

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Not for publication by virtue of the following paragraph(s) of Part 1 of Schedule 12 A (L.G.A. 1972):

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

[NOTE: DECLARATIONS OF INTEREST

In accordance with the Officer Employment Procedure Rules, Peter Bryant (Head of Democratic and Legal Services) has declared an interest in this item arising from him (i) being a member of the Cards Trust, the supporters' club for Woking Football Club and (ii) providing occasional unpaid assistance to Woking Football Club, e.g. acting as Returning Officer for the election of directors. The interest does not prevent Mr Bryant from advising the Council on this matter.

In accordance with the Officer Employment Procedure Rules, Leigh Clarke, (Finance Director) has declared an interest in this item arising from her husband having a small shareholding in the Club. The interest does not prevent Mrs Clarke from advising the Council on this matter.]

SUPPLEMENTARY REPORT

RECOMMENDATIONS OF THE EXECUTIVE – LAND MANAGEMENT – WESTFIELD AVENUE

1.0 Background

- 1.1 At its meeting on 22 November 2018, the Executive agreed a number of recommendations to Council in order that proposed developments at Kingfield Stadium and Egley Road could progress. One of those recommendations was that the Council should provide a £250m Revolving Loan Facility to GolDev (the developer) at a margin of 2% over the Council's borrowing cost.
- 1.2 At the meeting of the Executive, the Head of Democratic and Legal Services (Monitoring Officer) advised on the security arrangements that would apply to the loan, and the Finance Director (Section 151 Officer) advised on the income that the Council could expect to receive from the loan margin.
- 1.3 The Executive asked that this advice should be incorporated in a note for Council.

2.0 Security Arrangements

- 2.1 The loans advanced to GolDev will be protected by the following security documents:-
 - (i) a legal charge over GolDev's property interests in the Kingfield Stadium and Egley Road sites, and
 - (ii) a debenture over GolDev's assets.

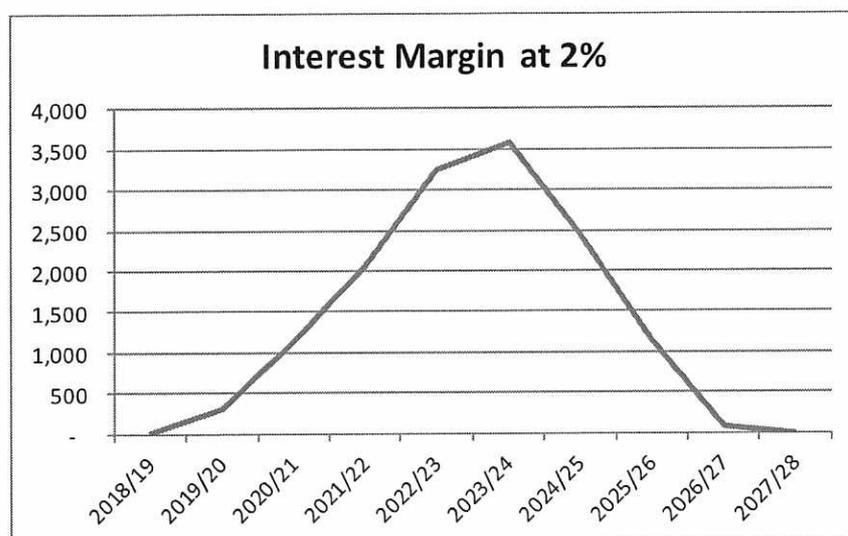
**Supplementary Report – Recommendations of the Executive – Land Management –
Westfield Avenue**

- 2.2 The Revolving Loan Facility Agreement will include a fixed date by which the loan has to be repaid. In addition, there will be an obligation on GolDev to pay to the Council 90% of the sale proceeds of each residential property when it is sold.
- 2.3 The Head of Democratic and Legal Services (Monitoring Officer) is satisfied that (i) the proposed arrangements protect the Council's interests and (ii) it is lawful, reasonable and prudent for the Council to proceed as recommended by the Executive.

3.0 Loan Margin

- 3.1 A margin of 2% when applied to the current forecast cash flows would generate between £13.5m and £14m of income for the Council over the construction period. The final amount will depend on both the final development costs, and the timings of costs and income. The quicker the developer can sell the assets post completion, the less time the loan is outstanding and the lower the interest costs and margin.
- 3.2 Provisional figures indicate that the interest margin would be payable over the period of development as set out below.

| | Margin £'000 |
|---------|-------------------------|
| 2018/19 | 19 |
| 2019/20 | 296 |
| 2020/21 | 1,137 |
| 2021/22 | 2,075 |
| 2022/23 | 3,248 |
| 2023/24 | 3,591 |
| 2024/25 | 2,449 |
| 2025/26 | 1,152 |
| 2026/27 | 76 |
| 2027/28 | - |
| | <hr/> 14,043 |



- 3.3 Between 2020/21 and 2025/26 the loan facility would provide income of over £1m a year with a peak of £3.5m being generated in 2023/24. The margin would not be a long term income stream so it would not be appropriate to rely on it to support day to day service spend. However, it could be used to supplement the budget to allow time for town centre activity levels and revenues from rentals and car parking to reach a steady state. The margin would be allocated to a reserve and used as necessary to mitigate budgetary pressures during the period of continued town centre redevelopment. This would provide a resource which could be called upon to avoid an immediate impact on the Councils' revenue budget following completion of the developments.

Background Papers: None that are public.

Reporting Persons: Peter Bryant, Head of Democratic and Legal Services (Monitoring Officer)
Email: peter.bryant@woking.gov.uk Extn: 3030
Leigh Clarke, Finance Director (Section 151 Officer)
Email: leigh.clarke@woking.gov.uk Extn:

**Supplementary Report – Recommendations of the Executive – Land Management –
Westfield Avenue**

Contact Persons: Peter Bryant, Head of Democratic and Legal Services (Monitoring Officer)
Email: peter.bryant@woking.gov.uk Extn: 3030

Leigh Clarke, Finance Director (Section 151 Officer)
Email: leigh.clarke@woking.gov.uk Extn:

Date Published: 28 November 2018

REPORT ENDS

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Not for publication by virtue of the following paragraph(s) of Part 1 of Schedule 12 A (L.G.A. 1972):

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

[NOTE: DECLARATIONS OF INTEREST

In accordance with the Officer Employment Procedure Rules, Peter Bryant (Head of Democratic and Legal Services) has declared an interest in this item arising from him (i) being a member of the Cards Trust, the supporters' club for Woking Football Club and (ii) providing occasional unpaid assistance to Woking Football Club, e.g. acting as Returning Officer for the election of directors. The interest does not prevent Mr Bryant from advising the Council on this matter.

In accordance with the Officer Employment Procedure Rules, Leigh Clarke (Finance Director) has declared an interest in this item arising from her husband having a small shareholding in the Club. The interest does not prevent Mrs Clarke from advising the Council on this matter.]

SECOND SUPPLEMENTARY REPORT

RECOMMENDATIONS OF THE EXECUTIVE – LAND MANAGEMENT – WESTFIELD AVENUE

Executive Summary

Following consultation with the Leader of the Council, it is recommended that an Oversight Panel is established to oversee the revolving loan facility that the Council will provide to GolDev (if the Executive's recommendation in that respect is agreed by Council).

The Woking Football Club Oversight Panel would be formally constituted once, and if, planning permission for the proposed development is obtained (as loan finance could not be drawn down prior to this). This means that membership of, and detailed terms of reference for, the Oversight Panel would be determined at the first business meeting of Council in the 2019/20 Municipal Year.

The recommendations before Council in respect of this item are now:-

Recommendations

- That**
- (i) the Egley Road site be acquired by 4 January 2019;**
 - (ii) the contract provides for a stadium with a capacity of 10,000 of which some 70% should be general use seats;**
 - (iii) the Council acquires Kingfield Community Stadium for £2m;**
 - (iv) the ground rents for residential units should be nominal;**

Supplementary Report
Recommendations of the Executive – Land Management – Westfield Avenue

- (v) the Council approves a £250m Revolving Loan Facility to GoDev at a Margin of 2% over the Council's borrowing cost, and
- (vi) a Woking Football Club Oversight Panel be established to oversee the Revolving Loan Facility to GoDev.

Background Papers: None.

Reporting Person: Peter Bryant, Head of Democratic and Legal Services (Monitoring Officer)
Email: peter.bryant@woking.gov.uk Extn: 3030

Contact Person: Peter Bryant, Head of Democratic and Legal Services (Monitoring Officer)
Email: peter.bryant@woking.gov.uk Extn: 3030

Date Published: 4 December 2018