

PETITION – LOAN AGREEMENT WITH GOLDEV WOKING LIMITED

[NOTE: DECLARATIONS OF INTEREST

In accordance with the Officer Employment Procedure Rules, the Director of Legal and Democratic Services, Peter Bryant, has declared a disclosable personal interest (non-pecuniary) in this item arising from (i) him being a member of the Cards Trust (the supporters' club for Woking Football Club), (ii) providing occasional unpaid assistance to Woking Football Club, e.g. acting as returning officer at the election of directors and (iii) being a Council-appointed director of Kingfield Community Sports Centre Limited. The interest does not prevent Mr Bryant from advising on this matter.

In accordance with the Officer Employment Procedure Rules, the Director of Finance, Leigh Clarke, has declared a disclosable personal interest (non-pecuniary) in this item arising from (i) her husband having a small shareholding in Woking Football Club and (ii) being a Council appointed director of Kingfield Community Sports Centre Limited. The interest does not prevent Mrs Clarke from advising on this matter.]

Executive Summary

Woking Borough Council has received a petition which asks the Council to appoint an oversight committee to determine if there have been material breaches of the £250m Loan Agreement with GolDev Woking Ltd.

In accordance with Woking Borough Council's arrangements for petitions, the matter has been referred for consideration by the Executive.

Recommendations

The Executive is requested to consider the petition and determine accordingly.

Reasons for Decision

Reason: To agree a response to the petition.

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

Background Papers: Online petition.

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Petition – Loan Agreement with GolDev Woking Limited

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Petition – Loan Agreement with GolDev Woking Limited

1.0 Introduction

- 1.1 A petition has been received which asks the Council to appoint an oversight committee to determine if there have been material breaches of the £250m Loan Agreement with GolDev Woking Ltd. The petition has been received through the Council's online e-petition scheme and contains 115 confirmed signatories and 9 unconfirmed signatories.
- 1.2 The number of signatures exceeds the threshold required for a petition to be referred to a meeting of the Executive and accordingly the Petitioner or their nominee has been invited to present the petition at the Executive.
- 1.3 The petition has been submitted in the following terms:

"We the undersigned petition Woking Borough Council to Appoint an oversight committee to determine if the Loan Agreement with Goldev Woking Ltd should be voided.

We ask that Woking Borough Council appoint an oversight committee to determine if there have been material breaches of the £250m Loan Agreement with Goldev Woking Ltd.

The reason for this request is that there have been two changes that appear to be in breach of the Loan Agreement. Council Tax payers have tried eliciting replies from WBC Finance Department however the department repeated fails to reply.

The material changes to be considered are a) the ownership of the Borrower "Goldev Woking Ltd" has changed materially since the Loan Agreement was struck and appears to breach "18.6 Material adverse changes" b) in breach of the Loan Agreement Section 19.9 Goldev Woking Ltd has taken on board Security with Frith Holdings Ltd. The only security should be WBC acting as the only beneficiary in the event of difficulties.

As stated above in light of this we ask that an oversight committee be appointed and if they feel appropriate that the Loan Agreement is voided."

- 1.4 The on-line petition went live on 23 February 2021 and the Petitioner formally asked for it to be closed on 25 May 2021.

2.0 Petition Scheme

- 2.1 As the number of signatories exceeds 100, the petition falls to be debated at the Executive. In accordance with the Council's scheme for dealing with petitions, the petitioner has been invited to attend the meeting and present the petition. The presentation of a petition is limited to not more than three minutes, and should be confined to reading out, or summarising, the purpose of the petition, indicating the number and description of signatories, and making supporting remarks relevant to the petition.
- 2.2 Following the presentation, Members of the Executive will have the opportunity to ask questions of the petitioner. Thereafter, the Executive will discuss the petition and determine what action, if any, is to be taken. To assist the Executive, Officer comments are set out below.

3.0 Officer Comments

- 3.1 The directorships of GolDev Woking Ltd ("GolDev") have changed. However, the Loan Agreement with GolDev does not stipulate that any changes must be agreed by the Council, or that they will be adverse as to the agreement if they occur. The agreement was signed with GolDev Woking Ltd and GolDev Woking Ltd remains as a legal entity.
- 3.2 Erith Holdings Limited (a ground works company) has a charge against GolDev to protect costs incurred by it in the planning process with GolDev. The Council was notified of this by GolDev.

Petition – Loan Agreement with GolDev Woking Limited

The Council's obligations to provide loan finance to GolDev are contingent on a number of conditions precedent first having been satisfied. These include the Council having a first legal charge and debenture over all of GolDev's assets. This means that Erith's charge would have to be removed before GolDev could draw down any loan finance from the Council. The Council's position under the loan agreement remains fully protected.

- 3.3 There are no material breaches of the loan agreement, so it would not be appropriate for an oversight committee (or similar body) to be appointed, as requested by the petitioner.