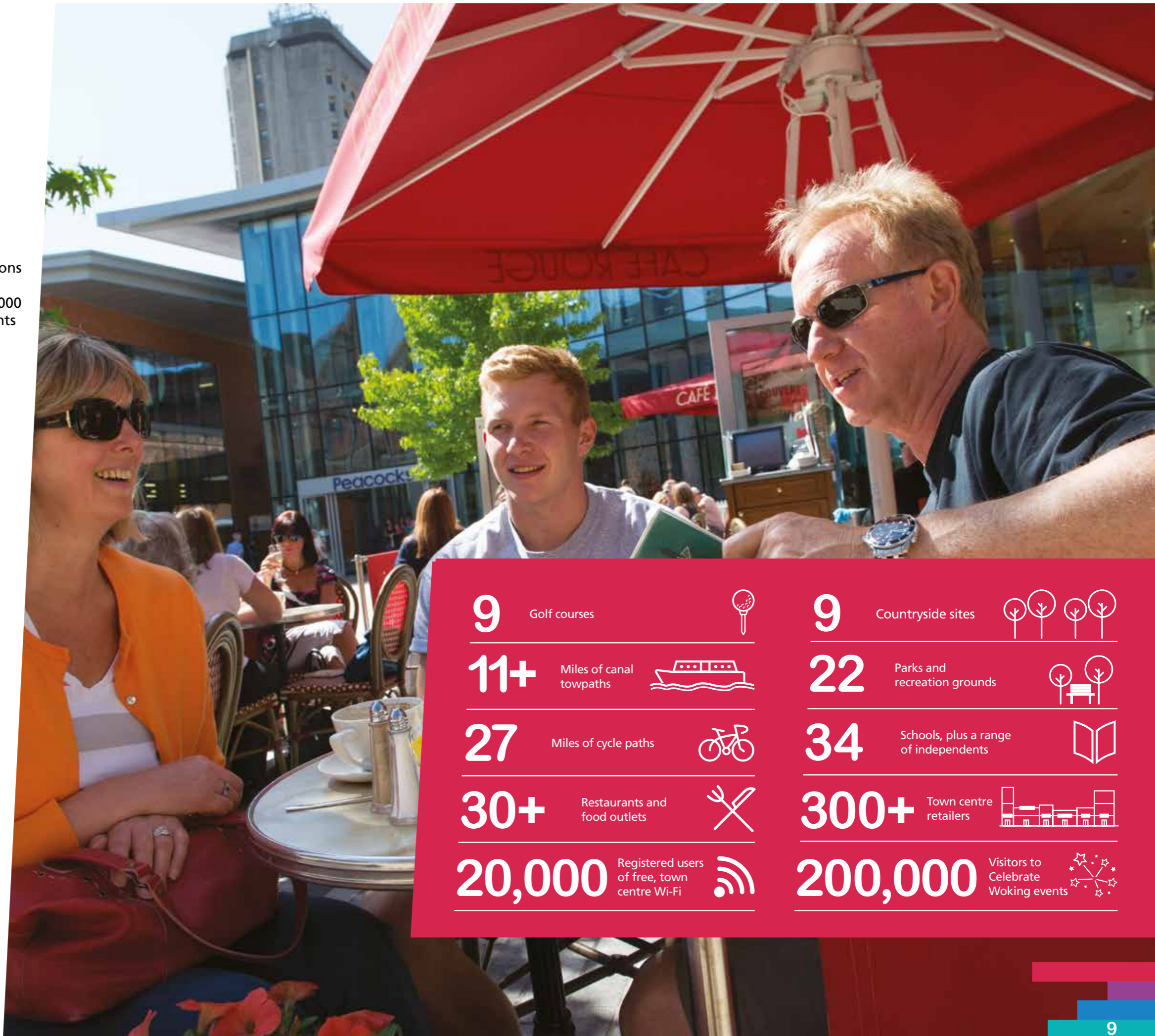
21%

36%

CHEAPER THAN OUTER LONDON BOROUGHS

CHEAPER THAN SE LONDON BOROUGHS

1. UK House Price Index, January 2018. Based on flat / maisonette.  
2. Home.co.uk, March 2018. Based on 1-bed property.



9	Golf courses		9	Countryside sites	
11+	Miles of canal towpaths		22	Parks and recreation grounds	
27	Miles of cycle paths		34	Schools, plus a range of independents	
30+	Restaurants and food outlets		300+	Town centre retailers	
20,000	Registered users of free, town centre Wi-Fi		200,000	Visitors to Celebrate Woking events	



## Celebrate Woking

Woking can be justifiably proud of its London 2012 Olympic legacy, which includes Woking Borough Council's successful Celebrate Woking programme.

Celebrate Woking is an established annual calendar of community events, which attracts in excess of 200,000 visitors to a range of free, family-friendly events, including its two signature festivals: **Party in the Park** and the multi award-winning **Woking Food and Drink Festival**.

A number of other cultural events take place during the year, including **Diwali** and **Remembrance Sunday** in Jubilee Square, as well as **Summer Sounds** at Woking Park's bandstand.

Woking's permanent attractions include **The Ambassadors** theatre and cinema complex, which hosts touring shows from London's West End on the largest stage in the region, and **The Lightbox** gallery and museum, which attracts exhibitions from well-known national and international artists.

In Woking Town Centre, you'll find convenient, high-quality shopping facilities alongside a superb range of dining options across a world of cuisines.



## Towards tomorrow today

Woking Borough Council's vision is 'towards tomorrow today', and with construction underway on one of the region's most ambitious retail and residential developments – Victoria Square – our future is now.

Victoria Square is just part of a £460m town centre transformation, which will create an exciting new employment, retail and leisure sector, featuring high street retailer Marks & Spencer. International operator, Hilton, has also signed up to operate a 196-room hotel, including 12 suites, a lobby bar, all-day dining restaurant, stylish Sky Bar, and an on-site coffee shop.

Adding to Woking's credentials is news that the development's construction partner, Sir Robert McAlpine - one of the country's leading construction firms, and famous for constructing the London 2012 Olympic Stadium and McLaren Production Centre – has chosen Woking for its new south-east regional office, creating new employment opportunities for local people.

The development will deliver more than 75,000 square feet of new retail floor space, 390 residential apartments, a medical centre, 284 additional car parking spaces and two new public plazas.

Woking will offer a new and improved vibrant town centre fit for the 21st century.

For updates on progress, travel and transport advice, and information of retail and residential lettings, search:

**#WEAREWOKING**



# WOKING IS FLOURISHING



## CONTACT US

To access support and to find out more about the benefits Woking can offer your business:

01483 743487 [businessliaison@woking.gov.uk](mailto:businessliaison@woking.gov.uk)

[www.wokingworks.com](http://www.wokingworks.com)

@WokingWorks



Business Liaison, Woking Borough Council,  
Civic Offices, Gloucester Square, Woking GU21 6YL

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#WEAREWOKING

**WOKING  
WORKS**  
Proudly supporting business in Woking



EXECUTIVE – 28 JUNE 2018

## TREASURY MANAGEMENT ANNUAL REPORT 2017-18

### Executive Summary

The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management has been adopted by the Council and the Council fully complies with its requirements.

Primary requirements of the Code include: the receipt by the Council of an annual strategy report for the year ahead; monitoring and scrutiny during the year which Council has agreed will be satisfied through the regular Treasury reporting in the Green Book and a mid year report to the Overview and Scrutiny Committee; and an annual report of the previous year. The mid year and annual report are important in scrutiny, as they provide details of the treasury activities and demonstrate compliance with the Council's Treasury Management strategy and policies previously approved by Members.

These overall arrangements fulfil the requirements for the review and scrutiny of Treasury activities and ensure compliance with the code.

### Recommendations

The Executive is requested to:

#### **RESOLVE That**

the annual report on Treasury Management performance for 2017/18 be received, and the compliance with the Council's approved arrangements be noted.

### Reasons for Decision

Reason: To receive the annual report on Treasury Management performance for 2017/18 in accordance with the Council's policy on Treasury Management.

The Executive has the authority to determine the recommendation set out above.
--

**Background Papers:** None.

**Reporting Person:** Leigh Clarke, Chief Finance Officer  
Email: leigh.clarke@woking.gov.uk, Extn: 3277

**Contact Person:** Julie Rowling, Business Support Manager  
Email: julie.rowling@woking.gov.uk, Extn: 3248

**Portfolio Holder:** Councillor Ayesha Azad  
Email: [cilrayesha.azad@woking.gov.uk](mailto:cilrayesha.azad@woking.gov.uk)

**Shadow Portfolio Holder:** Councillor Deborah Hughes  
Email: [cilrdeborah.hughes@woking.gov.uk](mailto:cilrdeborah.hughes@woking.gov.uk)

**Date Published:** 20 June 2018



## 1.0 Introduction

### 1.1 Treasury management is defined as:-

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.”

### 1.2 This annual treasury report covers:-

- the economy in 2017/18;
- the strategy for 2017/18;
- the actual borrowing for 2017/18;
- performance measurement;
- the Council’s treasury position as at 31 March 2018;
- restructuring of borrowing;
- compliance with treasury limits and Prudential Indicators;
- investment activity in 2017/18; and
- loans and advances to group companies and joint ventures

### 1.3 In December 2017, CIPFA issued a revised Treasury Management Code of Practice and a revised Prudential Code. Further details of the forthcoming changes are set out in Section 11 of this report.

## 2.0 The Economy

2.1 During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start rising. After strong growth in the second half of 2016, growth in the first half of 2017 was disappointingly weak, and in fact was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases.

2.2 Growth did pick up modestly in the second half of 2017, consequently market expectations rose during the autumn that bank rate would rise imminently, and the rate was increased from 0.25% to 0.50% following the Monetary Policy Committee meeting on 2 November 2017.

2.3 Public Works Loan Board (PWLB) borrowing shorter term rates increased correspondingly in response to the above developments. Longer term rates have been volatile during the year with little consistent trend.

## 3.0 The Council’s Treasury Strategy for 2017/18

### Borrowing

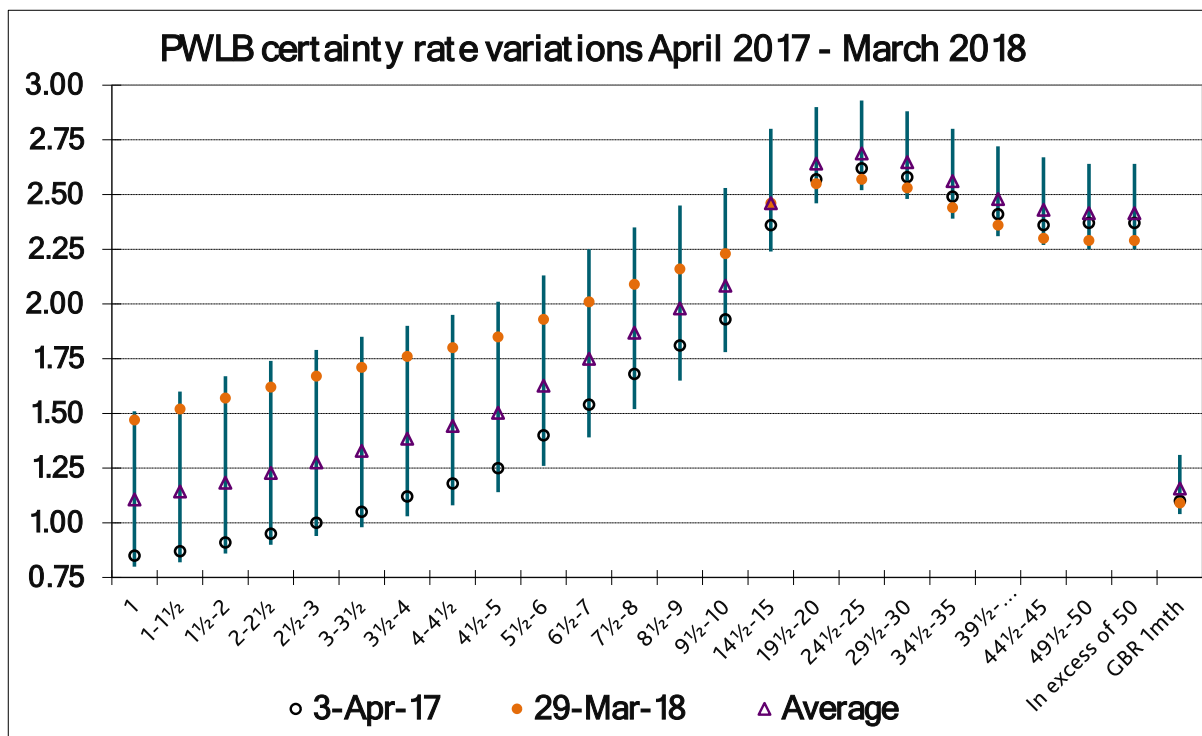
3.1 In 2017/18, the Council largely undertook borrowing for periods which aligned with the life of projects being undertaken during that financial year. The trigger point below which new long term borrowing would be considered was set at 2.80% for 50 year maturity loans in the Treasury Management Strategy. Increasing use was made of annuity loans during 2017/18 for which the 50 year borrowing rate equates to the rate available on a 30 year maturity loan. Consideration was also to be given to borrowing fixed rate market loans at 25 to 50 basis points below the PWLB target rate if they became available.

Investments

3.2 The Council's investment priorities were set as the security of capital and the liquidity of its investments whilst aiming to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council to Treasury Management is low in order to give priority to security of its investments.

**4.0 Actual Borrowing in 2017/18**

4.1 The graph below shows the range (high, low and average points) in Public Works Loan Board (PWLB) rates for each maturity period during the year, and individual rates at the start and end of the financial year.



4.2 It was recognised in the Treasury Management Strategy in advance of the financial year that there were likely to be opportunities to generate savings by undertaking short term borrowing. A mix of short term and long term borrowing was undertaken during the year to derive some benefit from the lower rates, but still taking some long term borrowing in recognition of the possibility of adverse interest rate movements prior to refinancing. Whilst borrowing is not generally specifically related to an activity, there are a number of short dated projects for which shorter term borrowing has been taken.

4.3 The details of new long term loans taken during the year are shown below, with the maturity details for all long term loans in Appendix 2.

Loan Type	Start date	Maturity date	Interest Rate	Principal
			%	(£m)
PWLB Annuity Loan	19/4/2017	19/4/2067	2.50	5.0
PWLB Maturity Loan	9/6/2017	9/6/2065	2.28	4.5
PWLB Annuity Loan	9/6/2017	9/6/2067	2.52	5.0
PWLB Annuity Loan	31/8/2017	31/8/2067	2.52	50.0
PWLB Annuity Loan	12/9/2017	12/9/2067	2.50	10.0
PWLB Maturity Loan	27/9/2017	31/8/2025	1.95	8.0
PWLB Annuity Loan	7/11/2017	7/11/2067	2.67	20.0

## Treasury Management Annual Report 2017-18

PWLB Annuity Loan	9/11/2017	9/11/2067	2.66	30.0
PWLB Annuity Loan	10/11/2017	10/11/2067	2.63	20.0
PWLB Annuity Loan	23/11/2017	23/11/2067	2.65	10.0
PWLB Annuity Loan	13/12/2017	13/12/2067	2.64	10.0
PWLB Maturity Loan	19/12/2017	19/12/2067	2.30	10.0
PWLB Annuity Loan	2/3/2018	2/3/2068	2.73	10.0
PWLB Annuity Loan	19/3/2018	19/3/2068	2.63	10.0
PWLB Annuity Loan	20/3/2018	20/3/2068	2.61	10.0
PWLB Annuity Loan	26/3/2018	26/3/2068	2.56	15.0
PWLB Annuity Loan	26/3/2018	26/3/2068	2.56	8.0
PWLB Annuity Loan	29/3/2018	29/3/2068	2.54	10.0

### 5.0 Performance

5.1 The average rate of interest is taken as the main guide to borrowing performance. In 2017/18 the Council's average interest rate for borrowing was 2.37%. This was due to the continuation of the approach of taking advantage of short term borrowing at low interest rates access to low rates on long term borrowing.

### 6.0 Treasury Management Position at 31<sup>st</sup> March 2018

6.1 The Council's borrowing and investment position at the beginning and end of the year is shown in the following table:

	31st March 2018 Principal	Rate	Average Life yrs	31st March 2017 Principal	Rate	Average Life yrs
Fixed Rate Funding:						
- PWLB	£709.5m			£472.6m		
- Market (long term)	£45.9m			£45.9m		
- Market (temp)	<u>£50.0m</u>			<u>£54.0m</u>		
	£805.4m	3.05%	37.63	£572.5m	3.21%	33.20
Variable Rate Funding:						
- Appeal deposits	<u>£0.0m</u>			<u>£0.0m</u>		
	<u>£805.4m</u>	0.36%	n/a	<u>£0.0m</u>	0.11%	n/a
Total Borrowing	£805.4m	3.05%		£572.5m	3.21%	

	31st March 2017 Principal	Rate	Average Life yrs	31st March 2017 Principal	Rate	Average Life yrs
Investments:						
- In-House	£38.0m	0.53%	0.00	£12.0m	0.29%	0.00
Total Investments	<b>£38.0m</b>	<b>0.53%</b>		<b>£12.0m</b>	<b>0.29%</b>	

### 7.0 Restructuring of Borrowing

7.1 No restructuring of borrowing took place during 2017/18.

## 8.0 Compliance with Treasury Limits

8.1 During the financial year, the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix 1.

## 9.0 Investment Activity in 2017/18

9.1 Priority continues to be given to security and liquidity over return on investment in order to reduce counterparty risk.

### Internally Managed Investments

9.2 The Council has only invested with the institutions on its approved lending list. Investments are made for a range of periods from overnight to 364 days, primarily to manage the Council's cash flow.

9.3 Due to continuing low investment rates the Council's cash flow surplus was largely held in market funds, or in an interest bearing account at Lloyds. The money market funds offer security, instant access and rates which were above those available in the money markets for short periods. The maximum amount which can be held in the funds was increased during 2017/18 in order to manage the cash flows associated with the Victoria Square project.

9.4 Occasional fixed term deposits were made with other local authorities where rates were beneficial and the investment period was appropriate.

### Investments Managed on External Advice

9.5 During the year, no investments were managed on external advice. Detailed below is the result of the investment strategy undertaken by the Council.

	Average Investment	Rate of Return (gross of fees)	Rate of Return (net of fees)	Benchmark Return *
Internally Managed	£16,672,603	0.23%	N/A	0.213%

\* The benchmark for internally managed funds is the average 7-day LIBID rate (uncompounded).

9.6 No external institutions in which investments were made had any difficulty in repaying investments and interest in full during the year.

## 10.0 Loans and Advances to Group Companies, Joint Ventures and External Organisations

10.1 During the year new loans were made of £3.85m to Thamesway Central Milton Keynes, £3.75m to Thamesway Housing Ltd, £21.75m to Thamesway Developments Ltd (relating to Thamesway Housing projects), £2.00m to Thamesway Developments Ltd (relating to Sheerwater Regeneration), £10.17m to Thamesway Housing Ltd (relating to Sheerwater Regeneration), £1m to Thamesway Energy Ltd, £60.54m to Victoria Square Ltd.

10.2 £72m was invested in the Dukes Court company acquired in November 2017. Of the total purchase value, £59.35m is a loan from the Council to the company, representing the previous level of debt in the company which was written out on acquisition, with the balance held as share premium. The loan will be repaid on transfer of the property back to the Council during 2018/19.

- 10.3 Intra-group loans are excluded from the information presented elsewhere in this report. Loans to subsidiaries are 'eliminated' on consolidation into group accounts.
- 10.4 In addition to the above loans, capitalisation payments totalling £6.575m have been made to Thamesway Limited in relation to Thamesway Housing.

### 11.0 Changes during the year

- 11.1 In December 2017, CIPFA issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code. New guidance was then issued in February 2018 on the Minimum Revenue Provision and Investment Guidance.
- 11.2 These revisions have particularly focused on non-treasury investments and especially on the purchase of property with a view to generating income. Given the timing of the new guidance, CIPFA issued a statement accepting that it would be very difficult for most authorities to implement both codes for the 2018/19 budget setting, and full implementation is not expected until the 2019/20 budget cycle.
- 11.3 There has been no change in the definition of Treasury Management in the Treasury Management Code, but the term "investments" has been specifically qualified to include non-financial assets which are held primarily for financial returns, such as investment property portfolios. The revised codes (in contrast to the draft codes on which the consultations were based) draw a clearer separation between treasury and non-treasury investments and the role of the treasury management team. It is now clearly recognised that this team is unlikely to have specialist skills in such areas as property investment, reporting will focus solely on treasury (financial) investments, therefore the Treasury Management Strategy will not include any level of detail on non-treasury investments.
- 11.4 The new codes require all local authorities to produce a separate Capital Strategy report from 2019/20, or as soon as is practicable. The Capital Strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, along with an overview of how associated risk is managed and the implications for future sustainability. The aim of this report is to ensure that members fully understand the overall strategy, governance procedures and risk appetite entailed by this strategy. The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.
- 11.5 New guidance on the Minimum Revenue Provision (MRP), which essentially covers the setting aside of revenue to cover repayments of borrowing, comes into effect from April 2019, with some elements being effective from April 2018. Although the new guidance continues to provide significant flexibility in approach, there are some areas which the council will need to give further consideration to, particularly around the application of MRP to shares.

### 12.0 Member Development

- 12.1 There is a programme of financial training for Members; the next training will take place in Autumn 2018.

### 13.0 Implications

#### Financial

- 13.1 The financial implications are implicit in the body of this report.

Human Resource/Training and Development

- 13.2 The contract with Link Asset Services (previously Capita Asset Services) provides for staff attendance at various conferences and seminars throughout the year, as well as providing a helpline facility.

Community Safety

- 13.3 There are no community safety implications arising directly from this report.

Risk Management

- 13.4 Although the priority is given to security and liquidity of investments in the strategy, we seek to optimise the return within this framework, whilst minimising the level of risk of incurring losses. As mentioned above, no external institutions in which investments were made had any difficulty in repaying investments and interest in full during the year.

Sustainability

- 13.5 There are no sustainability implications arising directly from this report.

Equalities

- 13.6 There are no equalities implications arising directly from this report.

Safeguarding

- 13.7 There are no safeguarding implications arising directly from this report.

**14.0 Consultations**

- 14.1 No consultations have been undertaken in connection with this report.

REPORT ENDS

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000
	2017/18 Budget	Actual March 2018
<b>Authorised limit for external borrowing -</b>		
Borrowing	£1,163,450	£805,407
other long term liabilities (PFI)	£28,296	£28,667
TOTAL	£1,191,746	£834,074
<b>Operational boundary for external borrowing -</b>		
Borrowing	£1,153,450	£805,407
other long term liabilities (PFI)	£28,296	£28,667
TOTAL	£1,181,746	£834,074
<b>Upper limit for fixed interest rate exposure</b>	100%	100%
<b>Upper limit for variable rate exposure</b>	70%	0%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	£3,000,000	£0

<b>Maturity structure of fixed rate borrowing during 2016/17</b>	upper limit	lower limit	actual
under 12 months	100%	0%	8%
12 months and within 24 months	100%	0%	1%
24 months and within 5 years	100%	0%	4%
5 years and within 10 years	100%	0%	3%
10 years and above	100%	0%	84%





Long Term Loans @ 31 March 2018 Repayment Profile

Loan Reference	Loan Type	Lender	Interest Rate %	Maturity Date Yr	Principal £m	Total Repayment in Year £m
251	Maturity	LB of Wandsworth	0.57	2018/19	6.4	
496699	Maturity	PWLB	4.14	2018/19	10.0	16.4
495895	Maturity	PWLB	3.74	2019/20	3.0	3.0
252	Maturity	LB of Hackney	1.38	2021/22	3.5	
505504	Maturity	PWLB	1.58	2021/22	25.0	
253	Maturity	Cornwall Council	1.30	2021/22	6.0	34.5
496087	Maturity	PWLB	3.91	2024/25	4.0	
499430	Maturity	PWLB	3.59	2024/25	5.0	9.0
506421	Maturity	PWLB	1.95	2025/26	8.0	8.0
501617	Annuity	PWLB	2.18	2026/27	1.5	
495369	Maturity	PWLB	3.78	2026/27	3.0	3.0
489099	Maturity	PWLB	4.75	2030/31	5.0	5.0
489100	Maturity	PWLB	4.75	2031/32	5.0	5.0
489952	Maturity	PWLB	4.45	2033/34	5.0	5.0
503002	Annuity	PWLB	3.69	2034/35	1.3	
488996	Maturity	PWLB	4.85	2034/35	5.0	
497990	Maturity	PWLB	4.06	2034/35	5.0	10.0
489911	Maturity	PWLB	4.55	2035/36	5.0	5.0
502015	Maturity	PWLB	3.90	2036/37	5.0	5.0
494140	Maturity	PWLB	4.49	2037/38	3.0	3.0
501718	Maturity	PWLB	3.78	2038/39	5.0	5.0
496255	Maturity	PWLB	4.22	2039/40	3.0	3.0
502580	Maturity	PWLB	4.26	2040/41	5.0	5.0
494241	Maturity	PWLB	4.39	2042/43	3.0	3.0
496164	Maturity	PWLB	4.29	2049/50	3.0	3.0
496526	Maturity	PWLB	4.48	2052/53	4.0	4.0
494807	Maturity	PWLB	4.41	2053/54	3.0	
496700	Maturity	PWLB	4.67	2053/54	10.0	13.0
496599	Maturity	PWLB	4.44	2054/55	5.0	
496701	Maturity	PWLB	4.67	2054/55	10.0	15.0
293	Maturity	Danske	3.90	2055/56	5.0	
490975	Maturity	PWLB	3.95	2055/56	3.0	
501032	Maturity	PWLB	3.50	2055/56	10.0	18.0
492382	Maturity	PWLB	4.05	2056/57	6.0	6.0
496702	Maturity	PWLB	4.67	2057/58	10.0	
494733	Maturity	PWLB	4.39	2057/58	3.0	
494420	Maturity	PWLB	4.41	2057/58	3.0	16.0
494702	Maturity	PWLB	4.46	2058/59	5.0	
501025	Maturity	PWLB	3.50	2058/59	10.0	
494703	Maturity	PWLB	4.67	2058/59	10.0	
501029	Maturity	PWLB	3.50	2058/59	10.0	35.0
496600	Maturity	PWLB	4.43	2059/60	5.0	
501028	Maturity	PWLB	3.50	2059/60	10.0	
496704	Maturity	PWLB	4.67	2059/60	8.0	
496257	Maturity	PWLB	4.21	2059/60	4.0	
496525	Maturity	PWLB	4.46	2059/60	4.0	
501027	Maturity	PWLB	3.49	2059/60	10.0	41.0
501024	Maturity	PWLB	3.49	2060/61	10.0	
497889	Maturity	PWLB	4.04	2060/61	5.0	
501030	Maturity	PWLB	3.49	2060/61	10.0	25.0
501026	Maturity	PWLB	3.48	2061/62	10.0	
499282	Maturity	PWLB	4.11	2061/62	5.0	
499322	Maturity	PWLB	3.99	2061/62	5.0	

\*

\*

**Long Term Loans @ 31 March 2018 Repayment Profile**

Loan Reference	Loan Type	Lender	Interest Rate %	Maturity Date Yr	Principal £m	Total Repayment in Year £m
501031	Maturity	PWLB	3.48	2061/62	18.0	38.0
503577	Maturity	PWLB	3.22	2062/63	3.0	
503547	Maturity	PWLB	3.36	2062/63	3.0	
503658	Maturity	PWLB	2.99	2062/63	2.0	8.0
503523	Maturity	PWLB	3.45	2063/64	3.0	
502654	Maturity	PWLB	4.20	2063/64	5.0	8.0
503517	Maturity	PWLB	3.49	2064/65	5.0	
504415	Maturity	PWLB	3.25	2064/65	9.5	
503472	Maturity	PWLB	3.66	2064/65	5.0	
503499	Maturity	PWLB	3.58	2064/65	6.0	
504660	Maturity	PWLB	2.92	2064/65	3.0	28.5
506120	Maturity	PWLB	2.28	2065/66	4.5	
504298	Maturity	PWLB	3.16	2065/66	2.0	
504387	Maturity	PWLB	3.18	2065/66	5.0	
504478	Maturity	PWLB	3.33	2065/66	2.0	
504531	Maturity	PWLB	3.21	2065/66	2.0	
504597	Maturity	PWLB	3.13	2065/66	2.5	18.0
505119	Maturity	PWLB	2.50	2066/67	10.0	
505091	Maturity	PWLB	2.57	2066/67	10.0	
505186	Maturity	PWLB	2.42	2066/67	3.0	
505365	Maturity	PWLB	2.23	2066/67	4.0	
505499	Maturity	PWLB	2.47	2066/67	8.0	
505518	Maturity	PWLB	2.61	2066/67	9.0	
505724	Annuity	PWLB	2.74	2066/67	11.9	
505767	Annuity	PWLB	2.68	2066/67	19.8	
505783	Annuity	PWLB	2.64	2066/67	9.9	
505922	Maturity	PWLB	2.37	2066/67	5.0	49.0
506000	Annuity	PWLB	2.50	2067/68	5.0	
506121	Annuity	PWLB	2.52	2067/68	5.0	
506306	Annuity	PWLB	2.52	2067/68	49.7	
506347	Annuity	PWLB	2.50	2067/68	9.9	
506555	Annuity	PWLB	2.67	2067/68	20.0	
506564	Annuity	PWLB	2.66	2067/68	30.0	
506569	Annuity	PWLB	2.63	2067/68	20.0	
506658	Annuity	PWLB	2.65	2067/68	10.0	
506730	Annuity	PWLB	2.64	2067/68	10.0	
506752	Maturity	PWLB	2.30	2067/68	10.0	
506980	Annuity	PWLB	2.73	2067/68	10.0	
507084	Annuity	PWLB	2.63	2067/68	10.0	
507090	Annuity	PWLB	2.61	2067/68	10.0	
507135	Annuity	PWLB	2.56	2067/68	15.0	
507136	Annuity	PWLB	2.56	2067/68	8.0	
507182	Annuity	PWLB	2.54	2067/68	10.0	10.0
291/296	Maturity	Barclays	4.75	2076/77	5.0	
292/295	Maturity	Barclays	4.75	2076/77	5.0	
294/297	Maturity	Dexia	3.89	2076/77	5.0	
298	Maturity	Dexia	3.95	2076/77	5.0	20.0
299	Maturity	Barclays	3.95	2077/78	5.0	5.0
<b>Total</b>			<b>3.95</b>		<b>755.4</b>	<b>488.4</b>

\* The annuity loans have been excluded from the repayment in year column, as the principal is repaid over the life of the loan. The principal outstanding on the annuity loans at 31st March 2018 totals £267.0m.

EXECUTIVE – 28 JUNE 2018

## WOKING INTEGRATED TRANSPORT PACKAGE

### Executive Summary

Surrey County Council is leading on the preparation and submission of a bid to Enterprise M3 (EM3) for a Woking Sustainable Transport Package (STP). The Woking Joint Committee will be updated on this work at its meeting on 20 June 2018 and the relevant extract from the Highways Update Report and a Scheme Plan which will be tabled at the meeting are attached at Appendix 1.

The EM3 bid requires a partner commitment to part fund the package and the County Council has asked Woking Borough Council to provide that funding.

The Sustainable Transport Package total project cost is £4.4m, made up of a £3m bid submission to EM3 and £1.4m local contributions funding from Woking Borough Council.

The schemes are:

- Victoria Way cycle scheme (estimated cost £512k)
- Lockfield Drive new pedestrian and cycle bridge (estimated cost £800k)
- Town Centre link from Chobham Road to Woking station (estimated cost £958k)
- Western Quality Bus Corridor package (estimated cost £1.530m)
- Woking rail station entrance scheme (estimated cost £600k)

The £1.4m contribution from Woking Borough Council is to cover the Lockfield Drive pedestrian and cycle bridge scheme (estimated to cost £800,000) and the Woking rail station entrance scheme (estimated to cost £600,000). All schemes are currently concept stage, and final costings will not be known until the detailed design stage which will be after the scheme submission to EM3. If the Executive agrees this contribution it will be funded from S106 and CIL contributions.

### Recommendations

The Executive is requested to:

#### **RESOLVE That**

a £1.4m contribution to the Woking Sustainable Transport Package (STP) bid be agreed to cover the Lockfield Drive pedestrian and cycle bridge scheme (estimated cost £800,000) and the Woking rail station entrance scheme (estimated cost £600,000) be agreed.

### Reasons for Decision

Reason: To support a bid for further Enterprise M3 funding for sustainable transport.

The Executive has the authority to determine the recommendation(s) set out above.
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**Background Papers:** None.

**Reporting Person:** Douglas Spinks, Deputy Chief Executive  
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**Date Published:** 20 June 2018

**Extract from Item 10 - Highways Update Report – Woking Joint Committee – 20 June 2018****2.8. Major schemes****2.8.2. Woking Sustainable Transport Package (STP)**

Surrey County Council and Woking Borough Council are working in partnership to develop a circa £4m package of sustainable transport improvements for Woking to put forward as a bid for funding to the Enterprise M3 Local Enterprise Partnership (EM3 LEP). The Woking STP will improve connectivity between Woking town centre / rail station and existing routes that orbit the town, providing vital 'spokes' to fill in missing gaps in the network. It will serve key areas of residence and employment which are currently inadequately provided for by sustainable modes to support the anticipated increase in journeys to and from the area related to significant redevelopment of the town centre and rail station.

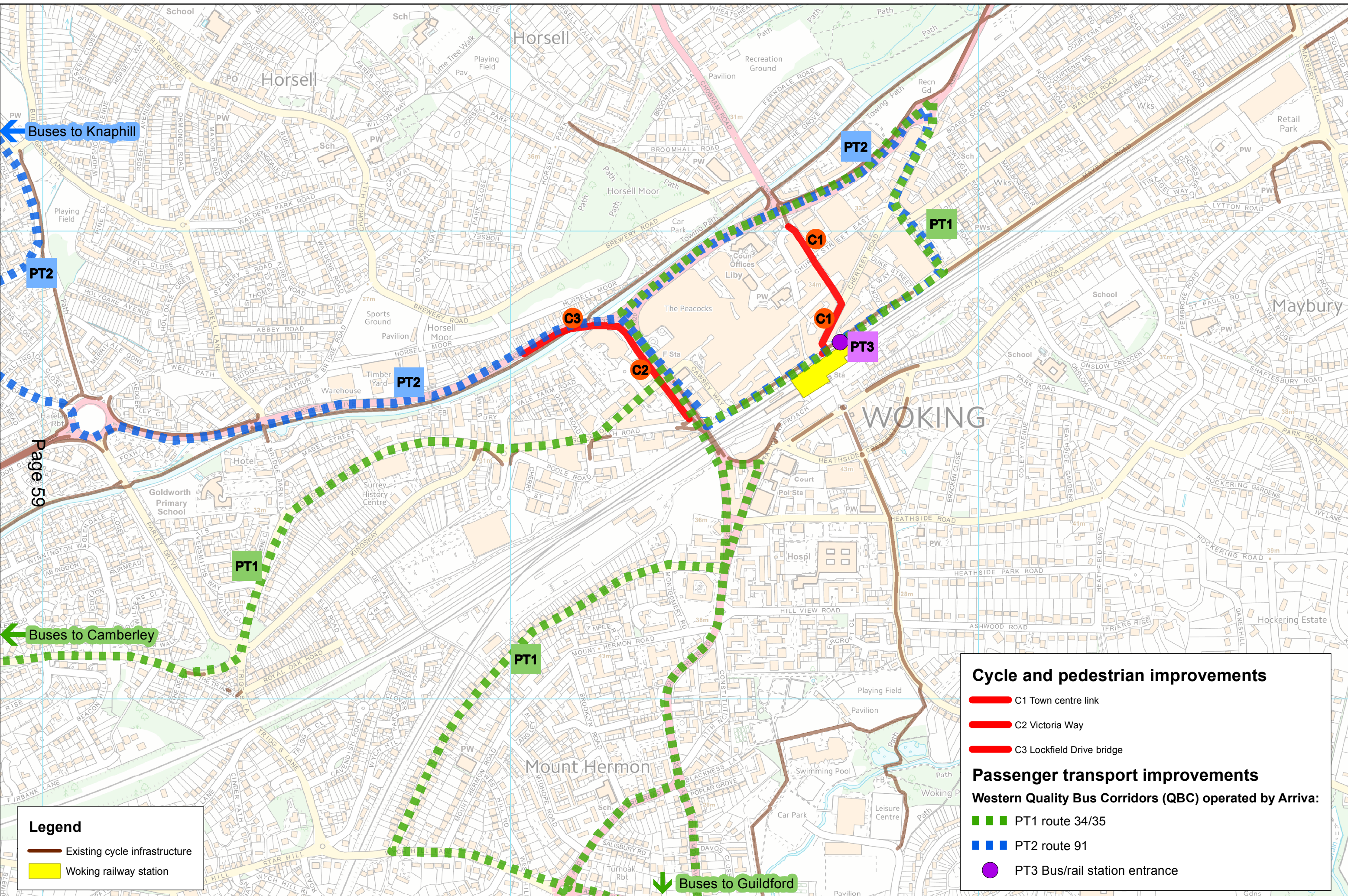
The Woking STP will complement the Woking Integrated Transport Project (ITP) for the town centre. The STP project, planned for delivery between the end of 2018 and 2021, aims to encourage more people to walk, cycle, travel by bus and use the train. By encouraging more people to travel sustainably, we will reduce congestion, pollution, and encourage more people to live healthier lives. In turn this meets the primary EM3 LEP project objectives to unlock economic growth in the area by providing transport infrastructure and improvements to support growth in jobs, homes and employment space. Measures to improve connectivity will include installing new pedestrian and cycle facilities, upgrading existing and providing new crossing points and enhancing public transport to create Quality Bus Corridors.

A Project Board consisting of Officers from Surrey County Council and Woking Borough Council is currently developing the scheme business case, due to be submitted to the EM3 LEP during summer 2018. Feasibility work is underway to identify the package of sustainable transport schemes that best meet the project objectives and are within scope for delivery during the project timeframe and available budget.

This update note is provided to inform the Joint Committee of the work currently being undertaken by Officers to develop the project. A consultation on the scheme will be undertaken later this year as part of the bid for funding from the EM3 LEP. This will provide opportunity for feedback on the proposals which in turn will help inform the development of the priority schemes to take forward to delivery. A report with full details of the Woking STP scheme will be brought to a later meeting of this Joint Committee, including seeking permissions for the advertisement of legal notices and traffic orders as required.







**Legend**

- Existing cycle infrastructure
- Woking railway station

**Cycle and pedestrian improvements**

- C1 Town centre link
- C2 Victoria Way
- C3 Lockfield Drive bridge

**Passenger transport improvements**

**Western Quality Bus Corridors (QBC) operated by Arriva:**

- PT1 route 34/35
- PT2 route 91
- PT3 Bus/rail station entrance

Buses to Knaphill

Buses to Camberley

Buses to Guildford

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# Woking Sustainable Transport Package - Phase 1









EXECUTIVE – 28 JUNE 2018

## **RISK MANAGEMENT AND BUSINESS CONTINUITY ANNUAL REPORT**

### **Executive Summary**

Risk Management and Business Continuity Management are the two main disciplines through which the Council identifies, manages and mitigates its business and operational risks. An annual report is submitted to the Executive to outline any activities or issues that have occurred.

Risk Management is the process whereby the organisation methodically identifies and manages the threats and opportunities that might exist within a Council activity. Business Continuity sets out to enhance the strategic and tactical capability of the organisation to plan for incidents and business disruptions in order to continue operations at an acceptable pre-defined level.

Service plan risks have been updated since the last annual report. Corporate strategic risks have also been reviewed and updated by CMG. The risks that have been identified have been logged, owners have been allocated, and progress to mitigate each risk has been recorded.

The Council adopted a Business Continuity Management Strategy in 2006 and it has been in place ever since. The last report to the Executive outlined the need for a review of the existing strategy to ensure that it remains fit for purpose. Work to review and update Business Continuity arrangements is now well advanced.

The focus of work for the last 6 months has been on implementing an Alternative Premises Plan. It has long been an ambition of the Council to have alternative premises to relocate to, should the Civic Offices be destroyed or inaccessible for any reason. Alternative premises, with full access to ICT, will provide robust resilience for the Council and further bolster our Business Continuity and Emergency Planning capabilities. After analysis of possible options, it was determined that the Leisure Centre would be the most appropriate location to serve as backup premises. Work to install the necessary equipment to ensure that the Leisure Centre is in a permanent state of readiness is almost complete, with testing and sign-off due to be finalised imminently.

### **Recommendations**

The Executive is requested to:

#### **RESOLVE That**

the report be noted and that Risk Management processes remain sound and that work is ongoing to update Business Continuity arrangements within the Council.

### **Reasons for Decision**

Reason: The continuous development of the Council's Risk Management Strategy and Business Continuity Management Plan is essential to ensure the security of services to citizens.

The Executive has the authority to determine the recommendation(s) set out above.
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## Risk Management and Business Continuity Annual Report

**Background Papers:** None.

**Reporting Person:** Ray Morgan, Chief Executive  
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**Contact Person:** Pino Mastromarco, Senior Policy Officer  
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**Shadow Portfolio Holder:** Councillor Ann-Marie Barker  
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**Date Published:** 20 June 2018

### 1.0 Introduction

- 1.1 The purpose of this report is to provide Members with an update on Risk and Business Continuity Management arrangements that are in place within the Council. The status of both of these functions is reported on an annual basis.
- 1.2 The Risk Management and Business Continuity Strategies provide the framework, through which the Council identifies, manages and mitigates its business and operational risks. The key elements of this framework are designed to:
  - ensure that Risk Management and the adoption of Business Continuity becomes part of the culture of the whole organisation;
  - manage risk in accordance with best practice;
  - prevent injury and damage and reduce the cost of risk;
  - consider legal compliance as a minimum standard; and
  - anticipate and respond to changing social, economic, environmental and legislative requirements.
- 1.3 Risk Management is the process whereby the organisation methodically identifies and manages the threats and opportunities that might exist within a Council activity. Business Continuity sets out to enhance the strategic and tactical capability of the organisation to plan for incidents and business disruptions, in order to continue business operations at an acceptable pre-defined level.
- 1.4 Risk Management and Business Continuity Planning are not one off activities. They are part of a continuous process that runs throughout the Council's activities, taking into account all aspects such as projects as well as day-to-day work that is undertaken. It must be integrated into the culture of the Council with an effective strategy and led from the top.
- 1.5 The functional responsibility for corporate Risk Management and Business Continuity rests with the Corporate Management Group (CMG). The Business Improvement Team is accountable for overall delivery and review. All Senior Managers are responsible, with guidance and support from Business Improvement, for ensuring appropriate risk and business continuity arrangements are deployed in their functions, services and areas of responsibility.

### 2.0 Risk Management

- 2.1 Risk can be defined as the combination of the probability of an event and its consequences. In any organisation there is the potential for events and consequences that either provides opportunities for benefits or threats to success. Over the past year, Business Improvement and Senior Managers have worked together to update Service Plan risks. Corporate Strategic Risks have also been reviewed and updated by CMG. The risks that have been identified have been logged, owners have been allocated and progress to mitigate each risk has been recorded.

### 3.0 Business Continuity

- 3.1 The Council adopted a Business Continuity Management Strategy and Policy in 2006 and it has been in place ever since. The 2016 Risk Management and Business Continuity Report to the Executive, outlined the need for a review of the existing strategy to ensure that it remains as fit for purpose as possible. Work to review and update Business Continuity arrangements is now well advanced. The focus of work for the last 6 months has been on implementing an Alternative Premises Plan.

### 4.0 Delivery of an Alternative Premises Plan

4.1 It has long been an ambition of the Council to have alternative premises to relocate to, should the Civic Offices be destroyed or inaccessible for any reason. Any such location would need to be large enough to support pre-defined numbers of staff to ensure the continuation of the Council's most critical services.

4.2 After analysis of possible options, it was determined that the Upper Gallery at the Leisure Centre would be the most appropriate location to relocate to should the need arise. The main benefits of using the Upper Gallery in the Leisure Centre include:

- The Council has a Secondary Data Centre located at the Leisure Centre. This installation provides a mirrored data centre environment that can serve as a backup should the primary data centre at Export House be compromised. It can provide access to the Council's virtual network, thereby enabling use of the majority of day-to-day ICT provision, including telephony, Internet, applications and emails;
- The Upper Gallery is located in a self-contained position within the Leisure Centre which means that it is relatively out of the way and use of it would have a limited impact on Freedom Leisure operations and other users' of the facilities;
- Depending on the severity of the incident, there would be scope to expand operations through the use of other areas of the Leisure Centre;
- Large numbers of tables/chairs are stored on site and could be quickly deployed in an emergency situation if required;
- The reception area at the front entrance of the Leisure Centre could be used alongside Freedom Leisure for Council enquiries if need be;
- Ample parking is available for staff and customers;
- Key facilities such as toilets, showers, on site café providing food/drink etc. are already in place;

The Leisure Centre is within walking distance of the town centre.

4.3 Over the last 6 months, work has been underway to plan and install the necessary equipment to ensure that the Upper Gallery is in a permanent state of readiness, should relocation be necessary. The project is almost complete, with testing and sign-off due to be finalised imminently. Regular drills will be scheduled to test relocation procedures and equipment on an ongoing basis.

4.4 The Council's Business Continuity and Emergency Planning capabilities will be bolstered as a direct result of this project, and the ability to provide continuity of service for our most critical functions will be far more resilient.

### 5.0 Conclusions

5.1 The application of Risk Management and Business Continuity Management remains a priority for the Council. Good progress has been made in updating Business Continuity arrangements, the recent focus being on relocation options. This continuing work will also provide the opportunity to further align risk and business continuity principles with emergency planning, to ensure that the Council can achieve a robust and joined up approach in all of these areas for the future.

**6.0 Implications**

Financial

- 6.1 The cost of the secondary data centre was covered by Investment Programme budgets. No additional implications arise specifically from the report but any proposals to further improve or enhance resilience may have cost implications and these would be identified in any such proposal.

Human Resource/Training and Development

- 6.2 Work continues to make staff aware of the arrangements and train those with specific responsibilities. This will be an on-going requirement to reflect staff turnover and changes.

Community Safety

- 6.3 There are no specific environmental or sustainability issues arising as a consequence of this report. Business Continuity is a key contributor to community safety in ensuring critical services are maintained but there are no issues arising specifically from this report.

Risk Management

- 6.4 As outlined in the report.

Sustainability

- 6.5 None arising from this report.

Equalities

- 6.6 None arising from this report.

Safeguarding

- 6.7 None arising from this report.

**7.0 Consultations**

- 7.1 None.

REPORT ENDS

