

Could Woking's debt be shared by you after reorganisation?

8 March 2025



Chris Caulfield of the BBC's Local Democracy Service brings us the latest twist in the awful Woking Borough Council debt crisis. Its £2.1 billion debt accumulated under a Conservative administration from unwise property dealings. The Labour Government is driving forward a reorganisation of Surrey's local government and there is anxiety that Woking's debt will be spread to a wider Council tax payer base as a result. Could Epsom and Ewell householders end up paying for the mistakes of Councillors they did not elect?

Even if bankrupt Woking Borough Council sold everything it owned, it would still be more than **£1.5 billion in debt**. The huge figure was published as part of the ongoing reports Government commissioners must produce on the broken borough as it goes through the painful process of rebalancing its books.

The report stated that while the council, which declared itself bust in 2023 following a disastrous regeneration program that saddled residents with huge tax rises and massive service cuts, was taking steps to sell off its assets, the level of debt was still such that it needed significant government support. Published on March 6, the report revealed that the council had a core spending power of £16.9 million a year – but servicing its £2.1 billion debt was costing £1.3 million a week in interest alone.

“Even if everything else could be disposed of, the level of overhanging debt would still be significant, over £1.5 billion, as the level of debt far exceeds the value of assets,” the report stated. It added that some assets, such as the council's social housing valued at £400 million, had to be retained. However, if the council did nothing, the annual interest costs and loan servicing would average £70 million and £73 million a year respectively, “which would add significantly to the level of debt.”

The council was granted Exceptional Financial Support for the next two years, allowing it to cover interest and other revenue costs. However, the commissioners warned: “With no ability to repay the exceptional financial support through asset sales, let alone all the legacy debt, the position is not sustainable. Work is underway to determine the best exit strategy from the commercial legacy, which we are engaging with government on, and it is recognised that a long-term financial solution will not be in place for the 2025/26 budget process. However, the current position is not viable, and commissioners are keen to continue engaging with government on the route forward.”

Responding on behalf of the Ministry of Housing, Communities and Local Government, Baroness Taylor of Stevenage acknowledged the bleak situation but stated that the department was reassured Woking Borough Council was committed to radically overhauling its operations. Serious concerns remained over the task ahead and the potential impact on the impending reorganisation of local government – the dissolution of Surrey's boroughs, districts, and county council, to be replaced with either two or three larger unitary bodies with an elected mayor.

Baroness Taylor wrote: “I share your concerns about the capacity of the council to deliver this programme of change and encourage you to work with the council and the ministry to consider how we can best enable the council to improve, for the benefit of residents. We have been clear with councils in Surrey that commissioners have a vital role, not only in supporting Woking to continue to improve but also in responding to the invitation to all principal authorities in Surrey to provide proposals for local government reorganisation, to ensure that proposals are robust.”

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Council Finances Under Strain as National Insurance Rises and Reorganisation Looms

8 March 2025



A new report from the Local Government Information Unit (LGIU) has raised serious concerns about the financial sustainability of councils across England, including those in Surrey. The 2025 *State of Local Government Finance* report reveals that fewer than one in ten senior council officials are confident in the future stability of local government finances. With spiralling service demands and National Insurance Contribution (NIC) rises adding further pressure, councils are facing a perilous financial future.

The government's plans for local government reorganisation are also causing alarm, with fewer than one in four council officials believing it will improve council finances. Only one in ten feel they have been properly involved in the process, while just one in five think the proposed timescales are realistic. The lack of clarity around reorganisation has left many councils uncertain about their financial future.

The LGIU report warns that 6% of councils could be effectively bankrupt by the end of this financial year unless urgent reforms are made. Without significant changes, that figure could rise to 35% of councils by 2030, meaning over 100 local authorities may be forced to issue Section 114 notices – the legal declaration of financial failure.

Surrey Councils at Risk

Surrey's councils are already feeling the strain. Epsom and Ewell Borough Council recently admitted that it faces severe financial challenges, while neighbouring authorities such as Surrey County Council and Guildford Borough Council have been forced to make significant budget cuts. Just last year, Woking Borough Council issued a Section 114 notice, effectively declaring bankruptcy due to unsustainable borrowing and financial mismanagement.

There are concerns over how the government's reorganisation plans might impact Epsom and Ewell. If plans for widespread restructuring go ahead, smaller councils like Epsom and Ewell could face further financial uncertainty and potential absorption into larger authorities, reducing local accountability.

Tax Rises, Cuts, and Borrowing

To plug the financial gap, councils across the country – including those in Surrey – are turning to drastic measures. The LGIU survey found that:

- 94% of councils plan to increase council tax
- 88% will raise fees and charges for services
- 22% intend to borrow more money
- 63% will reduce spending on services
- 56% will use their financial reserves to balance the books

For many councils, this will be the second year in a row of raiding their reserves – a short-term fix that is not sustainable.

In Surrey, these pressures have already led to service cutbacks. Epsom and Ewell Borough Council has warned that further reductions in public services may be necessary, while Surrey County Council is grappling with a funding gap running into tens of millions of pounds. The rising demand for temporary accommodation, adult social care, and children's services continues to place unbearable strain on local budgets.

Calls for Urgent Reform

The LGIU report highlights near-total consensus among council leaders on the need for major financial reforms. A massive 92% of respondents support the introduction of multi-year financial settlements, which would allow councils to plan their budgets with greater certainty. Additionally, 77% of officials back council tax reform, while around 75% want more fiscal powers, such as the ability to introduce tourism taxes or local sales taxes, as seen in other countries.

Jonathan Carr-West, Chief Executive of LGIU, said:

“At the end of last year, the government made clear that devolution, reform of the local government finance system, and public sector reform should go hand in hand. Our survey shows in stark detail that they are not currently aligned in any meaningful way.

While there is some optimism about multi-year settlements, councils are deeply concerned about the impact of reorganisation and NIC increases on already overstretched budgets. Councils do not believe they have been given sufficient clarity, involvement, or time to prepare for these changes.”

The LGIU has called for the government to introduce a standing commission to oversee local government reorganisation and for councils to be given greater financial powers. Without urgent reform, councils across England – including in Surrey – face an increasingly bleak financial future.

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Another Surrey Borough under financial strain

8 March 2025



“Hard” times are coming to Surrey Heath Borough Council residents as millions of pounds are being cut from services, with many reduced to minimum standards, as its bleak financial situation became clear. The borough is saddled with high debt repayments to cover the cost of loans it borrowed to finance and purchase Camberley Square and the House of Fraser. The costs of servicing the debt are said to be almost as much as the council brings in through tax.

Plans to sell the town hall for housing and move into the House of Fraser building have also been put on ice due to the imminent restructuring of local government and the likely abolition of borough and district councils. It leaves the council having to rely on rapidly depleting reserves while it guts services to residents – or face going bust.

At the February 19 full meeting of Surrey Heath Borough Council, members agreed to make cuts of £2.143 million in ‘transformation savings’ while drawing down £21.67 million from earmarked reserves. This comes after years of uncertainty over the council's finances – which have finally been audited for the first time since 2019.

The budget papers read: “The council now has a greater understanding of its level of reserves, the figures contained within its base budget and the overall size of the deficit. This is not a palatable situation and requires some significant transformational savings, efficiencies and additional income generation just to remain solvent over the period covered by this Medium-Term Financial Strategy (the next four years). Over the previous budgets, the council has applied some of its reserve balances to support regeneration and continued delivery of services to the local residents and businesses; however...this is not sustainable in perpetuity. Previous years have seen an annual base budget review exercise which generated £2.1 million overall savings to the council. These have not been sufficient to bridge the budget gap and have only succeeded in ‘buying more time’ on reserve usage; the council is now embarking on a council-wide transformation programme.”

This includes a full review of all discretionary services and a restructuring of what it provides to residents. The report read: “The desired outcome of reducing the cost of delivery through reduction in the non-statutory element level of service, ensuring compliance with only the minimum statutory requirement and ensuring appropriate cost recovery in the discretionary chargeable services offered.” There will also be a full review of the staffing structure as this makes up the majority of controllable costs of services.

The council has also said it would look to sell off assets and has identified some that could be disposed of. However, its two largest assets, and the ones that are

primarily the root cause of much of the council's financial problems, are now worth significantly less than what Surrey Heath paid. Selling these would result in huge losses.

Councillor Shaun Macdonald, leader of Surrey Heath Borough Council, said: "As expected, the view is not pretty. We are now clear that the numbers we inherited were fundamentally misstated, with the reserves being confirmed as £16m lower. That's about a third of a haircut versus the total. Therefore, our ability to provide the same services to residents that they've been used to is nonexistent."

He told the meeting: "Putting the properties to one side, our core income is about £13m and our core cost of services is roughly £15.8m. It does not take an accountant to understand that's a difference of £2.8m a year - and that is before net indirect costs of roughly £5.3m, which is predominantly made of interest and debt repayments - less property income - to pay for the reckless purchases made in 2016 and which will remain a significant number for future generations. So what are our choices to address this longer term? Well, there are only two options: reduce costs and increase income further.

"Our ability to increase income is extremely limited, therefore the budget increases council tax by the permitted maximum of 2.99 per cent." He said the maximum contribution must come through cost-cutting, through efficiencies, and through transformational change.

He added: "This is easier said than done. Not least with the cost of change to factor in. We simply have to stop doing things that we do today if it can't pay its way or it's not a statutory service, and that is hard. It's hard for us collectively in this chamber, it's hard for the officers who work very hard to provide our services, to provide our residents with the best services they can. It's hard for our residents who are used to having what they've had as a service or the support that they've been given through grants."

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What Epsom could do with Woking's £75 million bail out?

8 March 2025



Critical front-line services will be spared after a huge government 'bail out' was agreed, bankrupt Woking Borough Council has said. Officially referred to as Exceptional Financial Support for local authorities, Woking Borough Council has been given £74.9 million for the 2025/26 financial year on top of the £96.5million agreed for 24/25.

Woking declared itself effectively bust in 2023 with debts of about £2 billion. It forced the council to cut new spending, axe non-statuary services and increase tax by 10 per cent.

It used the money to build up what it hoped would be a significant investment portfolio but instead saddled itself with huge debt repayments costing tens of millions of pounds every year that it simply can not afford.

It has left the council relying on the Government to cover the cost of its heavy borrowing, known as minimum debt repayment. And this week came the news that it would receive all the money it has asked for - including a further £ 2.8million to cover the cost of providing services this year.

Had the Government refused completely the council would have ground to a halt. Councils also have to, by law, balance their books each year, and the £2.8m above and beyond debt repayment was agreed as it was viewed that Woking Borough Council has been doing what it can to reduce its spending.

This has included mass layoffs, the sale of assets, and finding partners to take over the running of others. Had any further cuts been made in such a short period of time, the results would have been 'catastrophic' to both the council and residents it had been said.

The government cash comes as part of 30 councils overall that have been given support to manage financial pressures - such is the widespread problem of local government finance.

Cllr Ann-Marie Barker, Leader of Woking Borough Council, said: "I welcome the Government's decision to provide exceptional financial support. Critically, this will ensure that the council can meet its financial obligations relating to its £2.1 billion legacy debt without impacting front-line services and will allow us to set a balanced budget at a meeting of Council on Monday 3 March.

"We continue to urgently address the council's legacy debt through work being undertaken as part of our Improvement and Recovery Plan on asset rationalisation, debt reduction and improved commercial governance.

"We remain committed to working alongside Commissions and Government to find a lasting resolution to our complex and challenging financial situation."

In January 2023, an external assurance review covering Woking Borough Council's governance, finance and commercial issues was carried out. It provided an external assessment of Woking Borough Council's governance arrangements, financial situation, commercial investments and its capacity and capability to manage these.

The Secretary of State was not satisfied that the pace or scale of the council's response was proportionate to the issues it faced and decided immediate urgent government action was required, - and On May 25, 2023, he decided to intervene and appointed the review team as commissioners.

By June that year the council declared itself bankrupt and by October, the Commissioners spoke of the gravity of the situation in Woking and the scale of the challenge the council faced.

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Epsom & Ewell Borough Council: Financial Crisis or Manageable Deficit?

8 March 2025



Epsom & Ewell Borough Council is under increasing scrutiny following the resignation of Councillor **Alex Coley** (Independent Ruxley Ward) from the ruling Residents' Association (RA) group. His resignation letter cites a failure to address the "unhappy truths" about the borough's finances and warns that 2026 could be the year the Council "runs out of money". But is this a political exaggeration, or do the financial documents substantiate these concerns? A recent 78-page financial report prepared for councillors at the end of January 2025 sheds light on the borough's economic standing.

Cllr Coley, who has served in various leadership capacities—including Vice Chair of Audit & Scrutiny and Chair of Community & Wellbeing—states that despite his efforts to get clarity on the financial trajectory of the Council, he has been left without clear answers. His conclusion? The Council is heading for a financial crunch by 2026 with no viable plan in place to prevent it.

The specific concerns he raises include:

- Budget uncertainty for 2025/26 and beyond.
- Financial instability of Council-owned properties, which could have wider implications for the borough's assets and revenue streams.
- A lack of a clear strategy to prevent the Council from exhausting its financial reserves.

The Financial Report: Does It Confirm the Warnings?

The Financial Strategy Advisory Group's report (31 January 2025) is a key document shaping the Council's budget. Several aspects of this report support Cllr Coley's concerns:

1. A Deficit on the Horizon?

The Council's 2025/26 budget is delicately balanced, but its long-term financial plan suggests a deficit by 2026/27, growing further in 2027/28:

Year	Net Expenditure (£m)	Expected Income (£m)	Funding Shortfall (£m)
2025/26	10.27	10.27	0
2026/27	11.48	10.40	1.08
2027/28	12.24	10.72	1.52
2028/29	12.85	11.06	1.79

The projections indicate a potential funding crisis by 2026/27 unless new revenue streams or savings are identified.

2. Property and Investment Risks

- The Council relies significantly on income from its commercial property portfolio, including investments through Epsom & Ewell Property Investment Company Ltd (EEPIC).
- Rental income from commercial properties contributes £1.35m annually to the Council's budget, but there are concerns over sustainability if market conditions shift.
- In addition, £448,000 of this income is required to fund day-to-day services, raising questions about financial resilience.

3. Shrinking Government Support

- The New Homes Bonus (NHB), which has provided additional income, is set to shrink dramatically from £498,000 in 2024/25 to just £6,000 in 2025/26.
- The Government's Core Spending Power allocation to Epsom & Ewell Borough Council is effectively stagnant at £10.2m, meaning the Council is not receiving inflation-adjusted increases.
- The Fair Funding Review scheduled for 2026/27 could further reduce financial support for district councils like Epsom & Ewell.

4. Business Rates Volatility

- The Council is highly dependent on business rates, yet its share of retained rates is forecast to fluctuate. In 2025/26, it expects to retain £1.8m, but past years have shown this figure is not guaranteed.
- There is a £282,000 deficit in the business rates collection fund, a concern for future budgets.

Council Tax Increases as a Stopgap?

To address some financial pressures, the Council is proposing a 2.98% increase in Council Tax for 2025/26, which would:

- Raise an extra £228,467.
- Increase the average Band D household bill from £226.17 to £232.92 per year.
- Be just below the government's 3% cap before requiring a referendum.

However, even this increase will not be enough to fully close the funding gap beyond 2025/26.

What This Means for Residents

If Cllr Coley's concerns hold true, services could be at risk in 2026 and beyond. Potential consequences include:

- Cuts to local amenities, including cultural venues and community support.
- Higher fees for Council services, as seen in the proposal to increase charges by 6% in 2025/26.

- Reliance on reserves, which could lead to financial instability in the future.

Local Government Reorganisation: A Game-Changer?

Surrey County Council has been advocating for the creation of a unitary authority, which would absorb district and borough councils like EEBC. This move could:

- Reduce Bureaucratic Costs – Eliminating multiple layers of government could generate savings.
- Redistribute Resources – EEBC’s financial issues might be alleviated if its budget were merged with Surrey’s broader funding pool.
- Dilute Local Control – While cost efficiencies could be achieved, decision-making might shift away from community-focused governance.

If reorganisation proceeds, EEBC’s financial crisis may become a moot point as budget planning is absorbed into the county-wide strategy. However, if the process is delayed or abandoned, the borough must act independently to avoid financial distress.

Conclusion: A Crisis in the Making?

While the Council insists its 2025/26 budget is balanced, the financial report confirms a growing structural deficit, aligning with Cllr Coley’s warnings. The reliance on property income, shrinking government support, and an increasing budget gap suggest that by 2026, tough financial choices will be inevitable.

Cllr Coley’s warnings are not entirely unfounded, but the financial data suggests that EEBC is not yet on the brink of insolvency. The real risk lies in the structural deficit and growing debt burden, which must be addressed through a combination of revenue generation, cost-cutting, and strategic planning.

The key question remains: What is the Council’s plan beyond short-term fixes? Without a comprehensive long-term strategy, the borough may indeed be heading towards the financial cliff that Cllr Coley has predicted.

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Epsom & Ewell Full Council Meeting: Budget Approved Amid Debate

Ex-Council Officers under investigation for Woking’s £2 billion debt

8 March 2025



Two former officers at Woking Borough Council are being investigated over their roles in Woking Borough Council’s bankruptcy. The Financial Reporting Council (FRC) has confirmed that it is looking into the “professional standards” of two “individual accountants” in respect of Woking Borough Council’s operations and investment activities for the financial years ended 31 March 2017 to 31 March 2023.

While the FRC has not identified the two people involved, former CEO Ray Morgan has confirmed to the Local Democracy Reporting Service he is being investigated. The Guardian has named the other as Leigh Clarke, who was the council’s chief financial officer until 2023. Shortly after her departure the council’s interim section 151 officer declared Woking bankrupt with debts of more than £2 billion.

Since then the council has had to cut huge numbers of jobs, increased its share of tax by 10 per cent and slashed funding to services and facilities. It is the second time the FRC has investigated council officers. In January 2024 it began an investigation into a former member at Thurrock Council after that authority admitted to a £469m budget black hole.

If that is any indication of timescales, it could easily be more than a year before a decision is reached in Woking. FRC sanctioning powers range from issuing unlimited fines down to a slap on the wrist. It can also strip people of their membership of professional bodies.

Both Ray Morgan and Leigh Clarke were named in the Grant Thornton report published on Tuesday, November 5 that examined the scale of Woking’s borrowing. The report found a “long and atypical history of borrowing from the Public Works Loan Board” ran between 1999 and 2020.

Borrowing accelerated rapidly between 2016 and 2019 – primarily to fund regeneration projects such as Victoria Place and Sheerwater but also to cover running costs at its companies as well as loans to a private school. The Grant Thornton report read: “There was a strong message, over a period of many years, from the former CEO, Ray Morgan, that if debt could be serviced it was possible to borrow as much as the council wished, for whatever purposes it chose.”

Will Forster said: “As Woking’s MP, I’ve called for those who effectively bankrupted our local council to be held to account. Pleased to see that the Financial Reporting Council, the UK’s accounting watchdog, is investigating Ray Morgan and Leigh Clarke, two former senior council figures.”

Responding to the news, Cllr Ann-Marie Barker, Leader of Woking Borough Council, said: “Since the council fully accepted the recommendations of the independent Grant Thornton public interest report, Government-appointed commissioners overseeing Woking Borough Council’s financial recovery have been liaising with relevant professional bodies.

“As a result, the Financial Reporting Council (FRC) has confirmed investigations into the conduct of two former employees.

“Woking residents deserve complete transparency and for those responsible for the borough’s financial issues to be held accountable. We will therefore do whatever we can to assist the FRC in their investigations.”

The FRC statement read: “This press notice concerns the opening of an investigation into the relevant individuals. The investigation does not relate to any persons or entities other than the relevant individuals and it would not be fair to treat any part of this announcement as constituting or evidencing an investigation into any other persons or entities.

“The Financial Reporting Council has commenced an investigation under the Accountancy Scheme into the conduct of two individual accountants in relation to their compliance with governance, reporting, regulations and professional standards in respect of Woking Borough Council’s operations and investment activities for the financial years ended 31 March 2017 to 31 March 2023.

“The individuals are no longer employed by the council. The decision was made at a meeting of the FRC’s conduct committee on 17 December 2024. The investigation will be conducted by the FRC’s executive counsel.”

Epsom & Ewell Full Council Meeting: Budget Approved Amid Debate

8 March 2025



Epsom & Ewell Borough Council held a full council meeting on 11 February 2025, where key issues, including the approval of the council’s budget, the mayor’s upcoming engagements, and urgent council business, were discussed.

Mayor’s Address

The meeting opened with prayers led by Reverend Esther Holly Hunt, followed by an address from the Mayor, Cllr **Steve Bridger** (RA Stamford) who reflected on recent civic events, including the 50th anniversary of the Epsom and Ewell Talking Newspaper, the 100th anniversary of the Epsom Rotary Club, and the forthcoming 80th anniversary of VE Day. The Mayor also highlighted the upcoming Mayor’s Ball at Epsom College and the opening of the newly step-free Stoneleigh Station.

Budget Debate and Approval

A crucial part of the meeting was the discussion of the council’s budget for 2025-26. Councillor **Neil Dallen** (RA Town), Chair of the Strategy and Resources Committee, presented the budget, outlining the financial challenges faced by the borough, including homelessness, climate change policies, and government funding uncertainties.

The opposition groups, including the Liberal Democrats, Labour, and the Conservatives, expressed concerns over housing shortages, procurement processes, and local plan delays. Councillor **Alison Kelly** of the Liberal Democrat group (Stamford) criticised the council’s lack of action in addressing social housing and discretionary housing payments. Labour Councillor **Kate Chinn** (Court) challenged the proposed council tax increase, arguing that it would place an undue burden on residents. Meanwhile, the Conservatives called for greater scrutiny of council spending and planning decisions.

Many councillors who voted against the budget voiced concerns over the council’s financial priorities. Labour representatives particularly highlighted the continued reliance on temporary accommodation for those facing homelessness, arguing that the budget did not allocate enough funding to long-term housing solutions. The Liberal Democrats criticised the slow progress on infrastructure projects and the perceived lack of transparency in procurement decisions. The Conservative group, on the other hand, raised issues regarding planning enforcement and the handling of the local plan, arguing that the administration was failing to provide long-term economic sustainability for the borough.

Some opposition members also questioned the feasibility of the proposed budget adjustments, warning that future financial strains could lead to service reductions or higher tax burdens in the coming years. They argued that without a more robust financial plan, the council risked further instability, particularly in areas such as waste management, policing support, and community welfare.

Following the debate, the budget was put to a recorded vote and was approved, despite opposition from some eleven councillors including several Residents Association members against 23 who voted to pass the budget.

Withdrawal of Motion

A motion initially set for discussion was withdrawn at the request of Councillor Dallen. The motion pertained to potential by-election arrangements and was removed following guidance from Surrey County Council, which advised that any by-elections held before May 2026 would need to be conducted under existing boundaries.

Confidential Discussions

Towards the end of the meeting, the council entered a closed session to discuss an urgent item containing exempt information, leading to the exclusion of the press and public.

The meeting highlighted the ongoing challenges faced by Epsom & Ewell Borough Council as it works to balance financial constraints with the needs of local residents. The approval of the budget ensures continued funding for essential services, though the opposition has signalled that they will continue to scrutinise council decisions closely.

Epsom & Ewell Council not much in the red but too much in the pink!

8 March 2025



Governance Failing Exposed by External Audit Findings

The Audit and Scrutiny Committee of Epsom and Ewell Borough Council convened on 6th February 2025, where the External Audit Report by Grant Thornton ignited a heated debate over transparency, governance, and the Council’s use of confidential “pink papers”. Against the background of relative positive news on the accounts and budgets the meeting focussed on the culture of secrecy over decision-making.

The external auditors highlighted a culture of secrecy, citing too many decisions being taken in private and a lack of openness in decision-making. Opposition Councillors Kate Chinn, Chris Ames and James Lawrence strongly criticised the Council’s handling of transparency, while the Council’s leadership attempted to downplay the concerns, insisting that governance processes were robust.

The External Audit Report: A Damning Verdict on Transparency

The Grant Thornton audit report drew heavily on a Local Government Association (LGA) Peer Review, which criticised the Council’s decision-making culture. The report highlighted that:

- “Too many decisions are being made under part two as a media management strategy.”
- There is a “lack of transparency” in governance structures.
- The Council needed to demonstrate clearer and more open decision-making.

These findings were met with stark reactions from opposition councillors, who argued that the Council was withholding information from elected members and the public.

Councillor Kate Chinn: “Stop the Navel-Gazing”

Before the committee formally discussed Item 4: External Audit, Councillor **Kate Chinn** (Labour, Court Ward) made a strong opening statement, focusing on the governance failures exposed by the auditors. She highlighted:

“Throughout their report, Grant Thornton noted the LGA report stating a culture of secrecy, noting a lack of transparency, stating a culture of secrecy described by members and that too many decisions are being held behind closed doors.”

Chinn criticised the ruling administration for focusing on internal restructuring, particularly the proposal to separate audit and scrutiny functions, rather than addressing substantive transparency issues. She stated:

“The ruling group has chosen to focus as a priority on the LGA recommendation to decouple audit and scrutiny. This is a decision that was already planted in council by the political leadership as a direction of travel, and I’m quite sure this is not a priority for the residents of Epsom and Ewell facing so many cost-of-living challenges.”

She urged the Council to move beyond constitutional tinkering and focus on supporting frontline services:

“In view of the move to a unitary authority, the Council should stop spending so much time on internal matters—no more tweaking the constitution or fiddling about with the functions of a soon-to-be different committee. It’s just become navel-gazing.”

Councillor Chris Ames Challenges “Pink Paper” Secrecy

The overuse of confidential “pink papers” (private reports) became a central point of contention, with Councillor **Chris Ames** (Labour Court) raising concerns over the council’s reliance on closed-door discussions.

He directly challenged the administration on whether they were deliberately using “part two” rules to restrict public access:

“Are you using part two to be a euphemism for going into a closed session? Because that’s not my understanding of what part two means..... There is a withheld report here. It’s Appendix Two. It’s quite clear. It says on both the public pack and in item 13.”

Chair **Steve McCormick** Chair of the Committee (RA Woodcote and Langley) defended the Council’s approach, arguing that some reports contained sensitive financial details:

“If you start to ask questions on that, then we will have to go into part two. We will have to basically stop the feed. And once we go into part two, we can’t come out.”

However, Ames remained sceptical, pressing for clear definitions of what was truly confidential and what was being unnecessarily withheld. He questioned whether decisions should be debated in secret unless absolutely necessary: “My question is, are we using the word Part Two consistently and accurately? Because it says item 13 and it says it’s on the public pack.”

Adding to this transparency row, Councillor **Alex Coley** (RA Ruxley) reported that he was unable to access the part two documents on the Council’s internal system, ModGov:

“I’m not actually able to access the part two items in ModGov. So that’s perhaps why there’s been some confusion. I can’t get to them.”

Councillor James Lawrence: “A Transparency Crisis”

In one of the most scathing criticisms of the evening, Councillor **James Lawrence** (LibDem College Ward) said that his own experiences confirmed that the Council had a serious transparency problem. He declared:

“Quite frankly, my own experience of transparency at the Council is not great.”

He pointed to several key examples where he felt information was deliberately restricted:

1. The Local Plan Process: “I’ve struggled to be involved at all in the local plan process. The entire time I’ve been elected as a councillor, it has not come to a public committee until right before it went to full council.....If I’m struggling as a councillor, my goodness, what do we think residents are struggling to see?”
2. The Town Hall Move (£7m Project): “Still don’t really know why that was in part two.....Then of course we had the well-prepared, very slick PR statement to go out after, to give the impression to residents that there were no problems, that it’s all clean sailing.”
3. The Hook Road Arena Plan: “I remember I saw that appear in the Local Plan documents, and I emailed in questions about that. Nothing. Nothing back.”
4. Access to Audit Reports: “Having my own struggles to get hold of an audit report as a member of audit and scrutiny—it’s not a very good sign.....Of all the people to be struggling to get hold of an audit report, it shouldn’t be someone on the Audit and Scrutiny Committee.”

Council’s Response: A Dismissive Attitude?

The Council’s official response to the audit findings did not acknowledge any fundamental governance failures. Instead, the Senior Leadership Team (SLT) issued a brief statement, saying: “SLT believes the Council is transparent in its reporting and through Committees.”

Lawrence ridiculed the response, stating: “My impression of the management response is essentially: Don’t care. It’s already transparent enough.”

A pragmatic attitude from Councillor Alan Williamson

Cllr **Alan Williamson** (RA West Ewell) struck a pragmatic tone, questioning whether the Council should devote energy to internal reforms when local government reorganisation was imminent. He remarked:

“Obviously, the one area where there is an element of concern from the external auditors is governance and transparency. Now, this is, in my mind, an issue of culture rather than performance..... The whole focus of this Council is going to be the impending local government reorganisation, and to expect it to change its

culture in the next year or two is somewhat implausible.”

He suggested that the Council’s priorities should shift towards ensuring stability during the transition rather than engaging in lengthy internal governance debates.

A Governance Crisis?

The Audit and Scrutiny Committee meeting exposed deep divisions within the Council. While external auditors and opposition councillors raised legitimate concerns about secrecy and accountability, the administration remained largely dismissive of these criticisms.

As Councillor Lawrence bluntly put it: “If I’m struggling as a councillor to access this information, what hope do our residents have?”

With local government reorganisation looming, the Council faces mounting pressure to reform its decision-making processes—but the meeting made clear that no immediate action is planned.

Whether transparency will improve or whether secrecy will remain embedded in the Council’s culture remains to be seen.

Related reports:

Seeing through transparency in Council Chamber

“Audit and Scrutiny” under scrutiny

Annual audit of Epsom and Ewell Borough Council

Guildford Borough Council keeps its lights on

8 March 2025



A Surrey council may have “kept the lights on” and balanced the budget this year but trouble could be looming. The pessimistic warning came during the budget meeting as councillors were told they will have to make tough decisions in the future.

Members of Guildford Borough Council signed off a balanced 2025/26 budget this week despite an ‘unkind’ settlement from the government leaving levels of funding largely unchanged from the previous year. Councillors from all parties praised officers and finance bosses for turning Guildford’s accounts around in the last two years. The Surrey borough was nearing bankruptcy in 2023 with the strain from rising historical debts.

But all is not as rosy as it seems. Each year Guildford Borough Council must find £2m worth of savings just to keep afloat and cover borrowing costs for its “ambitious” capital programme. The projected budget gap is expected to grow from 0 in 2025 to potentially £5.9 million in four years (2028/29) with at least an £1.6 million increase every year. Service costs from the council are projected to rise from £16.4 million in 2025/26 to potentially £20.3m in 2028/29.

Over the next five years, Cllr Richard Lucas (Lead for Finance and Property) explained the requirement for Guildford to pay back its escalating debt represents a “major financial challenge”. He said: “Each year we will have to find another £2m worth of savings just to stay still and cover our borrowing costs increasing.”

However, the council’s plan for paying back debts for building projects does not include the Weyside Urban Village scheme. A hugely ambitious undertaking, the Weyside Urban Village project is the council’s regeneration scheme aiming to build 1,500 homes. The borrowing costs, or interest, for the project are due after 2029 and so are not incorporated into the medium term financial plan.

Despite work being underway, the council still has not quite figured out how it’s going to foot the bill. Although it may seem a ‘future problem’, councillors will decide how they are going to finance the project in March.

“If anything is going to put the council back in the financial mire it is that,” said Cllr Patrick Oven. He said although he was very “committed” to the scheme, he “wondered whether we can afford it”.

Cllr Richard Lucas told the council the budget was balanced by “finding some savings within the services, increasing some fees and charges”. The Lead Councillor for Finance and Property added the main source of potential savings going forwards is from opportunities of collaboration with Waverley. The councils had recently claimed £600k has been saved in the local authority partnership between Guildford and Waverley.

National insurance increases took the biggest chunk of the council’s finances, hitting Guildford with around £1,000 per full time employee. Wage rises and inflation is also squeezing the council’s budget, demanding the increase in council tax by the maximum 2.99 per cent. Charges for council services are projected to increase by at least 3.75 per cent.

Non-ringfenced reserves for a rainy day sit at around £17.7m, well above the minimum 5% of general fund expenditure recommended.

Cllr Patrick Oven described the accounts as “an austerity budget”. Expenditure is reduced in 2025/26 but for the next four years spending “effectively falls off a cliff” with money dropping to about a third of the £111k promised this year. “But we can’t spend money we haven’t got,” he added.

Opponents still criticised the Liberal Democrat administration for a “lack of ambition” with the budget as no ‘rabbit out of the hat’ or exciting projects were revealed. Cllr Joss Bigmore said: “It’s really sad that we’re at this stage now where we’re going budget to budget trying to keep the lights on and that leaves so little discretion for any political ambition or choices.”

Guildford council has also agreed to undergo a ‘zero budgeting basis’ by looking at everything it does, covering its statutory duties and long-term priorities. Cllr Lucas said: “It inevitably means we will stop doing some things. There will be pain involved but we have £2m a year, each year, to find extra savings.”

Outside Guildford Borough Council’s HQ, Millmead House. (Credit: Guildford Borough Council)

Surrey mansion tax debated at County Council

8 March 2025



Plans for ‘those with the broadest shoulders’ to voluntarily pay more council tax to help those in need have been labelled ‘morally corrupt’ in a heated debate. The idea is based on a scheme introduced by Westminster Council in 2018, dubbed a “mansion tax”.

Council Tax is based on the property value of a house if it was sold in April 1991 in England. For instance, Band H is for properties valued at over £320,000. But with the average house price in Surrey today at just over £600k, according to Rightmove, councillors agreed the council tax system needs reform.

Paul Follows, Liberal Democrat group leader, put forward an idea to ask residents in Band H if they would be willing to pay more money to support essential services and those in need. He asked the county council to “explore the creation of a voluntary contribution scheme” for those in the highest bracket of council tax.

But the Lib Dem’s amendment to the budget was lambasted by councillors at a full council meeting on February 4. Members voted against proposal 43 against, 25 in favour and six abstentions.

Brandishing the proposal as “morally corrupt”, Cllr Ernest Mallett MBE (Residents’ Association and Independents/ West Molesey) argued many people, like himself, support charities which try to combat poverty. He said that for Cllr Follows to suggest a council with a £2bn turnover should attempt to “levy funds from residents” is “totally immoral” and “unjustified”.

The suggestion was tabled as an amendment to Surrey’s budget for 2025/26 at a full council meeting on February 4. Residents living in a Band H property will be facing a council tax bill of over £3,690 this year as the council’s budget was approved.

Not a concrete plan, Cllr Follows proposed a cross-party working group would be created to flesh out the scheme’s scope and structure. Then the designs would be brought back to council for consideration for the next financial year. He said: “It does not cost us a lot of money to try, and we may help a lot of people if we do.”

Cllr Mark Nuti (Conservative/ Chertsey) said it was “an affront” to the people of Surrey who are generous with their time and money in the voluntary sector and philanthropic investors in the community.

Council leader Tim Oliver agreed and said Surrey “already has one of the highest council tax bills in the country”. Cllr Oliver said members should focus more on local government reform rather than getting residents to pay extra.

Worried about the “unintended consequences” of the scheme, Cllr Denise Turner Steward (Conservative/ Staines South and Ashford West) said putting “moral pressure” on residents to pay more council tax to help others could “divert” funds away from much-needed charities in Surrey.

But not everyone shared the same view. “There is nothing iniquitous of asking those with more to consider voluntarily giving a little extra,” said Cllr George Potter (Lib Dem/Burpham). “If that bastion of socialism in Westminster can manage it, then surely middle of the road Surrey can certainly manage it.”

Other members took a more hard-line approach. “If you can afford a £3m or £4m house, you ain’t poor,” said Cllr Jan Mason (Residents’ Association/ West Ewell). “They know they are buying housing in an affluent area, they are able to pay.” She told the council many of the residents in her ward and it would be an “insult to my residents who are on really low income” if bigger council tax bands were not brought in.

Cllr Lance Spencer (Goldsworth East and Horsell Village), seconding the motion, said he understood not everyone in a Band H property would be able to contribute. However, the voluntary contribution could provide “an opportunity to make a significant impact to the county’s future” with the “further degradation of services realistically inevitable”.

Waverley Borough Council, where Cllr Follows is leader, has also sent a letter to residents asking for their thoughts on a proposal to introduce voluntary tax contributions to support projects and vulnerable residents across the borough.

Paul Follows speaking at full council meeting 4/02. (Credit: Surrey County Council live stream)