

Woking Council private school loan scandal

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A private school loaned millions of pounds at favourable rates by bankrupt Woking Borough Council has still to pay its overdue debts – with the local authority saying it is “taking appropriate legal advice” to get its money back. Greenfield School in Old Woking was lent £13.3 million by the now-bust borough, with the previous administration saying the money would help free up capacity within state schools.

Last year, £2.4 million of that was due to be paid back, but the school said it was short of cash and instead offered the council a town centre building it owned in exchange, worth considerably less than that. The council, which is in the process of offloading assets to pay off its own multibillion-pound debt, told the school in November last year that it did not have the capacity to take on any additional buildings.

Four months on, the two parties appear to remain apart on terms, with questions now being asked at Woking Borough Council’s March 20 executive meeting over whether the school will be able to “regularise” its position. Councillor Dale Roberts, lead member for finance, said: “We made it clear that the strong preference of this council was that the school simply met their existing commitments. They are also aware that they are required to provide independent and professional advice on the viability of their plans to repay. Our needs must be front and centre to provide assurance that the school will be able to honour any revised terms and of course that means not just the repayment in November last year but for the whole of the arrangement.”

Cllr Roberts described the loans as “inappropriate” and that the “former administration had no business entering into any such arrangement”. He said: “I’d prefer not to comment on the legalities but I can say with some confidence that it was ultra reckless. The (previous administration) may or may not have acted beyond their legal powers but they certainly sprinted with blind ambition past the boundaries of good judgement.”

According to the papers published by Woking Borough Council, the unsecured loans between 2019 and 2021 helped the school to relocate into another catchment area and enter a different segment of the private education market. Woking Borough Council declared itself effectively bankrupt in 2023 and had to cut services while increasing tax by 10 per cent to help cover its financial meltdown. Greenfield School, which charges up to £17,010 a year, has previously told the council it “may not be in a position” to repay money owed.

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Image: Greenfield School Woking (image Google)