
RIVERSIDE RESIDENTS NEWSLETTER

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PARTY POLITICS AND KEY DECISIONS **... with significant consequences for residents ...**

PARTY POLITICS AND PERSONAL INSULTS overshadowed the sometimes raucous and often bad-tempered three-hour discussion by Spelthorne Councillors on Monday evening on what several Councillors described as the most important decision the Council has had to take in its more than 50-year history. Voting on proposed resolutions and amendments to solve the Council's deep financial crisis split on party lines - the Conservative group on one side, the majority governing Coalition (Independent, Liberal Democrat, Labour and Green) on the other.

The meeting ended in some disarray with items left on the agenda that will now be taken at the next Council meeting in December. But two key decisions were eventually taken. The first calls for significant revisions to the Council's 'minimum revenue provisions' (the amount the Council sets aside each year to repay borrowing for capital projects) to bring the authority into line with national accounting standards. The second decision was to reschedule the repayment of the Council's £1.1billion debt to the government fund it borrowed from. Councillors were told the government has agreed to reduce the debt by up to £360million if it agrees to do two things: 1) repay the balance over a shorter period than originally planned and at a higher interest rate, and 2) sell off its portfolio of commercial properties (now valued at about half the £1.1billion the Council paid for it, mostly in 2016-19). The decisions and the deal are expected to leave a 'debt overhang' of considerably more than £100million. It will have a significant but as yet undefined impact on the Council's budget relating to cuts to services and increased Council tax.

The senior Councillor proposing the changes on behalf of the governing administration said that the decisions were unavoidable. They were based on clear external guidance from professional advisors including the Council's auditors, the Chartered Institute of Public Finance and Accountancy, and the Council's government-appointed Commissioners. Rescheduling the debt would be done in the coming days to avoid the uncertainties in interest rate movements that might follow the national government's budget. Councillors were told that if they didn't take the proposed decisions, the Commissioners now overseeing the Council's affairs would step in and take them.

Conservative Councillors argued that the proposed decisions were based on an interpretation of national accounting standards and flawed advice with the Commissioners doing the government's bidding. They proposed the Council should take seek further external advice before making such far-reaching commitments.

"The crisis exists because the Council gambled on property speculations several years ago with eye-watering amounts of borrowed money, creating a debt equivalent to £10,000 for every Spelthorne resident. In reaching for a solution, the current administration believes the Council must defer to advice from the Commissioners whether or not it likes the advice." says a spokesperson for the Riverside Residents (Staines) Coalition. *"The Council's finances are complex and fraught with serious uncertainties and risks. Worrying times for residents!"*

Riverside Residents (Staines) Coalition – a working group of six residents' organisations serving the interests of residents on both sides of the river.
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