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Government to pay a chunk of Woking's record debt

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Crushing debt set to be inherited by hundreds of thousands of West Surrey residents will have a big chunk taken out of it after the Government officially began the process paying down £500,000,000 of Woking Borough Council's financial failings.

The new council will take over in April 2027 following the dissolution of Surrey County Council and its 11 boroughs and districts.

West Surrey was forecast to start life with a £4billion black hole as a legacy of failed investment strategies, the largest being Woking Borough Council £2billion shortfall.

This will now be significantly reduced after the government started paying Woking Borough Council's historic debt, built on the back of a failed investment strategy that bankrupted the borough in 2023.

The first repayment was completed on September 1 with the settlement of an £8 million loan – with a further £492 million of loans expected to be repaid by the end of March 2027.

In effect the Government is paying itself as the money owed was from its own Public Works Loans Board but its decision to begin the financial relief has been described by Woking Borough Council as a significant milestone its recovery.

Cllr Ann-Marie Barker, leader of Woking Borough Council, said: "The start of this financial support marks a significant step towards addressing the council's historic debt burden and reducing the costs associated with it.

"While this marks important progress, we recognise that Woking's debt is an ongoing concern for residents across Surrey, and that there is still much work to do.

"Our priority remains clear.

"With the continued support of government, commissioners and our future partners in West Surrey, we remain focused on delivering our Improvement and Recovery Plan to enter the new unitary council in the strongest financial position possible."

The money was first pledged to the council last year when the government said it would provide £500m in financial support 2026/27 to help reduce Woking's debt burden and borrowing costs – where the interest alone was pushing towards the £100m a year mark.

The council has been under commissioner control since collapsing, with all decisions having to be signed off by government appointed staff.

It says this money is a reflection of the ongoing commitment to reduce debt, which has seen it selling off a host of high-profile buildings in the town centre to help claw back what it can. These include the Victoria Square and its energy companies.

Chris Caulfield Local Democracy Reporter

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Woking Borough Council (Image Chris Caulfiield)

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