

What Epsom could do with Woking's £75 million bail out?

26 February 2025



Critical front-line services will be spared after a huge government 'bail out' was agreed, bankrupt Woking Borough Council has said. Officially referred to as Exceptional Financial Support for local authorities, Woking Borough Council has been given £74.9 million for the 2025/26 financial year on top of the £96.5million agreed for 24/25.

Woking declared itself effectively bust in 2023 with debts of about £2 billion. It forced the council to cut new spending, axe non-statutory services and increase tax by 10 per cent.

It used the money to build up what it hoped would be a significant investment portfolio but instead saddled itself with huge debt repayments costing tens of millions of pounds every year that it simply can not afford.

It has left the council relying on the Government to cover the cost of its heavy borrowing, known as minimum debt repayment. And this week came the news that it would receive all the money it has asked for - including a further £ 2.8million to cover the cost of providing services this year.

Had the Government refused completely the council would have ground to a halt. Councils also have to, by law, balance their books each year, and the £2.8m above and beyond debt repayment was agreed as it was viewed that Woking Borough Council has been doing what it can to reduce its spending.

This has included mass layoffs, the sale of assets, and finding partners to take over the running of others. Had any further cuts been made in such a short period of time, the results would have been 'catastrophic' to both the council and residents it had been said.

The government cash comes as part of 30 councils overall that have been given support to manage financial pressures - such is the widespread problem of local government finance.

Cllr Ann-Marie Barker, Leader of Woking Borough Council, said: "I welcome the Government's decision to provide exceptional financial support. Critically, this will ensure that the council can meet its financial obligations relating to its £2.1 billion legacy debt without impacting front-line services and will allow us to set a balanced budget at a meeting of Council on Monday 3 March.

"We continue to urgently address the council's legacy debt through work being undertaken as part of our Improvement and Recovery Plan on asset rationalisation, debt reduction and improved commercial governance.

"We remain committed to working alongside Commissions and Government to find a lasting resolution to our complex and challenging financial situation."

In January 2023, an external assurance review covering Woking Borough Council's governance, finance and commercial issues was carried out. It provided an external assessment of Woking Borough Council's governance arrangements, financial situation, commercial investments and its capacity and capability to manage these.

The Secretary of State was not satisfied that the pace or scale of the council's response was proportionate to the issues it faced and decided immediate urgent government action was required, - and On May 25, 2023, he decided to intervene and appointed the review team as commissioners.

By June that year the council declared itself bankrupt and by October, the Commissioners spoke of the gravity of the situation in Woking and the scale of the challenge the council faced.

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