EPSOM & EWELL TIMES
For the community, by the community. A not-for-profit service

29th October 2026

ISSN 2753-2771

EPSOM & EWELL TIMES

Up to £1 where sold

Will Epsom and Ewell be bailing out Spelthorne?

31 January 2025



“Significant weaknesses” in a council’s financial records have been laid bare in a new report.

External auditors for Spelthorne Borough Council said they could not fully assess or complete the financial statements as there was inadequate record keeping. Many queries remained unanswered, said auditors, who reported they were unable to conclude on the 2023/2024 closing balances.

“Without complete and accurate information, the Council cannot have full confidence in the financial decisions reached,” the report said. “The finance papers are detailed but, in our judgement, can be confusing to follow, contain contradictory information in the same paper and lack a clear narrative by way of explanation.”

Spelthorne Council has not fully addressed the funding gaps and risks within its financial plan, according to the report. The latest outline budget for 2025/26 reported in December 2024 shows the council closing its £0.3m funding gap in 2025/26 but it has larger gaps of £3.5m and £5.4m predicted for the following consecutive financial years 2026/27 and 2027/28. The report said the council does not have agreed plans to address the budget gaps which amount to around 15-20 per cent of net revenue expenditure.

Although the council has a significant amount of investment properties for which it receives commercial rents, auditors found recording keeping for monitoring the key leases was “inadequate”. The council had around £52m in commercial rents in 2023/24 but auditors could not be assured by the amount recognised and the cash received.

The “uncomfortable” report made for “stark reading” by both councillors and officers. Councillor Karen Howkins told members Spelthorne “is a council in crisis” at an Audit Committee council meeting on January 28.

Auditors raised concerns that the minimum revenue position (MRP) – the amount of money the council must put aside in its budget each year to ensure it can repay debt incurred for capital expenditure- is likely to have been played down significantly. But auditors said they did not have enough evidence to conclude this was the case.

Spelthorne Council is currently facing over £1bn debt from investing in shops and offices, including Elmsleigh Retail Centre in Staines. Paying this sum for the next 50 years, auditors stressed the council were not “effectively managing” the risk.

Auditors also highlighted issues around Spelthorne’s accounts for purchasing three commercial properties including Carter Building, Thames Tower and Porter Building- worth £351m. The report reads that Spelthorne council only paid £297.9m for the properties and the total figure was ‘grossed up’ by £53.7m to include tax and added the debt to its balance sheet.

The first audit the council has received since 2017/18, auditors noted auditing requirements and have changes and standards have increased. The report also highlighted issues with council staff not having capacity or capability to carry out or send through the work required for the audit.

Officers said a training session will be provided for council staff and, in future, staff will be separated between those working on the audit and those working on the council’s overall budget setting.

Several issues and weaknesses were identified during the audit and 16 recommendations have been put forward.

The report flagged “significant weaknesses” in governance arrangements and “extremely poor relationships” between some political groups is impacting the council’s financial management. Auditors recommended the council “urgently” address the issue of trust and apparent “toxic culture” between members and officers.

An LGA Peer review in November 2022 concluded: “There is poor behaviour by some councillors towards each other and staff which is widely recognised as damaging the council’s reputation. It is also affecting staff morale and the organisation’s ability to retain and recruit staff.” As of January 2025 there have been 10 complaints outstanding with the monitoring officer regarding councillor behaviour.

Image: Spelthorne Borough Council offices in Knowle Green, Staines. Credit: Emily Coady-Stemp

© 2021-2026. No content may be copied without the permission of Epsom and Ewell Times Ltd. Registered office: Upper Chambers, 7 Waterloo Road, Epsom KT19 8AY