

RESPONSES TO QUESTIONS FROM MEMBERS OF PUBLIC

Meeting: **Council**

Date Of Meeting: **20 November 2024**

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Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

1.0 Purpose of Report

- 1.1 Four questions to the Council have been received from Members of Public in light of the recent publication of the Public Interest Report by Grant Thornton.
- 1.2 The first question, from Andy Caulfield, is set out below. This question was received in accordance with the Council's Standing Orders and before the deadline for Public Questions at Council and Mr Caulfield has been invited to attend the Extraordinary meeting to ask the question. A formal response has been provided by the Leader of the Council.

Question 1 – Andy Caulfield

“In light of the long awaited and much anticipated Grant Thornton report into (some of) WBCs historical failings leading to an unprecedented debt, will the Council, Commissioners and new Government now further fully investigate behaviours of key individuals and transactions over the relevant years for (inter alia) legality, lawfulness, ultra vires, appropriate authority, proceeds of sales, financial impropriety and potentially Misfeasance in public office.”

Supporting information

“This report confirms residents long held worst fears, as flagged in our 2021 petition heard by the full Council in July 2021 - <https://www.getsurrey.co.uk/news/surrey-news/hundreds-demand-inquiry-former-woking>

On the back of Dr Gifty Edila and the O&S task group findings of serious failures on the Woking FC / GolDev. Project.”

Responses to Questions from Members of Public

Reply from Councillor Ann-Marie Barker

“Commissioners will consider the position of those named in the report and whether further action is necessary. This is reflected in the report to Council.”

- 1.3 The following three questions were received by the Chief Executive after the deadline had passed. In accordance with Standing Orders, the questions can be formally responded to in writing outside of the meeting or at a further meeting. In view of the relevance of the questions to the discussions about the report at this Extraordinary Meeting of Council, the Leader of the Council would like to provide some comments in relation to them. A formal response will be sent out in due course.
- 1.4 Standing Orders does not provide any flexibility for questions received after the deadline to be considered in the same manner as those received by the deadline and accordingly Mr Fraser will not have the option to ask a supplementary question.

Question 2 – Anthony Fraser

“A number of the senior officers singled out in the report were members of professional bodies.

Can the Council assure residents that, at the very least, it will refer these individuals to their respective professional bodies to investigate whether their actions (or inactions) breached any of the relevant professional standards?”

Reply from Councillor Ann-Marie Barker

“Commissioners will consider the position of those named in the report and whether further action is necessary. This is reflected in the report to Council. This will include whether any referrals should be made to relevant professional bodies.”

Question 3 – Anthony Fraser

“The Grant Thornton report highlights the actions of a small number of individuals, all of whom have now left the Council. Beyond that, it makes more general governance and procedural observations, many of which have already been brought out in the Government’s External Assurance Review in May 2023. Structures and procedures are all well and good, but it also requires officers and members to take personal ownership, ask questions and challenge where appropriate to make sure that governance works effectively in practice.

I would be interested therefore to hear what personal lessons members and officers have taken away from these events, particularly those who were with the Council during this period.”

Reply from Councillor Ann-Marie Barker

“The Grant Thornton report contains lessons for all of us at Woking Borough Council. Through the delivery of the Improvement and Recovery Plan, we are already putting in place changes to our governance structures and processes to enable the Council to take effective decisions in the future and avoid making the mistakes of the past. However, as Mr Fraser rightly points out, we cannot rely on structural changes alone. Robust governance is also reliant on the effective challenge and continued political curiosity of Members. The Grant Thornton report recommends improvements in the training and development of both Members and officers, to ensure that they have the knowledge and skills to discharge their roles responsibly.”

Question 4 – Anthony Fraser

“I submitted official objections to the Council’s draft statutory accounts for both 2019-20 and 2020-21. The later letter (in Sept 2021) highlighted amongst other things:

- The extreme size and disproportionality of our borrowing and its very heavy dependence on returns from commercial investments.
- The low level of MRP relative to borrowing and the absence of MRP for capital loans.
- The self-funding of loan repayments/interest due from subsidiaries via further borrowing by the Council and that this could be unlawful.
- The credit risk and interest rate risk the Council was running in the lending arrangements.
- The deviation from the statutory MRP guidance which was not prudent and the then S151 officer failing to ‘have regard to’ recent guidance on MRP.
- The potential impact on the General Fund and the Council’s ability to set a balanced budget in the future.
- The failure to publish consolidated group accounts and that the statutory accounts for several of Woking’s subsidiaries were significantly overdue.
- The inherent conflict in having councillor-directors for the subsidiaries.
- The rapidly deteriorating financial projections for the Victoria Square development.
- The plan by the Council to effectively borrow twice from the PWLB against the Red Car Park, potentially as a hidden way to inject working capital into Victoria Square Woking Ltd.

Responses to Questions from Members of Public

As well as the S151 officer and external auditor, this letter was sent to the heads of the political parties and the then CEO of the Council.

What action was taken on the back of my letter?"

Reply from Councillor Ann-Marie Barker

"The points that Mr Fraser has raised reinforces why the Council commissioned Grant Thornton to carry out the review which has culminated in the Public Interest Report."

Report Ends