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Epsom and Ewell Council admits homelessness pressure is "getting worse" despite action

17 July 2026

Epsom and Ewell Borough Council's homelessness expenditure remains at its maximum risk rating despite additional staff, fraud investigations, government funding and the implementation of a homelessness action plan.

The Council's year-end performance report recorded a £410,000 adverse budget variance for 2025/26, with net expenditure of £10.679 million against an approved budget of £10.269 million.

The overspend was driven primarily by temporary accommodation costs. It would have been higher without treasury income approximately £100,000 above forecast and around £200,000 of additional income from property leases completed later than anticipated.

Councillor **Steve McCormick** (Conservative Woodcote and Langley) told the Audit and Scrutiny Committee 16th July that those gains had effectively masked what would otherwise have been a £710,000 operational overspend.

The number of homelessness applications rose by 82.6% during the year to 623. The number of households in nightly-paid accommodation remained above target and was 5.5% higher than at the equivalent point a year earlier.

The corporate risk of homelessness spending exceeding its budget carries an inherent score of 16 and, unusually, remains at 16 even after the Council's controls are taken into account.

Mr McCormick asked whether that meant the controls were ineffective or that external pressures had simply overwhelmed what the Council could do.

Assistant Director Andrew Bircher said: "Notwithstanding all these actions that we seem to be taking in order to try and reduce the amount of homelessness, we're not seeing that come to pass. In fact, we're seeing the number of nightly paid and the homelessness numbers increasing. If it was getting better, I think we would see our residual risk lower, but what we're seeing is it's not getting better; it's getting worse."

He distinguished between making prudent financial provision for the costs and successfully reducing the underlying demand. "The fact that we might be able to cope with that doesn't mean that it isn't still a risk," he said.

Where will the missing £650,000 come from?

Cllr **Alex Coley** (Independent Ruxley) agreed that officers had undertaken a considerable amount of work. He said almost every action within the homelessness and rough-sleeping strategy was marked green or completed, with modular housing the main exception. Without that work, he estimated annual costs could already have reached around £2 million.

However, he questioned whether the budget figures matched the scale of the known pressure. "The allocation of funding to temporary accommodation was significantly short of the money we spent in the last year, which is £1.4 million," he said. "I think we've only allocated something like half of that, so £750,000. There is a question, isn't there: where's the other £650,000 going to come from?

"People might reasonably ask: did we actually set a balanced budget back in February?"

Three modular homes nearly two years late

The Council's modular-homes programme remains more than three months off track against an original completion date of July 2024.

Only one location, providing three homes, was found to be viable. Progress has since been delayed by a requested land tribunal hearing, and the performance report supplied no new completion date.

Mr McCormick questioned why the tribunal risk had not been anticipated and what alternative rapid-delivery housing schemes were being pursued. Officers were unable to answer at the meeting and said a response would be obtained from the relevant service.

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Financial position "unsustainable" without reorganisation

The Annual Governance Statement contained a candid warning from the Head of Paid Service that, although EEBC remained relatively financially stable, its position would be unsustainable over the longer term without local government reorganisation.

Mr McCormick asked whether that meant the Council might otherwise have faced a Section 114 financial emergency.

Mr Bircher said EEBC was in a better position than many neighbouring authorities but had previously relied upon reserves to balance its budget. "Clearly, use of reserves year after year is not a sustainable position," he said.

Without reorganisation, the Council would have needed to consider substantial transformation and change programmes. He said the efficiencies expected from creating the East Surrey Unitary Authority would perform some of the function that a separate savings programme would otherwise have been required to achieve.

Property problem arises for third time

Without disclosing details discussed at a separate exempt meeting, Cllr Coley also challenged the red-rated risk attached to the Council's property portfolio.

He said a problem involving the Council's investment company had now arisen for a third time and would cost more than six figures. Previous advice had said doing nothing was not an option, but the problem had nevertheless been allowed to recur. "I would like to know what the control is so it doesn't happen a fourth time," he said.

Mr Bircher agreed the risk register should be updated with new mitigation but declined to bring a separate report back to the committee.

Mr McCormick noted that the Council described its approach as "treat" while both the inherent and residual property risk remained at 12. He asked what active measures had been taken to prevent commercial tenants defaulting. That question was also taken away for a later response.

ICT and other services off target

The Council's 2024/25 ICT roadmap, originally due for completion in March 2025, remains off track. Its IT service-interruption risk remains high, with ageing components and dependence on outside suppliers identified as continuing threats.

Although new firewalls had been installed and other network work was progressing, Mr McCormick asked why the cyber-security response-plan review had slipped to September 2026 and whether investment might become redundant when systems were combined under the new unitary council.

Other significantly off-target indicators included long-term sickness absence and the proportion of parking penalty appeals answered within ten working days, which had fallen from 100% to 63%.

Mr Bircher said parking staff were diverted at the financial year-end to time-critical work such as permit and garden-waste renewals. The Council had chosen not to fund temporary extra capacity, although its response times remained better than the statutory requirement.

"When someone is accountable, they do not"

Many detailed questions were left unanswered because the heads of the relevant services were not at the meeting.

Mr McCormick asked how councillors and the public could be assured that written answers would subsequently be provided and published. Mr Bircher said it would be disproportionate to require every head of service to attend in case a question arose and that Democratic Services had a good record of recording questions and obtaining later answers.

Cllr Coley contrasted the attendance with a Strategy and Resources meeting two days earlier, at which the Chief Executive, Section 151 Officer, Monitoring Officer and senior property officers were present.

"The public and members might get the impression that when somebody wants something, everyone shows up, and when someone's accountable, they do not," he said.

The committee noted the performance and risk report.

Sam Jones – Reporter

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