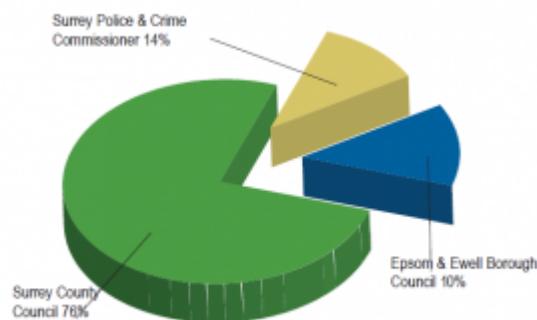




No budging on Council budget

14 February 2024



Epsom and Ewell Borough Council met for two hours Tuesday 13th February to debate the proposed budget and Council tax increase for 2024/2025. Councillors received a 288 page report containing all the facts and figures. All the recommendations were approved.

It boils down to this:

- A. Epsom and Ewell's share of Council Tax goes up the equivalent of 2.99% - the maximum the law allows. (£6.57 for a Band D property - the most populous in the Borough).
- B. Councillors' basic allowance goes up 50%, from £4031.70 to £6081.11. Chairs and Vice-chairs of committees get additional allowances ranging from 30% to 100% of the basic members' allowance.
- C. Council staff salaries will increase 6%.

Reacting to the budget, leader of the Labour Group Cllr. **Kate Chinn** (Court Ward) said: "I'm sure the residents of Epsom and Ewell will have noted the residents' association are putting up council tax, part of which will pay for the huge pay rise they voted through for themselves last night. However, the cost of the pay rise is relatively small when compared to the huge amounts spent on temporary housing for homeless people due to this council's abject failure to build social housing."

During the debate she said: "When we look at the staff for the council getting a 6% pay rise and having had raises very much less than inflation over the last five, six, seven, maybe even longer more years, I feel very uncomfortable awarding myself this large pay rise. It doesn't seem right. It doesn't sit comfortably with my values."

Cllr **John Beckett** (RA Auriol) said: "Our staff get an annual pay review. Reading through this report, councillors have not taken an increase in their allowance for the past 10 years. So whereas our staff have been getting a regular review, it may well not hit the rate of inflation, they have been getting an increase. We as councillors have not. So unfortunately, whether Councillor Chinn accepts the point, the reason for such a large increase is to catch up with the choices that this Council has made not to accept that remuneration in the past."

Cllr **Neil Dallen** (RA Town Ward) proposed the 2.99% increase in EBC's Council Tax and said in a wide ranging speech: "The current government has been less than helpful in creating stability and allowing good financial forecasting". After noting several changes of top Council officers he said: "It's not often you see so much change in a senior management team in such a short time. Everyone is going to need time and space to readjust, learn to work effectively and efficiently together to bring both stability to the council and its workforce, and to have the confidence to introduce changes and take the best advantage of opportunities that arise."

On the budget he remarked: "Government has also capped for many years the increase in council tax, which traditionally had been the way to meet increased costs. We have had to use reserves to balance the budget over the last few years, and reserves don't last forever. We still have a small budget gap and are forecasting the use of reserves to fill that gap, but we're also taking steps to increase revenue as well as making savings."

On homelessness he said: "Without adequate funding, we cannot achieve what we set out to do, and homelessness will continue to rise. A particularly worrying trend is the increase in young people who find themselves homeless. If the government is serious about reducing homelessness, they need to fund local authorities to enable them to achieve this."

For the LibDems Cllr **Alison Kelly** (Stamford) touched on a wide variety of topics: "Why has a rewrite of the rules for spending the community infrastructure levy funds money meant that we've had to cancel a 12-month period for spending any of it? Sadly, to an outside observer, the answer seems to be that we can't spend any money as we need the interest to fund the general services. This is not sustainable in avoiding the filing of notice of bankruptcy as has happened elsewhere." She added: "Many councils are in danger of bankruptcy, and recent league tables show that we are mid-table with nearly £800 of debt per person. The Resident Association plan to resolve this seems to be the anticipated £500,000 increase in revenue from car parks, aspiration at best and a fantasy at worst, as this comes even though we expect to be nearly £200,000 down on last year's budgeted income."

She used the opportunity once more to have a go at Council secrecy: "Our Council group feels there are some unfathomable instances of resorting to allegedly legally privileged information which is then weaponized to keep an entire topic secret. There is no secret about needing to review the sites available to developers as part of the local plan, and there would be almost nil cost in keeping the public abreast of how the in-house meetings on this topic are progressing."

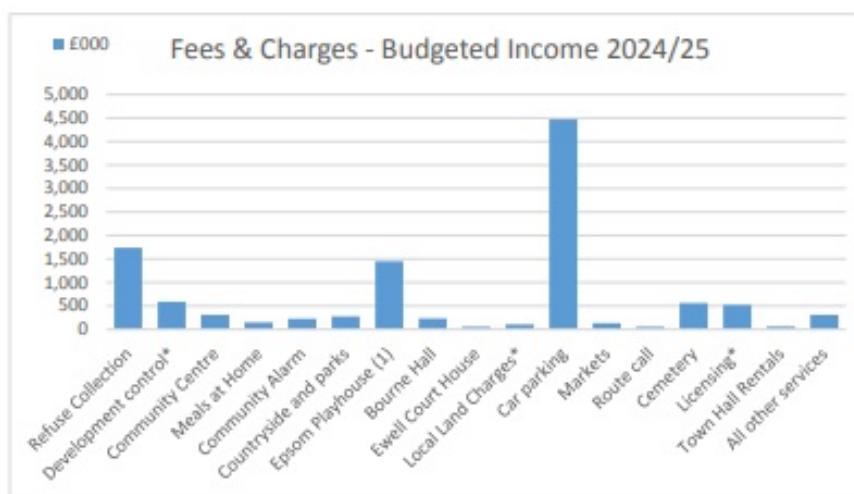
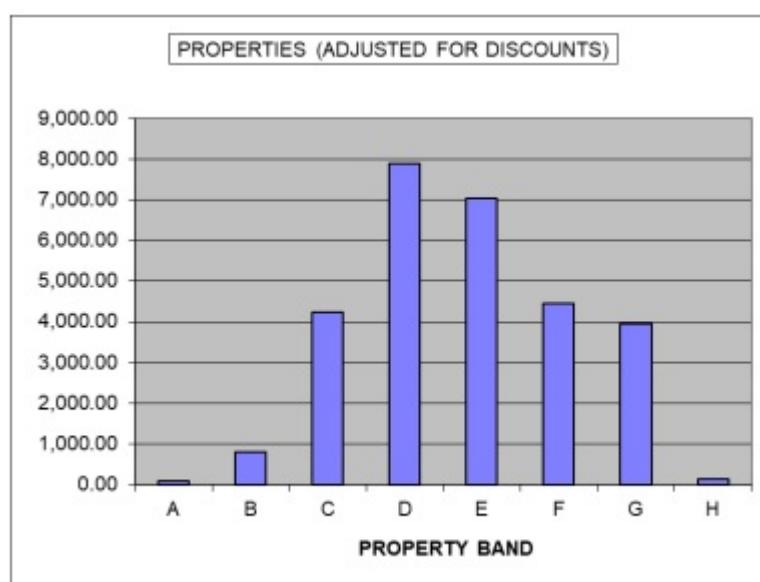
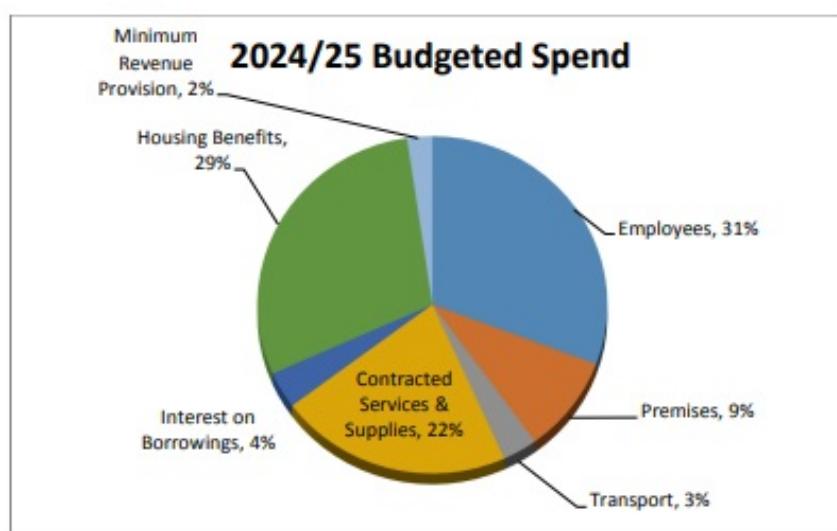
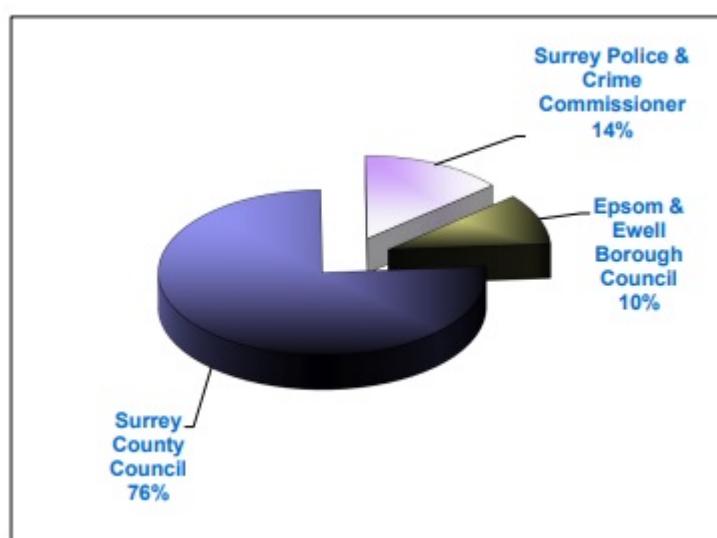
For Labour Cllr **Chris Ames** (Court Ward) said: "I understand it's regularly alleged at these times that Labour doesn't understand the need to find more money to meet the needs of residents. We absolutely do, but we don't think it should be done by transferring budget pressures to the people we are elected to serve. The cost of living crisis hasn't gone away just because the current inflation figures have fallen. Not only is the current 4 or 5% still far too high, it means that over the last year, prices rose over and above where they were after a period of double-digit inflation."

We still have large numbers of residents unable to feed their families or relying on food banks to do so. We still have residents who lie awake at night wondering how they're going to pay their bills, their rents, or mortgages."

Cllr **Kieran Persand** (Conservative Horton) said: "Financial mismanagement has serious consequences, which we have witnessed on multiple occasions in recent times. However, we should err on the side of caution. We're introducing measures which may prove to be counterproductive."

As stated in the report, the major challenge is the delivery of the £1.4 million of additional income and savings and finding a further 0.5 million reduction in council's net exponential by 2027/28. However, the council has acquired a number of commercial properties both within and outside the borough through borrowing. As of the end of 2022/23, the council's external debt totalled £64.4 million, and the interest paid to service this debt was £1.6 million last year. We're still facing economic uncertainty. Should we really be taking on amassing more borrowing debts in this current climate?"

Here are some graphics from the report that may put some matters in perspective:



The Council continues to benefit from its property investments and car parking income to maintain its finances in relative good order compared with other Boroughs in Surrey. Several of which face serious financial challenges: E.g., Woking, Guildford and Spelthorne.

For 2023/2024 Epsom and Ewell's share of Council tax was third lowest in the County.



| 2023-2024 COUNCIL TAX (average per dwelling and Band D for 2 adults) | | | | | | |
|--|-----------------------|---------------|----------------------------------|---------------------------------|------------------------|------------------------------|
| SURREY DISTRICT | £ | | | | | |
| | Surrey County Council | Surrey Police | District Council Charge (Band D) | Average Parish Precept (Band D) | Local Average (Band D) | Average Council Tax (Band D) |
| Runnymede | 1,675.08 | 310.57 | 184.02 | 0.00 | 184.92 | 2,170.57 |
| Spelthorne | 1,675.08 | 310.57 | 216.04 | 0.00 | 216.04 | 2,201.69 |
| Epsom & Ewell | 1,675.08 | 310.57 | 219.60 | 0.00 | 219.60 | 2,205.25 |
| Mole Valley | 1,675.08 | 310.57 | 199.19 | 40.44 | 239.63 | 2,225.28 |
| Guildford | 1,675.08 | 310.57 | 192.41 | 60.90 | 253.31 | 2,238.96 |
| Elmbridge | 1,675.08 | 310.57 | 243.35 | 14.15 | 257.50 | 2,243.15 |
| Surrey Heath | 1,675.08 | 310.57 | 240.65 | 21.54 | 262.19 | 2,247.84 |
| Woking | 1,675.08 | 310.57 | 263.12 | 0.00 | 263.12 | 2,248.77 |
| Tandridge | 1,675.08 | 310.57 | 237.88 | 28.95 | 266.83 | 2,252.48 |
| Waverley | 1,675.08 | 310.57 | 201.64 | 75.49 | 277.13 | 2,262.78 |
| Reigate & Banstead | 1,675.08 | 310.57 | 249.71 | 38.74 | 288.45 | 2,274.10 |

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How far will £500m go for Surrey Councils?

14 February 2024



Additional government funding for local councils will "go some way" towards easing the pain felt by local authorities struggling to balance their books - although calls remain for greater reform.

Communities Secretary Michael Gove announced that English councils would get a share of £500m for their social care grant, and a share of £100m increase in core spending power.

It comes amid a backdrop of councils facing difficult financial times, with Woking declaring itself effectively bankrupt, Runnymede being served a Best Value Notice, and Surrey County Council admitting it would need to make serious cuts and increase tax by the maximum allowable in order to have a legal budget.

Further pressure has come after a letter from MPs pushed for the extra cash ahead of this year's general election. In a written statement on Wednesday, January 24, Mr Gove said the extra money would enable councils to provide "crucial social care services for their local communities, particularly children".

Councils have also been told their funding guarantee, the minimum annual increase available to all authorities would increase by a percentage point, from 3 per cent to 4 per cent, something Mr Gove described as a "key ask" from district councils. He said: "We have listened to councils across England about the pressures they're facing and have always stood ready to help those in need. This additional £600 million support package illustrates our commitment to local government. We are in their corner, and we support the incredible and often unsung work they do day-to-day to support people across the country."

Surrey County Council leader, Councillor **Tim Oliver** (Conservative), is also the chair of the network of county councils. He said the announcement would "go some way to easing the pressures and in particular address the escalating demand and costs of delivering social care and home to school transport. Whilst this extra funding will undoubtedly help us protect valued frontline services, councils, of course, still face difficult decisions when setting their budgets for 2024/25."

He called for the reformation of local government finance and to how services were provided adding: "Councils require a long-term financial settlement to enable us to plan for, and meet, the demand from our growing elderly populations and the more complex needs of residents requiring social care. This must be coupled with a comprehensive reform programme to bring in line the funding envelope available to enable us to deliver effectively our statutory responsibilities."

The majority of the funding is ringfenced for social care - this is a service usually provided by top-tier local authorities - in this area it is provided by Surrey County Council.

The £500 million pounds announced by Government is to cover all top tier local authorities in England.

According to Surrey County Council's most recent set of accounts, it alone spent £727m on Children, Families, Lifelong Learning and Culture, and a further £680 million for adult social care.

For smaller local authorities such as Woking Borough Council, which has debts of about £2 billion, the extra funding from central government works out to be about £152,000 a year, the Local Democracy Reporting Service understands.

Additionally, the four percent announced increase is below the current rate of inflation which at the time of writing was 4.2 per cent - meaning the offer, while better than before, is still a net loss for local authorities.

Deputy Leader of Woking Borough Council, Will Forster said: "We welcome this additional financial support announced by the Government yesterday. This goes some way to filling the funding gap in local government. The majority of this funding will go towards meeting the increasing cost of delivering adult social care by county and unitary councils, whilst we expect the remaining funding to go towards district and borough councils, like ourselves, to alleviate the impact of rising inflation and increased demand on our core services."

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Image: Tim Oliver credit Surrey Live



A question of pay for Epsom and Ewell Borough Council

14 February 2024



Epsom and Ewell Borough Council's annual allowances paid to its elected Councillors has long been lower than all other 10 Surrey Boroughs. Currently standing at the basic allowance of £4031.70 this compares with the highest paid in Guildford of £8348. EEEBC is the smallest borough in the County both in size and population.

On Thursday 25th January the councillors serving on the Strategy and Resources Committee (S&R) of EEEBC voted to increase the basic allowance for all councillors by 29% to an annual sum of £5736.90 (plus 6%). The committee's recommendation goes to the Full Council.

The printed decision of the meeting refers to the approval of the recommendation known as "option B" that gives the annual figure of £5736.90. The vote taken at the meeting was "option B plus 6%".

Cllr **Robert Leach** (RA Nonsuch) said that for the average number of hours of 15 per week that Councillors devoted to Council business meant that they were the lowest paid of all Council "employees". That the allowances had increased in the last 10 years at an average of 2.1% per annum. Cllr Leach proposed "option B plus 6%".

Cllr **Alison Kelly** (LibDem Stamford) spoke in favour of option B on the basis that the Council needed to attract a diverse range of people to stand as Councillors.

Subject to other Borough's increasing allowances paid to their members for 2024/2025 the league table of allowances now looks like this:

| Council | Allowances |
|---|------------------|
| Tandridge District Council | £4,446.00 |
| Mole Valley District Council | £4,793.01 |
| Runnymede Borough Council | £5,500.00 |
| Elmbridge Borough Council | £5,512.00 |
| Waverley Borough Council | £5,609.10 |
| Surrey Heath Borough Council | £5,711.00 |
| Epsom and Ewell Borough Council option B | £5,736.90 |
| Reigate and Banstead Borough Council | £5,956.00 |
| Spelthorne Borough Council | £6,531.00 |
| Woking Borough Council | £7,380.00 |
| Guildford Borough Council | £8,348.00 |

Other increases were recommended for the chairs and vice-chairs of some of the Council's committees.

At the same meeting the 6% increase for Council workers for 2024/2025 was confirmed with the following observations being made in an officer's report to the committee:

The Government has confirmed that the national living wage will rise from £10.42 to £11.44 from April 2024. This represents an increase of 9.8% and it is acknowledged that this is significantly greater than the 6% increase which will be applied to our pay scales from April 2024.

There is currently no formal commitment within our Pay Policy to pay the Voluntary Living Wage (vLW) promoted by the Living Wage Foundation as the minimum hourly rate at which an employee should be paid. The 2024/25 vLW rate for outside of London is £12.00 per hour. This represents a 10% increase on the 2023/24 vLW rate of £10.90.

The bottom of EEEBC's lowest pay scale is £21,734 and the top of the Chief Executive scale is £151,979. This is a pay multiple of 1:7. These figures are based on pay scales and not actual salaries.

As at 30 November 2023 the mean average pay for employees other than Chief Officers was £36,177; therefore currently the ratio of mean average Chief Officer pay to mean average pay of other employees was 1:2.9.

The Chief Executive Officer and Directors remuneration was also considered and a 6 % increase recommended:



| Post | 2023/24: Bottom of salary range (£ per annum) | 2024/25: Bottom of salary range (£ per annum) | 2023/24: Top of salary range (£ per annum) | 2024/25: Top of salary range (£ per annum) |
|-----------------|---|---|--|--|
| Chief Executive | £126,072 | £131,016 | £143,376 | £151,979 |
| Director | £89,677 | £93,156 | £103,135 | £109,323 |

In addition to the basic salary the CEO and Directors may receive the following additional benefits:

*Payment into the pension scheme if the employee has opted in and pays into the required employee contribution rate. The employer's contribution is currently 17.4% of pensionable pay, with the next actuarial valuation due 31 March 2026.

*Chief Executive and Director monthly allowance of 4% of basic salary in respect of subsistence and other expenses, thereby reducing administration and providing a cap on the cost.

*Payment of up to two annual subscriptions to professional institutions where this is an essential requirement of the role. Costs of memberships vary but most are around £200.

*Allowance for the requirement to have a car for the effective performance of duties. The amount varies according to the role of the individual.

Any CEO or Director fulfilling the role of Returning Officer at elections receives additional pay depending on whether an election is contested and the number of electors involved.

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Council staff to get 6% pay increase?

County CEO's pay rise triggering strikes?

Pay rises for Epsom and Ewell Borough Council

Surrey's debts match Woking's but its position is secure?

14 February 2024



Surrey County Council expects to add a further billion pounds in "additional" debt to its balance sheets but experts have praised its financial sustainability and suggested it is better placed to cope with any potential issues.

The council currently has about £1.3 billion in capital financing requirements and has forecast this to surge to £2.4bn by 2028/29. It expects to fund much of this through borrowing.

According to its own figures the council has an estimated borrowing limit of £1.06 billion which it forecasts will grow to £2 billion by 2028/29. It will do this, it says by borrowing an additional £1.24 billion over that time frame.

The finances were presented to Surrey County Council's Audit and Governance committee on Wednesday January 17 and comes as data found Surrey councils were racking up some of the biggest debts in the UK.

Analysis from the Shared Data Unit shows Woking Borough Council topped the charts owing £1.95bn as of September 2023 - working out at about £19,000 for every resident, the highest in the country. Spelthorne was second with average debts of £10,415, per person and Runnymede fifth, on £7,270 with the Public Accounts Committee warning that these massive debts posed a risk to local services.

Addressing the meeting was council officer Nicola O'Connor. She said: "The table does demonstrate an ongoing commitment to capital expenditure by the council. Our capital program, to be approved in the coming weeks, remains ambitious and remains significant in terms of our capital investment over the next five years. That does result in an anticipated increase in our borrowing. We will manage that and review actual spend compared to forecast before we undertake borrowing."

She added: "There is an expectation that the borrowing of the council will increase in the coming years in order to support and finance that ambition in the capital program."

Surrey County Council lost £27 million from the value of its capital investments in 2023. The finance model continues the same line the council has managed in the past with no significant changes. It sees the continuation of its plan to "maximise our internal borrowing and to balance the long and the short term debt portfolio in order to manage that cost of carry".

Surrey County Council borrowed an additional £79m in 2023. This is forecast to rise by a further £156m this financial year, with further sums of £372m, £360m, £193m, £129m and £131m added in debt in each of the following years until 2029 - bringing the total additional borrowing for £1.18 billion.

If the plan is followed through the council's capital funding requirement would grow from £1.3bn to £2.4bn - bringing it almost in line with bankrupt Woking Borough Council which declared itself effectively bust last year.

It would also mean the council would be spending £59m a year to service the debt through minimum revenue protection payments. Overall the council's financial health remains bullish, considering the serious risks other local authorities were in.

Paul Dossett of accountancy firm Grant Thornton told the meeting that, although the council was not immune to financial challenges hitting local authorities across the country, it had the support in place to better navigate them. He said: "It's a very very strong position and you have the right mechanisms in place". He added: "Your strong governance is linked to the fact that your financial sustainability is in a better place than some other councils. Your strong arrangements for



aching value for money is linked to the reasons of your financial sustainability.

"I'm not downplaying the challenges you face. because you face some... but overall it's a very strong report it will be absolutely in our top quartile at least for these types of reports this year."

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Local Co-Vid volunteers rewarded with Council support

14 February 2024



Epsom and Ewell Borough Council's financial support for five key local voluntary organisations came up for review 16th January at the meeting of the Environment and Well-Being Committee.

Age Concern Epsom & Ewell:

- Focus: Providing support and services for older people in the community.
- Activities: Offering a range of services such as social activities, information, and advice to enhance the well-being of older individuals.

Citizens Advice Bureau Epsom & Ewell:

- Focus: Providing free, confidential advice and support to the local community.
- Activities: Offering assistance on a wide range of issues, including legal, financial, and personal matters, to help individuals navigate challenges they may face.

Central Surrey Voluntary Action:

- Focus: Supporting and promoting voluntary and community work in the area.
- Activities: Facilitating connections between volunteers and local organizations, offering resources and training, and fostering collaboration within the voluntary sector.

RELATE Mid Surrey:

- Focus: Providing relationship support and counseling services.
- Activities: Offering counseling for individuals, couples, and families to improve and strengthen relationships. Addressing a variety of relationship issues through professional guidance.

The Sunnybank Trust:

- Focus: Supporting individuals with learning disabilities.
- Activities: Offering a range of services and activities to enhance the quality of life for people with learning disabilities. This may include social events, skill-building programs, and support for independent living.

Introducing a report to the Councillors the Community Development Officer said: "I have to say that during the COVID crisis, we would not have been able to cope unless we had the support of our voluntary organizations who stepped up and were absolutely amazing in getting volunteers to come forward and help the Council give the service and help the residents in what was a particularly difficult time. This report, I think, reflects the fact that we appreciate that support and that we wish to continue supporting those organizations in what they do on behalf of our residents."

The support, approved by the committee, is summarised in the table below.

| | Current and Proposed Support for Voluntary Organisations 2024/25 £s | | | | | | | | | | | |
|--|---|---------|--------------------------------|---------|---------------------------------|---------|-------------------|---------|---------------------|---------|---------|---------|
| | Age Concern Epsom | | Citizens Advice Bureau Epsom & | | Central Surrey Voluntary Action | | RELATE Mid Surrey | | The Sunnybank Trust | | Total | |
| | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 |
| Direct Grant Funding | 0 | 0 | 74115 | 74115 | 7989 | 7989 | 0 | 0 | 0 | 0 | 82104 | 82104 |
| Licence / Rent - Notional Grant | 14,616 | 14,615 | 28,686 | 28,686 | 7,344 | 7,344 | 14,910 | 14,910 | 0 | 0 | 65,556 | 65,555 |
| Service Charge - Notional Grant | 15,639 | 12,764 | 30,694 | 25,052 | 7,858 | 6,414 | 4,800 | 4,800 | 0 | 0 | 58,991 | 49,030 |
| Rent paid to EBC | -2,936 | -2,936 | 0 | 0 | 0 | 0 | -1,294 | -1,294 | -3,420 | -3,470 | | |
| Grant for Volunteer Parking | 100 | 100 | 1920 | 1920 | 0 | 0 | 0 | 0 | 0 | 0 | 2020 | 2020 |
| Subsidy for Staff Parking Permits | 1,920 | 2720 | 3,840 | 4080 | 0 | 0 | 0 | 0 | 453 | 680 | 6,213 | 7480 |
| Subsidy for volunteer Parking | 0 | 0 | 7600 | 8000 | 0 | 0 | 0 | 0 | 0 | 0 | 7600 | 8000 |
| Totals do not include rent paid to EBC | 32275 | 30199 | 146855 | 141853 | 23191 | 21747 | 19710 | 19710 | 453 | 680 | 222484 | 214189 |



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Relative relief about Epsom and Ewell's debt?

14 February 2024



Epsom and Ewell Borough Council's debt is about average with all 381 United Kingdom local authorities. UK councils owe a combined **£97.8bn** to lenders, equivalent to **£1,455** per resident, as of September 2023. Epsom and Ewell's debt per person is **£795**. From highest debt per person to lowest Epsom and Ewell ranks 195 out of 381.

In the national league table of debt shame other Surrey Boroughs occupy the leading positions: Woking is first with debt of £18,756 per resident followed by Spelthorne in second place at £10,415. Guildford is 5th.

Taking into account all types of local authorities, such as police and crime commissioners and combined authorities, the debt pile rises to **£122bn**.

The 11 boroughs of Surrey are ranked in the table below. Highest debt per resident to lowest.

| Standing in Surrey | Borough | Population | Total amassed debt 2023-24 Q2 (£) | Debt per person 2023-24 Q2 (£) | National standing out of 381 |
|--------------------|------------------------|---------------|-----------------------------------|--------------------------------|------------------------------|
| 1 | Woking | 103,889 | 1,948,583,000 | 18,756 | 1 |
| 2 | Spelthorne | 102,995 | 1,072,698,000 | 10,415 | 2 |
| 3 | Runnymede | 87,739 | 637,900,000 | 7,270 | 5 |
| 4 | Guildford | 143,929 | 178,826,000 | 1,242 | 132 |
| 5 | Mole Valley | 87,608 | 102,850,000 | 1,174 | 147 |
| 6 | Waverley | 128,878 | 149,771,000 | 1,162 | 151 |
| 7 | Tandridge | 88,143 | 99,415,000 | 1,128 | 156 |
| 8 | Surrey Heath | 90,645 | 98,695,000 | 1,089 | 162 |
| 9 | Epsom and Ewell | 80,998 | 64,427,000 | 795 | 195 |
| 10 | Elmbridge | 139,369 | 50,358,000 | 361 | 276 |
| 11 | Reigate and Banstead | 151,423 | 0 | 0 | 37 others |

Dame **Meg Hillier**, the chair of the House of Commons Public Accounts Committee, said some examples of debt were "staggering".

But council leaders say years of under-funding mean they have been forced to take out loans and invest in commercial properties just to keep services running.

In recent years, various commentators have warned that the debts held by councils - which must balance their budgets every year - are unsustainable. In 2020, chair of the Public Accounts Committee Dame Meg Hillier said the Government was "blind to the extreme risks" of council borrowing levels.

Since then, six more councils have had to issue section 114 notices declaring themselves effectively bankrupt: Croydon, Slough, Thurrock, Birmingham, Woking and Nottingham.

In the case of Croydon, Slough, Thurrock, Woking and Nottingham - those effective bankruptcies could be directly linked to failed investments and spiralling debts. Thurrock's £469m funding black hole, for example, was caused by a series of failed investments in solar farms.

Dame Hillier added: "Small district councils have very little room for manoeuvre when finances are squeezed, relying on charges (such as parking fees) for a lot of their income. Unitary authorities are facing the demographic pressures on social services, social care and special educational needs."

"But beyond these day to day pressures, the PAC warned in 2020 that some councils had not only pursued strategies of commercial investment exposing them to high levels of risk, but normalised behaviour and optimistically believed that there was little downside to commercial activity. Add to this the delay in public sector audits and many councillors and taxpayers were blind to the risk."

Cllr **Julie Morris**, (College Ward) Leader of the Liberal Democrat Group on Epsom and Ewell Borough Council said "There is no evidence that central government is likely to assist with the broader financial issues affecting local authorities, so we need to budget carefully and 2025/26 is likely to be crunch time. We need a complete review of both mandatory services and those which are discretionary. And central government needs to wake up to what is facing government at local level."

Cllr **Neil Dallen**, (RA Town) Chair of Strategy & Resources Committee said: "As a council, Epsom & Ewell's investments are performing as planned. The debts are considered sustainable, with sums set aside each year to ensure they can be repaid at maturity. Through taking a proactive approach to our finances, we have a strong track record of meeting the considerable financial challenges the past decade has brought for local government through reduced central government funding, and we are looking ahead to 2024/25 and beyond to ensure that we remain a financially sustainable council."

The other parties have also been invited to comment.

Underinvestment hits most vulnerable

14 February 2024



The "most vulnerable" people in Woking will be made to find new homes after their extra care facility failed vital fire safety checks and was "all but condemned". Brockhill Extra Care Housing, in Clifton Way, has space for 48 apartments over two floors with a waiting list to get in.

In February this year **Surrey Fire and Rescue** conducted a review of the home prompting Woking Borough Council to introduce a Waking Watch - where trained people continually patrol a building and its perimeter to detect fires and raise alarms.

The facility changed its emergency procedures from Stay Put to Evacuate. The council also upgraded its fire detection systems. Many still can't evacuate the building fast enough, leaving the bankrupt council with the decision of spending £5.8 million on a complete refit, or closing the fire trap.

A meeting of its executive committee, on Thursday, December 14, concluded the home open was no longer viable, regardless of the council's finances, and residents, families and other stakeholders would be consulted over the closure of the Brockhill Extra Care Housing scheme. According to papers presented to councillors, the building appears to have had limited investment with only minor works carried - meaning it now requires "major capital works over the next two years and beyond".

Its' boiler failed a year ago causing "considerable inconvenience and discomfort to residents and staff" and is beyond repair.

Residents currently rely on a temporary heating but the entire system is "aged and in poor condition and requires upgrading and renewing. Since then, no new people have been allowed to move to the home, occupancy has dropped to 68 per cent and, where possible, the council has tried to moved residents to the ground floor to aid evacuation.

The anticipated total capital expenditure required on Brockhill over the next 10 years is forecast to be about £5.8 million, according to the report.

Deputy leader of the council, Cllr Will Forster, said: "The fire risk assessment has all but condemned that building. Particularly with the clients that we have in there. They are just so vulnerable, they have to leave the building so quickly in the event of a fire, because of the type of building it is. And that's just not humanly possible for them."

Any decision around Brockhill will have implications and put additional cost pressures on adult social care budgets with the council admitting that this will be difficult and upsetting for people living and working Brockhill, as well as the families of residents living there.

Leader of the Council, Cllr Ann-Marie Barker said: "It's obviously heartbreaking for me to see this.

"I know what a well loved and valued facility it is." She added: "But we have had a significant fire risk arising from a fire brigade assessment. We've known some of this work was needed we've been working in the last year we've done work on fire doors fire alarms, having a waking watching place to protect residents but the fire services have now determined that its just not safe for the most vulnerable and it's so urgent that those most vulnerable people do need to move as soon as possible."

Cllr Ellen Nicholson (LD, Mount Hermon) said: "The residents there are some of the most vulnerable in Woking and I find it incredibly sad that the chronic underprovision and the legacy of mismanagement has led to these fire risks and these safety risks for these incredibly vulnerable people."

Image Brockhill care home - Google

Surrey Borough running up big debts

14 February 2024



Runnymede Borough Council has been served formal notice over its "significant debt" and an over reliance on commercial income to support its services. The Department for Levelling up, Housing and Communities (DLUHC) has written to the council after the borough borrowed 71 times its core spending power to fund an "investment strategy that produces a less than 1 per cent return".

DLUHC's Best Value Notice was issued after the Chartered Institute for Public Finance and Accountancy raised concerns in July. The council can still receive, and be awarded, government funding while under the 12 month notice.

Writing to the Runnymede Borough Council (RBC) was Suzanne Clarke, DLUHC's deputy director of finance. She said: "Ministers remain concerned as to Runnymede Borough Council's capacity to comply with its Best Value Duty under the Local Government Act 1999."

Mrs Clarke added: "The authority has significant debt relative to its size, as of March 31, 2023, it had borrowing 71 times their core spending power, which has been used predominantly to invest in the authority's property portfolio. This level of debt poses the authority with capacity challenges, particularly in asset management, commercial and regeneration activity."

"Commercial income represents a substantial revenue source for RBC and is used to support both core and discretionary services, which exposes the authority to significant financial risks should anticipated income fail."

She said the borough has engaged constructively and openly with the accountants and indicated it was taking steps to address the concerns raised in the review.

Responding to the notice, Councillor Tom Gracey, Leader of Runnymede Borough Council said: "It is right that effective scrutiny must be in place around investment and spending decisions to ensure value for money. I am proud of the track record we have delivered in Runnymede in not only providing investment in our social housing, regeneration across communities, and funding services valued by our residents, but also in our sound risk and financial management."

Andrew Pritchard, chief executive of Runnymede Borough Council said the notice reflected the next step in their ongoing and positive dialogue with DLUHC and that most borrowing had been locked in while interest rates were at an historic low. He added: "This borrowing enabled us to fund a mix of commercial investment, improvements to our social housing stock, and complete the regeneration of Addlestone and Egham - all of which now benefits residents."

Councillor Don Whyte, group leader of the Liberal Democrats told the Local Democracy Reporting Service that the council had been waiting a considerable time for DLUHC's decision. He said: "The decision removes a degree of uncertainty and provides some clarity of what it needs to do. The areas that Runnymede are specifically charged with improving are justified, most notably decision making and scrutiny processes, and capacity and capability."

"An example of this is that the Conservative administration have always ensured that the chair of the Overview and Scrutiny Committee is a Conservative, marking



their own homework, and not one of the opposition which is deemed best practice in local government."

He added that the Government needed to "take a significant amount of responsibility for the position" local authorities are in "given that loans amounting to billions of pounds were provided by the Public Works Loans Board with minimal due diligence".

Cllr Robert King, Labour group leader, said: "Runnymede can not go on throwing good money after bad at underperforming investments".

He added that questions had been raised about "the investment strategy which produces a less than 1 per cent return" with only "partial plans" for "paying back the debts principle, not just the interest. Something which should have been reviewed long ago, and not just now or with a future peer review from the Local Government Association".

Image: Cllr Thomas Gracey (image Runnymede Borough Council) and Runnymede Borough Council (Grahame Larter)

Tory leader pleads with Tory Government

14 February 2024



Taxpayers in Surrey are likely to be hit with a 5 per cent rate rise because the one-year Government funding package won't cover the county council's £13.5 million budget gap, its leader said.

Surrey County Council will need to make tough decisions on services as it tries to protect money for children, adults and roads, because they "matter most to residents".

In November the county council passed its draft budget which showed the huge gap between income and the cost of providing services. Leader of the Council, Councillor **Tim Oliver** had hoped to convince government officials of the need to increase funding to local authorities that suffered a decade of austerity. The Government's decision means the county council must now "see how it gets to a point where its budget is balanced".

Cllr Oliver, speaking at the Tuesday, December 19 executive committee, said: "It had been my hope and expectation that money would have come from the Government in the form of new money. That would have enabled us to have delivered the services that we want to deliver. The improved service."

He said the Government's offer of a 6.5 per cent increase would normally have been "very welcome" but that it had been an "unusual year". He told the meeting "I'm afraid for the foreseeable future things are going to be considerably more difficult than they have been."

Much of that was due to the double-digit inflation figures, huge increases in demand for services, and wage growth which have seen council costs surge. He said: "We are now faced with the situation where we have the £13.5m gap and I'm afraid the consequence of that is we will no longer be able to restrict council tax increase by 3.99 per cent which was the proposal in our budget last month.

"We will now have to raise council tax by the maximum we are allowed to do which is 5 per cent, 3 per cent on the base and 2 per cent for social care precept. There needs to be recognition from this Government, and indeed any future Government, that the services we provide are the services that are the most in demand."

Council tax in Surrey is made up of three parts, the largest goes to the county council, with an additional amount paying for policing. About 12 per cent of the overall bill goes to the borough or district councils. If the county council were to raise its share by 4.99 per cent it, a Band D property would jump from £1,675.08 to £1,758.67.

That would mean residents in Woking, who are facing a potential 10 per cent increase in their local share would have to pay about £2,338.65 - before any increase from the Police and Crime Commissioner.

Cllr Oliver said there simply needed to be more money going into the system, adding: "We are talking about services for the most vulnerable in our communities. I would implore this government to recognise the issues we have raised. I would implore them to sit down with us and re-evaluate exactly what our needs are. These are issues that are outside of our control and we can not go on with this hand to mouth approach." Further investment, he said, simply won't be possible.

Related reports:

[Surrey County chief talks to the BBC](#)

[County CEO's pay rise triggering strikes?](#)

Top salary for bottom borough

14 February 2024



Woking Borough Council's new managing director will be tasked with navigating its "grave" and "extremely vulnerable position" - and be paid more than any other council CEO's salary while they do so.

The latest government report into the state of the council's debt recovery was published this week when it was also confirmed who would succeed Julie Fisher as Chief Executive.

Epsom and Ewell Times receives frequent reports on the appalling financial plight of Woking Borough Council. Its debt is £2.6 billion. We seek to select those that may be of greatest interest.



Mrs Fisher announced in November her decision to quit, less than two years after stepping into the top job in April 2021. Her replacement has been announced as Richard Carr who will take on the role as Managing Director Commissioner on an interim basis.

According to the letter sent to Woking Borough Council, Mr Carr will be "entitled to a fee" of £1,100 for each day he is there, up to 260 days, as well as expenses. This is more than any other council CEO's salary, not including pension contributions. Other CEOs once pension packets are included - would receive a higher total package.

This works out as £286,000 if he stayed for the period, and it "is the council's responsibility to meet these costs", the report reads. Anything above this needs prior approval of the Secretary of State.

Surrey County Council's CEO Joanna Killian receives a salary of £234,600 and oversees a larger budget. Comparable Surrey borough councils Runnymede, Spelthorne and Elmbridge pocket £138,000, £142,000, and £145,220 respectively. [The UK Prime Minister's salary is £164,951.]

In a letter to outgoing CEO Julie Fisher, the commissioners said: "Your authority has worked collaboratively and cooperatively with the commissioners. That being said, the situation remains grave.

"The first report, published on October 19, made it clear that the scale of the challenge at your Authority 'should not be underestimated'.

"In their second report the commissioners continue to paint a stark picture of the challenges, noting that the authority remains in an extremely vulnerable position due to its overhanging debt and historical lack of rigour in its commercial activity. In the short-term, tough decisions need to be made, requiring clear leadership across the authority, and a steady hand at the wheel. In the longer term, innovative solutions need to be developed to tackle Woking's financial position and organisational model.

"With this in mind, coupled with your resignation as chief executive, the Secretary of State deems that any corporate leadership gap in Woking poses too great a risk to the integrity of the authority. The Secretary of State has therefore made the decision to increase the capacity of the commissioner team to enable focus on the long-term challenges the authority faces and has appointed a managing director commissioner to join."

Once his appointment begins, Mr Carr will be responsible for day-to-day operations of the council, provide strategic direction, and implement "efficiencies".

The letter continued: "It remains clear that, although progress has been made, the most difficult phases of the authority's recovery are still yet to begin, and there is still much work to be done to ensure Woking Borough Council can again meet its best value duty independently."

Clr Ann-Marie Barker, leader of Woking Borough Council, said: "I'm pleased that the Commissioners have recognised the council's hard work and the progress we have made in their second report, while setting out clearly the very significant challenges the council continues to face." She added: "I'm delighted that Julie Fisher has kindly agreed to stay on as chief executive until April to ensure that the council has the senior leadership it needs over that period and to enable an effective handover to Richard."