EPSOM & EWELL TIMES
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5th November 2026

ISSN 2753-2771

EPSOM & EWELL TIMES

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See-saw debate on whether Epsom and Ewell Borough Council's budget is balanced

12 February 2026



Inside the Claims and Counter-Claims at EEBC's 2026/27 Budget Meeting

Epsom & Ewell Borough Council (EEBC) declared Tuesday (10th February) that it has delivered a "balanced budget without the use of reserves" for 2026/27.

The ruling Residents' Association (RA) described it as the culmination of decades of prudent financial management. Opposition councillors from Labour, Liberal Democrat and Independent benches described something rather different: a one-year balancing act achieved by withdrawing revenue support for maintenance and capital projects, while pushing structural deficits into the future and increasing council tax to the legal maximum.

"Balanced Without the Use of Reserves" — What Does That Mean?

The morning after the meeting, EEBC issued a press release stating that the final budget had been "balanced without the use of reserves" following "£700,000-worth of savings" and a more favourable government funding settlement, particularly relating to temporary accommodation costs.

In the chamber, Cllr **Neil Dallen** (RA Town), Chair of Strategy & Resources, framed the result as both fiscally responsible and stable: "We have produced a balanced budget without using reserves… while ensuring the borough's finances are stable."

Cllr **Clive Woodbridge** (RA Ewell Village) went further, calling EEBC: "an island of financial calm and stability" and describing the budget as "balanced… with no cuts… the continuation and culmination of decades of sound RA-led financial management."

On the face of it, the claim is correct — in Year 1. The budget report states that, following savings and funding uplifts, the council has set a balanced budget for 2026/27.

However, the same report pack makes clear that this balance applies to the first year only. The medium-term financial strategy still shows a projected gap of approximately £0.206m in Year 2 and £0.373m in Year 3 — around £0.579m in total across the later years of the plan. The Section 151 Officer's robustness statement acknowledges that the estimated gap by 2028/29 remains in the region of £0.56m–£0.57m.

So the question is not whether Year 1 balances — it does — but whether the structural challenge has been solved or merely deferred.

From £5 Million Gap to £579,000 — How Was It Done?

Back in July 2025, the projected three-year funding gap stood at £5.063 million. By February 2026, that gap had reduced to £0.579 million.

The improvement is attributed to three principal factors:

1. A favourable uplift in Revenue Support Grant (around £1.4 million) under revised funding formulae.*
2. Extended Producer Responsibility (EPR) funding that exceeded expectations — around £1.08 million received versus £0.337 million forecast. [Click here for an Epsom and Ewell Times guide to EPR.]
3. Approximately £700,000 of savings achieved largely by removing planned revenue contributions toward capital projects and maintenance budgets.

The opposition did not dispute the arithmetic. They disputed the sustainability.

Liberal Democrat Warning: "We Are No Longer Maintaining Our Assets"

Cllr **James Lawrence** (Lib Dem College) delivered the most detailed financial critique of the evening. Referring directly to the budget papers, he acknowledged that the headline gap had fallen dramatically — but argued the method used to close it was deeply concerning.

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He told Council: “We have 930k of savings being put forth for this year, 700,000 of that is because we’re no longer putting any revenue contributions towards our capital projects, and we’re not putting any towards our maintenance projects… That is 700,000 this year and all future years that we are not putting towards repairing and maintaining our buildings and capital assets.”

In other words, the largest element of recurring savings is the removal of revenue support for asset upkeep.

Lawrence also criticised what he described as unrealistic budgeting assumptions on temporary accommodation numbers the previous year, stating that predictions had been far below actual demand. He argued that the in-year deficit had only been reduced from around £900,000 to £500,000 because: “we took 400,000 out of the Rainbow Leisure Centre contingency.”

That reference would become a flashpoint later in the debate.

Temporary Accommodation: Windfall or Long-Overdue Reimbursement?

Homelessness spending sits at the heart of this budget story. The report pack acknowledges that 2025/26 is forecast to end with a deficit of around £520,000, largely due to housing and homelessness pressures, with a £750,000 increase built into 2026/27 for nightly paid accommodation.

The RA’s defence is that central government has finally begun to recognise real costs through revised funding formulae. Cllr Dallen told Council: “For years, they haven’t [paid], and we have been subsidizing that service by millions of pounds… The one and a half million they’ve given us still doesn’t cover the cost… So it’s not a windfall. It is actually starting to pay what they should be paying for homelessness.”

Opposition councillors saw it differently.

Cllr **Chris Ames** (Labour Court) argued that the scale of temporary accommodation expenditure reflected years of policy failure: “The council is spending huge amounts… on managing a homelessness problem, largely of its own making… People should be housed in permanent homes, not expensive temporary accommodation.”

Cllr **Kate Chinn** (Labour Court) added that prevention should sit “at the heart of our budget as a serious financial and moral commitment.”

The debate therefore split along a clear line: RA framing increased grant as overdue reimbursement; Labour framing homelessness spending as structural failure.

Council Tax: “Expected by Government” or “Squeezing Residents”?

The budget applies a 2.98% council tax increase — effectively the maximum allowed without triggering a referendum.

Cllr Dallen told Council that government “expects us to raise council tax by this amount,” warning that failure to do so could have grant consequences.

The report pack itself notes that the funding settlement assumes councils apply maximum Band D increases and deliver taxbase growth.

But Cllr Chinn challenged the choice: “The RA are again proposing residents pay the maximum increase allowed… this council should be reducing the pressure… not adding further costs.”

The political divide here is clear: RA sees the increase as prudent and necessary; opposition sees it as avoidable and poorly timed during cost-of-living pressures.

The Strategic Priorities Reserve — A Missed Opportunity?

One of the most substantive amendments came from Cllr Lawrence, seconded by Ruxley Independent Cllr **Alex Coley**, proposing that the Strategic Priorities Reserve — originally funded with approximately £2.3 million and still containing around £1.6 million unallocated — be dissolved and transferred to general reserves.

Lawrence argued that, with local government reorganisation and a shadow authority imminent, earmarking funds for long-term “wish list” projects no longer made sense.

Coley supported him: “I just don’t see the reason for keeping this money out of our general reserves any longer.”

Cllr Dallen rejected the amendment, invoking process: “We have a financial strategy advisory group… to suddenly have a knee jerk reaction at a council meeting where officers are not allowed to speak… I think is crazy… We have proper processes.”

The amendment failed. The reserve remains intact.

The deeper issue: what constitutes prudence at the end of a council’s life — ring-fenced ambition, or flexible liquidity?

Rainbow Leisure Centre — The Unresolved Liability

During debate, Cllr Ames alleged that the transfer of Rainbow Leisure Centre to a new operator could leave the council facing: “a bill of around half a million pounds plus legal costs.”

Lawrence’s separate reference to drawing £400,000 from the Rainbow contingency fund amplified the concern.

The budget papers do not explicitly quantify any final Rainbow liability within the headline figures, and no detailed rebuttal was provided during the meeting.

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For residents, the question is simple: if liabilities exist, where do they sit within the risk assessment of the medium-term plan?

Reserves: Not Used — But Still Doing the Heavy Lifting

The claim that the 2026/27 budget is balanced without reserves is technically correct. However, the report pack confirms that 2025/26 is forecast to close with a deficit to be managed through earmarked reserves, while the General Fund reserve stands at £1.555m — only £55,000 above the council's stated minimum threshold of £1.5m.

The distinction is important. "No reserves used in 2026/27" does not mean reserves are irrelevant to the council's overall financial stability.

The Vote — And What It Revealed

The budget passed on a recorded division: 19 in favour, 10 against, one abstention.

Cllr **Julian Freeman** (LibDem College) criticised what he described as bloc voting by the RA: "Residents councillors just voting along with their group."

The RA closed ranks. Opposition parties voted against.

So — Balanced, or Balanced for Now?

The 2026/27 budget does balance in accounting terms.

But it does so through a combination of:
• Exceptional government funding uplifts.
• Removal of recurring revenue support for capital and maintenance.
• Maximum council tax increase.
• Deferral of structural gaps into later years.

The ruling group describes this as prudent stewardship at the end of an administration.

Opposition councillors describe it as a one-year fix achieved by stopping maintenance contributions and raising tax while underlying pressures remain.

With local government reorganisation approaching and a shadow authority soon to assume control, the final judgement may not be made by this council at all — but by its successor.

Sam Jones – Reporter



Image: Any resemblance to any particular councillor is random and their position on the see-saw is not indicative of whether they supported the budget or not.

*A general grant paid by central government to local authorities to help fund their day-to-day services, with no requirement that it be spent on any specific activity

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