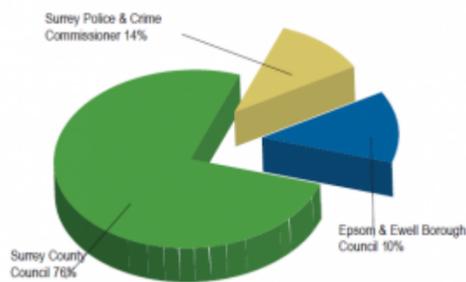


No budging on Council budget

14 February 2024



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

It boils down to this:

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

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

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

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

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

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

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

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

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

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

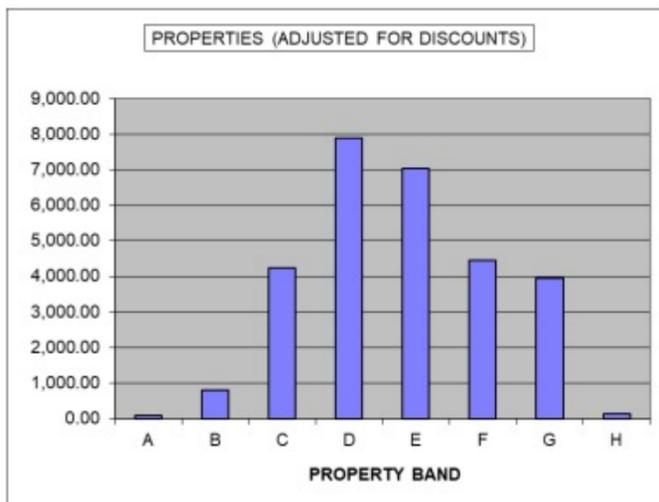
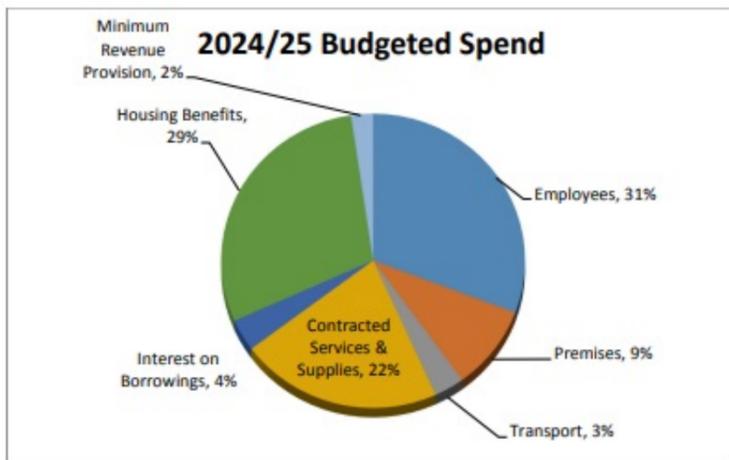
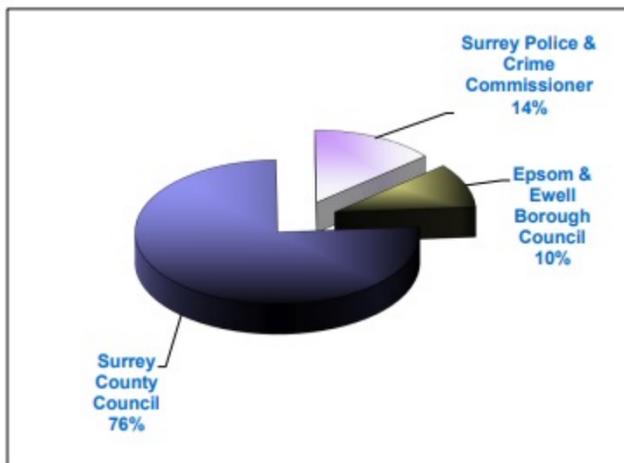
last year, prices rose over and above where they were after a period of double-digit inflation.

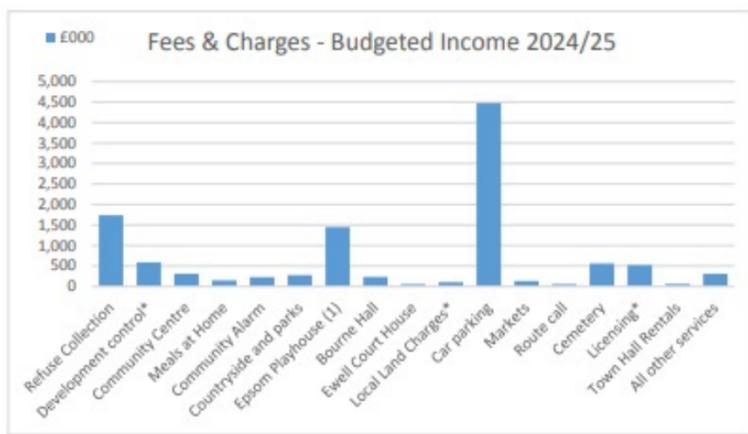
We still have large numbers of residents unable to feed their families or relying on food banks to do so. We still have residents who lie awake at night wondering how they're going to pay their bills, their rents, or mortgages."

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

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

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





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

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

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

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How far will £500m go for Surrey Councils?

14 February 2024



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

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

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

Further pressure has come after a letter from MPs pushed for the extra cash ahead of this year’s general election. In a written statement on Wednesday, January 24, Mr Gove said the extra money would enable councils to provide “crucial

social care services for their local communities, particularly children”.

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

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

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

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

The £500 million pounds announced by Government is to cover all top tier local authorities in England. According to Surrey County Council’s most recent set of accounts, it alone spent £727m on Children, Families, Lifelong Learning and Culture, and a further £680 million for adult social care.

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

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

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

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Image: Tim Oliver credit Surrey Live

A question of pay for Epsom and Ewell Borough Council

14 February 2024



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Council staff to get 6% pay increase?

County CEO's pay rise triggering strikes?

Pay rises for Epsom and Ewell Borough Council

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

14 February 2024



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

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

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

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

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

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

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

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

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

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

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

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

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

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Local Co-Vid volunteers rewarded with Council support

14 February 2024



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

Age Concern Epsom & Ewell:

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

Citizens Advice Bureau Epsom & Ewell:

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

Central Surrey Voluntary Action:

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

RELATE Mid Surrey:

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

The Sunnybank Trust:

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

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

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

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

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Relative relief about Epsom and Ewell's debt?

14 February 2024



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

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

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

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

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

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

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

In recent years, various commentators have warned that the debts held by councils - which must balance their budgets

every year – are unsustainable. In 2020, chair of the Public Accounts Committee Dame Meg Hillier said the Government was “blind to the extreme risks” of council borrowing levels.

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

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

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

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

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

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

The other parties have also been invited to comment.

Underinvestment hits most vulnerable

14 February 2024



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

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

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

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

Its’ boiler failed a year ago causing “considerable inconvenience and discomfort to residents and staff” and is beyond repair.

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

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

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

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

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

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

Image Brockhill care home - Google

Surrey Borough running up big debts

14 February 2024



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

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

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

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

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

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

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

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

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

“An example of this is that the Conservative administration have always ensured that the chair of the Overview and Scrutiny Committee is a Conservative, marking their own homework, and not one of the opposition which is deemed best

practice in local government.”

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

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

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

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

Tory leader pleads with Tory Government

14 February 2024



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

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

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

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

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

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

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

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

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

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

Related reports:

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

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

Top salary for bottom borough

14 February 2024



Woking Borough Council's new managing director will be tasked with navigating its "grave" and "extremely vulnerable position" – and be paid more than any other council CEO's salary while they do so. The latest government report into the state of the council's debt recovery was published this week when it was also confirmed who would succeed Julie Fisher as Chief Executive.

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

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

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

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

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

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

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

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

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

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

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

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

Epsom and Ewell Council staff awarded 6%

14 February 2024



Epsom and Ewell Borough Council 12th December agreed to award its staff a 6% increase to their salaries. Councillors had been advised that despite inflation moderating to some extent through 2023, there have been widespread strikes and industrial action across the public sector in response to pay deals. For 2024/25, the government has accepted the recommendations from a number of independent pay review bodies to award millions of public sector workers including police officers and teachers, pay awards in the range of 5-7%.

Additionally the Council was warned the cost of any deal is crucial, with the council already facing a budget deficit of £1.1m in 2024/25. In budget planning for the medium-term financial strategy pay has been assumed to be 3% for the next 4 years, therefore any award above 3% will increase the council's projected deficit and result in additional, compensating service income or savings having to be identified.

Cllr Robert Leech (RA Nonsuch) said "I support the 6% pay rise. In recent years, we've given the staff 3%, which is less than the rate of inflation. This means that in real terms, our officers have taken a pay cut. I do not think it's sustainable for a third year. I realize that the rate of inflation has come down, but that only partly compensates for the reductions in previous years."

Cllr Alison Kelly (LibDem Stamford) said "I agree that we need to support the 6%. We must make sure that all our staff are feeling that they're well-treated and they shouldn't be looking elsewhere just to be able to live. With staff retention being such an issue for all councils, I think it's vital that the pay is appropriate."

Cllr Hannah Dalton (RA Stoneleigh) said "I want to use this opportunity to thank all of our officers for all that they do. They work really very, very hard for us. If Councillor Beckett was here, he would be reminding us how many officers there were when he first joined the council, and it's significantly reduced."

The recommendation was carried by a majority in the Council Chamber.

Related report

Council staff to get 6% pay increase?

Epsom and Ewell Council goes East

14 February 2024



Councillors at Epsom & Ewell Borough Council voted last night to undertake the relocation of the council's Town Hall accommodation. Staff currently located at the Town Hall will move to 70 East Street, a modern purpose-built office building in central Epsom.

The move will bring about a number of significant benefits:

- **Financial benefits:** Remaining in the Town Hall building would require it to have extensive, costly refurbishment over the coming years to comply with energy efficiency and fire regulations, along with general maintenance of existing building structures which are reaching end of life, which would cost more than twice as much as the cost of relocating. In addition, the move will create significant operating cost savings into the long term, with annual operating costs expected to reduce by over 50%. These future costs savings will help sustain key service delivery.

- **Environmental benefits:** The new building will be more energy efficient and sustainable with a smaller carbon footprint, enabling the council to deliver on its ambitions to be a greener council and to become carbon neutral by 2035.

- **Service benefits:** The move will provide a modern and fit-for-the-future workplace that will best serve the Borough.

The East Street building is already owned by the Council. It is a five-minute walk to the High Street and bus stops are located directly outside the building, providing easily accessible public transport. The building also provides its own parking, serving visitors and those with mobility issues.

It is intended that 70 East Street will not accommodate the Council Chamber, and instead a separate proposal is being developed to locate this in Bourne Hall, Ewell.

Cllr **Neil Dallen**, Chair of the Strategy & Resources Committee, said:

“Our focus must always be on what is best for our residents, and the significant financial and environmental benefits of this move are clear. The current Town Hall building is expensive to run and contains a significant amount of unused space. The new building is smaller and will be far more cost-efficient. The costs involved with the move are far outweighed by the savings that we will make through avoiding the Town Hall refurbishment and through significantly reduced running costs into the long-term.

“Just as importantly, the move will allow us to progress towards our target to become a carbon-neutral council by 2035. We believe the relocation will provide multiple benefits to the borough.”

Jackie King, Chief Executive of the council, said:

“Relocating council staff to a smaller, modern and fit-for-purpose building aligns strongly with our ongoing determination to be a modern, forward-looking organisation that can best meet the needs of our residents. We are excited to progress with this move and improve value for money for our taxpayers as well as continue to provide the best services possible to the community.”

Work continues to look at options for the existing Town Hall site and this will form the subject of a separate report to the council’s Strategy and Resources Committee in due course.

The image is the creation of Epsom and Ewell Times not Epsom and Ewell Borough Council

Related reports:

A new Town Hall for Epsom and Ewell?

Local Plan costs eat into Council reserves

14 February 2024



An officers’ report to the Council advised a further £629,000 is required to progress the Local Plan 2022-2040. The matter was considered by Epsom and Ewell Borough Council’s Strategy and Resources Committee Tuesday 13th December.

The report provided an update on the financial position on advancing the Local Plan toward submission and subsequent adoption, aligning with the timelines outlined in the recently published Local Development Scheme (November 2023). Following a public consultation on the draft plan earlier this year, an extraordinary Council meeting in March 2023 decided to temporarily halt the Local Plan. It was subsequently resumed in October 2023, accompanied by an updated timetable.

The financial crunch, estimated at £629,000, revolves around progressing the plan to Regulation 19 and concluding the Local Plan Examination. To address this, the Licensing and Planning Policy Committee recommended allocating £629,000 from the Corporate Projects Reserve. However, this move comes with significant financial implications, as it would reduce the reserve balance from £2.98 million to £2.35 million. If an additional request to use this reserve, hinted at in reference to a matter concerning the Council’s commercial property - which was excluded from public and press scrutiny, is approved, the balance would further decrease to £1.85 million.

The item from which the press and public was excluded concerned drawing half-million pounds of taxpayers’ money from the Council’s reserves - we quote from the Local Plan item in public view: “Should the separate request to use this reserve at Agenda item 4 also be approved, the reserve balance will further decrease (from £2.35m) to £1.85m.” The ground of exclusion was to protect financial information of third parties. Do you think such interests should out-weigh taxpayers’ interests in what might justify £1/2 million being taken from reserves? Write to Epsom and Ewell Times.

The Council is facing a projected revenue budget deficit of £1.1m from 2024/25 (as reported to Strategy & Resources Committee in July 2023) and reserves are likely to come under substantial pressure in future years and may fall below the

recommended level of £1 million.

The officers' report underscored the importance of maintaining staffing levels and securing external technical support to ensure a robust and timely Local Plan. Any deviation from the Local Development Scheme could amplify costs and resource implications. Despite the financial challenges, the Council was urged to use existing in-house resources wherever possible, given the projected revenue budget deficit.

Cllr **Alison Kelly** (LibDem Stamford) queried whether it was necessary to extend officers' contracts to 2026 when the Local Plan is to be submitted in 2025. The Council was advised that the opportunities for legal challenges and so forth would extend to 2026 and therefore they needed to budget for extending officer employment contracts by two years.

Cllr **Robert Leach** (RA Nonsuch) vented his frustration thus: "I probably have to support this recommendation, but I should do so with gritted teeth. This local plan just seems to be a bottomless pit. I understand that it has cost one and a half million pounds already, and that's probably only half the amount that we will waste. In my opinion, it is a waste of £3 million when the whole project of coming up with a local plan and planning applications could be done more simply. This filled me with horror.

In a recent RA meeting, I pointed out that this worked out at £50 for every household in the country. I asked the people there to put their hands up if they were happy for £50, which is, in effect, their money, to be spent on producing this rather than having £50 to spend on food and energy bills. The number of hands that went up, in round numbers, was a round number. The residents, I think, share my view that we are just wasting money.

I realize that we have to meet a legal obligation, and I would certainly never advocate that the council breaks the law. But I think we should point out that this is being imposed on us by central government. They provide us with no grant at all, apart from perhaps a few specific pet projects of their own. While we have to carry on with the local plan, we should make it clear that we do so reluctantly, only because the law forces us to do so, and that we should make clear to our residents that central government is the villain in this pantomime.

The present government is about to announce a new planning policy. If we have a general election next year with a Labour government, they have said that they will just ride roughshod over local authorities. I shall support the motion, and I shall do so with great reluctance."

Following these two contributions from the Chamber the committee proceeded to unanimously accept the recommendation to draw £629,000 from reserves to fund the ongoing Local Plan process.

The contribution to the prolongation and additional cost of the Local Plan process arising from the unpopularity of the original draft's proposals to develop Green Belt was not mentioned by any Councillor.

Related reports:

[Local Plan to move forward after passionate debate](#)

[Local Plan \(2022-2040\) Un-Pause Recommended](#)

[Cllr Persand intervenes ahead of Local Plan debate](#)

and many many more (search "Local Plan")

Surrey County chief talks to the BBC

14 February 2024



Cllr Tim Oliver, Conservative Leader of Surrey County Council was interviewed this morning on BBC Radio 4's Today programme by Amol Rajan. Also Chairman of the County Council Network he welcomed further devolution of financial powers that could lead to a tourist tax and the need for more money to meet burgeoning demands for special educational needs and school transport.

The Epsom and Ewell Times has prepared a tidied up transcript of his interview in full.

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- Nottingham City Council became the latest local authority to issue what's called a section 114 notice, which means it will halt spending on anything not required by law. Let's talk to Councillor Tim Oliver, who's a Conservative and leader of Surrey County Council. How big a problem are we facing, and what's driving it?

TO: Well, it is a significant problem. We're talking about large councils that deliver social care to our most vulnerable

residents. We have seen a huge increase in demand for those services, whether it's for adult social care or for children's services. And we've now got to the point where really well-managed councils are running out of road financially.

- And what sort of situation are you in, Surrey County Council?

TO: I'm also chairman of the County Council's Network, so I represent all of those large councils, and the problems are the same. We've seen a decrease in our budgets and our funding from central government. What's different now is that last year, the chancellor gave us a not inconsiderable sum to support adult social care. But we've seen a huge demand for services to children with additional needs. The cost of placing those children in specialist facilities has risen exponentially. And a particular area of concern for us is the rising cost of home-to-school transport. Across the whole system, that currently costs about a billion pounds a year, and that's projected to increase to about 1 and a half billion by 2028. So these are real day-to-day issues. And our plea to the government is to recognize that we're supporting those most vulnerable members in our communities.

- Would more fiscal devolution help? Do you need more money from the centre, or do you just need more control of the money you get from the centre?

TO: This government had pledged to pursue a devolution agenda, and indeed they have done that. That has been more about controls and levers rather than about fiscal devolution. But yes, I think many of us would welcome that opportunity. That would give us the flexibility to raise taxes locally if that was appropriate, perhaps around tourist tax and so on.

- The Times reported yesterday that middle-class parents are blamed by some councillors for driving the surge in plans for special needs schooling. Is that a problem where you are?

TO: The County Council's Network, and I am certainly not blaming any individual parents or different groups. We absolutely understand that parents want the best for their children. They're going to push for that. It's really important though that we do make sure that the limited funds that are available, that public pound, is used most effectively.

The County Council Network is the voice of England's counties. Representing the local authorities in county areas, the network is a cross-party organisation which develops policy, commissions research, and presents evidence-based solutions to issues on behalf of the largest grouping of councils in England

Image: Tim Oliver credit LDRS - Surrey Live

Poorest will pay for a Council's mismanagement

14 February 2024



Vulnerable people are set to bear the brunt of service charge rises after **Woking Borough Council's** executive committee agreed to inflation-busting increases. People who receive community meals or extra care facilities will be asked to pay more, as will users of community alarms.

The day-care services, which were previously free, run from The Vyne and St Mary's Community Centre are to be moved to Brockhill and Hale End Court and cost £20 a day. The daycare charge would not include the cost of transportation which is currently undertaken by Woking Community Transport - which in itself is under threat given its loss of funding.

The hit is being forced on residents after Woking Borough Council declared itself effectively bankrupt in June this year, with an unpayable deficit of about £1.2 billion and debt set to soar to £2.6bn. It meant all services the council was not legally obliged to provide would have to pay for themselves.

Other increases recommended for approval included garden waste fees rising by almost 50 per cent to £70 per bin, and community hall fees jumping by 20 per cent.

Decisions on big ticket items, such as Pool in the Park, and parking charges, are still to come as the council awaits consultation results and is not expected until the new year.

Introducing the measures to the Thursday, November 16, meeting, was Councillor Dale Roberts, portfolio holder for financial planning. He described service charges as "a bit of a political football but this is also not like any other year." He said: "This must be done while reducing, removing, the subsidy from discretionary services effectively delivering them

cost neutral such that they are affordable, sustainable to this council.”

Leader of the council, Councillor Ann-Marie Barker said: “These are non-statutory services, they are services the government doesn’t require us to provide. We provide them because they are good and useful services to residents but if we want to continue to provide them we’ve got to cover the costs, we’ve got to make them cost neutral. But affordability has to be a key measure as well because we may be impacting people who can’t afford to pay them.” She added: “It’s not easy but it’s symptomatic of the situation we find ourselves in.”

Opposition members raised flags over the lack of detail in the papers, stating it made approving blanket increases difficult as there was no way to know the extent that they were needed. This was agreed by the executive who said the problem was deep-rooted and part of the council’s long-term problems.

Cllr Roberts said that officers have worked very hard but that he recognised “that there is missing information, things we would all like, that are just not there”. He said: “Councils don’t fail because they get into financial difficulty they get into financial difficulty because they failed. The fact that we are absent of some of the information we absolutely need, critical to moving forward, is because this council has failed, its broken.”

A formal vote will be taken by a full meeting of Woking Borough Council. It is due to sit on November 30.

The Vyne, Woking (Image Google)

Good money goes after bad

14 February 2024



A cash-strapped council will spend up to £350,000 on an investigation into potential fraud in its housing department. **Guildford Borough Council** confirmed police are working alongside an accredited anti-fraud investigation unit to look into the issue, which came to light in July.

Work has begun to look into issues including overspending on contracts and problems with contract management regarding spend, compliance and delivery. While some costs will be met by the council’s housing department, such as the costs of interim and agency staff, other costs relating to the investigation and reviewing internal governance will be paid for out of the council’s day-to-day budget.

A report, to be discussed at a special meeting of the council’s corporate governance and standards committee on Wednesday (November 29), said allegations of potentially fraudulent activity had been raised, which may have caused financial loss to the council.

The report said: “In July 2023, an external investigation team was instructed to consider the allegations that there may have been some wrongdoing within the council in respect of the council’s relationship with one or more contractors. An accredited anti-fraud investigation unit is working alongside the police in respect of this matter.”

Costs incurred to the council so far include an external investigation team from Reigate & Banstead Borough Council, forensic analysis costs, and legal advice. These costs could reach between £50,000 to £100,000 “dependent upon the volume of legal advice sought”. The remaining estimated £200,000-£250,000 would be spent on an internal governance review, including external experts, and “dedicated admin support”, according to meeting documents.

As well as pausing and reviewing some contractual works, the council will terminate some contractual arrangements. The report said: “The priority in recent weeks has been to stop the continuation of any potential wrongdoing, whilst supporting the delivery of the service to the council’s tenants.”

Following initial work to look at the “contract failures, to stop any potential wrongdoing and overspending, and to stabilise the service”, the council will now look at the “governance failures” that have occurred.

This will include setting up a Strategic Project Board for housing that the external investigation team will report to at least every month.

The council’s leader, Councillor Julia McShane (Lib Dem, Westborough) said Guildford would continue working with external authorities to deal with the matter “efficiently and thoroughly”. Cllr McShane, who is also the lead councillor for housing, said: “I understand that this has been a concerning time for our tenants. I want to reassure our tenants that their welfare continues to be our absolute focus. Our officers are working in a robust and diligent manner to ensure that we follow a methodical process throughout this very serious and sensitive matter.”

Richard Bates, the council’s interim finance chief told a meeting of the corporate governance and standards committee on Thursday (November 16) the number of jobs being looked into in the housing department was “immense”.

Speaking before the report for the November 29 meeting had been published, he said officers could not answer many questions relating to the housing department, because they did not want to interfere with the internal and external investigations.

Image: Guildford high street. Credit: Emily Coady-Stemp

No way to discharge bankrupt Council

14 February 2024



Bankrupt Woking Borough Council is spending up to £148,000 a year on free charging for electric vehicles – about the same it would cost to save the “Bustler” community bus service.

The great electric give away at the Red Car Park in Victoria Square is happening, it emerged, because antiquated IT systems mean the council is powerless to charge people who use them.

It has led to calls for the electric vehicle charging stations to be switched off immediately in the hope the money could be used for community projects that are struggling with funding cuts as the council grapples with its near £2.6bn debt.

The shocking figure was uncovered during the Monday, November 20, Overview and Scrutiny Committee when officers were grilled on budget overspend over electricity costs for the Red Car Park in Victoria Place which “had not been budgeted for resulting in an estimated overspend of £148,000”.

Councillor Kevin Davis (CON, Heathlands) said: “What on earth is going on in that car park that’s racking up electricity charges of 148 grand?” He was told the money was going to the council-owned Thamesway account as part of its decentralised heat network – which ultimately provided power for electric vehicle charging points in the car park.

Officers told Cllr Davis they were aware the council was “not able to financially charge, sometimes we’re not (even) able to electrically charge” because the “back office systems that support the EV charging system are not in place”.

Cllr Leslie Rice (LD, Heathlands) said: “Somebody is getting free charging.” He added: “This has come out in a meeting. We talk about transparency and good management practices and we’ve turned over a new leaf, this doesn’t look like it. Someone from one side of the political divide picks up on something and it’s built on and built on and it’s not a good picture. It does not reflect well on council officers, this should be disclosed and it shouldn’t be dragged out this way in the meeting.”

It comes less than a month after the chief executive of Woking Community Transport warned of ‘dark days’ ahead after learning its service agreement was under threat as part of £11m of cuts the council must make to balance its budget.

The door-to-door community transport, known as the yellow Bustler service, helps take people with mobility issues to day centres in the borough.

The council, which declared itself bust in June, has to stop spending on all services not classified by the Government as essential.

Cllr Davis said: “ This is just a shocking example, and it’s been dragged out by accident, and now we have to come up with a solution. We should be looking at stopping people getting free electricity.”

Cllr Rice added: “£148,000, I think £150,000 is the Bustler grant that we’re talking about. There are so many different things we could do with £150,000.”

Finance lessons for Parliament from Surrey Boroughs

14 February 2024



Surrey Heath Borough Council is burning through its reserves and eyeing up serious cuts to services, the Levelling Up, Housing and Communities Committee was told. The Monday, November 13, cross-party panel of MPs heard from experts including from the National Audit Office, the Institute of Fiscal Studies, and chief financial officers of local councils as it delved into the 'financial distress in local authorities'.

Among the group giving evidence were Paul Dossett, from Grant Thornton the forensic accountants deep-diving into Woking Borough Council, Jonathan Carr-West, of the Local Government Information Unit, and Surrey Heath's chief finance officer Bob Watson.

The committee was also told a lack of professional accountability among senior officers - across all councils - has been a driving factor behind local authorities running into financial trouble - and has been made worse with many scared to stand up against councillors for fear of losing their jobs.

Mr Watson said: " (Surrey Heath) is not in immediate financial distress, it is like many other councils, predicting a use of reserves over the medium finance period and the burn rate on those reserves is unsustainable into the medium and long term future."

He told the meeting of the "challenging budget process" the council was going through, including looking at cutting non-essential services. He said: "We have over the past two and a half years embarked on a number of efficiency measures where we've taken costs out of the organisation without cutting services to the residents and business in Surrey Heath. It is potentially now likely we will have to look at some of the discretionary services. We also have over the past built levels of ear-marled reserves for very such cases where we've started to see some of these higher interest rates coming through. We plan to use those reserves to smooth the gap over the four years. Sufficient reserves to take us through the four years but it is challenging."

Part of the reason, the committee heard, for councils struggling to balance the books has been a 61 per cent cut in funding, which has had the knock on effect of increasing demand for services - notably in housing and homelessness.

Mr Watson told the committee that the cost of living crisis has impacted on people paying private rent and who were now presenting as homeless. He said: "We in our borough haven't seen it quite the same (levels of homelessness) as some of the other Surrey boroughs but we're starting to see that increase. Last month's statistics of people presenting to our council offices actually doubled- again driven by cost of living pressures on individuals. We have the cost prices going up with hotels, we have the cost of hotels going up driven by demand going through and were now starting to see some of the hotels closed by central government these people now presenting to the local authority as homeless." He added that it was not just a refugee crisis as people have been struggling to find affordable homes for years.

Earlier in the session the committee heard from Grant Thornton's Paul Dossett. Grant Thornton works with about half the councils in the UK and is completing a deep dive into how Woking Borough Council went bankrupt with debts approaching £2.6billion. Mr Dossett told the committee that local government financing "just bumbles along with no attempt to fix it" and when councils do go bust its the most vulnerable, the ones who rely on council services the most, who are impacted.

He said: "Some of the things that have gone wrong, what we have seen with some of those people responsible from an officer side, in those key roles, the golden triangle of chief executive, monitoring officer and section 151 officer, there hasn't really been professional accountability. There may have been job accountability in that the person has moved on to a different place but the sort of professional accountability of someone not doing their job to the right professional standard we don't really see that in any meaningful way. Alongside that there needs to be better job protection for statutory officers to enable those statutory functions to speak very clearly to members to say 'you can not do this'

"That is either breaking the law, or involves a degree of financial risk that the Section 151 officer is not comfortable with, and should be able to say that without any fear that there will be comeback against you in that role."