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

## 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**

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

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)

## Planning a house extension in Epsom and Ewell? A hard lesson from Waverley

A man who was charged £70,000 by a Surrey council said it was a "watershed moment" to be given recognition of his struggle and the right to appeal. A couple were slammed with a hefty fee for a home extension and given no opportunity to argue their case.

Community Infrastructure Levy (CIL) is a legal charge designed to get developers to financially contribute towards essential infrastructure. While self-builders and home extensions are exempt from CIL payments, in Waverley applicants must first complete the necessary paperwork for this.

But with residents being unaware they need to apply for an exemption, or due to paperwork errors, some people have unexpectedly had to face extortionate CIL charges and terrifying enforcement action.

Steve and Caroline Dally were granted planning consent to demolish and replace an existing home extension that was exempt from CIL. However, after seeking permission to make some minor amendments (for which consent was granted) they suddenly and unexpectedly faced a £70,000 CIL charge, with no appeal.

Unlike in criminal cases, the paperwork and administrative processes of CIL means people could accidentally face charges between £40,000-£235,000 and have no right for their case to be reconsidered.

They pursue you relentlessly to get the money out of you," said Steve Dally, "There's no compassion, there's no understanding." He explained the council told him he had 60 days to pay the £70k or his home in Godalming was at risk of being re-possessed and he would go to prison. As this was the start of the Covid lockdown in 2020, he feared the worst.

The 65-year-old has been forced to increase the mortgage on his home by £400 per month, pending full repayment when he turns 70. He may have no choice but to sell the home he has worked his entire life for, just to settle this debt. "It's traumatic," Mr Dally said. "You lose sleep and end up crying your eyes out- what can you do about it?"

Fighting the council since 2020, Mr Dally had approached councillors and the local MP and the ombudsman to change the CIL charge levied against him and his wife. But none of them could ultimately remove the fee.

On Tuesday, January 28, **Waverley Borough Counci**l agreed to ensure the public have the right to appeal the CIL charges. Mr Dally described it as a "watershed" moment as it was the "first time that someone was prepared to stand up and fight for you".

Speaking out for the victims, Councillor Lauren Atkins said the "Life-changing unintentional impacts of CIL have resulted in debt, depression and years of feeling unheard and being unanswered." She called for the council to collaborate and seize the "opportunity to see justice for those wronged".

But now, householders previously subject to CIL liability can request a discretionary review by Waverley Borough Council within a window from 1 June 2025 to 31 May 2026. The council agreed to have a discretionary review of CIL payments for householder applications and will consider refunds of CIL previously collected.

Mr Dally said the change did not guarantee victims were going to get their money back. "It's a long way to go yet," he said, arguing it depends on how "compassionate" the reviewer will be of people's cases. "There will be a lot of people in Surrey that will be impacted by the same and will not know which way to turn." he said.

Speaking to the Local Democracy Reporting Service (LDRS), Mr Dally reeled off other people who had been found foul of the CIL charge on their residential properties. He said one man was charged £200k and a wife looking after her husband with dementia was fined £40k.

Councillor Jane Austin said: "We see the unintended consequence of this aspect of s legislation has caused great financial and emotional distress to people who have unwittingly broken rules they didn't know existed."

She acknowledged Waverley council is, going forward, trying to ensure householders are made aware of CIL and its exemption paperwork. Cllr Austin added: "But we need to right this wrong for those who have already had to make these huge payments."

Leader of the council, Cllr Paul Follows, said work is already being done to investigate the CIL levy issues but welcomed the cross-party collaboration. The CIL levies will be reviewed as part of the council's Local Plan process, according to Cllr Follows.

"I hope the poor folk who are being pestered by Waverley to pay these charges will be left alone until we have resolved this," said Cllr Michael Goodridge. He raised concern that he has been told everyone has been looking at the issue for a while, but it could take a lot more time in the Local Plan.

The Liberal Democrat council leader also added the CIL regulations was something his party had inherited from the previous administration. Members also broadly agreed more education of the CIL process was needed, both for councillors and the public.

**Emily Dalton** 

Steve Dally (right) and his wife Caroline. (Credit: Steve Dally)

What is the position in Epsom and Ewell?

## Community Infrastructure Levy (CIL) in Epsom and Ewell Borough

The **Community Infrastructure Levy (CIL)** is a charge imposed by **Epsom and Ewell Borough Council** on certain types of new development. It helps fund local infrastructure, such as schools, healthcare facilities, and transport improvements.

## Does CIL Apply to Single Residential Developments or Home Extensions?

#### When CIL is Payable

CIL **applies** if your project involves:

- New dwellings Any development that creates a new residential unit is liable for CIL, regardless of size.
- Large extensions If an extension or new build increases the gross internal floor area by 100 square meters or more, CIL applies.

#### When CIL is NOT Payable

You may **not** have to pay CIL if:

- Your project adds less than 100 square meters of additional internal floor space (unless it creates a new dwelling).
- You qualify for **exemptions or reliefs** (see below).

### **CIL Exemptions and Reliefs**

Some developments may be exempt from CIL, including:

- **Self-build homes** If you're constructing your own home, you can apply for a **self-build exemption**.
- Residential annexes or extensions If the work is for your own use and meets specific criteria, it may be exempt.
- **Affordable housing** Developments that meet affordable housing requirements are exempt.

**Important:** You must **apply for exemptions before starting construction**. Failure to do so may result in the **full CIL charge** becoming payable.

#### How is CIL Calculated?

CIL is based on the net increase in gross internal floor area (GIA) and is subject to annual indexation.

Current Residential CIL Rate (2025): £204.50 per square meter

(Source: Epsom & Ewell Borough Council)

#### **CIL Process & Next Steps**

If your project is subject to CIL, follow these steps:

- 1. Submit a Planning Application Include the required CIL forms when submitting your application.
- 2. **Complete an Assumption of Liability Form** Before starting work, submit this to the Council.
- 3. Submit a Commencement Notice Notify the Council before construction begins.
- 4. Receive and Pay Your CIL Charge Once the Council issues a Demand Notice, make the payment as required.

#### More Information & Guidance

For full details, access CIL forms, and check the latest updates, visit:

**Epsom & Ewell Borough Council CIL Guidance** 

Sam Jones

## Will Epsom and Ewell be bailing out Woking?

Debt-ridden Woking Borough Council has approved the sale of two more assets as it continues slashing its way to a balanced budget.

The bankrupt authority, with debts of more than £2billion, is undergoing a full review of the buildings it owns as it's forced to sell them off to try to ease the burden on the taxpayer if and when a Government bailout happens.

The two most recent sell offs are the Egley Road Barn Site and Sheerwater Nursery. They are currently being used by the

Woking Gymnastics Club and a charity.

Woking Borough Council went effectively bankrupt in 2023 on the back of a failed investment strategy to regenerate parts of the borough and has since had to raise its share of tax by 10 per cent, close a raft of public services including toilets, lose about 60 staff members and stop funding to community groups.

Borough leader Councillor Anne-Marie Barker told the Thursday January 16 executive committee: "It's part of our asset disposal program to help to reduce the debt at Woking Council."

The meeting heard that an earlier bid to sell Egley Road had fallen through but a second offer had since been accepted.

Councillor Dale Roberts said: "The purchaser progressed their offer in good faith but has ultimately withdrawn. The recommendation is to transact with the next highest bidder.

"The recommended purchaser, the new bidder, has submitted the highest financial offer on a conditional basis subject to planning."

Exact details of what this is, and the value of the bids, are still being kept private.

He added: "These decisions aren't purely economic, it's a key factor for this council of course as it's engaged in an asset disposal and debt reduction programme but it's not purely economic" and that the decision "also aligned with the Woking for all strategy".

He said: "It will help deliver a thriving community through partnerships."

Tenants Woking Gymnastics Club has been sent what the council calls a "letter of assurance" outlining what help the authority can provide going forward "in terms of balancing everyone's interest".

Cllr Roberts said: "We are doing everything we can though with Woking Gymnastics Club to facilitate their extension at the new site at Kingfield.

He added: "The disposal will facilitate the regeneration of the site.

"It will complement the existing development of residential land on the adjacent land holding and it will increase the provision of homes within the borough.

"It will also of course generate a capital receipt."

The Sheerwater site, in Blackmore Crescent, has been sold to a "special purchaser because advantages have been found for their ownership that would not be available to other buyers."

The two-storey community building, together with parking and a garden, does not currently provide the council with any rental income. It is being let to a charity that leases the entire site for free. The charity licences part of the building to a children's nursery with the income retained by the charity to support its operation.

The report into the sale read: "The authority recognises that this may require difficult decisions to be made as part of the wider transformation policy and an important priority for the council is to revise its approach to property ownership and to identify opportunities to raise both income and capital receipts from the disposal of surplus properties within the context of supporting current/future council expenditure/debt.

## Will Epsom and Ewell be bailing out Guildford?

A Surrey council faces tough decisions in the future after receiving a "very difficult financial settlement from the government".

Guildford Borough Council has no extra funding to meet inflation and demand pressures, meaning it will have to cut costs and increase income to make ends meet. Cost pressures looming over the council stand at over £3m, with National Insurance increases and developments causing the most strain.

The local authority said it has been told the settlement it would receive from the government for the financial year 2025/26. However, the "significant change" for the next year is Guildford council will not have a cash increase despite an assumed council tax rise of 2.99%.

Even though residents and businesses may face increased council tax and business rates, without extra government funding, the authority's overall "Core Spending Power" will remain the same," the council's report stated.

No additional funding is coming to meet the cost of pay awards from the central government, inflation and demand pressures. Guildford Council is therefore reliant upon cost reduction and increasing income to meet these costs. Richard Bates, Guildford Council's Chief Financial Officer, said: "In the light of a poor settlement, we've done the best we can."

The projected budget gap is expected to grow from 0 in 2025 to potentially £5.9m in four years (2028/29) with a at least a £1.6m increase every year, Service costs from the council are projected to rise from £16.4m in 2025/26 to potentially £20.3m in 2028/29.

Council officers said they will be looking to attack the gap with a series of measures, including budget reviews across the board, service reviews, and comparing charges (e.g. Car parking) with neighbouring councils.

Cost pressures facing the council currently stand at around £3.18m, with the biggest demands coming from firstly the rise in National Insurance and then capital spending on developments.

National Insurance (NI) increases were announced in the Chancellor's autumn statement and the combined cost of these changes adds up to around £1,000 per employee, according to council documents. Not only affecting public bodies, the rise in NI costs could impact contractors and suppliers to the council and push up costs further.

The government is providing some support to public sector employees, but the actual amounts were not announced as part of the provisional settlement. The Ministry of Housing, Communities and Local Government said it plans to put £69bn into council budgets across England.

Paying for the council's "ambitious" building programme is a significant part of the financial gap, with large amounts being borrowed for major schemes like the Weyside Urban Village development. However, the cost of borrowing has increased significantly since many of the major schemes in the capital programme were approved, in line with the council's report.

Although the 10-year-project will require significant borrowing, the council is managing the levels of debt by selling assets. Officers have warned that a borrowing strategy for the next few years will be "critical" to ensure interest costs are minimised and that long term deals are secured at competitive and affordable rates.

However, the Chief Finance Officer said in his report that the "on-going inflation pressure on land values leave a significant projected deficit on [the Weyside Urban Village] scheme". He added that a "mitigation strategy needs to be agreed in Spring '25".

A decision on the council's medium term budget (2025/2026- 2028/29) will be made at full council on February 5.

Outside Guildford Borough Council (Credit: Google Street View)

### Will Epsom and Ewell be bailing out Spelthorne?

"Significant weaknesses" in a council's financial records have been laid bare in a new report.

External auditors for Spelthorne Borough Council said they could not fully assess or complete the financial statements as there was inadequate record keeping. Many queries remained unanswered, said auditors, who reported they were unable to conclude on the 2023/2024 closing balances.

"Without complete and accurate information, the Council cannot have full confidence in the financial decisions reached," the report said. "The finance papers are detailed but, in our judgement, can be confusing to follow, contain contradictory information in the same paper and lack a clear narrative by way of explanation."

Spelthorne Council has not fully addressed the funding gaps and risks within its financial plan, according to the report. The latest outline budget for 2025/26 reported in December 2024 shows the council closing its £0.3m funding gap in 2025/26 but it has larger gaps of £3.5m and £5.4m predicted for the following consecutive financial years 2026/27 and 2027/28. The report said the council does not have agreed plans to address the budget gaps which amount to around 15-20 per cent of net revenue expenditure.

Although the council has a significant amount of investment properties for which it receives commercial rents, auditors found recording keeping for monitoring the key leases was "inadequate". The council had around £52m in commercial rents in 2023/24 but auditors could not be assured by the amount recognised and the cash received.

The "uncomfortable" report made for "stark reading" by both councillors and officers. Councillor Karen Howkins told members Spelthorne "is a council in crisis" at an Audit Committee council meeting on January 28.

Auditors raised concerns that the minimum revenue position (MRP) – the amount of money the council must put aside in its budget each year to ensure it can repay debt incurred for capital expenditure- is likely to have been played down significantly. But auditors said they did not have enough evidence to conclude this was the case.

Spelthorne Council is currently facing over £1bn debt from investing in shops and offices, including Elmsleigh Retail Centre in Staines. Paying this sum for the next 50 years, auditors stressed the council were not "effectively managing" the risk.

Auditors also highlighted issues around Spelthorne's accounts for purchasing three commercial properties including Carter Building, Thames Tower and Porter Building- worth £351m. The report reads that Spelthorne council only paid £297.9m for the properties and the total figure was 'grossed up' by £53.7m to include tax and added the debt to its balance sheet.

The first audit the council has received since 2017/18, auditors noted auditing requirements and have changes and standards have increased. The report also highlighted issues with council staff not having capacity or capability to carry out or send through the work required for the audit.

Officers said a training session will be provided for council staff and, in future, staff will be separated between those working on the audit and those working on the council's overall budget setting.

Several issues and weaknesses were identified during the audit and 16 recommendations have been put forward.

The report flagged "significant weaknesses" in governance arrangements and "extremely poor relationships" between some political groups is impacting the council's financial management. Auditors recommended the council "urgently" address the issue of trust and apparent "toxic culture" between members and officers.

An LGA Peer review in November 2022 concluded: "There is poor behaviour by some councillors towards each other and staff which is widely recognised as damaging the council's reputation. It is also affecting staff morale and the organisation's ability to retain and recruit staff." As of January 2025 there have been 10 complaints outstanding with the monitoring officer regarding councillor behaviour.

Image: Spelthorne Borough Council offices in Knowle Green, Staines. Credit: Emily Coady-Stemp

## **Surrey County tax increase vote**

A council tax hike could be hitting Surrey as members take the first look at the county's budget. Residents could see a maximum increase of 4.99 per cent on council tax, meaning a rise of £1.69 a week for a Band D household.

The proposed increase, which would come into force from April, was agreed by the cabinet on January 28 and will be voted on at Surrey Council's budget meeting next week on 4 February.

"I absolutely recognise the pressure that any increase in council tax will put on households," said Tim Oliver OBE, Surrey County Council leader, at the cabinet meeting. But the leader added increasing council tax was important to "balance our budget and to ensure we can continue to deliver improved and increased services meeting the demand we know we will experience".

Surrey county council said there is a significant pressure on this year's budget due to the rising demand for services, like adult social care and children's home to school transport, combined with inflation and added national insurance contributions- which has resulted in a higher cost of delivery.

Council documents state that for the local authority to balance the books, it has to hike up council tax by the maximum 2.99 per cent, and increase the Adult Social Care Precept by 2 per cent. The final budget for 2025/26 proposes total funding of £1,264.1m, an increase of £55.7m from 2024/25.

Currently a Band D property pays £1,758.60 a year in council tax, but following the maximum increase in tax, residents could see themselves forking out almost £88 extra. This would bring the total up to £1,846.35 a year. People living in Band H properties could have to cough up £3,692.70 a year for the county council.

This does not take into account other charges in a household's council tax bill, such as parish precepts, or the police and crime commissioner's precept. Surrey's Police and Crime Commissioner (PCC), Lisa Townsend, has heavily indicated she wants the precept to increase by roughly 4.3 per cent. A decision on the PCC's budget is also due on Monday February 3.

Council reports state the local authority "continues to see exponential increases in demand for services" particularly adult and children's social care as well as Home to School Travel Assistance. It adds that the demand for these services has resulted in a

"need for further efficiencies", or cuts, within the services and increasing council tax to balance the books.

Draft proposals show the Adult social care budget has been increased by £18.7m and the Children, Families and Lifelong Learning budget (which includes home to school transport) has gone up by £19.2m. However, the county council is also making 'efficiency savings' or cuts to the departments, £33m and £12.6m respectively.

The increase in council tax comes after the new government announced a rise in both the National Living Wage and in Employer's National Insurance Contributions. Not only will this increase the county council's own wage bill, it may impact its suppliers and potentially lead to increased costs all round. Compensation funding for local councils was not confirmed in the provisional Local Government Financial Settlement, leaving Surrey with some uncertainty.

Speaking to the cabinet, Cllr Oliver said the council has seen "higher levels of inflation than predicted", an increase in national insurance contributions and national living wage, as well as the cost of borrowing for capital investment has continued to rise as interest rates remain high. The council leader also pointed out the increased demand for services, particularly mental health, and pressures on the health system.

"We have achieved financial stability and we are not in the same position as many other authorities across the country," said Cllr Oliver. "We have not asked the government for extra financial support and we are not proposing to seek a referendum on increasing our council tax above the permitted 4.99 per cent."

## Epsom and Ewell car parking fees on new levels

#### Epsom and Ewell Council Approves Changes to Car Parking Fees and Policies for 2025/26

In a meeting of the Environment Committee on 21 January 2025, councillors approved a series of changes to car parking fees and policies across the borough. The measures aim to address financial targets, enhance service provision, and offer new concessions for cultural activities. After detailed discussions, the committee voted to adopt the proposals, with amendments led by Councillor **Julie Morris** (LibDem, College).

#### Fee and Permit Adjustments

The committee voted (6 for, 1 against, 1 abstaining) to implement proposed changes to car park fees and permit prices for the 2025/26 financial year. Notable adjustments include:

- A 10% increase in parking fees at the Ashley Centre for up to 3 hours, rising from £5.00 to £5.50.
- Revisions to parking permits for residents and businesses.

Councillor Morris expressed concern about the annual increases in parking charges, stating, "We cannot be doing this year on year." She urged the council to explore alternative ways to balance the budget without consistently raising costs for residents. In response, Councillor **Liz Frost** (RA, Woodcote and Langley), Chair of the Committee, emphasized that not all charges were increasing, highlighting the reduction in evening parking fees under the new flat rate structure.

#### **Special Concessions for Performers and Shoppers**

Councillor Morris successfully secured amendments to the proposed concessions for Epsom Playhouse performers, crew, and technical teams. The adopted recommendation ensures these concessions align with current practice and take effect immediately. She also pushed for a defined timeframe for the Christmas parking concessions, resulting in the committee's agreement to offer discounted festive parking for the next two years.

The committee unanimously approved:

- 1. Concessionary parking rates for Playhouse-affiliated individuals, effective immediately.
- 2. The continuation of **discounted Christmas parking offers** for the next two years, aimed at boosting local shopping and economic activity during the festive period.

#### **Simplified Evening Parking**

The committee agreed to standardize evening parking charges across the borough. From Monday to Saturday, a flat rate will now apply:

- £5.00 for major car parks like the Ashley Centre.
- £2.50 for smaller facilities such as Dorset House and Stoneleigh Parade.

This change simplifies parking for residents and visitors, with some charges lower than before.

#### **Implementation and Public Engagement**

The Head of Housing & Community was authorized to implement the changes and address any public representations. Feedback from residents and businesses will be reviewed by the committee in March 2025.

#### **Decision Breakdown**

The resolutions were approved with varying levels of support:

- The fee and permit adjustments passed with six votes in favor, one against, and one abstention.
- Concessionary parking rates for Playhouse performers and Christmas offers were unanimously adopted.
- The Head of Housing & Community's authority to implement the changes was approved with five votes in favor, one against, and two abstentions.

#### **Next Steps**

The updated fees and concessions will take effect on 1 April 2025. Residents are encouraged to familiarize themselves with the changes and provide feedback to the council.

Councillors will continue to monitor the impact of the changes, balancing the need for sustainable revenue with affordability and accessibility for the community. The committee will revisit the parking policies in March 2025 to review public input and adjust as needed.

## Epsom Playhouse £1.50 per ticket fee from 1st April

The Epsom Playhouse will now charge an additional £1.50 facility fee per ticket as of the 1st April 2025.

During its meeting on the 16th January 2025, the Community and Well-being Committee, chaired by Councillor **Clive Woodbridge** (RA Ewell Village), discussed proposals for the Epsom Playhouse for 2025/26, aspart of their fees and charges agenda.

The proposal outlined the growing struggles the aging Playhouse currently faces, with the infrastructure remaining the same for 40 years.

A major concern highlighted by the report was the technical show lighting, with end-of-life issues potentially hindering future productions. For the Playhouse to provide 'high-quality, diverse, and well-balanced entertainment to support the local community and enhance our reputation as a cultural destination', it was deemed essential for the Playhouse to undergo maintenance work.

The main focus of the Epsom Playhouse proposal was to source a way to finance this necessary maintenance. The report states that 'to support the ongoing operational costs of running the venue, which have significantly increased, we propose the introduction of a facility fee of £1.50 to each ticket sold from 1 April 2025, the income raised annually will be ring fenced for the Playhouse upkeep.'

The Council's senior accountant explained that this new facility fee could see around £80,000 in additional revenue, directly going towards the upkeep of the Playhouse annually. He assured Councillor **Alison Kelly** (LibDem Stamford) that the additional fee would be clearly indicated for those purchasing a ticket.

Councillor Rachel King (RA Town) highlighted that an additional £1.50 could tip the balance of tickets being affordable for some households wishing to attend the theatre. Other local theatres have adopted this scheme that in some instances is between the £2-£5 range.

Councillor Clive Woodbridge added that there will be regular monitoring of ticket sales to determine whether the new fee damages the Playhouse's box office sales.

The committee was in agreement to go ahead with the recommended proposal of a new facility fee, which will be implemented as of the 1st April 2025. Any bookings made before this date will not incur the additional £1.50 fee.