**Seventh Report of Commissioners**

**Woking Borough Council**

**4 June 2026**

## Introduction

1. The report provides an update on the Council's performance set against the Improvement and Recovery Plan. Substantial progress has been made in delivering fundamental change in the resourcing, management and delivery of services, fulfilling the 'Best Value' requirement in terms of economy, efficiency and effectiveness. Governance, financial administration and transformation now accord with the standard set within the IRP. Whilst improvement in housing is continuing, progress has been impacted by some staff turnover. The Council's divestment strategy will be enacted through the planned asset disposal programme; this programme is challenging and carries significant risks. Overall, staff engagement and morale across the Council is strong despite the impact of significant change relating to the transitional stages of Local Government Reorganisation.

## Governance and Risk

2. Woking has sound governance in place, reflecting a robust constitution now fully incorporated in the Council's conduct and Woking practices at both member and officer level. The decision-making process is now fully established alongside an efficient and effective scheme of delegation to officers. In addition, the commercial governance framework is properly in place; major steps are being taken to ensure that this is embodied in Council owned companies' operations and delivery processes. Major progress has been achieved in embedding the concept and practice of robust and rigorous management at all levels within the organisation.

## Finance

3. The finance function continues to stabilise and improve with Woking having established effective and resilient financial management systems and

procedures. The 2025/26 outturn position currently shows an underspend on both services and capital financing costs. The commercial programme contains risk and obligations, and the final reported position will include establishment of a reserve to mitigate those risks. Although the 2025/26 closure of accounts is progressing and feedback is sought from an external auditor relating to the 2024/25 process, it is disappointing to report that the 'opinions' for the period 2019/20 – 2023/24 remain outstanding, having breached the deadline for submission of this to the Council. In addition, it is likely that the 2025/26 audit opinion will be disclaimed and this, along with other potential disclaimed 'opinions' within the West Surrey authority, will be considered as part of the Local Government Reorganisation handover arrangements. The budget for 2026/27 is now in place, and no pressures have been identified at this stage, demonstrating that the Council can operate within the agreed "business as usual" revenue budget for the year.

4. The Council continues to develop and improve internal controls and processes including the workforce's 'establishment'. If the quarter one budget forecast is positive, a process of sampling and testing of transactions may be more appropriate than twice weekly meetings of the existing financial control panel.
5. Overall, the Council's staffing structure and complement are now stable with permanent appointments having been made as the use of interim staff has been minimised and is limited to specialist areas.

**Commercial**

6. The disposal of the Councils' assets, outside of wholly owned companies, has proceeded at pace. The values of those disposals are now a point where they are contributing to debt redemption rather than the use of exceptional financial support and, as a result, the Council is planning to redeem short-term debt.
7. The Council and its wholly owned companies appointed joint advisors to consider the timing of the marketing and sale of retail, hotel and residential assets in Victoria Square. Disposal of Victoria Square assets includes the Council taking direct control of ThamesWey Energy Limited. A five stage business case is being finalised to determine the disposal of ThamesWey

Housing in a way that maximises receipts but avoids passing on costs to the public sector because of the potential loss of affordable housing.

8. The sale of ThamesWey Central Milton Keynes (TCMK), the Milton Keynes-based energy company, is nearing completion. All of the Council owned companies remain reliant on a continuing debt standstill provided by the Authority. Due to the scale of debt to the companies, they remain balance sheet insolvent but are performing better through tighter cash management. Reliance is placed on the continued support from the Council to enable the sale of assets.
9. The disposal programme has a high risk profile, and timescales are exceptionally tight. Focus and grip is required from both the Council and the companies in order to deliver this is very complex work. The appointment of additional programme management resource and specialist advisors is a positive step in mitigating some of the risk. However, there are dependencies which are outside of the Council's control or that of the wholly owned companies which could impact progress.

**Transformation**

10. Significant progress has been made in the establishment of sound and robust organisational and service redesign. The cultural change leading to more efficient and effective ways of working is yielding encouraging results. The digital challenge, including AI, is being met through effective delivery of service outcomes to the residents of Woking, although this will, in part, be influenced by the impending transition planning arising from Local Government Reorganisation. Alongside the service improvements, the Council is strengthening its complaints process leading to increased customer satisfaction levels in Woking's community.

**Housing**

11. The area of safety and regulation has been challenging, but progress has been positive. Preparations for a social housing inspection by the regulator are underway, but this adds to staffing pressures alongside the considerable

amount of time that applies to transition planning for Local Government Reorganisation. Good progress has been made in developing the housing improvement programme in terms of its financing and service delivery, alongside a sound and balanced housing revenue account provision and business plan. Commissioners are working with the Council to address the historic underinvestment in the Council's housing stock and service.

**Conclusion**

12. Commissioners are pleased to report continued and substantial progress in fulfilling the Improvement and Recovery plan in areas of governance, risk, financial administration and control and transformation of service provision underpinned by significant enhancement of culture and ways of working. Challenges remain in terms of commercial activity and housing, but current plans demonstrate an undertaking to achieve measurable progress in the divestment plan and address housing regulatory issues together with delivering a housing improvement plan in a very satisfactory way.
13. The quality and cost effectiveness of services set against the Best Value criteria have measurably improved. However, demands of the transitional stages of Local Government Reorganisation will represent a challenge in moving towards vesting day, but Commissioners will work closely with the Council to ensure that Woking will be fit for purpose for transfer to West Surrey Unitary Council.

Commissioners

Sir Tony Redmond Mervyn Greer Richard Carr Barry Scarr