

# Mole Valley Bankruptcy warning

15 November 2024



Mole Valley District Council is facing bankruptcy and must make “very difficult decisions” over the future of its services.

The bleak warning came during the Tuesday, November 12 scrutiny committee when the grim outlook was laid bare to councillors.

Unless the council makes significant savings then “in all scenarios” reserves would fall significantly below minimum levels required in 2026/27 and be exhausted between 2027 and 2029, officers said.

Councils must balance their budgets and failure to do so can lead to section 114 bankruptcy notices being issued. When this happens all new spending must stop.

Anything other than drastic cuts would put Mole Valley “at such significant financial risk” that the council’s chief financial officer would likely be legally bound to consider using statutory powers – with commissioners brought in and the council losing day-to-day control of how it is run.

Mole Valley District Council’s executive head of service (finance and strategy) Claire Morris said: “Essentially every local authority is facing very challenging savings targets.

“It is difficult. I think I need to be really honest and quite blunt with councillors, all the low hanging fruit, the easy wins, have been taken. We are now into making some very difficult decisions potentially. To achieve that savings target you will be asked to make some very difficult decisions.

“The alternative is equally less palatable. What we see by authorities that got into trouble and issued notices... is that they get taken over by commissioners and you lose control of your council. “So I can not give you any confidence that we will definitely achieve those savings targets. “What I can say is that we will all, councillors included, work very very hard to achieve those savings and identify them.

“We should be honest with our staff and what this might impact on our services. “It’s the honesty we will now have to face up to.”

The most high profile example of a council going effectively bankrupt locally is Woking Borough Council with debts approaching £2billion, with other Surrey councils also facing their own issues.

Mole Valley District Council must find £1.8m savings this year but has only managed to achieve £493,000 so far and is expected to fall short by about £1.2million.

Future years look even more challenging with costs expected to increase, and revenues fall.

The council currently makes enough money from its commercial investments to cover the annual interest rates and debt repayment costs, the meeting heard, but “is facing increased tenancy risks and additional costs as commercial leases are approaching break points or end dates and tenants are vacating the properties”, council documents said.

The council also expects any new tenancy agreements to be at lower values than at present.

Additionally there is “the risk of the council needing to incur significant capital costs of refurbishing investment properties but without a commensurate increase in income”.

Short term cash flows have been hit by a double whammy of the council failing to sell assets, and the being unable to find anyone willing to rent office space in its civic centre.

Claire Morris, the council’s chief financial officer, said: “A key area was around the letting of vacant office space within this building

“We have not yet found a tenant. We are still marketing the property, so that is ongoing, but we are continuing to market and hopeful that we will get a tenant.”

As it stands, the council then must find a further £760,000 of savings or income for the 2026/27 financial year.

“It is also recommended that the council starts to develop plans to deliver at least £1.3million of further transformation savings for 2027/28 and 2028/29.”

During that time the council is forecasting its return on assets for decrease, while budgets had inflation forecasts at 2 per cent – adding pressure.

Councillor Gerry Sevenoaks, committee chair, added: “What is in front of us is undoubtedly some very high savings targets.”

# Surrey support for the “financially challenged”

15 November 2024



Surrey County Council welcomes the extension by government of the Household Support Fund in this year’s Autumn Statement, after 86,000 Surrey households were supported by the fund last year.

In addition to the Household Support fund this autumn and winter, the council will continue to support residents with financial help, support and information. The council has, alongside partners, established a priority focus on 21 key neighbourhoods identified as having the highest levels of disadvantage, aligning with the organisation’s aim to enable as many people as possible to access the right support.

**Councillor Mark Nuti, Cabinet Member for Health, Wellbeing and Public Health said:** *“We recognise times are still financially challenging for both Surrey residents and local government. As an organisation we commit to do the best we can with the resources we have available to us – working with system-wide partners across Surrey to ensure No One Is Left Behind. We therefore welcome the continuing support the Household Fund provides us to help Surrey’s most vulnerable residents and organisations such as SGN who have once again supported us with funding.”*

Other support available to residents includes:

- Continued provision of the **Surrey Crisis Fund**. Thanks to funding from SGN, the council is able to offer the continued provision of the Surrey Crisis Fund. The Surrey Crisis Fund provides financial help to Surrey residents who have nowhere else to turn in an emergency or following a disaster. It also can provide assistance to set up a home in the community where no other funds or resources are available.
- **Warm Welcomes** launch again in November across the county as places where residents can enjoy a safe, warm, friendly environment to have a hot drink, read a book, socialise with others and receive energy saving information and advice.
- Surrey County Council have been working with **Citizens Advice** who can provide free advice and support on benefits, housing, debt and a range of other problems that people might be experiencing.
- The online **Financial, Welfare and Health and Wellbeing Hub** has been updated with the all the latest information to help with everyday living expenses [surreycc.gov.uk/welfare](https://surreycc.gov.uk/welfare).
- Free online **Energy Advice Tool** for information and advice on a range of topics including debt relief grants and fuel vouchers.
- Surrey County Council is working in partnership with FurbNow to launch a Home Energy Improvement ‘One-Stop Shop’ offering **subsidised ‘Home Energy Plans’** and hassle-free energy saving measure installations.
- Continue to work closely with the **Voluntary Community Social Enterprise** sector to ensure the right support gets to Surrey’s most vulnerable residents.
- 52 **Libraries** across Surrey continue to provide face-to-face support in communities for those who may be struggling. Providing a space to meet others, offering free Wi-Fi, access to computers, digital upskilling, volunteers who can help with digital support.
- Surrey Fire and Rescue Service **Safe and Well** visits out in the community often identify vulnerable residents and where they think appropriate, they can provide winter essentials, heaters, fuel vouchers and electric blankets thanks to our partnership with SGN.
- Working with the Surrey Coalition of Disabled People to provide a number of cost-of-living initiatives to support disabled residents with rising energy bills.
- In October, as part of the organisation’s ongoing priority of ensuring No One Is Left Behind, Surrey County Council signed the Good Company’s End Poverty Pledge – **Surrey County Council signs the End Poverty Pledge | Surrey News**

The Community Helpline is also available to talk to someone to help residents check that they are getting all the financial support they are entitled to and maximising their income. The Community Helpline is available on **0300 200 1008** 9am to 5pm Monday to Friday except bank holidays.

Photo by Timur Weber

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# No wonder Woking went bankrupt. Scandal of private school loans

15 November 2024



A private school was loaned millions of pounds at favourable rates by Woking Borough Council before it went bankrupt. Now questions are being asked as to whether an independent inquiry will be launched into the “extraordinary use of taxpayer’s money”.

Greenfield School in Old Woking has loans of £13,257,756 according to full accounts published in September on Companies House.

Interest is just one percentage point above the Public Works Loans Board rate. The cash was originally borrowed by Woking Borough Council for “capital projects” before being passed on to the school.

Since then the council’s finances have collapsed under the weight of its unprecedented multi-billion debt from all the money it can not afford to repay – and its investment decisions have come under close scrutiny.

The matter of its role as effectively a bank was raised during the October 17 full meeting of Woking Borough Council.

The local authority was asked directly if it would set-up an independent inquiry into the extraordinary use of taxpayers’ money into the 2019 loan to Greenfield preparatory school, reportedly topping £11m.

According to the school’s set of accounts, its fees, which brought in more than £5m last year, are very carefully controlled and exceptional value for money.

Greenfield, the accounts said, is highly competitive when compared to other independent educational establishments within the wider Woking area.

In January 2021, Greenfield opened Little School, a 50.4 week a year day-care for children aged from six months to four years. In April 2022 the school opened its new buildings and took on extra staff.

The council’s loan was challenged on the grounds that the money was not used for regeneration and education is not in the remit of a borough council.

Woking Borough Council was asked: “Will the council set-up an independent inquiry into the extraordinary use of taxpayers’ money into the loan to the single entity, Greenfield preparatory school?”

Councillor Ann-Marie Barker, who took over as leader of Woking Borough Council after the loans had been agreed.

She said: “In July 2023, the council asked Grant Thornton, its newly appointed external auditors, to undertake a ‘Value for Money’ review, looking into the governance arrangements that relate to the council’s historic investment strategy.

“This is an independent report which is reviewing how past decisions (such as those related to Greenfield School) were made and the financial impact of these decisions on the Council’s financial sustainability.

“Grant Thornton have indicated that the Value for Money report will likely be published in October 2024.

“The council will make the Value for Money review report, alongside our response to its recommendations, available on our website at the earliest opportunity.

“It is important to wait for the findings of the independent review before coming to any conclusions regarding individual decisions.”

The school is a registered charity in Old Woking and has the benefit of extensive playing fields. In addition it takes advantage of Woking’s Pool in the Park to offer swimming lessons.

The school hosts community events including annual maths and English challenges, anti-bullying training, and football tournaments.

Pupil numbers are growing at a rapid rate and income from charitable activities increased by £582,037 to £5.3m- of which £5.2m was through school fees.

Overall the school made a loss of £502,562 last year according to its accounts and it has loans totalling £13,316,871, of which £13,257,756 is listed as “other loans”.

Its annual set of accounts read: “The loans were obtained to purchase a new site for the school. The loans are secured on property owned by the school and are for a total period of up to 50 years.

“During the first three years, no repayments will be made but interest will accrue and then it will be repaid over the next 47 years.

“The interest rate applicable will be one per cent point above the 47 year Public Works Loan Board Annuity Rate.”

The Public Works Loan Board provides loans to local authorities for capital projects - usually in the form of regeneration projects such as Victoria Square or Sheerwater.

The UK Debt Management website reads: “Decisions over which capital projects to pursue and whether to borrow for these investments are the responsibility of the elected council of each local authority, who are accountable to their electorates.

“Local authorities are free to borrow so long as the finance director is satisfied that they are acting in line with statute and can afford to repay the loan.

“The PWLB is a non-discretionary lender: it does not ask the purpose of a loan, as this would duplicate the decision-making structures of the individual local authorities.”

The Grant Thornton report could be ready for release by the end of this month.

Greenfield School Woking (image Google)

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## Only the cashless will be “on the Hook” Road car park Epsom

15 November 2024



A town centre car park is set to go cashless after plans to upgrade its ticket machines were approved.

Pay metres at the Hook Road multi-storey car park in Epsom are nearing the end of their functioning life-span and need to be replaced.

The problem facing Epsom and Ewell Borough Council is that any new pay-and-display machines at the site only have a limited lifespan as the car park is earmarked for redevelopment - which could begin as soon as September 2025.

Redeveloping the car park will not be a straightforward job however as it was built directly on a historic coal and gas manufacturing site, dating from the 1870s.

A report presented to the council’s environment committee in July read: “Gas works are some of the most contaminated sites in the UK with the council’s car park situated above a concrete capped former tar pit.

“Tar pits have a very high level of contamination, and it is possible that the car park caps are the most contaminated part of the wider gas works site.

“The car park was built in the mid-1980s when it was environmentally acceptable to concrete over former contaminated land uses.”

Earlier this year the council announced it had entered into an agreement with the developers of the SGN Gas Works next door as part of its long-standing ambition to build a new town centre.

The combined sites are part the council’s masterplan for Epsom, and features in its draft Local Plan -which sets out where, and the type, of development that will take place in the borough.

Until then, however, the car park will remain in use - and moves to replace its worn out machines are now underway.

Those who are unwilling to go cashless, or cannot, have been advised to park elsewhere, with Depot Road and the high street named as the most likely alternatives.

Councillor **Liz Frost**, (RA Woodcote and Langley) chair of the Environment Committee, said: “The current barrier control payment scheme for the car park is at the end of their life and needs to be replaced and the life of this car park is limited.”

The committee had at one stage planned to spend £20,000 on a like-for-like replacement but this was thrown out and the new cheaper alternative agreed.

In 2023/24 the council made £60,000 from the car park - far below the £137,000 it had budgeted for and less than the £65,000 it costs to run and maintain.

The council's October environment committee heard that many of those using the car park were season ticket holders and would not need the new system. Of those who do, 81 per cent already pay by card.

Ringo, which was selected to replace the pay-and-display machines, adds a 20p 'convenience charge' to each transaction. The committee said it would look at parking charges, and whether to pass the full increase on to motorists, at a later date.

Related report:

Epsom and Ewell Council answers parking complaint immediately

Hook Road Car Park, Epsom (Image Google)

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## Epsom & Ewell Council Greenlights Local Projects

15 November 2024



Epsom and Ewell Borough Council's Licensing and Planning Policy Committee has given its provisional backing to over £2 million in Community Infrastructure Levy (CIL) funding for a variety of local projects, following the council's annual funding round. The funding round, which ran between 7 May and 18 June 2024, saw a total of 28 bids submitted—five for strategic CIL funding and 23 for neighbourhood CIL funding.

Community Infrastructure funding derives from money provided to the Council by developers.

In a significant outcome, three strategic CIL bids, totalling £1.755 million, were recommended for approval. These include £1.25 million for public realm enhancements in Ewell Village, £405,000 for a full-size 3G football pitch at Priest Hill, and £100,000 for a new clubhouse at Old Schools Lane, Ewell. However, bids for Epsom Playhouse lighting replacement and increasing capacity at local GP surgeries were not successful. The latter was deemed "desirable" rather than "essential," with other bids seen as higher priorities.

In terms of neighbourhood projects, six bids, amounting to £331,966, received backing. These include £85,000 for a new community building at Glyn Hall and £78,644 for footpath improvements at the Hogsmill Local Nature Reserve. Other successful bids include upgrades to playgrounds at Bourne Hall, Gateley Green, and Gibraltar, as well as street tree planting on Waterloo Road.

Despite the committee's overall approval, 17 neighbourhood bids did not make the cut, with reasons ranging from failing initial assessments to not scoring highly enough in evaluations. This includes several bids that did not meet the "best value" criteria set out in the council's CIL Spending Protocol.

A key moment in the meeting came when Liberal Democrat Councillor **Julie Morris** (College Ward) successfully proposed an amendment to include the **Nam Yang Martial Arts** project for funding, which had initially been overlooked. Her proposal, seconded by Councillor **Phil Neale** (RA Cuddington), was passed by a majority, ensuring that the martial arts project will be considered for £161,250 in funding by the Strategy and Resources Committee.

The council's decisions on the CIL funding allocations will now be subject to final approval by the Strategy and Resources Committee, as required by the Council's financial regulations.

Image Nam Yang Martial Arts Epsom figure courtesy <https://martialartsepsom.com/>

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## Epsom's homelessness crisis

15 November 2024



Finding temporary accommodation for families at risk of homelessness is the “biggest financial pressure” facing Epsom and Ewell.

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Following Epsom and Ewell Times report 13th October 2023 on Epsom and Ewell Council’s 10th October 2023 meeting of the Community and Well-being Committee: “Council Grapples with Rising Cost of Homelessness”, Emily Dalton probes further after this year’s meeting 8th October 2024.

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Our local Council (EEBC) provides around temporary units to 250 households, according to data from July 2024. Of those, 90 are nightly accommodations.

The council spent £1,665,493 on nightly emergency accommodation in 12 months to April - an overspend of £395,000. EEBC had originally budgeted for 70 families in nightly paid accommodation but throughout the first five months of 2024, the Council was regularly supporting in excess of 90.

“The situation remains significantly serious and will be for some time to come,” said Councillor Clive Woodbridge, speaking at a Community and Wellbeing meeting on October 8. Despite hard-working officers behind the scenes, council documents stated that it is unlikely the number of homeless families will decrease over the next 12 months.

EEBC is absorbing the costs through its original budget, a homelessness grant reserve and the council’s general fund balance and contingency. Nearly £650k has been awarded to EEBC as part of a Homelessness Prevention Grant for this financial year 2024/25. But, officers warned that if demand remains exceptionally high, the local authority may have to dip into its reserves.

Homelessness “affects all households of all sizes”, a EEBC officer told the committee. He added: “But particularly for us, the higher expenditure is around family-sized households.” Overcrowded and multi-generation families, rather than rough sleeping was presented as the most prominent issue coming before the council, the officer said.

Due to demand for accommodation, officers are on occasion having to use economy hotel rooms when no other accommodation is available. The total cost for this can be around £140 per night.

Officers explained the council has a legal “duty” to help people at risk of homelessness and so will continue to foot the bill for temporary accommodation despite the budget pressures.

Landlords were encouraged to take on more council tenants at a landlord forum run by EEBC on September 26. The council is looking for landlords of three, four and five-bedroom houses to sign up to its private sector leasing scheme, so it can reduce the amount it spends on the nightly units. EEBC also highlighted the ‘Rent Deposit Scheme’ as a preventative homeless measures where councils support tenants with deposits and guarantees.

Looking for new ways to solve the problem, EEBC has asked landlords to help provide emergency housing for families and individuals at risk of homelessness. Although the event was reportedly “well attended”, council officers said it may be “slow burn” for landlords to come forward for the scheme. Officers said there were a couple of approaches but “nothing concrete yet”.

Related reports:

[Epsom and Ewell Press Release on Homelessness](#)

[Council Grapples with Rising Cost of Homelessness](#)

Image: Evelyn Simak cc-by-sa/2.0

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## Some Surrey boroughs get brownfield funding

15 November 2024



Surrey councils will get nearly £2m to release disused brownfield sites to unlock desperately needed land for house building including cash to clear asbestos and transform the “heart of Camberley”.

Boroughs and districts are bracing themselves for tough new Government housing targets that could see the demands to deliver new homes skyrocket.

In an effort to alleviate some of the pressures the Government has announced £68m of funding is to go directly to 54 local authorities to turn what it describes as neglected land into housing.

Two of those councils are in Surrey; Surrey Heath Borough Council is set to receive £1,480,300, with Tandridge District Council in line for £250,159.

The funding is to be used clearing empty buildings, former car parks or industrial land in order to make way for homes.

Historically it is expensive to get such sites ready for housebuilding and can sit as empty eyesores for years.

Surrey Heath Borough Council has said in a statement the funding will support its new housing development in London Road site, “near the A30 in the heart of Camberley”.

It added: “The grant will be used to demolish derelict buildings on the site and safely remove asbestos from the former Allders building, clearing the way for future development. “

The money is part of a three-year £180 million Brownfield Land Release Fund 2 launched in July 2022 to allow local authorities in England to build on blocked brownfield land.

Prime Minister Keir Starmer said: “From the outset we promised to get this country building again to deliver 1.5 million homes over this parliament and help tackle the housing crisis we have inherited. That is the essence of fixing the foundations and driving growth.

“I said this government is on the side of the builders, not the blockers. And I meant it. This funding for councils will see disused sites and industrial wastelands transformed into thousands of new homes in places that people want to live and work. Our brownfield-first approach will not only ramp up housebuilding but also create more jobs, deliver much-needed infrastructure, and boost economic growth across the country.

“This government is rolling up its sleeves and delivering the change the British people deserve.”

Housing and planning minister Matthew Pennycook said: “The government is committed to a brownfield-first approach to housebuilding, and we have already taken steps to prioritise and fast-track building on previously used urban land through our proposals for a ‘brownfield passport’.

“The funding announced today will support the delivery of thousands of new homes and boost economic growth by unlocking development on scores of abandoned, disused and neglected urban sites across the country.”

Releasing brownfield land is one step in meeting the needs for housing but some councils are calling on the government to do more.

Waverley Borough Council has written to the deputy prime minister Angela Rayner over the government’s wider planning reforms, which currently would require the council to deliver 1,379 homes a year - a figure that borough leader Councillor Paul Follows called “unrealistic” and “unachievable”.

He added: “The proposed standard method is fundamentally detached from the realities of local constraints, including national designations such as the Surrey Hills National Landscape. It risks undermining both the environment and community cohesion, and we urgently need a more credible, locally tailored approach.”

Further concerns were raised over the role of developers in housing delivery.

Planning authorities such as Waverley have no control over the rate of housing completions.

The Allders building in Camberley will have asbestos cleared to make it suitable for housing (image Google)

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## Surrey County Council finances under the spotlight

15 November 2024



A recent Local Government Information Unit report presents a worrying picture of local government finances across the UK, with a particular focus on the impact of budget cuts on services for children, young people, disabled people, and broader council operations. This report gives context to Conservative Party run **Surrey County Council's** current financial struggles.

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The Local Government information Unit (LGIU) is a local government membership body, thinktank and registered charity.

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## Key Findings from the LGIU Report:

- 1. Service Cuts Affecting Vulnerable Groups:** The report highlights that local councils are cutting essential services to balance budgets. Vulnerable groups, including children, young people, and disabled individuals, are bearing the brunt of these cuts, leading to long-term negative consequences. This is especially evident in cuts to children's social services, school transport, and support for disabled people.
- 2. Savings Targets and Financial Shortfalls:** Local councils have collectively approved over £3 billion in savings for the current financial year but still face a predicted funding shortfall of more than £5.7 billion by 2026-27. **Surrey County Council** stands out as having the fifth highest savings target for 2024-2025, but also has the second highest predicted financial shortfall for 2026-2027, highlighting significant concerns about its sustainability.
- 3. Surrey-Specific Context: Surrey County Council** is under immense pressure to meet high savings targets while facing a projected budget shortfall that indicates financial vulnerability in the longer term. Given the nationwide picture, Surrey's situation is part of a broader struggle that local governments face, attempting to maintain statutory services while cutting others. Surrey has a history of difficulties with funding, particularly in delivering adult social care and children's services, which have increasingly become the focus of cost-saving efforts.
- 4. Impact on Services:** Specific areas of concern include reductions in spend on children's social care, safeguarding, youth services, support for care leavers, and independent living for disabled individuals. The report notes that many councils, likely including Surrey, are adopting measures such as reducing staff in children's social care and pushing for more "independence" among care leavers, which may ultimately reduce the quality of care available.
- 5. Reserves and Exceptional Financial Support:** Councils, including Surrey, have been drawing on reserves to balance their budgets, but these reserves are not limitless. Nationally, 19 councils were granted Exceptional Financial Support (EFS), highlighting that more councils are approaching financial failure, a risk acknowledged by Surrey as it plans for the coming years.
- 6. Broader Implications for Children's Wellbeing:** The Children's Commissioner and experts like Lynn Perry from Barnardo's have warned that cuts to preventative services for children could lead to a "lifetime cost" for the current generation. With Surrey's budget pressures, similar outcomes could be expected locally, particularly as youth services and early intervention programmes may face further cuts.
- 7. Miscellaneous Cuts:** The report details examples of "almost comical sounding" cuts being made to balance budgets—such as changes to coffee suppliers, reduced support for coastal lifeguards, and reduced asbestos collections from households. These reflect the desperate measures councils are taking to preserve statutory services amidst financial constraints.

## Councillor Responses:

Cllr **Bernie Muir**, Conservative Party, Surrey County Councillor - Epsom West Division and Epsom & Ewell Borough Councillor - Horton Ward, responded to the LGIU report:

"Our transformation over the last few years has given us a solid base and is helping us weather the storms encircling local

government and indeed the global economy.

“That means that while the county council has a solid and robust budget thanks to many years of hard work and bold thinking, we face pressures like everywhere else.

“66% of our budget is spent on supporting young people, families and adults. This includes spend of £1.2m per day on Adult Social Care, £0.5m per day on Children’s Social Care, and about £6m per month on Home to School Transport Assistance.

“Whilst the council’s finances are stable, demand on our services continues to increase at a faster rate than our funding, and so our funding position is anticipated to remain challenging for the foreseeable future. We are working innovatively and reviewing the way we deliver some programmes of work to ensure we are fit for the future, continue to deliver the best outcomes for our residents and that no one in Surrey is left behind.”

On behalf of four opposition Residents Association County Councillors, Cllr **Eber Kington** said:

“Epsom and Ewell Residents’ Association County Councillors recognise that Surrey County Council continues to be penalised by Governments in terms of central Government grant funding despite the huge contribution that the Surrey economy makes to the national economy. There is also the assumption by Westminster that all Surrey residents are wealthy, which ignores both the pockets of deprivation in Surrey, but also the fact that Special Educational Needs and Disabilities (SEND) and Adult Social Care costs are not just related to poverty but are common across all communities.

“That said, SCC has not spent or borrowed money wisely and ignored our calls to adopt a different financial approach, including the funding of more early intervention and preventive measures to reduce future costs. In fact, SCC’s inflated capital spending on infrastructure, not all of it high priority, has resulted in cuts to the planned SEND school building provision which is clearly a wrong option choice when you consider that SEND provision is one of the services that has the most pressing need.

“SCC also continues its spending on highly paid staff with 61 Directors now in the salary bracket of over £100k, including 11 of the highest paid Directors heading the Communications and Engagement Directorate. It has also been revealed that SCC has funded over 6,000 mobile phones for staff. A recent £17 million project to replace SCC’s financial IT system was late and ran over budget, with the final cost acknowledged as £27m (although money is still being spent), an overspend of £10m and the equivalent of 1% on the overall SCC council tax bill.

“Currently, SCC is using a Government Bus Service Improvement Plan grant to fund a new Digital Demand Responsive Transport (DDRT) scheme that allows residents to book a convenient bus journey when they need it, focusing on rural areas without scheduled buses. However, the take-up is currently quite low and some journeys cost SCC anything from £12 to £104 per person. That is not sustainable when the Government grant runs out and SCC finds itself having to fund the DDRT system.

“Removing some of these high-cost items may not improve the budget gap very much given the overall SCC annual budget, but a clear change of policy to the funding of early intervention and prevention schemes, a capital programme that focuses on the essential services, better project management of high costing schemes and IT projects, and a leaner management structure will make a difference and are policies that Residents’ Association and Independent County Councillors will continue to advocate in the coming months.”

## Conclusions:

The financial pressures on Surrey County Council are reflective of a broader, systemic problem affecting local authorities across the UK. Surrey’s high savings targets and predicted budget shortfall for 2026-2027 illustrate a challenging future where further cuts to crucial services seem inevitable. This raises concerns for local residents, especially the most vulnerable, and suggests the need for urgent government intervention to ensure sustainable funding for local services.

A call from the Local Government Association (LGA) for financial stability and multi-year funding settlements is particularly relevant for Surrey, as it struggles to maintain a balance between mandated services and community needs.

## A question of Surrey’s future budget

15 November 2024



Surrey County Council (SCC) are currently seeking feedback from residents on how the council uses its financial resources. These views will help inform the draft budget for the 2025/26 financial year.

Each year, the council is required to balance its budget so that spending does not exceed income from council tax, grants and other sources.

Cllr **David Lewis**, Cabinet Member for Finance & Resources, said: “Although Surrey’s finances are well managed, the

council is still facing huge challenges that are affecting the local government sector and society more widely.

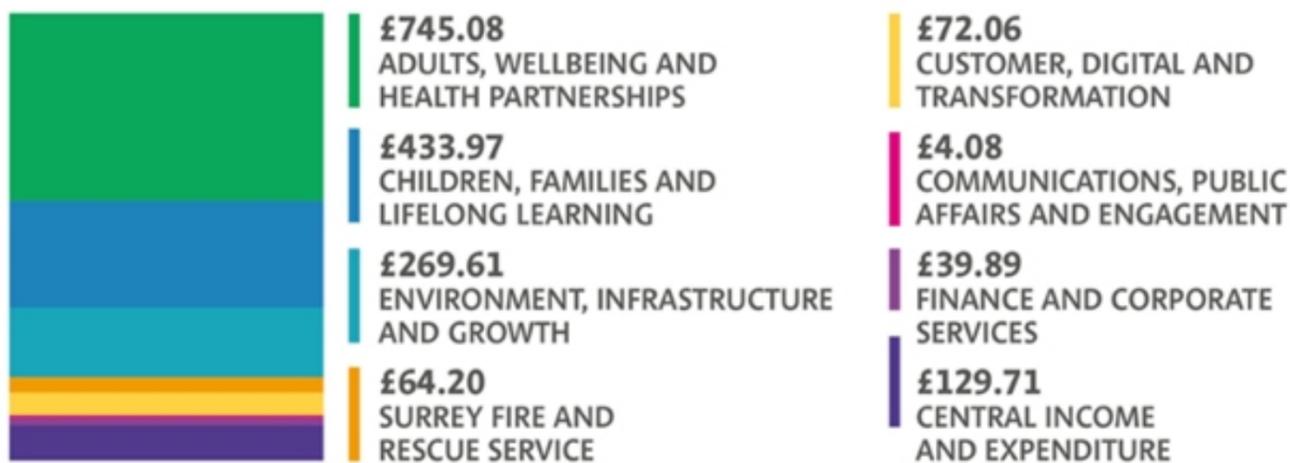
“Higher costs, reduced funding from central government, and rapidly rising demand have all increased the cost of providing vital services to residents. As a result, the way in which we use our financial resources is becoming more constrained.

“Feedback from residents is essential in informing decision-making and making sure that the budget is spent on the right things.”

Most of the council’s budget is spent on looking after those people who need us most, through Adults Social Care and Children’s services.

A significant portion is also allocated to keeping people safe and preventing or responding to serious incidents, particularly across Surrey Fire & Rescue Service, Trading Standards, and environmental services.

The diagram below shows how the budget is allocated across all the services that the council provides for the 2024/25 financial year. The figures are based on the average Band D Council Tax per year of £1,758.60.



Some areas funded by specific grants are not reflected in these statistics.

Residents are encouraged to complete the consultation survey and have their say by Monday 30 September 2024. Responses are anonymous and the survey should take no more than 10 minutes to complete.

Consultation feedback will inform a draft of the budget, which will be considered by the council’s Cabinet in November 2024. If the draft is agreed, SCC will consult further over the winter on proposals for balancing the budget in 2025/25. In February 2025, the council will then agree the budget for next year and the medium term financial strategy covering the next five years.

## Would members of Epsom’s H band stump up?

15 November 2024



People living in homes in the top council band will be asked to help the community after plans to ask Band H homeowners to voluntarily pay into a council-run charity were approved. **Waverley Borough Council**’s executive committee launched the drive in the hope of encouraging people to support community projects.

Though a “voluntary tax” is a contradiction in terms, is it a good idea for Epsom and Ewell Borough Council? Plenty of H band properties in the Borough and plenty of urgent causes for the Council to support locally? Let us know your views. Epsom and Ewell Times.

The Voluntary Council Tax Initiative is based on a similar scheme running in Westminster Council which brings in an additional £300,000 each year to the London borough. Council’s have to provide certain services by law but community projects such as leisure centres, parks, mobility buses and homeless schemes are considered to fall outside that bracket

and are under increased pressure from budget cutbacks.

Waverley Borough Council hopes the new voluntary scheme will help save deeply important resident services and will now ask Band H rate payers first, if they back the idea, and second, for input into which community groups to support. The money, the council made clear, is not for potholes or street lighting.

Councillor **Tony Fairclough**, deputy leader of the council, said that Westminster talked about support for the homeless and that any money Waverley raised would likely follow suit. He added: "The first and most important thing is that this will be a voluntary scheme and indeed that is one of the key points of the consultation.

"It will invite residents of Band H properties to make a voluntary contribution to local projects or the provision of local services. We will consult with the residents of those Band H properties to ascertain whether they are minded to support this scheme and assuming that they are, which type of projects or services should be supported by the revenues generated from it.

"This is a concept that has proved to be very successful in Westminster and in many ways, in my opinion, it actually addresses a slight flaw in government policy, namely that council tax bands are probably a bit too limited. Going out and speaking to Band H homeowners, this is an ideal opportunity for us to, on a voluntary basis, secure revenue for the sort of projects that this council is minded to do."

The smallest homes, those in Band A, pay about £1,500 a year in council tax, while those in the very largest homes (Band H) pay between £4,500 to £4,900. The criteria was set in 1991 and has not been updated since, leading to some to criticise the system as being regressive in nature. Councillors during the meeting on Wednesday, September 3 suggested the voluntary contribution could help redress any imbalance.

Westminster has used the money to fund youth services, tackling rough sleeping and helping those who were lonely and isolated, Cllr **Liz Townsend**, portfolio holder for planning said. She added: "We're all hearing about the black hole in Government, the £22billion black hole, so we are fairly pessimistic about the amount of money that local government perhaps will attract from central government. So we do have to be innovative in the ways we raise additional funds for discretionary services."

Cllr **Kika Mirylees** said: "People must realise that if they are putting this money in, it's not going to go to potholes and things like that. It will go to the benefit of the community. It's not going to be there for your trees or hedges to be trimmed. It's really there to benefit people who are in need of support and it's much more to do with homelessness, because it would be nice for the people to have a home who don't have one."

Image: Jacob Jordaens - Rich man giving to the poor.

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## Safety set back for a Council's car park revenue

15 November 2024



Safety work to repair crumbled concrete and rusted steel reinforcements at the **Swan Car Park** in **Leatherhead** could cost a council more than £200,000.

Mole Valley District Council is set to approve the repair work after its emergency budget passed through its extraordinary scrutiny committee.

The car park is fully owned and operated by the council with all revenue going straight into its coffers. The flip side is that it is also responsible for 100 per cent of the maintenance costs.

The work will be carried out over a three-year period, which the council hopes will prevent anything more significant from developing.

It has set aside £116,496 for the first year, £49,745 in year two and £50,910 for the final year of the project for a total of £217,151.

The meeting heard from cabinet member Councillor Keira Vyvyan-Robinson, who said that in 2022 the council carried out a five-year maintenance report that warned of the need to "monitor concrete and rebar (reinforced steel) " within the car park - and remedy any failings.

For financial reasons the council decided not to go ahead with any work but the situation earlier this year "had deteriorated."

She said: "It's not a health and safety issue at the moment however it is important that the works are remedied in order that they don't deteriorate any further."

The majority of the project's budget is expected to be used "primarily in relation to the concrete frame and repairs to concrete which has crumbled." Cllr Vyvyan-Robinson added.

A final decision on whether to proceed will be made by the council's cabinet committee on July 17 2024.

Officers told the meeting how surveyors had been monitoring the car park "visually" and that its condition has since stabilised.

The repairs, the council hopes, would eliminate the need for regular observations.

Asked if there was a risk of concrete falling off the walls, and onto people or their cars, officers replied that there wasn't an "immediate risk but the longer they leave it the greater that risk becomes".

Work will be scheduled to avoid the busiest times of the year and be done piecemeal to limit impact on people parking and minimise any revenue losses for the council.

Image: Swan shopping centre car park in Leatherhead (Google)

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## The cost of sending pupils to school

15 November 2024



Surrey County Council (SCC) has been ordered to pay out £1,500 by the social care ombudsman for a 'service failure' in defaulting its legal duty to provide SEND transport to and from school. The local authority is already predicted an overspend of £7.3m on SEND school transport for its 2024-25 annual budget.

A family has received £1,500 after Surrey County Council (SCC) failed to provide a child with complex medical needs school transport adding pressure to the family. The boy missed 27 days of education as well as special needs provision, causing his mother and the wider family "avoidable" distress.

The provider suspended the child's transport after no longer feeling able to meet the boy's change in medical needs, on June 15, 2023. The boy waited for his school transport to pick him up the next morning but it did not arrive to collect him. It was not until lunchtime until the travel provider informed the Council that it had suspended its service.

SCC speedily offered the mum a travel allowance while it explored longer term solutions but she felt 'pressured' into taking this as she did not have the time to recruit carers. The travel allowance is a more cost-effective option than managed transport services.

Report documents detail the "avoidable distress, frustration and inconvenience" that the child's transport withdrawal caused his family. The social ombudsman said "the council did exactly what we would expect in the circumstances it found itself in" and it now has contracts with two ambulance-style providers able to transport children with complex medical needs.

A SCC spokesperson said it would not comment on individual cases and "although the report does recognise that we put appropriate mitigations in place, we accept the findings from the Ombudsman report and sincerely apologise for any distress caused".

They added: "We know how important it is for children and young people to have access to their education setting, however a lack of suitable providers has meant that some children who require specialist provision for high and/or complex medical needs have had to wait longer for appropriate arrangements than we would like. In these circumstances we always work actively with families to find a solution and offer measures such as personal travel allowances in the interim."

The ombudsman demanded the council pay his mother £1,000 in recognition of his missed education and SEN provision during the period he had no transport to school, plus £500 for the 'avoidable distress' it caused her and her family.

An overspend of £7.3m, all based on home to school transport, is already predicted one month into SCC's new budget for 2024-25. In 2023, SCC saw an overspend of £12m on SEND transport, with nearly a third of the transport costs being to independent schools outside of Surrey.

Rising demand, more travel days and anticipated increase in the number of children who need transport have contributed to a pressurised budget. SCC said it is reviewing all discretionary travel arrangements, tightening applications and is actively promoting personal travel allowance to manage costs.

A SCC spokesperson added: "We have seen a 64% increase in education, health and care needs assessment requests across Surrey since 2020, which has naturally had a knock on effect with a year on year increase in demand for Home to School Travel Assistance (HTSTA) as many children and young people with an education, health and care plan require

HTSTA. This has resulted in a predicted overspend for this service.”

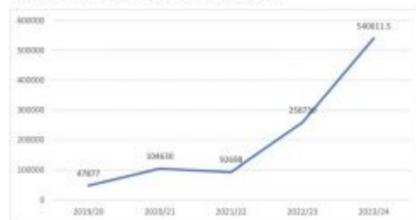
Image: Credit: Arriva436 CC BY-SA 2.0

# Failing children costs Council taxpayers half-million

15 November 2024

42. During 2023/24 the total amount paid in financial remedies was £540,611.59.

Figure 4: Financial Redress payments year-on-year



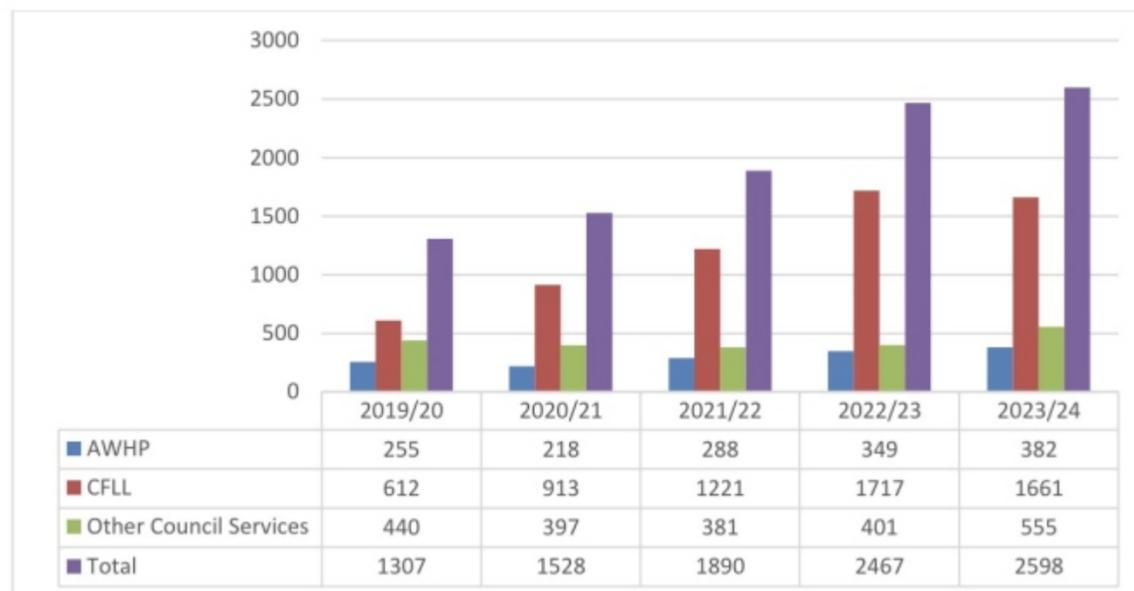
Fines paid out by **Surrey County Council** for repeatedly failing children and young people topped half a million pounds in the past year – more than doubling its previous worst level. The council paid £540,611.59 in the last year to families who raised complaints through the children and social care watchdog.

It is an increase of £281,880, or 109 per cent, on 2023’s figure – when the council said it was “working hard to improve services”. Part of the “notable increase” is due to a change in guidance from the Ombudsman, which encourages local authorities to provide financial remedies earlier, as well as on an ongoing basis for delays to education, health and care (EHC) plans.

The council said it has cut its backlog of delayed care plans and is approaching the national norm.

Opposition members said ombudsman complaints and fines were just the tip of the iceberg and the trauma caused to families has long-lasting effects.

Figure 1: Total complaints received.



Dr **Julia Katherine**, Surrey County Council’s interim director of education and lifelong learning said: “We are working hard to reduce spend on fines, which we know is higher than it should be.” She added: “However, we recognise that delays in issuing EHC plans have also contributed to missed provision and subsequent fines, and we apologise for any distress caused to the children and families affected.

“As timeliness improves, provision will be put in place within normal service delivery rather than retrospectively through remedies and we naturally expect fines to fall in line with this. We have seen a 64 per cent increase in EHC needs assessment requests across Surrey since 2020, at a time of a national shortage of educational psychologists, and this has naturally had an impact.”

Dr Katherine said the council had prioritised how it was addressing timelines and had reduced the number of delayed EHC plan requests from 1,658 in October 2023 to about 100 by the end of May 2024 – and is on track to eliminate the backlog altogether.

She said: “This should ultimately result in improved timeliness of assessments, putting Surrey in line with national levels, from June 2024, and in turn an improved experience for families and a reduction in the need for financial remedies. We

are resolute in our ambition to continue to improve services and outcomes for children and young people with additional needs and disabilities so that they are happy, healthy, safe and confident about their future.”

According to the council’s own figures, £107,102.50 was paid in “symbolic financial remedies” in recognition of the “distress and anxiety and time and trouble taken in pursuing” complaints, an increase of £19,656.85 (11 per cent) when compared to the previous 12 months.

The council paid £255,318 because of problems in its education services, including a single payout of £12,900 which included missed education and delay. There were also two one-off payments of £12,486 and £12,400 for loss of education provision and delay. Children’s social care shortcomings cost £74,441 with £43,245 to one family to acknowledge financial support errors. The figures were released ahead of the June 5 meeting of its Audit and Governance committee.

Councillor **Catherine Powell**, leader of the residents group at Surrey County Council, said “I’m sad but it doesn’t surprise me. The half a million is devastating for the families, it’s devastating that its money not being spent on services, but it’s all the other families that are not even able to take it to that point. To go through to the ombudsman, you kind of have to have money behind you and there are an awful lot of people who don’t and they just end up sitting in the system.”

She added: “Once you’ve traumatised a child you don’t untraumatise them, they learn to live with it and that’s where the long-term mental health issue can. “The parents of these children are under extreme strain. If we don’t support the parents in the right way, we are actually creating long term health issues for the parents as well because they are burnt out and unable to cope. I hear it’s a very isolating experience.

“If you have a child not in school regularly there are lots of things you can’t do, you can’t work and you have to support the child in an intense day-to-day way. It’s very hard.”

Cllr Powell added (the council) has “put money into educational psychologists and the service believes it will get the backlog down but the reality is not just that, but the support we provide along the way.”

Missed education provision meant the council had to reimburse parents £222,657 in symbolic financial payments to recognise each month missed. These are payments the council should be spending to meet assessed needs irrespective of a complaint being made.

In the past year, Surrey County Council recorded a total of 1,661 complaints in its children, families and lifelong learning service - down from 1,771 the previous year.

Only a “very small number of complaints” escalate to the Local Government and Social Care Ombudsman, the council said, with the vast majority successfully resolved and responded to by the local authority.

Cllr **Will Forster**, leader of the Liberal Democrat Group said: “We have highlighted Surrey County Council’s awful record of protecting vulnerable young people before. All too often the Ombudsman has found the county council wanting. This is an awful way to spend taxpayers’ money, and on lawyers fees fighting these judgements. The cases that come to the ombudsman area only when parents have fought and pushed through the system to get to this point. There will be so many more failures that carers and young people aren’t able to complain about.”

## Banded together to fight the band

15 November 2024

Band	2023/24	Increase	2024/25
A	£1,490	£70	£1,560
B	£1,739	£81	£1,820
C	£1,987	£92	£2,079
D	£2,235	£104	£2,339
E	£2,732	£127	£2,859
F	£3,229	£150	£3,379
G	£3,726	£173	£3,899
H	£4,471	£208	£4,679

A decades-long council tax battle has been won netting residents of a retirement village up to £9,000 each after it was ruled all 113 people there had been in the wrong rate band. Their victory means the former Band E and D homes have now been reclassified and moved down one level to Band D and C - with the rebate backdating back to 1993.

Those who have live at the Oaklands Park retirement village in Redhill, built in 1989, will also be saving about £500 a year going forward at the former B and E homes. Marilyn Rodd, described as a “force of nature”, chairs the Oaklands Park Residents Association, and it was her refusal to give up that ultimately won the day. She said: “We’re just in disbelief really. It was a complete turnaround we didn’t expect it, we didn’t expect it to go back that far, its a huge result for income-limited pensioners, £500 a year in your council tax for couples. It’s disbelief and absolute joy and everyone is thrilled. There is happiness at Oaklands Park.”

The Redhill retirement village features 113 one or two-bed flats, bungalows, and houses. They were originally sold as top-of-the-range homes because, at the time, the concept of a retirement village was unusual. Their prices soon came crashing down as people sold and moved on - before finding their natural market value at significantly less than originally priced.

Four years after they were built the Government introduced Council Tax - where people are charged based on the value

of their property. The Valuation Office Agency, responsible for setting council tax bands, looked at the prices the homes were originally sold, and their high bands have remained.

That ruling, which residents have been fighting against ever since, has meant the retirement community has been paying Band E and D rates for their small flats, bungalows and houses for years when they should not have been.

Mrs Rodd said: “We did it as a collective. It shows the power of banding together. It took a lot of research to understand how it works. It was doggedness and a lot of research and most of all it was getting everybody working together.”

From the start, they had the support of their MP and local council. Mrs Rodd said: “People move down from bigger houses and are shocked to find out its still band E. Every time someone moves in they query it. But we haven’t taken no as an answer.” She added: “The big difference was – they would compare the houses individually within the estate and say ‘your house is in the same band as your neighbour’.  
“We had to get them to look outside the estate.”

She added: “We are very grateful to the VOA and the council that they’ve decided to correct this long standing anomaly or injustice. It’s nobody’s fault as such it’s just the system.”

Councillor Jonathan Essex (Redhill East, Green) told the Local Democracy Reporting Service: “This lady took up the challenge, pulled together a comparison of properties to show the homes were out of line. It was submitted and lost, but then it was challenged and she needed to get every single resident on board, no mean feat. Then we finally heard back.

“This lady was a force of nature, it was her determination and persistence that made it all happen and it was a pleasure to support her. This gives people hope.”

A Reigate and Banstead Borough Council spokesperson said: “While the setting of Council Tax bands, and any associated appeals, are the remit of the Valuation Office Agency of HM Revenue & Customs, we are responsible for collecting Council Tax. We want people to pay the right amount and, where refunds are necessary, we aim to refund taxpayers as quickly as possible.”

The VOA said it could not comment on individual cases but that it works “extremely hard to ensure that all domestic properties are banded correctly” for Council Tax purposes. They added: “If a taxpayer thinks their band is wrong, they are able to contact us to submit a formal or informal challenge.”

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## Annual audit of Epsom and Ewell Borough Council

15 November 2024



The annual Grant Thornton Auditor’s Report on the workings of Epsom and Ewell Borough Council has delivered a positive assessment of its performance across financial sustainability, governance, and value for money, despite acknowledging the ongoing challenges the Council faces. The report was formally presented and noted at the Council meeting of 14th May.

**Financial Sustainability:** The report highlights that the Council operates in a challenging financial environment with prudent short and medium-term planning. While financial stability remains dependent on continual savings plans, the forecast indicates a need to deliver approximately £1.4 million in savings by 2027/28. The auditors emphasized the importance of finding alternatives to using reserves to manage budget gaps, noting no significant weaknesses in financial sustainability arrangements.

**Governance:** The Council’s governance structure was praised for maintaining appropriate arrangements and compliance policies. An updated Risk Management Strategy and adherence to CIPFA’s Good Governance Framework were noted as strengths. However, the auditors recommended prioritizing the completion of management actions and reviewing the composition of the Audit & Scrutiny Committee to potentially include independent members.

**Value for Money:** The Council’s efforts to ensure economy, efficiency, and effectiveness were aligned with delivering value for money. Recommendations were made to develop a partnership governance framework and to address underperformance in processing minor planning applications, despite improvements seen in 2023.

Overall, the audit reflects positively on the Council’s operations, suggesting continued disciplined financial management and strategic governance enhancements.

Criteria	2022/23 Risk assessment	2022/23 Auditor judgement on arrangements	2021/22 Auditor judgement on arrangements
Financial sustainability	No risk of significant weakness identified.	<b>G</b> Our work did not identify any areas where we considered that key or improvement recommendations were required	<b>A</b> No significant weaknesses in arrangements identified, but two improvement recommendations have been made.
Governance	No risk of significant weakness identified.	<b>A</b> No significant weaknesses in arrangements identified, but three improvement recommendations made	<b>A</b> No significant weaknesses in arrangements identified but two improvement recommendations raised.
Improving economy, efficiency and effectiveness	No risk of significant weakness identified.	<b>A</b> No significant weaknesses in arrangements identified, but one improvement recommendation made to support more effective partnership working arrangements.	<b>G</b> No significant weaknesses in arrangements identified and no improvement recommendations raised.

**G** No significant weaknesses in arrangements identified or improvement recommendation made.  
**A** No significant weaknesses in arrangements identified, but improvement recommendations made.  
**R** Significant weaknesses in arrangements identified and key recommendations made.

The four key recommendations in more detail and the responses of EEBC management:

**Grant Thornton Recommendation 1: Timely Internal Audits.**

The auditors suggested that internal audits focusing on financial controls should be completed before the end of the financial year to aid the Head of Internal Audit in forming their opinion.

EEBC Management Response: Acknowledging the importance of timely audits, management noted past challenges due to staff turnover and long-term sickness, which have now been resolved. With a fully resourced team, management is confident in meeting the audit schedule, with progress monitored by both the Strategic Leadership Team and the Audit & Scrutiny Committee.

**Grant Thornton Recommendation 2: Monitoring Framework for Audit Actions**

The council was advised to develop a framework to monitor management actions identified in internal audit reports, ensuring these are completed by the agreed due dates to enhance clarity and accountability.

EEBC Management Response: Management emphasized that a robust monitoring framework is already in place, with the Business Assurance team logging all actions and requiring quarterly updates from Heads of Service. Additionally, new performance management software has been procured to further improve monitoring capabilities.

**Grant Thornton Recommendation 3: Audit & Scrutiny Committee Composition**

Auditors recommended reviewing the composition of the Audit & Scrutiny Committee to exclude Strategy & Resources members for independence and considering the appointment of independent members.

EEBC Management Response: Management revealed that a review of the committee's operations is already planned following a Corporate Peer Challenge in March 2024. The audit recommendation will be considered during this review in consultation with relevant members.

**Grant Thornton Recommendation 4: Partnership Governance Framework**

To enhance partnership working, the council was advised to develop a governance framework to guide and evaluate the success and effectiveness of these collaborations.

EEBC Management Response: Management expressed a commitment to positive partnership working, acknowledging recognition from the recent Corporate Peer Challenge. This recommendation will be considered in conjunction with the Action Plan resulting from the Peer Challenge.