



STRATEGY AND RESOURCES COMMITTEE

Tuesday 23 July 2024 at 7.30 pm

Place: Council Chamber, Epsom Town Hall

Online access to this meeting is available on YouTube: [Link to online broadcast](#)

The members listed below are summoned to attend the Strategy and Resources Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Neil Dallen (Chair)
Councillor Hannah Dalton (Vice-Chair)
Councillor Kate Chinn
Councillor Alex Coley

Councillor Alison Kelly
Councillor Robert Leach
Councillor Lucie McIntyre
Councillor Phil Neale

Yours sincerely

Chief Executive

For further information, please contact democraticservices@epsom-ewell.gov.uk or tel: 01372 732000

EMERGENCY EVACUATION PROCEDURE

No emergency drill is planned to take place during the meeting. If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions.

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move to the assembly point at Dullshot Green and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

Public information

Please note that this meeting will be held at the Town Hall, Epsom and will be available to observe live using free YouTube software.

A link to the online address for this meeting is provided on the first page of this agenda. A limited number of seats will be available on a first-come first-served basis in the public gallery at the Town Hall. If you wish to observe the meeting from the public gallery, please arrive at the Town Hall reception before the start of the meeting. A member of staff will show you to the seating area. For further information please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Information about the terms of reference and membership of this Committee are available on the [Council's website](#). The website also provides copies of agendas, reports and minutes.

Agendas, reports and minutes for this Committee are also available on the free Modern.Gov app for iPad, Android and Windows devices. For further information on how to access information regarding this Committee, please email us at democraticservices@epsom-ewell.gov.uk.

Exclusion of the Press and the Public

There are matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions of Schedule 12A of the Local Government Act 1972 (as amended). The Committee is likely to resolve to exclude the press and public during discussion of these matters by virtue of the private nature of the business to be transacted.

Questions and statements from the Public

Up to 30 minutes will be set aside for questions and statements from members of the public at meetings of this Committee. Any member of the public who lives, works, attends an educational establishment or owns or leases land in the Borough may ask a question or make a statement on matters within the Terms of Reference of the Committee.

All questions must consist of one question only and cannot consist of multiple parts. Questions and statements cannot relate to planning or licensing committees matters, the personal affairs of an individual, or a matter which is exempt from disclosure or confidential under the Local Government Act 1972. Questions which in the view of the Chair are defamatory, offensive, vexatious or frivolous will not be accepted. Each question or statement will be limited to 3 minutes in length.

If you wish to ask a question or make a statement at a meeting of this Committee, please contact Democratic Services at: democraticservices@epsom-ewell.gov.uk

Questions must be received in writing by Democratic Services by noon on the third working day before the day of the meeting. For this meeting this is **Noon, 18 July 2024**.

A written copy of statements must be received by Democratic Services by noon on the working day before the day of the meeting. For this meeting this is **Noon, 22 July 2024**.

For more information on public speaking protocol at Committees, please see [Annex 4.2](#) of the Epsom & Ewell Borough Council Operating Framework.

Filming and recording of meetings

The Council allows filming, recording and photography at its public meetings. By entering the Council Chamber and using the public gallery, you are consenting to being filmed and to the possible use of those images and sound recordings.

Members of the Press who wish to film, record or photograph a public meeting should contact the Council's Communications team prior to the meeting by email at: communications@epsom-ewell.gov.uk

Filming or recording must be overt and persons filming should not move around the room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non-handheld devices, including tripods, will not be allowed.

AGENDA

1. QUESTIONS AND STATEMENTS FROM THE PUBLIC

To take any questions or statements from members of the Public.

2. DECLARATIONS OF INTEREST

To receive declarations of any Disclosable Pecuniary Interests or other registrable or non-registrable interests from Members in respect of any item to be considered at the meeting.

3. MINUTES OF PREVIOUS MEETING (Pages 5 - 12)

The Committee is asked to confirm as a true record the Minutes of the meeting of the Committee held on 26 March 2024 and Special Meeting held on 19 June 2024 (attached) and to authorise the Chair to sign them.

4. CORPORATE PEER CHALLENGE ACTION PLAN (Pages 13 - 22)

This report accompanies the proposed Corporate Peer Challenge Action Plan. The Action Plan has been developed by a group of members and officers, to consider the recommended areas of improvement identified by the peer review team.

5. 2023-24 PROVISIONAL FINANCIAL OUTTURN (Pages 23 - 36)

This report summarises the Council's provisional financial performance for 2023/24 and details the capital budgets to be carried forward for schemes where costs will be incurred in 2024/25.

6. 2025/26 STRATEGIC FINANCIAL PLANNING (Pages 37 - 62)

This report recommends budget targets for 2025/26 and provides an update on financial planning for 2026/27 to 2028/29 as recommended by Financial Strategy Advisory Group.

7. SERVICE REVIEWS (Pages 63 - 70)

This report proposes a programme of service reviews over the next three years, with the aim of delivering at least £720,000 of annualised savings for the Council.

8. APPOINTMENT OF MEMBERS AND CHAIR OF THE SHAREHOLDER SUB-COMMITTEE (Pages 71 - 74)

To agree the appointment of Members and a Chair to the Shareholder Sub Committee for the 2024-25 Municipal Year.

9. PROCUREMENT OF HARRIER CENTRE ROOF REPLACEMENT (Pages 75 - 80)

To present the findings of a review into the procurement of the Harrier Centre Roof replacement, commissioned as requested by the Strategy and Resources committee meeting on the 21st September 2023.

10. STONELEIGH RAILWAY STATION COMMUNITY LICENCE (Pages 81 - 102)

To facilitate the community of Stoneleigh to establish and maintain a community garden next to Stoneleigh Railway Station.

11. URGENT DECISIONS (Pages 103 - 106)

To report to the committee the decisions taken by the Chief Executive and Directors on the grounds of urgency, in compliance with the requirements of the Constitution.

12. HOOK ROAD CAR PARK - ENVIRONMENTAL IMPLICATIONS (Pages 107 - 116)

This report proposes the Council and the developer of the SGN Site work collaboratively to investigate the level of contamination and consequent environmental implications for development on any part of the wider gas works site.

13. COMMERCIAL TENANT UPDATE - CLOCK TOWER UNIT 2 (Pages 117 - 128)

This report outlines the outcome of the marketing exercise to find a new tenant for the vacant Unit 2 at the Clock Tower.

14. EXCLUSION OF PRESS AND PUBLIC (Pages 129 - 130)

The Committee is asked to consider whether it wishes to pass a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held at the Council Chamber, Epsom Town Hall on 26 March 2024

PRESENT -

Councillor Neil Dallen (Chair); Councillor Hannah Dalton (Vice-Chair); Councillors Chris Ames, Shanice Goldman, Graham Jones, Alison Kelly, Robert Leach and Alan Williamson

In Attendance: Councillor Christine Howells, Councillor James Lawrence, Councillor Steven McCormick and Councillor Bernie Muir

Officers present: Jackie King (Chief Executive), Brendan Bradley (Head of Finance), Piero Ionta (Head of Legal Services and Monitoring Officer), Rod Brown (Head of Housing and Community), Mark Shephard (Head of Property and Regeneration) and Phoebe Batchelor (Democratic Services Officer)

42 QUESTIONS AND STATEMENTS FROM THE PUBLIC

One written question from a Member of the Public was received by the Committee to which a written response had been published in advance of the meeting. A supplementary question was asked by the member of the public. The Chair informed the member of the public that a written response would be provided within three weeks, which was the week commencing 15 April 2024

One statement was received from a member of the public in relation to an item on the agenda (Chalk Pit).

43 DECLARATIONS OF INTEREST

No declarations of interest were made in relation to items of business to be discussed at the meeting.

44 MINUTES OF PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on 25 January 2024 and authorised the Chair to sign them.

45 PLANNED MAINTENANCE REPORT 2024-25

The Committee received a report providing an update on the current financial year's approved 2023-24 planned maintenance programme and requesting

approval for the planned maintenance programme for the next financial year 2024-25.

The following matters were considered:

- a) **Value for money.** In response to a question from a member regarding the cost of works to the Council's venues, the Head of Property and Regeneration informed the Committee that the cost of the works detailed in the report included the provision of scaffolding and specialist equipment required due to the architecture of the Town Hall and Bourne Hall.
- b) **Playhouse automatic doors.** In response to a question from a member regarding works to the Playhouse automatic doors, the Head of Property and Regeneration informed the Committee that this project would not be taken forward as it had been identified that it would have an adverse impact on the space available within the foyer of the venue. The Committee was informed that this did not preclude a project for other works to improve the thermal efficiency of the doors from being made in the future via a separate capital funding bid.
- c) **Identification and prioritisation of works.** In response to a question from a member regarding the mechanism for identification and prioritisation of works, the Head of Property and Regeneration informed the Committee that identification of necessary works came from 3 primary sources: the Council's Facilities Maintenance contractor, the in-house building surveying team and the 10 year forecast for property maintenance. The identified works were prioritised on their urgency.
- d) **Maintenance of water courses.** In response to a question from a member, the Head of Property and Regeneration informed the Committee that the Council maintained watercourses such as drainage channels on council owned land. The council was not responsible for maintenance of streams and rivers, which fell to other national and regional bodies.

Following consideration the Committee unanimously resolved:

- (1) **To note the progress and anticipated spend at the end of the current year 2023-24 as shown in Appendix 1 to the report.**
- (2) **To note the additional emergency works raised and carried out in the 2023-24 planned maintenance programme.**
- (3) **To approve the 2024/25 planned maintenance programme at an estimated cost of £562,000 as set out in Appendix 2 to the report, to be funded from planned maintenance budgets and the Property Maintenance Reserve.**
- (4) **Subject to the Council's financial and contract requirements, to nominate and authorise the Head of Property and Regeneration to make changes within the 2024-25 planned maintenance programme to**

cover unforeseen matters (such as tender price variances) of up to, but not exceeding £20,000.

- (5) To agree to transfer the unspent budgets back to the Property Maintenance Reserve at the end of the financial year.**

46 ESTABLISH TOWN HALL SITE WORKING GROUP

The Committee received a report seeking the establishment a cross party Member Working Group to explore proposals around the development/disposal of the current Town Hall site.

The following matters were considered:

- a) Date of first meeting.** The Chair informed the Committee that the date of the first meeting of the Working Group was proposed as Wednesday 17 April 12.30-16.30.
- b) Minutes of meetings.** In response to a question from a member, the Chair informed the Committee that meetings of the Working Group would not be minuted, but that notes from each of the meetings would be produced. The notes of the meetings would not be restricted documents, but there would be some restricted information considered within meetings of the Working Group which would not be for publication. In response to a further question the Chair informed the Committee, that members of the Working Group engaging in general discussion would not be considered to be predetermination for consideration of a future planning application.

Following consideration the Committee unanimously resolved to:

- (1) Establish a Strategy and Resources Member Working Group with terms of reference as set out in paragraph 2.3 and 2.4 of the report to take forward the work around the development/disposal of the current Town Hall site.**

47 STONELEIGH FLATS FOR TEMPORARY ACCOMMODATION

The Committee received a report proposing that the Council progress the grant of an underlease from Surrey County Council to use two Stoneleigh Community Library maisonettes as temporary accommodation for homeless households.

The following matters were considered:

- a) End of lease arrangements.** In response to a question from a member regarding arrangements for tenants in the event that the lease to the Council were to come to an end, the Head of Property and Regeneration informed the Committee that he was hopeful that an agreement would be found to enable the arrangements to continue. The risk that the arrangement comes to an end was similar to any other property which the Council leases.

- b) **Initial outlay and lease length.** In response to a question from a member, the Head of Property and Regeneration informed the Committee that the one-off outlay of £15,000 was for legal and conveyancing costs and included a contingency of £10,000 which may not be required. The lease was expected to run for just under 3 years.

Following consideration the Committee unanimously resolved to:

- (1) **Agree to the Council being granted a commercial underlease by Surrey County Council (as described in Exempt Appendix 1 to the report) to use Stoneleigh Community Library maisonettes for temporary homeless accommodation.**
- (2) **Agree to fund the required budget up to £15,000 from S106 developer funds.**
- (3) **Note that the Head of Property & Regeneration, Head of Housing & Community in consultation with the Chief Finance Officer will progress the matter to completion.**

48 CHALK PIT

The Committee received a report setting out the matters considered by the council's Environment Committee on 23 January 2024 in respect to the options available to respond to complaints of noise from Epsom Chalk Pit.

Following consideration, as funding could not be found from existing budgets and internal resource could not support the work, the Environment Committee resolved that Strategy and Resources Committee be requested to identify funds of £140,000 to instruct external noise consultants to conduct a fresh investigation into activities at Epsom Chalk Pit.

The following matters were considered:

- a) **Financial position.** The Chair informed the Committee of the cost breakdown of a noise investigation as follows: £40,000 expenditure was required in order to undertake an independent noise investigation, but that this would not include any enforcement action. To take enforcement action would require an additional budget of £50,000 and it was recommended that a further £50,000 be budgeted for use in the event of an appeal. This was a total of £140,000. The Chair reminded the Committee that the Council faced a budget gap in 2024-25 which would be funded through the use of reserves. The Chair informed the Committee that the Council had a plan to address the continuing future budget gap, but that it held a small amount of financial reserves. These were: a General Fund of £3 million (of which £2.5 million was the minimum level by which the Council should operate) and the Corporate Project Reserve of £1.5 million (of which £1 million was the minimum level). The Chair informed the Committee that the £500,000 available in the Corporate Project Reserve would be reduced by nearly one third if a decision to support expenditure of £140,000 on a noise investigation was made.

The Chair informed the Committee that the Council did not have assets which could be easily sold to fund the budget gap. The Chair also informed the Committee that other Councils had issued a Section 114 notice due to having insufficient funds to operate.

The Chair reminded the Committee that it was responsible for the financial wellbeing of the Council, for the benefit of all residents.

- b) **Complaints received.** The Head of Housing and Community provided the Committee with an update on the number of complaints received by the Council in relation to the Chalk Pit site following the publication of the agenda. The complaint profile included in the report detailed complaints up to week 10. In week 11 there had been 3 complaints, in week 12 there had been 4 complaints and in week 13 there had been 6 complaints.

The Committee was informed that Surrey County Council had taken some planning enforcement action in relation to development on the site by Skip-it and Reston Waste. The Committee was also informed that the Environment Agency intended to assess the noise and dust management plans for both Skip-it and Reston Waste's use of the site.

- c) **Residents' concerns.** Members of the Committee expressed support for the need to address the concerns of residents with regard to the use of the site.
- d) **Amendment to recommendations:** The Councillor Robert Leach proposed and Councillor Shanice Goldman seconded the following amendment to the recommendations of the report:

"2.1 Agree to reserve £40,000 for independent noise investigation and £100,000 for subsequent potential enforcement and litigation work, both funded from the corporate project reserves. To replenish the reserves, Environment committee must identify new and not previously identified savings or income for an equivalent amount by the end of the 25/26 financial year."

"(II) If recommendation 2.I. is adopted, authorise, and nominate the Head of Housing and Community, in consultation with the Chair of Environment Committee, to commence this work only when in their professional opinion the level of noise and complaints warrant such action following completion and commissioning of the required buildings with current or amended planning permission."

The Committee unanimously voted to approve this amendment, which became the substantive motion.

Following consideration the Committee unanimously resolved to:

- (1) **Consider the request from Environment Committee for additional funding, as set-out in the report, and:**

- (2) Agree to reserve £40,000 for independent noise investigation and £100,000 for subsequent potential enforcement and litigation work, both funded from the corporate project reserves. To replenish the reserves, Environment committee must identify new and not previously identified savings or income for an equivalent amount by the end of the 25/26 financial year.**
- (3) Authorise, and nominate the Head of Housing and Community, in consultation with the Chair of Environment Committee, to commence this work only when in their professional opinion the level of noise and complaints warrant such action following completion and commissioning of the required buildings with current or amended planning permission.**

The meeting began at 7.30 pm and ended at 9.03 pm

COUNCILLOR NEIL DALLEN (CHAIR)

**Minutes of the Special Meeting of the STRATEGY AND RESOURCES COMMITTEE
held at the Council Chamber, Epsom Town Hall on 19 June 2024**

PRESENT -

Councillor Hannah Dalton (Acting Chair); Councillor Robert Leach (Acting Vice-Chair); Councillors John Beckett (as nominated substitute for Councillor Neil Dallen), Kate Chinn, James Lawrence (as nominated substitute for Councillor Alison Kelly), Lucie McIntyre, Phil Neale and Kim Spickett (as nominated substitute for Councillor Alex Coley)

Absent: Councillor Alex Coley, Councillor Neil Dallen and Councillor Alison Kelly

Officers present: Victoria Potts (Director of Environment, Housing and Regeneration), Piero Ionta (Head of Legal Services and Monitoring Officer), Mark Shephard (Head of Property and Regeneration) and Tim Richardson (Democratic Services Manager)

1 APPOINTMENT OF ACTING VICE CHAIR

The Committee agreed to appoint Councillor Robert Leach as Acting Vice Chair for the meeting.

2 DECLARATIONS OF INTEREST

No declarations of interest were made in relation to items of business to be discussed at the meeting.

3 HOOK ROAD CAR PARK AND SGN SITE - MUTUAL EASEMENT

The Committee received a report proposing the Council and the developer of the SGN Site enter into a mutual deed of easement to facilitate, through potential future redevelopment, the enhancement of future public realm and connectivity across the Hook Road Car Park and/or SGN Site.

The following matter was considered:

- a) **Access.** In response to a question from a member, the Head of Property and Regeneration informed the Committee that there was no issue with access to the majestic wine site as a result of the proposals within this report.

Following consideration, the Committee unanimously resolved to:

- (1) Agree to the Council entering a mutual deed of easement with the developer of the SGN Site to grant reciprocal access rights over each site's road infrastructure.**
- (2) Agree the mutual deed of easement is conditional (i.e. will not be completed or take effect) until the developer of the SGN Site is granted planning permission.**
- (3) Agree the mutual deed of easement be granted at nil premium to reflect the mutual benefit to each landowner as described in this report.**
- (4) Note that the Head of Property & Regeneration, in consultation with the Chief Finance Officer and Chief Legal Officer, has express authority to take all necessary actions further to the above decisions being made that commit resources, as is necessary and appropriate.**

The meeting began at 7.30 pm and ended at 7.35 pm

COUNCILLOR HANNAH DALTON (CHAIR)

CORPORATE PEER CHALLENGE ACTION PLAN

Head of Service:	Jackie King, Chief Executive
Report Author	Emma Hill
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Epsom & Ewell Borough Council Corporate Peer Challenge - Action Plan

Summary

This report accompanies the proposed Corporate Peer Challenge Action Plan. The Action Plan has been developed by a group of members and officers, to consider the recommended areas of improvement identified by the peer review team.

Recommendation (s)

The Committee is asked to:

- (1) Endorse the Action Plan as set out in Appendix 1, which responds to the recommendations from the Corporate Peer Challenge Report.**

1 Reason for Recommendation

- 1.1 Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector.
- 1.2 Developing the peer team's recommendations into an Action Plan for exploration will ensure that the insights gained from the CPC process result in the intended sector led improvements at Epsom & Ewell Borough Council.

2 Background

- 2.1 The Corporate Peer Challenge process provides robust, strategic, and credible challenge and support, assisting the council to meet its' best value duty.

- 2.2 Government expects all local authorities to participate in a CPC at least every five years and provides funding to the LGA to ensure that every council can participate at nil cost.
- 2.3 In March 2024, a team of senior local government councillors and officers (the Peer team) undertook a comprehensive review of key finance, performance, and governance information and reviewed a 'Position Statement', provided by the council.
- 2.4 During the three days the peer team spent on site, they met with more than 100 people including members, staff, partners, and residents in a series of workshops and one-to-one meetings. The peer team also reviewed a multitude of the council's key strategies, policies, and performance data.
- 2.5 The peer team had a tour of the borough which focussed on key sites such as the new town hall headquarters at 70 East Street, Bourne Hall and key future regeneration sites.
- 2.6 Each Corporate Peer Challenge process considers council performance against five key areas:
 - 2.6.1 **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
 - 2.6.2 **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
 - 2.6.3 **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
 - 2.6.4 **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
 - 2.6.5 **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?
- 2.7 In addition, Epsom & Ewell Borough Council asked the peer team to consider its approach to governance, and to addressing the rising demand for housing and temporary accommodation.

- 2.8 The peer team made 11 recommendations following their assessment, analysis and conclusions drawn from their meetings. In order for a recommendation to be put forward it had to be 'triangulated', meaning that it was mentioned in at least three separate scenarios.
- 2.9 Whilst Local Authorities have a choice whether to accept the recommendations resulting from the Corporate Peer Challenge process, all recommendations have been derived as a result of feedback and evidence from multiple sources, triangulated by the peer team and are therefore considered valid. Each of the peer team's recommendations are being explored to establish the benefit they offer to the council in their adoption.
- 2.10 If the council were to explore a recommendation and decide not to adopt it, the expectation of the Local Government Association is that there will be a robust reason for not doing so as the recommendations are given in the spirit of supporting continuous improvement in areas that need addressing.
- 2.11 Summarised below are each of the peer team's recommendations. The final CPC Report – available on the Council website - provides some further context to each recommendation, and in turn, each recommendation has been incorporated into the Action Plan appended to this report (Appendix 1).
- 2.11.1 **Shared Vision:** Create a shared vision for Epsom and Ewell, be clear what your priorities are and deliver these over a five-year period.
- 2.11.2 **Capacity:** Create capacity for strategic political and managerial leadership.
- 2.11.3 **Financial position:** Longer-term financial position must be urgently addressed and relate to the council's vision and corporate priorities once these have been agreed.
- 2.11.4 **Governance:** Governance needs to be reviewed to empower the political leadership of the authority, considering the uniqueness of Epsom & Ewell.
- 2.11.5 **Risk:** Before embarking on a commercialisation agenda, the council needs a shared understanding of the organisation's risk appetite.
- 2.11.6 **Transformation:** A properly resourced Corporate Transformation Programme is needed.
- 2.11.7 **Training:** Training for members and officers is needed to improve understanding of roles and responsibilities and increase skills and capacity.

- 2.11.8**Partnerships**: Maximise partnership working to help build capacity to deliver and promote Epsom and Ewell's interests on the wider stage.
- 2.11.9**Housing**: Take a more strategic approach to tackling the housing challenge, work proactively with partners and address all steps on the housing ladder.
- 2.11.10**Audit and scrutiny**: Options to decouple the audit and scrutiny function should be explored with scrutiny subsumed into policy committees.
- 2.12 To develop the Action Plan, the RA Group Leader and the Chief Executive led two workshops comprised of cross-party Member representation and officers from across the organisation to ensure a transparent and collaborative approach.
- 2.13 Following the CPC, a follow-up review, including a further one day site visit will take place in December 2024 to assess the council's progress in addressing the identified improvement areas and appended Action Plan.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

- 3.1.1 The CPC process focuses on the council's ability to serve and work with its residents. The recommendations will be utilised to support the council to deliver more efficient, resilient, and resident focused services.
- 3.1.2 In developing a 'Shared Vision', a recommendation of peer team, and reflected in the attached Action Plan, it will be important to listen to all sections of our community and to carry out a full Equality Impact Assessment of any proposed corporate priorities that arise.

3.2 Crime & Disorder

- 3.2.1 There are no crime and disorder implications arising from this report.

3.3 Safeguarding

- 3.3.1 There are no safeguarding issues arising directly due to this report.

3.4 Dependencies

3.4.1 Development and implementation of an Action Plan is an expected part of engaging positively in the Corporate Peer Challenge process.

3.5 Other

3.5.1 As the Corporate Peer Challenge process has aligned with a need to refresh the current Corporate Plan, there is an opportunity to draw on the insights and recommendations of the peer team in developing a new Corporate Plan.

4 Financial Implications

4.1 The Corporate Peer Challenge process is a valuable assurance tool, provided free of charge to the council.

4.2 Whilst there are no financial implications arising directly from this report, it is recognised that in implementing the appended Action Plan, some investment may be required, for example in providing the Member and staff training referenced by the peer team, and in developing organisational capacity to deliver an all-encompassing Corporate Transformation Programme.

4.3 All costs identified are expected to be met in the first instance through existing, approved budgets, or referred to the appropriate Committee should any anticipated expenditure extend beyond the already approved financial envelope.

4.4 **Section 151 Officer's comments:** None arising from the contents of this report.

5 Legal Implications

5.1 There are no legal issues arising because of this report.

5.2 **Legal Officer's comments:** None arising from the content of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council. The peer team's recommendations, and the council's response to them are important in supporting the council's commitment to continuous improvement and transparency.

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** Please check that the Environment and Sustainability Officer has been consulted if relevant.

6.4 There are no direct climate and environmental issues arising because of this report, however, in developing a shared vision for Epsom & Ewell, as recommended by the peer team, it will be important to incorporate the council's climate change commitments into any strategic priorities that are developed as a result.

6.5 **Sustainability Policy & Community Safety Implications:**

6.6 There are no sustainability or community safety issues arising directly from this report.

6.7 **Partnerships:**

6.8 Recommendation 2.9.8 set out above deals directly with the council's approach to partnership working and recommends a refreshed approach to collaboration.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None that are applicable.

Other papers:

- [LGA Corporate Peer Challenge Final Report](#)
- [Epsom & Ewell Borough Council Corporate Peer Challenge Position Statement](#)

	Recommendation	Action(s)	Owner(s)	Timescale
1	Create a shared vision for Epsom and Ewell, be clear what your priorities are and deliver these over a five-year period. <i>The council needs to build a shared narrative of the place and develop its vision and priorities around this, which in turn should drive the council's financial strategy. The vision should articulate Epsom and Ewell's 'story' setting out a shared vision which is collectively owned by staff, members and partners and clearly shows how stakeholders are working collaboratively together to address the challenges the community faces and which celebrates key successes along the way. It is important that the council is inclusive and listens to the whole community, and proactively engages with the silent majority particularly residents in marginalised groups not just those who are the most vocal, in developing the vision, and demonstrates a 'one council' approach where members and officers understand their distinctive but complementary roles in achieving the council priorities and collaboratively lead the council together.</i>			
	1.1	Establish a task and finish group to develop the corporate priorities into a five-year plan, which is linked to the Corporate Transformation Programme, Place narrative and the plan to address the shortfall in funding.	CEx/Group Leader	Sept 2024
	1.2	Develop a Place narrative for the borough alongside a vision which can be used internally and externally.	Task and Finish group	March 2025
	1.3	Revisit Future 40 and agree which areas continue to be corporate priorities.	Task and Finish group	March 2025
	1.4	Consult with officers and members.	CEx/Task and Finish group	May 2025
	1.5	Consult with a cross-section of residents and interested parties on the five-year plan and Place narrative.	CEx	July 2025
2	Create capacity for strategic political and managerial leadership. <i>There has been a lack of strategic leadership capacity over time, both politically and managerially, and a lack of officer capacity in some areas which has inhibited the council's ability to be proactive and look at the bigger picture. Clear prioritisation, and realistic dates given for implementation, for example of audit recommendations, would help to manage capacity issues and alongside consideration of building some of this capacity back in. It is important the Chair of the RA Majority Ruling Group continues to champion for the borough, influence and lobby on the council's behalf around issues which impact on Epsom and Ewell residents, such as housing, and this relies on senior members' willingness to deputise in the political leadership space in her absence.</i>			
	2.1	As part of the Workforce Transformation project, focus on creating officer capacity through new ways of working and ensuring leadership roles at all levels are operating in the optimal way. Continue to explore succession planning and development opportunities for all staff. Link these actions to the Corporate Transformation Programme. See 3.3 below	Workforce Transformation Lead/HR Programme Manager	Ongoing
3	Governance needs to be reviewed to empower the political leadership of the authority, considering the uniqueness of Epsom & Ewell. <i>All members should take ownership of the wider vision and priorities and use their local connections to clearly articulate and communicate the pressures facing the borough to residents. This is a role for all members not just a few, this is even more important when the political 'leadership' of the authority doesn't, under the current system of governance, have the powers that would normally be invested in the executive function. The Monitoring Officer should be supported to continue his work in reviewing the council's constitution.</i>			
	3.1	Political leadership to explore its current governance model and consider if it wishes to adopt a different model.	Political Leadership	Dec 2024
	3.2	Continue the work already agreed to review parts of the constitution in 2024/25.	Monitoring Officer & CWG	April 2025
	3.3	Refresh of the member development programme, identify those members who wish to take on more strategic roles and put in place development opportunities to support that.	Political Group Leaders	Dec 2024
4	Training for members and officers needed to improve understanding of roles and responsibilities and increase skills and capacity.			

	<p><i>A high performing council has a shared vision and a 'one council' approach where members and officers understand their distinctive but complementary roles in achieving the council priorities and collaboratively lead the council together. There is a need for a better shared understanding of the separate but complementary roles and responsibilities of members and officers. Urgently improve the member development programme, which as a minimum should include finance, audit and scrutiny to ensure members fully understand the full extent of their governance role. A full programme of staff learning and development activity should be underpinned by a workforce strategy that identifies what skills the organisation needs for the future, as well as embedding the basics. Senior officers should be up skilled to operate at a more strategic level. There is a need to invest in updating the digital and technical skills of the organisation and a structured programme to roll this out should be developed as part of the council's transformation programme.</i></p>			
	4.1	Establish a member task and finish group to develop a member development programme.	Political Group Leaders	Sept 2024
	4.2	Establish a task and finish group from those members elected for the first time in May 2023 to review Member Induction and feedback on how to shape the programme for May 2027 and work with officers on the review.	Political Group Leaders/Dem Services	Sept 2024
	4.3	<p>i. Create a programme of staff and member briefing on the roles and responsibilities of different teams and departments to develop an understanding of each other's work, issues, work pressures and ways of working.</p> <p>ii. Incorporate an input from members around the role of a ward councillor, committee Chair/Vice Chair and the political leadership function.</p> <p>iii. Incorporate an input around legal and corporate responsibilities of statutory and proper officers.</p> <p>iv. Highlight the distinct operational and political leadership roles and how this works together in a true 'one council' ethos.</p> <p>v. The Workforce Strategy will be developed as part of the Workforce Transformation Programme and will include any new skills required to enable progression of the corporate priorities, once finalised.</p>	CEX/HoS/Group leaders	<p>April 2025 (i – iv)</p> <p>Dec 2024</p>
	4.4	Develop and put in place a structured programme to increase the digital and technical capability of the organisation (officers and members).	Workforce Transformation Lead/Dem Services/IT	April 2025
	4.5	<p>Continue the programme to upskill senior officers and members to operate at a more strategic level.</p> <p>Progress 'Top Team' work with LGA.</p>	CEX/Workforce Transformation/ Chair RA Group	Dec 2024
	4.7	Offer member mentoring.	Political Group Leaders	Dec 2024
	4.8	Understand the financial implications of funding the proposed member and officer programme.	S151	Dec 2024
5	<p>Streamline and strengthen the council's decision-making process, ensuring that consensus is built.</p> <p><i>There is frustration and confusion around the lack of transparency through the decision-making process, coupled with a lack of clarity around which items for decision should go to the senior leadership team and which should go to committee chairs. It is important to demonstrate each stage of how the council builds consensus through its decision-making process, by first considering whether the final decision will be made at committee or council, then clearly mapping out each step to develop the final report. This should be communicated to all staff and members. A number of key mechanisms for maintaining good standards are flagged in the Annual Governance Statement as 'areas for improvement', this should be addressed as a matter of urgency.</i></p>			
	5.1	Create a process which lays out the steps for committee reports to come to committee or full council.	Statutory Officers	Sept 2024

	5.2	Put in place a programme of work which addresses the areas flagged in the Annual Governance Statement as 'areas for improvement'.	Statutory Officers or Director of Corporate Services (DoCS)	Sept 2024
6	Longer-term financial position must be urgently addressed in relation to corporate priorities which need to be delivered. <i>The council has a strategy to address the challenge of the annual shortfall in funding, however it was not clear how effective this will be without clarity on the council's vision and corporate priorities. In balancing the budget, the council should look at innovative solutions to address its challenges. Opportunities for income generation, should be aligned with agreed priorities, and the council should make it clearer, what invest to save opportunities it is looking at. Difficult decisions about the future of non-statutory services, including the decision to stop or reduce the service may be needed. The full cost of the town hall move and determining what happens to the existing town hall and the financial implications of this, needs to be better understood by everyone in the organisation.</i>			
	6.1	As part of developing the five-year plan, link the Council strategy to address the challenge of the annual shortfall in funding to its vision and corporate priorities	CLT and Policy Chairs	March 2025
	6.2	Continue programme of work to review statutory and mandatory services.	Finance, CLT and Policy Chairs	Ongoing
	6.3	Progress options related to the Town Hall site.	Town Hall Working Group	Ongoing
	6.4	Progress agreed opportunities for income generation and economic development.	All Council	Ongoing
	6.5	Continue to investigate opportunities to decrease temporary housing costs.	Housing & Community	Ongoing
7	The council needs a shared organisational risk appetite. <i>The lack of shared understanding around corporate risk appetite across the organisation is inhibiting the council from making bold and innovative choices to tackle the challenges it faces. A corporate ambition to be more commercial needs to be underpinned by associated processes and organisational culture. The Asset Management Strategy under development, should make clear how retained assets will be maintained and improved.</i>			
	7.1	Carry out a review of the risk appetite of the organisation, from both members and officers, to understand what this now is, and create an updated framework to be adopted by consensus.	DoCS	March 2025
	7.2	Carry out the planned Asset Review, to understand how assets will be maintained and improved. Present outcomes to Policy chairs for discussion.	Property & Regeneration/Finance with Policy Chairs	June 2026
	7.3	i. Undertake a review of local authorities outside of Surrey to understand how they have approached successfully being 'commercial' while balancing their appetite for risk. ii. Seek best practice from across the sector on guardrails to safeguard against unforeseen consequences. Seek advice of professional associations (e.g., Institute of Risk Management)	DoCS	March 2025
	7.4	Put in place a programme for officers and members to take them through the cultural shift and approach towards risk.	CEX/HR/DoCS	Sept 2025
8	A properly resourced Corporate Transformation Programme is needed to deliver the council's vision and priorities. <i>The council is delivering a range of transformation projects across the organisation and there is an opportunity to consolidate all its transformational activity into one strategy which is shared with staff and members, so there is a broader understanding of the range of projects being delivered. It also provides an opportunity for senior managers to collectively ensure transformational activity taking place across the council is co-ordinated, duplication is minimised, capacity pressures are quickly identified, and that progress and impact is regularly tracked and evaluated. Building capacity in teams to deliver projects will be essential in doing this, and where the necessary, the council should bring this in on a short-term basis.</i>			
	8.1	Collate ongoing projects into a single Corporate Transformation Programme which includes all programmes, project owners, timelines and inter dependencies.	Director of Environment, Housing and Regeneration (DoEHR)	Sept 2025

	8.2	Provide communication on what all the elements of our Corporate Transformation Programme are and quarterly updates on how they are being progressed and delivered.	DoEHR	Sept 2024
	8.3	Incorporate the Corporate Transformation Programme into the five-year plan.	DoEHR	Sept 2024
9	Maximise partnership working to help build capacity to deliver and promote Epsom and Ewell's interests on the wider stage. <i>To achieve greater partnership working, (both with community partners as well as looking at shared opportunities with neighbouring boroughs) partners need to understand what the council's vision and priorities are. The council needs to build a shared narrative of the place and develop its vision and priorities. It is important that the council focuses its valuable resource on the agreed priorities of the council and builds in more organisational resilience. This can be achieved by better cross service working, as well as partnership working with neighbouring boroughs and local partners.</i>			
	9.1	Refresh the approach to engagement with key stakeholders, identifying who, politically and corporately, will lead and co-ordinate engagement with each. Ensure the council engages with partners as "One Council" and that information is shared to aid consistency of understanding and activity.	CEX/Group Leader	Oct 2024
	9.2	Explore options to support the Place narrative.	CEX/Chair of Group/Policy Chairs	Jan 2025
10	Taking a more strategic approach to tackling the housing challenge and addressing all steps on the housing ladder. <i>The delivery of housing, including affordable housing through the new Local Plan is critical to solving the issue in the longer term. While there is a collective recognition there is a need to solve the housing crisis, the Council needs to articulate a clear direction, which is shared and understood by the political and managerial leadership and implement it. The council should be more assertive in working with its partners to find solutions. There is an opportunity to work with partners and other services across the organisation to create an early warning system for residents who may potentially become homeless. Further strengthened engagement across planning policy will also be vital to realising the council's ambition to reduce reliance on expensive temporary accommodation. There is a lack of strategic focus and capacity in the housing team to follow through on the biggest (prevention) options that will make the difference, as well as missed opportunities to reach out to partners for their contribution.</i>			
	10.1	Use data to create an early warning system for residents who may potentially become homeless.	Housing & Community/Revs & Bens	Ongoing
	10.2	Strengthen engagement across Planning Policy to support the council's ambition to deliver affordable housing and reduce reliance on expensive temporary accommodation.	Housing & Community/Planning Policy/Property/Finance	Ongoing
	10.3	Build and develop strong partnerships with internal and external stakeholders including housing associations and developers.	Housing & Community with Chair and Vice Chair of C&W	Ongoing
	10.4	Create strategic focus and capacity in the Housing team to follow through on prevention options and create opportunities to reach out to partners for their contribution.	Housing & Community	Ongoing
11	Options to decouple the Scrutiny and Audit function should be explored with scrutiny subsumed into policy committees. What the Peer team said: <i>Concerns raised about audit and scrutiny being diluted by being combined under one committee. CIPFA recommend that audit should be stand-alone as a committee as both audit and scrutiny have specific roles. It is important that the council gives early consideration in separating the audit and scrutiny functions with scrutiny subsumed into policy committees.</i>			
	11.1	Explore how audit and scrutiny is carried out in other councils with a committee system.	MO	Sept 2025
	11.2	Arrange a training for members and officers on committee system governance to understand the role of committees in proper scrutiny of policy.	CEX to ask CFGS to run this	Oct 2025
	11.3	Explore compliance with national legislation to ensure statutory requirements are met.	MO	Sept 2025
	11.4	Proposal put forward to members for decision.	MO/Constitution Working Group	Feb 2025 (Full Council)

2023-24 PROVISIONAL FINANCIAL OUTTURN

Head of Service:	Brendan Bradley, Chief Finance Officer
Report Author	Sue Emmons, Chief Accountant
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report summarises the Council's provisional financial performance for 2023/24 and details the capital budgets to be carried forward for schemes where costs will be incurred in 2024/25.

Recommendation (s)

The Committee is asked to:

- (1) Receive the report on provisional financial outturn for 2023/24;
- (2) Approve the carry forward £2.387m budget for capital schemes to be added to the 2024/25 capital programme.
- (3) Note that the provisional outturn position is subject to external audit. Should any material changes arise from the audit, these will be reported back to members.

1 Reason for Recommendation

- 1.1 This Committee has responsibility for the Council's overall budget framework; it is therefore important that members are made aware of the 2023/24 outturn position. The Financial Regulations also require that the budget carry-forward requests be approved by Strategy & Resources Committee.

2 Background

- 2.1 The Council's financial performance is reported quarterly to members of Audit & Scrutiny Committee through the budget monitoring process. At year-end, the outturn position is formally reported to Strategy & Resources via this report, and to Audit & Scrutiny Committee via the Statement of Accounts report in the Autumn.
- 2.2 Provisional outturn has already been circulated to all members via Members' News in July, this report formally presents the position to Strategy & Resources Committee.
- 2.3 The provisional outturn position will be subject to external audit over the summer and autumn. Should any material amendments arise following completion of the external audit, these would be reported back to members.

General Fund Summary Position

- 2.4 In summary the outturn position for 2023/24 is:-

Table 1 - General Fund Summary	Original Budget	Current Approved Budget*	Provisional Outturn	Variance
	£'000	£'000	£'000	£'000
Strategy and Resources	869	(542)	(1,361)	(819)
Environment	4,573	5,189	5,588	399
Community & Wellbeing	4,829	5,533	5,983	450
Licensing & Planning Policy	688	780	871	91
Capital charges	(2,669)	(2,669)	(2,669)	0
Total Net Expenditure	8,290	8,290	8,412	121
Funded by:				
Collection fund precept	7,361	7,361	7,361	0
Revenue Support Grant, Services Grant & CSP	333	333	333	0
Minimum Guaranteed Funding				
Share of Business Rates	1,653	1,653	1,653	0
Transfer from Collection Fund	(1,058)	(1,058)	(1,058)	0
Total Funding (Budget Requirement)	8,290	8,290	8,290	0
Total General Fund	0	0	121	121

** includes agreed virements and changes to employee and support services allocations, capital charges and IAS 19 pension adjustments from the original budget to reflect required accounting practice.*

- 2.5 The Council's £121,000 adverse variance for 23/24 will result in a contribution from the General Fund working balance reserve, as shown in the following table:

Table 2 - General Fund Working Balance	£'000
Working Balance at 1 April 2023	3,117
Deficit on General Fund for 2023/24	(121)
Working Balance at 31 March 2024	2,997

- 2.6 At Quarter 3, an equivalent probable outturn of £146,000 over budget had been forecast and reported to Strategic Leadership Team and Members.

- 2.7 Information on the main variations to budget were circulated to all members in July. The most significant adverse variances to budget in 2023/24 were as follows:

- Housing (£0.44m) - The adverse variance within Homelessness has increased from the quarter 3 forecast of £250,000, to £440,000 at year end. This increase is mainly due to a sharp rise in the number of households in nightly paid accommodation, with the figure standing at 91 at year end, up from 78 at quarter 3. Whilst work continues to identify and implement schemes to manage demand, external factors continue to put additional pressure on the service.
- Car parking (0.22m) - The net £218,000 adverse variance across car parks is mainly due to £298,000 underachievement of income at the Ashley Centre, which has not fully recovered since the temporary loss of its flagship store. Hook Road car park has also lagged behind expectations by £77,000. These income shortfalls were partially offset by a net favourable variance of £19,000 across the Epsom surface car parks, and £62,000 from Ewell car parks. Various other favourable variances totalling £76,000 were also achieved including higher than budgeted income from penalty notices.
- Domestic waste collection (£0.16m) - £42,000 of the adverse variance within Domestic Waste is due to the cost of hiring an additional refuse vehicle whilst an existing vehicle is impounded by the police. A further £34,000 relates to the cost of covering a vehicle damaged in a road traffic accident. The remaining variance relates to additional staffing costs incurred to cover sickness and ensure the continuing operation of the service.

- 2.8 The most significant favourable variances to budget in 2023/24 were as follows:

- Corporate Financial Management (£0.33m) – The 2023/24 budget included a contingency to protect the Council against elevated energy and fuel prices and other inflationary pressures, which partially offsets the adverse variances within services.
- Treasury Management Income (£0.23m) - With the Bank of England's base rate remaining higher than anticipated when setting 2023/24's budget, the Council achieved £1.7m of interest income for the year, £995,000 higher than the budgeted target. £230,000 has been used to fund services in 2023/24, with the balance transferred to an interest equalisation reserve to help smooth interest returns and protect against lower interest rates in the future.
- Licensing (£0.2m) - The favourable variance is mainly due to additional income following the acquisition of several new taxi operators that have chosen to licence their drivers and vehicles with EEBC.
- Employee Support Services (£0.1m) - The favourable variance of £105,000 is due to vacancies within central teams. In recent months, significant progress has been made in recruiting to vacant posts.
- The Council also benefitted from a one-off rebate of £256,000 following a successful appeal to the Valuation Office Agency regarding the level of business rates payable at the Town Hall site. This is in addition to £316,000 back rent received following favourable rent reviews at Longmead and Nonsuch Industrial Estate. These sums have been transferred to the Property Income Equalisation reserve to mitigate future property-related costs.

2.9 Budget plans are being kept under review and will continue to be reported to Members, with the next scheduled quarterly update due at Audit & Scrutiny Committee in September.

3 Reserves

3.1 Transfers have been made to and from revenue and capital reserves in line with Council policy for the reserves and as approved for specific schemes during the year.

3.2 The following table shows the balances of strategic revenue reserves following preparation of the unaudited Statement of Accounts:

Table 3 - General Fund Revenue Reserves	Balance at 31 March 2023	Provisional Balance at 31 March 2024	Commitments & Forecast Transfers	Forecast Balance
	£'000	£'000	£'000	£'000
General Fund Working Balance	3,118	2,997	0	2,997
Corporate Projects Reserve	4,148	4,128	(2,561)	1,568

Sub-Total - Reserves available for general use	7,266	7,125	(2,561)	4,565
Repairs and Renewals	532	596	(5)	592
Insurance	434	434	0	434
Property Maintenance	650	515	(332)	183
VAT Reserve	206	206	0	206
Collection Fund Equalisation Reserve	4,002	3,824	(1,486)	2,338
Commuted Sums	1,439	1,439	0	1,439
Interest Equalisation Reserve	0	784	0	784
Property Income Equalisation Reserve	9,882	7,224	(1,400)	5,824
Sub-Total - Contingencies unavailable for general use	17,145	15,022	(3,223)	11,800
Residential Property Acquisition Fund	978	978	(828)	150
Community Safety	140	116	(20)	96
Sports & Leisure Development Projects Fund	142	123	(61)	62
Place Development Grants	681	772	(762)	10
Personalisation, Prevention & Partnership	111	125	(56)	69
Housing/Homelessness Support Grants	1,032	910	(786)	124
HIA Hardship Fund	124	124	0	124
Basic Payments Scheme	142	136	0	136
Other smaller grants	28	28	0	28
Sub-Total - Ringfenced funds/grants for specific use	3,379	3,312	(2,513)	799
Total Revenue Reserves	27,790	25,460	(8,296)	17,164

3.3 The major movements in reserves during the year were as follows:

- (a) Corporate Projects Reserve – New Homes Bonus funding from government totalling £135,000 has been transferred into the reserve as planned, as has £271,000 of contingency budgets from 2023/24. A planned contribution of £166,000 has been used to fund Council services in 2023/24; £146,000 has been withdrawn from the reserve to fund planning staff and local plan work streams, as previously agreed by S&R Committee. £20,000 of the legal services underspend in 2023/24 has been transferred into the reserve to fund future reviews of the Constitution when required, as reported to Audit & Scrutiny Committee.
- (b) Collection Fund Equalisation Reserve – As planned, £1.09m was withdrawn from the reserve to fund the prior year collection fund deficit. £853,000 was contributed back to the reserve in 2023/24 relating to government compensation for under-indexing the business rates multiplier and S31 grants for business rates reliefs; and £59,000 of additional income from the Surrey Business Rates Pool, over and above the £150,000 budgeted gain. The reserve balance will be required in future years to fund the accumulated collection fund deficit of £1.04m at 31 March 2024, and to offset potential future reductions in business rates income following central

government's Fair Funding Review. The reserve may also be used to offset any significant, future successful appeals against business rate bills, and to manage variations in annual council tax income.

- (c) Interest Equalisation Reserve – as reported at Quarter 3, surplus interest income of £784,000 has been transferred to an earmarked reserve to enable the Council to smooth interest returns in future years.
- (d) Property Income Equalisation Reserve – During 2023/24, the Council received £316,000 in back rent following rent reviews at Longmead and Nonsuch Industrial Estates, and a £256,000 business rates rebate on the Town Hall, which have been set-aside in the reserve to fund known future property commitments. £661,000 was drawn down to compensate for a reduced dividend from EEPIC for 2023/24; and £1.03m was used to replace reduced income at Parkside House and 70 East Street. £54,000 was used to fund a feasibility study for 70 East Street; and £1.5m was drawn down from the reserve to fund a landlord contribution to secure the tenant lease at Parkside House.
- (e) Sports & Leisure Development Projects Fund – A £47,000 budget to support the re-tendering of the leisure centre contract has been carried forward through this reserve to 2024/25, as the work is now due to take place in 2024/25. £66,000 of ringfenced funding was withdrawn from this reserve in 2023/24, mainly funding for the Community Hub.
- (f) Place Development Grants – Ringfenced DLUHC grants totalling net £110,000 were transferred to the reserve to fund planning skills improvement and a land charges migration project in 2024/25. Prior year funding of £19,000 was withdrawn from the reserve to cover agreed Local Plan workstreams.
- (g) Housing/Homelessness Grants – Government funding of £71,000 to support Afghan refugees has been transferred into the reserve to fund anticipated housing and resettlement related costs in 2024/25 and beyond. £113,000 of flexible housing support grant was used to support services, and £81,000 of ring-fenced grants were used to support Syrian and Ukrainian refugee schemes and to fund supporting housing initiatives.

4 2023/24 Additional Income/Savings Delivery

- 4.1 The 2023/24 budget required £1,246,000 of new additional income and savings to be delivered during the year. The delivery status of these is summarised in the following table:

Table 4 - Summary of Budgeted Savings - 2023/24	Committee	Achieved	In progress	Not Achieved
		£000	£000	£000
Review of Commercial Estate	S&R	321	-	-
Income from Commercial Property	S&R	96	-	-
Reduction in cost of managing homelessness	C&W	-	-	243
Additional Car Parking Income	ENV	5	-	218
Additional EEPIC Dividend Income	S&R	-	-	100
Reduce Subsidy of Community & Wellbeing Centre	C&W	0	-	53
Operational efficiencies	ALL	46	-	-
Additional Licensing Income	LPPC	40	-	-
Other Service Efficiencies	All	36	-	-
Review of Playhouse Opportunities	C&W	-	-	30
Reduce Benefits Administration Costs	S&R	33	-	-
Additional Planning Income	LPPC	-	-	25
Total Savings - £1,246k		577	0	669

- 4.2 As reported at Quarter 3, while £577,000 of planned savings have been successfully delivered in 2023/24, a significant portion totalling £669,000 have not been deliverable during the year. An update on the highest value savings that were not achieved in year is provided as follows:
- 4.3 As reported in the quarter 3 budget monitoring report, the £243,000 targeted reduction in the cost of managing homelessness was not achieved, mainly due to the cost-of-living crisis creating elevated resident demands on the service. The 2024/25 budget has been set to take account of a higher level of demand for the service and the Council is progressing the Homelessness Action Plan to mitigate additional cost pressures.
- 4.4 The bulk of the car park additional income target was not achieved. It is anticipated that a new anchor tenant at the Ashley Centre in the new year will increase car park usage in the town and assist in delivery of this saving in 2024/25. The Council's car park working group meet on a regular basis to consider parking in the borough and the strategic direction for the Council.

- 4.5 The target for £100,000 additional income from EEPIC was set in February 2023, prior to S&R Committee agreeing a lease amendment with a commercial property tenant in March 2023. This temporarily reduces income received by the Council from EEPIC until 2025/26. The originally targeted additional income therefore was not achieved in the 2023/24. It is expected that the additional income will now become achievable from 2025/26 onwards, on expiry of the amended lease period. The reduced income was mitigated by an appropriation from the Property Income Equalisation Reserve.
- 4.6 The additional targeted income of £53,000 from the Higher Needs service at the Wellbeing Centre was not achieved in 2023/24 due to capacity issues leading to a later start of the proposed advertising campaign. With the campaign now successfully launched, numbers are expected to increase in the 2024/25 financial year, however, utilisation of the centre remains below pre-pandemic levels.
- 4.7 The targeted additional planning service income of £25,000 has not been achieved while demand for planning advisory services remains depressed, as set-out in the committee variance table. A report to Licensing & Planning Policy Committee in November 2023 set out mitigating options for the reduced planning income, and the budget for 2024/25 has been set using Planning officer estimations for anticipated demand for services.

5 Provisions

- 5.1 Following an analysis of general debtors, the associated bad debt provision has decreased by £114,000, from £373,000 to £259,000 at 31 March 2024. The £114,000 decrease consists £23,000 write-offs charged against the provision and a £91,000 reduction in the provision overall to reflect the current profile and balance of outstanding debtors. Outstanding debtors will be monitored and managed during 2024/25 in accordance with the Council's debtor procedures.
- 5.2 Income from the recovery of past housing benefit overpayments has previously been used to increase the bad debt provision for outstanding housing benefit overpayments debts, due to the planned future transfer of benefits administration to central government. Outstanding debt at the end of 2023/24 totals £1.36m (£1.49m at 31 March 2023). The balance of the provision stands at £1.35m, meaning that 99% of the outstanding debt has been provided for at 31 March 2024 (also 99% prior year).

6 Pensions

- 6.1 Pensions have been treated within the accounts in accordance with recommended financial reporting standards for local authorities. The movement for accounting purposes has gone from a net liability of £5.4m at 31 March 2023 to a net asset of £2.3m at 31 March 2024. The favourable movement is principally due to strong returns and interest income from plan assets.
- 6.2 Additional information on pension liabilities is included within the Statement of Accounts, which is prepared in accordance with International Accounting Standard 19 (IAS19). The IAS19 accounting valuation does not comprise a full re-valuation of the fund and does not impact the Council's contributions.
- 6.3 Although the IAS19 pension liability has an impact on the Council's balance sheet, the valuation methodology is affected by short-term economic market conditions and is not used to determine the impact on council tax of the cost of paying pensions. There are separate statutory arrangements for meeting the liability, which will be addressed by increased contributions to the scheme over the remaining working lives of the staff.

7 Capital Expenditure 2023/24

Core Capital Programme

- 7.1 A summary report of the 2022/23 capital programme was issued to all Councillors via Members Update in July. The 2022/23 expenditure per Committee for the core capital programme is shown below:-

Table 5 - Core Capital Programme	2023/24 Approved Budget	2023/24 Outturn	Variance
	£'000	£'000	£'000
Strategy & Resources	1,318	302	(1,016)
Environment	1,154	274	(880)
Community & Wellbeing	2,648	1,673	(975)
Licensing & Planning Policy	0	0	0
Total budget requirement	5,120	2,249	(2,871)

- 7.2 On the core capital programme, actual expenditure was £2.249m which is £2.871m less than the current approved budget. The main projects contributing to the underspend are the Disabled Facilities Grant (664k); Stoneleigh Station Step Free Access (£400k); Replacement of EEBC Lamp Columns (£369k); Plan E (£335k); ICT Programme of Works (£331k); the CRM and Data Warehouse project (£185k); Alex Rec Dojo (£170k), which is awaiting the outcome of additional funding; and Poole Road Pavilion roof replacement (£109).
- 7.3 The following 2023/24 projects remain in progress and it is requested that the budgets be carried forward to 2024/25:

Table 6 - 2023/24 Capital Projects still in progress at 01/04/24	Remaining Budget £'000s	Funding Source
Disabled Facilities Grant	664	External Grant
Bourne Hall- Patio for outside seating area for café	16	Capital Receipts
Flat 1 Ewell Court House refurb	56	S106 Affordable Housing contributions
Ashley Centre Car Park Expansion Joints - Phase 2	37	Capital Receipts
Poole Road Pavilion - Roof replacement	109	Capital Receipts
Ashley centre Car Park - Waterproofing joint to level 4D	50	Capital Receipts
Stoneleigh Station Step free access	400	Community Infrastructure Levy
ICT Programme of works	331	Capital Receipts
Replacement of CRM and Data Warehouse	285	Capital Receipts
Replacement of EEBC lamp columns	369	Community Infrastructure Levy
Alex Rec Dojo	170	Capital Receipts
Total budget carried forward into 2023/24	2,387	

- 7.4 Budgets totalling £2.387m are requested to be carried forward into 2024/25 for schemes not completed in 2023/24.
- 7.5 The £484k difference between the £2.871m underspend and £2.387m requested carry forward is mainly related to £335k of Plan E funding. The scheme concluded in 2021/22 and it is proposed not to carry forward the outstanding budget, as no further costs are expected. The remaining £49k balance comprises favourable variances on the Playhouse schemes to install solar PV panels (£63k) and new carpets (£6k), offset by an adverse variance of £20k on the new fence enclosure to the Court Rec Astro turf facility.

Property Acquisition Funds – Commercial Property

- 7.6 The Council retains one in-Borough commercial property acquisition fund, which has a remaining balance of £49.6m available for investment. The fund can be financed from prudential borrowing. No commercial properties were acquired during 2023/24, although should opportunities arise in future, these will be explored as appropriate.
- 7.7 The Council formally closed its out-of-Borough commercial property acquisition fund in February 2020, as part of agreeing the Medium Term Financial Strategy 2020-24, in order to comply with government's Statutory Guidance on Investments.

Property Acquisition Funds – Residential Property

- 7.8 In 2016/17, the Council established a £3m fund to purchase residential property, principally to assist the Council to manage homelessness and reduce associated costs. No new purchases were made during 2023/24. The future commitments includes £828k earmarked for the proposed purchase of a public sector leasing property which has come to the market recently.
- 7.9 The remaining balances on the Property Acquisition Funds are shown in the following table. Please note that the £49.6m funds are not reserves that the Council holds; they are limits (approved by Full Council) up to which borrowing could be undertaken.

Table 7 - Property Acquisition Funds	Commercial Property (in-Borough) £0	Residential Property £0	Total £0
Opening fund balance	80,000	3,000	83,000
Purchases during 2016/17	(19,206)	(811)	(20,017)
Purchases during 2017/18	(5,148)	(562)	(5,710)
Purchases during 2018/19	0	(257)	(257)
Purchases during 2019/20	(6,077)	(20)	(6,097)
Purchases during 2020/21	0	(95)	(95)
Purchases during 2021/22	0	(238)	(238)
Purchases during 2022/23	0	(39)	(39)
Purchases during 2023/24	0	0	0
Current commitments	0	(828)	(828)
Fund balances at 31/03/2024	49,569	150	49,719

- 7.10 The financing of capital expenditure in 2023/24 is summarised in the following table:

Table 8 - Financing of Capital	2023/24 Approved Budget £'000s
<u>Expenditure</u>	
Core Programme	2,249
CIL Neighbourhood 15% Schemes	65
Horton Chapel*	43
Vehicle Finance Leases	126
Total Expenditure	2,483
<u>Financing</u>	
Capital Receipts Reserve	132
Capital Grants - DFG	1,079
Budgeted Revenue Contributions	467
Revenue Reserves	90
S106 Receipts	397
Community Infrastructure Levy	192
Total Financing	2,357
Vehicle Finance Lease - to be financed in future years	126
Total	2,483

*This Horton Chapel expenditure represents part-payment of the original £1.45m grant, which as per the grant agreement, is paid in instalments to Horton Chapel Arts & Heritage Society. For clarity, this expenditure is not a new grant, but an instalment of the original grant award, and has now been fully expended.

8 Capital Receipts

- 8.1 No new capital receipts were received for the 2023/24 financial year. Capital receipt balances are summarised in the following table:-

Table 9 - Capital Receipts Reserve	2023/24 £'000s
Balance brought forward at 1 April 2023	3,940
Used to fund the 2023/24 capital programme	(132)

Capital Receipts received in 2023/24	0
Closing balance as at 31 March 2024	3,808
Earmarked for previous schemes not yet complete (balance rolled forward to be agreed by S&R Committee in July 2024)	(998)
Estimated capital receipts expected in 2024/25	130
Planned use for 2024/25 programme	(666)
Estimated balance at 31 March 2025	2,274

- 8.2 The level of reserves will be re-assessed during this year's capital programme review.

9 Risk Assessment

Legal or other duties

9.1 Equality Impact Assessment

- 9.1.1 None arising from the contents of this report.

9.2 Crime & Disorder

- 9.2.1 None arising from the contents of this report.

9.3 Safeguarding

- 9.3.1 None arising from the contents of this report.

9.4 Dependencies

- 9.4.1 None arising from the contents of this report.

9.5 Other

- 9.5.1 A risk assessment was included in the 2023/24 budget report. Monitoring arrangements during the year have allowed some corrective action to be taken on a number of budget variances, either during the year or as part of the Council's longer-term service and financial planning.

- 9.5.2 An updated risk assessment was included in the 2024/25 budget report. Further budget monitoring will be carried out on any specific service where the financial position was materially worse than anticipated.

10 Financial Implications

- 10.1 Financial implications are included in the body of the report.

10.2 **Section 151 Officer's comments:** The reported outturn position is not expected to change, however, should there be any changes following completion of the external audit, these will be reported to members with the external audit report.

10.3 The Council's financial position is continually monitored and future budget plans are presented as a separate agenda item to this Committee - see 2025/26 Strategic Financial Planning report.

11 Legal Implications

11.1 **Legal Officer's comments:**

11.2 None arising from the contents of this report.

12 Policies, Plans & Partnerships

12.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council.

12.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

12.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

12.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

12.5 **Partnerships:** None arising from the contents of this report

13 Background papers

13.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 2023/24 Budget Report to Full Council, February 2023.
- Quarterly Budget Monitoring Reports to Audit & Scrutiny Committee.

Other papers:

- Provisional outturn reports issued to all councillors via Members News in July 2024.

STRATEGIC FINANCIAL PLANNING FOR 2025/26 BUDGET

Head of Service:	Brendan Bradley, Chief Finance Officer
Report Author:	Brendan Bradley
Wards affected:	(All Wards);
Urgent Decision?	No
Appendices (attached):	Appendix 1 – Draft Minutes of Financial Strategy Advisory Group dated 12 July 2024 Appendix 2 – Report to Financial Strategy Advisory Group 12 July 2024.

Summary

This report recommends budget targets for 2025/26 and provides an update on financial planning for 2026/27 to 2028/29 as recommended by Financial Strategy Advisory Group.

Recommendation(s)

That the Committee agrees:

- (1) To note the recommendations of Financial Strategy Advisory Group held on 12 July 2024;**
- (2) The proposed approach to 2025/26 budget setting as set-out in the report to Financial Strategy Advisory Group at Appendix 2, in particular;**
 - **That officers work to progress the workstreams set out in section 7 of Appendix 2 to produce specific income generation and savings options, in addition to savings already targeted, to meet the projected budget deficit of £720,000 per annum by 2028/29;**
 - **That the proposed Five Year Plan and the budget process are aligned to ensure that any commitments are affordable;**
 - **The budget reporting timetable as supported by Financial Strategy Advisory Group.**

1 Reason for Recommendation

- 1.1 Approving the recommendations will provide a clear framework for the Council to develop its budget for 2025/26. Strategy and Resources Committee has agreed one of its key priorities is to achieve financial stability for the Council.

2 Background

- 2.1 At its meeting on 12 July 2024, Financial Strategy Advisory Group received detailed financial analysis of the Council's budget position, including forecasts for the next four years, in the attached Strategic Financial Planning Report at Appendix 2. Having considered the report, FSAG advises Strategy and Resources Committee to agree the recommendations of this report.

3 Proposals

- 3.1 That the Committee agrees the budget targets recommended by Financial Strategy Advisory Group.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

- 4.1.1 None arising from the contents of this report.

4.2 Crime & Disorder

- 4.2.1 None arising from the contents of this report.

4.3 Safeguarding

- 4.3.1 None arising from the contents of this report.

4.4 Dependencies

- 4.4.1 The Council's Five Year Plan should be set to be deliverable within the Council's available financial resources.

4.5 Other

- 4.5.1 The financial risks for budgets over the next four years are set out in the [Medium Term Financial Strategy 2024-2028](#), agreed at Full Council in February 2024.

4.5.2 There is particularly heightened risk around commercial property and leisure centre income in the current environment. Should a tenant leave or rent reductions have to be agreed to retain them, the Council's budget deficit could increase significantly (this applies both for property owned by the Council and its subsidiary, EEPIC), and in the event of tenant departure, the Council would become liable for running and maintenance costs while a new tenant is found. To mitigate this risk, officers proactively engage with tenants and the Council holds the Property Income Equalisation Reserve as a buffer to mitigate the risk of income loss in the short term.

4.5.3 In addition, the risk of increasing homelessness expenditure remains significant, with the Council pursuing its Homelessness Reduction Action Plan to mitigate this pressure.

5 Financial Implications

5.1 All financial implications are set-out in the report to Financial Strategy Advisory Group at Appendix 2.

5.2 **Section 151 Officer's comments:** The 2025/26 budget must ensure that the Council's finances are sustainable whilst delivering the priorities of the Council. It is important that the budget target recommendations be agreed to provide a framework for maintaining the future financial health of the Council.

6 Legal Implications

6.1 Any relevant legal implications are set-out in the report to Financial Strategy Advisory Group at Appendix 2.

6.2 **Legal Officer's Comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council.

7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

7.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

7.5 **Partnerships:** None arising from the contents of this report.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 2024/25 Budget Report to Full Council, February 2024
- 2025/26 Strategic Financial Planning report to Financial Strategy Advisory Group, July 2024.

Other papers:

- [Medium Term Financial Plan 2024-2028](#)

Minutes of the Meeting of the FINANCIAL STRATEGY ADVISORY GROUP held at the Council Chamber, Epsom Town Hall on 12 July 2024

PRESENT -

Councillor Hannah Dalton (Chair); Councillors Liz Frost, Alison Kelly and Clive Woodbridge

In Attendance: Councillor Steven McCormick (Item 1 only)

Absent: Councillor Neil Dallen and Councillor Peter O'Donovan

Officers present: Brendan Bradley (Chief Finance Officer) and Sue Emmons (Chief Accountant)

1 APPOINTMENT OF ACTING CHAIR

In the absence of the Chair, Councillor Neil Dallen, Councillor Hannah Dalton was nominated as Acting Chair for the meeting by Councillor Woodbridge. The nomination was unanimously agreed by the Advisory Group.

2 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the agenda for the meeting.

3 MINUTES OF THE PREVIOUS MEETING

The minutes of the Financial Strategy Advisory Group meeting held on 26 January 2024 were agreed as a true record to be signed by the Chair.

4 2025/26 STRATEGIC FINANCIAL PLANNING

Following consideration of the report's contents, the Group discussed the following points:

- The government funding assumptions are expected to be updated and reported to members after the first budget of the new government administration due in the Autumn.
- The background of the proposed increase in discretionary fees and charges income of 6%.

- Opportunities for partnership working.
- The current Homelessness position and potential impact on the future budget gap.
- Future Council Tax increases and the cost of increased demand for Council services.

Following the discussion, the Group moved to consider the report recommendations, which were agreed as follows:

- (1) The proposed approach to 2025/26 budget setting as set-out in sections 7 and 8 of the report;**
- (2) That officers work to progress the workstreams set out in section 7 of the report, to produce specific income generation and savings options, in addition to savings already targeted;**
- (3) That the proposed Five Year Plan and the budget process are aligned to ensure that any commitments are affordable;**
- (4) The budget reporting timetable in Appendix 1 to the report.**

5 REVIEW OF RESERVES

The following matters were debated by Councillors:

- Opportunities to replenish reserves.
- The value of Council assets compared with the level of debt held by the Council.

Following consideration of the above matters and the report's contents, the Group moved to consider the report recommendations, which were agreed as follows:

- (1) Consider and review whether the overall level of reserves and contingencies are appropriate for the sound management of the Council's finances;**
- (2) Review the individual reserve and contingency balances and consider whether to support the recommended minimum balances in the report;**
- (3) Support the proposed transfer of £0.5m from the Collection Fund Equalisation Reserve to the Corporate Projects Reserve.**

The meeting began at 2.00 pm and ended at 2.42 pm

COUNCILLOR HANNAH DALTON (CHAIR)

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STRATEGIC FINANCIAL PLANNING FOR 2025/26 BUDGET

Head of Service:	Brendan Bradley, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?	No
Appendices (attached):	Appendix 1 – Financial Planning Timetable Appendix 2 – Revenue Budget Forecast Appendix 3 – Efficiency Plan

Summary

This report seeks guidance on the approach to producing the Council's budget for 2025/26.

Recommendation(s)

The Group is asked to recommend to Strategy & Resources Committee:

- (1) The proposed approach to 2025/26 budget setting as set-out in sections 7 and 8 of this report;
- (2) That officers work to progress the workstreams set out in section 7 of this report, to produce specific income generation and savings options, in addition to savings already targeted;
- (3) That the proposed Five Year Plan and the budget process are aligned to ensure that any commitments are affordable;
- (4) The budget reporting timetable in Appendix 1.

1 Reason for Recommendation

- 1.1 Approving the recommendations will provide a clear framework for the Council to develop its budget for 2025/26. Strategy and Resources Committee has agreed one of its key priorities is to achieve financial stability for the Council.

2 Background

- 2.1 The Medium Term Financial Strategy (MTFS) 2024-28 was agreed at Full Council in February 2024. The MTFS aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan. This report proposes the approach needed to achieve a balanced budget for 2025/26 and future years during the term of the financial strategy.
- 2.2 The report proposes revenue and capital budget reporting timetables for preparing the 2025/26 budget.

3 Financial Position 2023/24

- 3.1 The Council is among a minority within Surrey to have audited accounts up to 31 March 2023, and has prepared unaudited accounts for 2023/24 which will be subject to audit over the summer.
- 3.2 The draft revenue outturn for 2023/24 shows that expenditure exceeded income by £121,000. An appropriation for this amount has been made from the general fund working balance and as at the end of 2023/24 the balance on this reserve was £2.99 million.
- 3.3 The Council had an approved capital programme of £5.1 million for 2023/24 and spent £2.2m with the majority of the unspent capital programme expected to be carried forward in to 2024/25. The level of uncommitted capital receipts reserves stood at £2.2m at the end of 2023/24.
- 3.4 More detail on the Council's financial performance for 2023/24 will be provided in the Provisional Financial Outturn report to Strategy & Resources Committee at the end of July.

4 Budgeted Position for 2024/25

- 4.1 The 2024/25 budget provides a good platform for budget planning. The service estimate, agreed by Council in February this year, required £2.3m of strategic reserves to fund services and balance the budget. Of this contribution from reserves, £1.7m was to fund non-recurring items (ie one-off factors such as the collection fund deficit due to government business rate relief announcements) and £0.6m was to fund an underlying budget gap. Shortly after the budget papers were produced, government announced an additional £96,000 funding for this authority, which reduces the underlying budget gap to £0.53m for 2024/25 and has been factored into the updated estimates provided at Appendix 2.
- 4.2 The approved budget includes a £500,000 revenue contribution to assist in the funding of the annual capital programme.

- 4.3 The Council is also expected to benefit from additional retained business rates by £150,000 in 2024/25 due to being invited to participate in the Surrey/Sutton Business Rate Pool. However, the invitation is for 2024/25 only, and not beyond.
- 4.4 The Council also set aside a c.£500,000 provision in 2024/25's budget, which acts as a contingency to mitigate financial risk, enabling the Council to fund elevated utility and operational costs due to elevated inflation.

5 Revenue Reserves

- 5.1 The current level of revenue reserves is reported to FSAG as a separate agenda item.
- 5.2 The Council uses its reserves proactively to manage risks, to invest in service transformation for the future, or to respond to unexpected events or emerging needs. Generally, reserves should not be used to fund day-to-day services on an ongoing basis, as reserves would eventually become depleted without a plan for replenishing them.
- 5.3 The 2024/25 budget plans to use c.£0.5m from the Council's reserves to balance an underlying deficit, which was considered a reasonable approach in the short term, as this use of reserves has provided the Council with time to consider a scheduled review of services (due to be reported to S&R Committee in July).
- 5.4 In agreeing to temporarily use reserves to fund 2024/25's budget, members supported this approach to identify savings to remove unsustainable reliance on reserves to fund the day-to-day revenue services.
- 5.5 The importance of removing reliance on reserves has been recently reiterated by the Council's external auditors, Grant Thornton, whose 2022/23 Annual Auditor's Report (dated March 2024) recommends:
- 5.6 *"The Council should continue to acknowledge the importance of seeking ways other than use of reserves to manage the financial budget gap in the medium term, given the finite nature of reserves. The challenges will continue so the need for the structured and disciplined approach to managing finances and reserves will continue to be crucial".*

6 Budgeted Forecast 2025/26 and Beyond

- 6.1 The 2024/25 local government finance settlement appeared to largely represent a 'holding position' until the next Parliament. As part of the settlement, Government also ruled out a business rates reset and a 'Fair Funding Review' until at least 2025/26, which should provide the Council with relative external funding stability until then. In addition, late in the budgeting process government announced an additional £96,000 funding for EEBC, which is included in the updated forecast at Appendix 2, and summarised in the following table:

Budget Forecast	<u>2024/25</u> <u>Agreed</u> <u>Budget</u>	<u>2025/26</u> <u>Forecast</u>	<u>2026/27</u> <u>Forecast</u>	<u>2027/28</u> <u>Forecast</u>	<u>2028/29</u> <u>Forecast</u>
	£000	£000	£000	£000	£000
Net Cost of Service b/f (before interest and planned use of reserves)	11,393	12,457	12,041	12,118	12,252
Pay & Prices Increases	1,482	699	713	728	742
Service Changes and Pressures	394	-476	70	100	-100
Increases in Fees & Charges	-456	-483	-256	-264	-272
Identified savings	-356	-156	-450	-430	0
Forecast Net Cost of Services	12,457	12,041	12,118	12,252	12,622
Interest on Balances	-1,125	-1,000	-875	-750	-750
Use of New Homes Bonus	-225	0	0	0	0
Transfer from Collection Fund Reserve	-974	0	0	0	-250
Contribution from Property Income Equalisation Reserve	-700	0	0	0	0
Contribution from Corporate Projects Reserve	-528	0	0	0	0
Transfer from Working Balance (-)	0	0	0	0	0
Forecast Net Expenditure	8,905	11,041	11,243	11,502	11,622
Retained Business Rates Forecast	1,749	1,784	1,820	1,856	1,392
Compensation for underindexing the business rates multiplier	292	301	306	312	318
Council Tax Income Forecast	7,636	7,904	8,182	8,470	8,767
Council Tax Surplus	58	0	0	0	0
Retained Business Rates Surplus	-1,037	0	0	0	0
Revenue Support/Other Grants	207	479	415	423	425
External Funding*	8,905	10,468	10,723	11,061	10,902
<i>Funding Shortfall / Savings to be Identified</i>	<i>0</i>	<i>573</i>	<i>520</i>	<i>440</i>	<i>720</i>

6.2 It can be seen that the updated forecast anticipates that savings/additional income of c.£0.5 million per annum will be needed through to 2027/28 to achieve a balanced budget at the end of this period. Key assumptions within the forecast are as follows:

6.2.1 Annual staff pay inflation (i.e. the 'cost of living' uplift) and prices inflation are forecast at 2% per annum. This assumption will be updated when any new pay deal is agreed.

6.2.2 Fees and charges income is forecast to increase by 6% in 2025/26, then by 3% per annum (CPI +1%) until 2027/28, as per the Medium Term Financial Strategy agreed at Full Council in February 2024.

- 6.2.3 Council tax increases are forecast at 3% per annum for a Band D equivalent.
- 6.2.4 Treasury management investment income earned on reserves is projected to achieve a 4% annual return in 2025/26, reducing to 3% by 2027/28 as base rates (set by the Bank of England) are expected to decrease.
- 6.2.5 Revenue funding towards the financing of a sustainable capital programme is forecast to increase to £550,000 per annum by 2026/27.
- 6.2.6 Existing agreed savings totalling £1.4m will be delivered between 2024/25 and 2027/28, as set-out in the Efficiency Plan at Appendix 3.
- 6.2.7 Commercial property income will continue to be collected in line with existing lease agreements. In particular, the forecast assumes that rental income at the Council's subsidiary's Bracknell property (Arlington Square) will increase from half rent to the full annual rent of £1.77m from 1 April 2025, in line with the lease agreed at S&R Committee in March 2023.
- 6.2.8 Retained income from business rates and government grants is forecast to remain broadly stable until 2027/28, with the Fair Funding Review starting to adversely impact this funding stream from 2028/29. However, there is a specific risk that if central government's ongoing Fair Funding Review were implemented sooner, either by the current or a new incoming government, this income stream could reduce earlier than 2028/29.
- 6.3 The Fair Funding Review was being undertaken by the Conservative central government to re-assess the distribution of government and business rates funding between councils. When complete, it had been expected to favour unitary and upper tier councils, ahead of districts such as Epsom & Ewell Borough Council. However, with a General Election taking place on 4 July 2024, there is uncertainty regarding any incoming government's plans. As such, these forecasts will be updated and reported back to members when any new government policy becomes clear.
- 6.4 The highest service financial risks are considered to be the reliance on higher risk income streams from commercial property, the impact of increased inflation on the Council's costs and income streams, and the potential for increased demands for housing and homelessness prevention.

7 Approach to Achieving a Sustainable Balanced Budget

- 7.1 Officers have drafted a work programme to assist in addressing the £0.5m annual funding shortfall for 2025/26, rising to £0.7m by 2028/29 as set out in Table 1.
- 7.2 The key features of the programme comprise:-
 - 7.2.1 Service reviews focusing primarily on discretionary services to be considered at Strategy & Resources in July 2024, with the aim of increasing efficiencies and effectiveness whilst reducing cost.
 - 7.2.2 Ongoing review of existing asset utilisation to realise cost reductions in Council operational buildings and increased income from investment properties.
 - 7.2.3 Officers to be tasked with identifying further efficiencies and opportunities, although these are becoming harder to achieve after over a decade of austerity.
 - 7.2.4 A base review, which entails reviewing the year end position for 2023/24, identifying any potential savings, additional cost pressures and areas where savings can be developed.
 - 7.2.5 Continue to investigate and bring forward income streams which maximise revenue from new and existing services, such as invest to save opportunities. Ensure any new powers are considered to generate additional income for the Council, such as any new charging policy for waste.
 - 7.2.6 Undertake a review of reserves to be reported to Financial Strategy Advisory Group to seek support for recommended minimum reserve balances (see separate agenda item 4).
 - 7.2.7 A target to increase fees and charges income by 6% in 2025/26 (as previously agreed at Full Council in February 2024), then by CPI+1% from 2026/27 onwards. Increased income can come from higher volumes and does not necessarily have to be through increasing the published fee. Heads of Service review fees and charges annually to ensure any increases are achievable and report to policy committees for approval.
 - 7.2.8 To maximise external funding and partnership opportunities, for example submitting grant applications as opportunities arise.

8 New Five Year Plan and Budget

- 8.1 Available resources will need to be matched to deliverables within any new corporate plan, to ensure that objectives within the plan are prioritised, resourced and deliverable. To achieve this, the proposed Five Year Plan and budget setting process will need to be in alignment with each other.

- 8.2 It is proposed that owing to the Council's projected budget deficit, any additional new revenue growth items (i.e. service enhancements resulting in increased net expenditure) supported by Policy Committees will need to be fully funded from existing budgets.

9 Timetable for Delivery of 2025/26 Budget

- 9.1 A proposed formal committee timetable for the revenue and capital programme is presented at Appendix 1.
- 9.2 In addition to the formal committee meetings, officers will maintain engagement with Policy Chairs throughout the budgeting process.
- 9.3 The Council needs to make significant progress in achieving a balanced budget with no reliance on revenue reserves to fund the delivery of services. Based on the latest forecasts, the Council is anticipating a funding shortfall of £0.7m by 2028/29.

10 Risk Assessment

Legal or other duties

10.1 Risk Assessment

- 10.1.1 The Council has a statutory duty to set a balanced budget each year, demonstrating how planned expenditure on services will be fully funded.
- 10.1.2 Should the Council not progress the proposed budget strategy and fail to achieve a significant net reduction in its cost of services, there is a clear risk that reserves will continue to diminish with the Council eventually becoming unable to set a balanced budget.
- 10.1.3 A full budget risk assessment will be presented to Full Council alongside the final 2025/26 budget proposals in February 2025.
- 10.1.4 There is particularly heightened risk around commercial property and leisure centre income in the current environment. Should a tenant leave or rent reductions have to be agreed to retain them, the Council's budget deficit could increase significantly (this applies both for property owned by the Council and its subsidiary, EEPIC), and in the event of tenant departure, the Council would become liable for running and maintenance costs while a new tenant is found. To mitigate this risk, officers proactively engage with tenants and the Council holds the Property Income Equalisation Reserve as a buffer to mitigate the risk of income loss in the short term.
- 10.1.5 In addition, the risk of increasing homelessness expenditure remains significant, with the Council pursuing its Homelessness Reduction Action Plan to mitigate this pressure.

10.2 Crime & Disorder

10.2.1 None arising from the contents of this report.

10.3 Safeguarding

10.3.1 None arising from the contents of this report.

10.4 Dependencies

10.4.1 The Council's proposed Five Year Plan should be set to be deliverable within the Council's available financial resources.

10.5 Other

10.5.1 None arising from the contents of this report.

11 Financial Implications

11.1 The provisional financial outlook for 2025/26 and future years is covered in this report.

11.2 In preparing the Council's 2025/26 budget, the Council will also need to approve a new pay policy, enabling details from the new approved policies to be incorporated into the budget.

11.3 The Council has adequate resources to carry out a budget review supporting the delivery of the efficiency plan. Should the Council require a more comprehensive review of services, additional resources and expertise may be required.

11.4 **Section 151 Officer's comments:** The 2025/26 budget must ensure that the Council's finances are sustainable whilst delivering the priorities of the Council.

12 Legal Implications

12.1 The Council has a statutory responsibility to set a balanced budget each year.

12.2 The provisions of section 25 of the Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The report will be formally made to the Council's budget setting meeting in February.

12.3 **Monitoring Officer's Comments:** None arising from the contents of this report.

13 Policies, Plans & Partnerships

- 13.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Effective Council.
- 13.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 13.3 **Climate & Environmental Impact of recommendations:** Funding of the Climate Change Action Plan is determined on a business case basis, as funding opportunities arise.
- 13.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 13.5 **Partnerships:** None arising from the contents of this report.

14 Background papers

- 14.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 2024/25 Budget Report to Full Council, February 2024

Other papers:

- [Medium Term Financial Plan 2024-2028](#)

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APPENDIX 1 - REVENUE BUDGET PLANNING 2025/26 - REPORTING TIMETABLE

MONTH	TOPIC	REPORT TO	OBJECTIVE
JULY 2024	Provisional Financial Outturn for 2023/24	Strategy & Resources Committee	Report unaudited outturn figures for last year Agree year end transfers for 2023/24 to/from strategic reserves
	Financial Planning for 2025/26	Strategy & Resources Committee	Update Four Year Budget Forecast Set Budget Targets for 2025/26 Agree financial planning strategy Confirm budget reporting timetable
	Service Reviews	Strategy & Resources Committee	Agree schedule of services to be reviewed
SEPT & OCT 2024	Budget Targets 2025/26	Policy Committees	Communicate budget targets for 2024/25 and guidance on the preparation of service budget reports
	2023/24 Audited Financial Statements & Audit Findings	Audit & Scrutiny Committee	Report audited financial position for the year ended 2023/24
	First Quarter Budget Monitoring for 2024/25	Audit & Scrutiny Committee	Report revenue and capital quarter 1 forecast outturn
NOV 2024	Second Quarter Budget Monitoring	Audit & Scrutiny Committee	Report revenue and capital quarter 2 forecast outturn
	Budget Update	Strategy & Resources Committee	Update on budget preparation and local government funding (if required)
JAN 2025	Service Estimates	Policy Committees	Recommend service budgets to Council
FEB 2025	Third Quarter Budget Monitoring	Audit & Scrutiny Committee	Report revenue and capital quarter 3 forecast outturn for 2024/25
	Local Govt. Finance Settlement	Financial Strategy Advisory Group	Guidance on Council Tax Options following announcement of grant settlement / business rates
	2025/26 Treasury Management Strategy	Financial Strategy Advisory Group	Update of Financial Plan Recommend the Treasury Management Strategy to Full Council for approval

Agenda Item 6
Appendix 2

MONTH	TOPIC	REPORT TO	OBJECTIVE
	Budget Meeting	Full Council	Council Tax and Budget decisions

CAPITAL PROGRAMME REVIEW 2025/26 - REPORTING TIMETABLE

MONTH	TOPIC	REPORT TO	OBJECTIVE
JUNE 2024	Capital Programme	Member Briefing	To brief members on the capital programme and resources
SEPT to NOV 2024	2025/26 Capital Proposals	Financial Strategy Advisory Group	To assess 2025/26 capital proposals and an indicative programme for 2026/27 to 2029/30
JAN 2025	Capital Project Appraisals	Policy Committees	Recommend capital schemes to Council
FEB 2025	Budget 2025/26: Capital Programme	Full Council	Approve capital programme for 2025/26 and updated provisional programme 2026/27 to 2029/30
MARCH 2025	Publish Capital Programme		

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REVENUE BUDGET FOUR YEAR FORECAST

Status: Financial Planning Updated for 2025/26 Budget										
FOUR YEAR BUDGET PROFILES	MTFS				FORECAST					
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
NET SPEND B/F FROM PREVIOUS YEAR	8,290	8,905	11,041	11,243	11,502	11,622	12,199	12,783	13,434	13,821
add back: Use of New Homes Bonus in Previous Year	0	225	0	0	0	0	0	0	0	0
add back: Interest on Balances as credited to the revenue account in previous year	720	1,125	1,000	875	750	750	750	750	750	750
add back: Use of Reserves/Provisions in Previous Year	2,383	2,202	0	0	0	250	150	50	0	0
Net Expenditure on Services before changes (Base Budget excluding use of interest on balances and use of working balance)	11,394	12,457	12,041	12,118	12,252	12,622	13,099	13,583	14,184	14,571
Allowance for Pay and Price Inflation										
General Inflation - price base	+500	+210	+214	+218	+223	+227	+232	+236	+241	+246
General Inflation - pay base	+982	+489	+499	+509	+519	+530	+540	+551	+562	+573
Prices Increases net of Increased Fees & Charges	+1,482	+699	+713	+728	+742	+757	+772	+788	+803	+819
Increases in costs / Reductions in income										
Pension Fund Valuation 2022	-57	-61								
Provision for members allowances	+94									
Impact of Covid										
Change in national insurance contributions										
Net reduction in income from commercial property										
Increase in debt repayments	+26	+27	+27	+28	+29	+29	+30	+31	+32	+32
Increase in provision for property maintenance										
Local elections	-80			+100	-100			+110	-110	
Provision for increased IT revenue costs	+209	-55	+10							
Funding of projects within the capital programme	+0	+90	-40							
Provision for increased cost of living	+0	+100	+100							
Loss of 70 East Street tenant										
Parkside House income	-566									
Increased cost of homelessness	+300									
Reduced planning fee income	+100									
Loss of on-street parking income	-137									
Changes to EEPIC Dividend	+674	-727	-27	-28	-29	-29	-30	-31	-32	-32
Increased cost of external audit fees nationally										
Contingency for elevated utilities and contract inflation										
Other	-170									
Savings to be identified to finance rebasing exercise										
Increases in costs / Reductions in income	+393	-626	+70	+100	-100	+0	+0	+110	-110	+0
Changes to External Funding										
2023/24 & 2024/25 Surrey Business Rates Pool	+0	+150								
Removal of Local Council Tax Support Admin Grant										
2022/23 Government Services Grant										
Changes to External Funding	+0	+150	+0	+0	+0	+0	+0	+0	+0	+0
New Homes Bonus										
Estimated New Homes Bonus	-498	+0	+0	+0	+0	+0	+0	+0	+0	+0
Transfer to Corporate Project Reserve	+273	+0	+0	+0	+0	+0	+0	+0	+0	+0
NHB Funding used to support General Fund services	-225	+0	+0	+0	+0	+0	+0	+0	+0	+0
Cost Reduction Plan										
2020 Star Chambers										
2022 Star Chambers										
Efficiency/Cost Reduction Plan	-356	-156	-450	-430						
Homelessness savings target										
Cost Reduction Plan	-356	-156	-450	-430	+0	+0	+0	+0	+0	+0

	MTFS				FORECAST					
FOUR YEAR BUDGET PROFILES	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Contributions from Reserves/Provisions										
Funding from Collection Fund Equalisation Reserve	-974				-250	-150	-50			
Contribution from Property Income Equalisation Reserve	-700									
Funding from Corporate Projects Reserve	-528									
	-2,202	+0	+0	+0	-250	-150	-50	+0	+0	+0
Fees and Charges										
Increased yield on discretionary Fees and Charges	-456	-483	-256	-264	-272	-280	-288	-297	-306	-315
	-456	-483	-256	-264	-272	-280	-288	-297	-306	-315
Interest on Balances (excludes interest credited to strategic reserves)										
Cash Investments (average)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Assumed return	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Total Interest Forecast	-1,125	-1,000	-875	-750	-750	-750	-750	-750	-750	-750
Interest credited to General Fund to Finance Services	-1,125	-1,000	-875	-750	-750	-750	-750	-750	-750	-750
SUMMARY OF FORECASTS										
Net Expenditure on Services before changes (Base Budget excluding use of interest on balances and use of working balance)	11,394	12,457	12,041	12,118	12,252	12,622	13,099	13,583	14,184	14,571
Price Increases (inflation)	+1,482	+699	713	+728	+742	+757	+772	+788	+803	+819
Increases in costs / Reductions in income	+393	-626	70	+100	-100	+0	+0	+110	-110	+0
Changes to External Funding	+0	+150	0	+0	+0	+0	+0	+0	+0	+0
NHB Funding used to support General Fund services	-225	+0	0	+0	+0	+0	+0	+0	+0	+0
Cost Reduction Plan	-356	-156	-450	-430	+0	+0	+0	+0	+0	+0
Contributions from Reserves/Provisions	-2,202	+0	0	+0	-250	-150	-50	+0	+0	+0
Fees and Charges	-456	-483	-256	-264	-272	-280	-288	-297	-306	-315
Interest credited to General Fund to Finance Services	-1,125	-1,000	-875	-750	-750	-750	-750	-750	-750	-750
Forecast Net Cost of Services	8,905	11,041	11,243	11,502	11,622	12,199	12,783	13,434	13,821	14,325
Projected Outturn variance										
Revised Net cost of Services	8,905	11,041	11,243	11,502	11,622	12,199	12,783	13,434	13,821	14,325
SETTLEMENT ASSESSMENT FUNDING FORECAST										
RSG	+56	+58	+59	+60	+62	+63	+64	+65	+67	+68
Lower Tier Services Grant	+0	+0	+0	+0	+0	+0	+0	+0	+0	+0
Retained Business Rates	1,749	1,784	1,820	1,856	1,392	1,260	1,125	1,148	1,171	1,194
Business Rate Multiplier Underindexation Grant	292	301	306	312	318	325	331	338	345	351
Services Grant	10	9	9	9	9	9	9	9	9	9
CSP Minimum Guaranteed Funding	141	412	347	354	354	354	354	354	354	354
Formula Grant / Business Rate Retention	2,248	2,564	2,541	2,592	2,135	2,011	1,884	1,914	1,945	1,977
Base Income from Council Tax	7,361	7,636	7,904	8,182	8,470	8,767	9,075	9,394	9,724	10,066
Increase in council tax base (0.5% per annum from 2025/26)	+53	+38	+40	+41	+42	+44	+45	+47	+49	+50
	7,414	7,674	7,944	8,223	8,512	8,811	9,120	9,441	9,773	10,116
Forecast for increase in Council Tax income (3% per annum)	+222	+230	+238	+247	+255	+264	+274	+283	+293	+303
Council Tax Income Forecast	7,636	7,904	8,182	8,470	8,767	9,075	9,394	9,724	10,066	10,419
Surplus / (Deficit) on Retained Business Rates	-1,037	0	0	0	0	0	0	0	0	0
Council Tax Surplus / (Deficit)	58	0	0	0	0	0	0	0	0	0
Assumed Collection Fund Income (Formula Grant + Council Tax)	8,905	10,468	10,723	11,061	10,902	11,085	11,278	11,638	12,011	12,396
Actual/Forecast Budget Shortfall (required use of working balance)	0	573	520	440	720	1,114	1,505	1,796	1,811	1,930
GENERAL FUND WORKING BALANCE PROJECTION: AFTER SERVICE COST REDUCTION										
Estimated Working Balance b/f	3,019	3,019	2,446	1,926	1,485	765	-349	-1,854	-3,650	-5,460
Resulting Working Balance c/f	3,019	2,446	1,926	1,485	765	-349	-1,854	-3,650	-5,460	-7,390

UPDATED EFFICIENCY PLAN - 2024/25 to 2027/28

					Total £'000
	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
Operational efficiencies and income generation	27	58	50	-	135
Strategy & Resources Committee					
Commercial property rent reviews	249	38	-	-	287
Review of Town Hall	-	-	-	400	400
Environment Committee					
Review of Parks	-	-	-	30	30
Review of Borough Beautification	-	30	-	-	30
Community & Wellbeing Committee					
Reduce level of subsidy for operating the Community & Wellbeing Centre	30	30	-	-	60
Review of homelessness	-	-	300	-	300
Licensing & Planning Policy Committee					
Additional Licensing Income	50	-	-	-	50
Additional Planning Income	-	-	100	-	100
Total Identified Savings	356	156	450	430	1,392
Unidentified Savings Target	624	573	520	440	
Total Savings to Achieve Balanced Budget	980	729	970	870	

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PROGRAMME OF SERVICE REVIEWS

Head of Service:	Jackie King, Chief Executive
Report Authors:	Brendan Bradley, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Programme of Service Reviews.

Summary

This report proposes a programme of service reviews over the next three years, with the aim of delivering at least £720,000 of annualised savings for the Council.

Recommendation (s)

The Committee is asked to:

- (1) **Approve the programme of service reviews, as set out in Appendix 1, to be progressed by relevant Heads of Service in consultation with the relevant Service Director and Policy Committee Chairs;**
- (2) **Agree that the outcome of individual service reviews should be reported back to the relevant Policy Committee;**
- (3) **Agree that a report will be brought back at least annually to Strategy & Resources Committee to update members on progress against the overall programme of service reviews;**
- (4) **Approve funding of £35,000 from the Corporate Projects Reserve to enable the review of Community Services and Facilities to be progressed.**

1 Reason for Recommendations

- 1.1 Approving the recommendations will provide the Council with a structured programme for reviewing its services, with the aim of identifying the level of savings needed to continue to meet the statutory duty of setting balanced budgets in future years.

2 Background

- 2.1 Agreed at Full Council in February 2024, the Medium-Term Financial Strategy (MTFS) 2024-28 aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.
- 2.2 The MTFS identified that the Council faces a projected annual revenue budget gap of £0.5m (around 5% of core spending power) to £0.7m each year to 2028/29, as summarised in the following table:

Table 1 - MTFS Projections	2024/25	2025/26	2026/27	2027/28	2028/29
	Budget	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000
Net Cost of Services	11,107	11,041	11,243	11,502	11,872
One-off Budgeted Use of Reserves	(1,674)	0	0	0	(250)
Subtotal - Net Budget Requirement	9,433	11,041	11,243	11,502	11,622
External Funding					
Council Tax (3% annual increase)	7,636	7,904	8,182	8,470	8,767
Retained Business Rates	1,749	1,784	1,820	1,856	1,392
Prior Year Collection Fund Deficit	(979)	0	0	0	0
Revenue Support/Other Gov Grants	499	780	721	736	743
Subtotal - External Funding	8,905	10,468	10,723	11,061	10,902
Less use of Strategic Reserves	(528)	0	0	0	0
Forecast Budget Deficit	0	573	520	440	720

- 2.3 There are numerous complex factors contributing to why Epsom and Ewell faces an annual budget gap. Post-pandemic, these include elevated inflation (for example utility costs) combined with reduced income streams (such as from car parks and venues), together with increased public demand for housing/homelessness support.
- 2.4 Another major factor is that local government has borne the brunt of public sector austerity measures implemented by central government since 2010. As summarised by the Office for Budget Responsibility in November 2023, *"Since 2010-11, local authority spending has fallen from 7.4 to 5.0 per cent of GDP, and it falls further in our forecast to 4.6 per cent of GDP in 2028-29. Given local authorities' statutory duty to provide a range of services where demand is likely to continue to grow, for example adult and child social care, pressure on local authority finances and services will continue"*.
- 2.5 Against this backdrop, the Council's budget has been subject to real terms cuts over a sustained period since 2010/11, to the point that further reductions (such as salami slicing of budgets) of up to £0.7m are no longer considered feasible while maintaining the same levels of service delivery.

- 2.6 It is for these reasons that in February 2024, Full Council agreed that to address the projected annual budget gap, a programme of service reviews should be presented to Strategy & Resources for approval and subsequent delivery.
- 2.7 As identified in the Review of Reserves report to Financial Strategy Advisory Group in June, the Council has just £1.0m of headroom remaining within available revenue reserves, before minimum balances are reached. If unaddressed, a £0.5m annual deficit will see this headroom substantially eliminated by the end of 2026/27.

3 Proposals

- 3.1 Since February's Full Council, budget policy committee chairs (and/or vice chair) have engaged with senior officers and an independent Finance Improvement and Sustainability Advisor, provided by the Local Government Association. This engagement has identified a number of areas of discretionary service expenditure that are recommended to be reviewed to identify savings options to address the budget gap.
- 3.2 The proposed programme of service reviews is set-out at Appendix 1.
- 3.3 The programme recognises that a number of major strategic projects are already underway in 2024/25 (including the Town Hall relocation project, Local Plan, Homelessness Action Plan, IT Strategy and Workforce Transformation), all in addition to business-as-usual delivery of services. As such, there is limited capacity within the organisation to undertake additional multiple service reviews – for this reason reviews are scheduled to take place over a three-year period and in some cases may require external resource.
- 3.4 Strategy & Resources Committee is asked to consider and approve the proposed programme at Appendix 1.
- 3.5 If agreed, the outcome of each individual service review will be reported back to the relevant Policy Committee.
- 3.6 In addition, a report will be brought back at least annually to Strategy & Resources Committee to update members on progress against the overall programme of service reviews (i.e. next update due no later than July 2025).

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

- 4.1.1 Any implications will be assessed and reported within the individual service reviews.

4.2 Crime & Disorder

4.2.1 Any implications will be assessed and reported within the individual service reviews.

4.3 Safeguarding

4.3.1 Any implications will be assessed and reported within the individual service reviews.

4.4 Dependencies

4.4.1 If the Council is unable to identify savings, there is a clear risk that in future years it may not be able to meet its statutory duty to set balanced budgets.

4.5 Other

4.5.1 Any service implications will be assessed and reported within the individual service reviews.

5 Financial Implications

5.1 Reviews are generally expected to be undertaken by the relevant Head of Service and Service Manager within existing budgets.

5.2 However, to undertake the review of community services and facilities in Year 1, it is expected that external legal and property support will be required at an estimated cost of £35,000, to enable officers to explore property options and negotiate lease options with tenants.

5.3 It is proposed that this one-off external resource could be funded from the Corporate Projects Reserve on an invest-to-save basis, which provisionally holds an uncommitted balance of £1.56m at 31 March 2024. Members have previously agreed that this reserve should always hold a minimum balance of £1m to ensure funds are retained for future, unforeseen projects.

5.4 Allocating £35,000 from this reserve would reduce the remaining balance available for other corporate projects from £560,000 to £525,000, before the minimum threshold is reached.

5.5 In addition, there would be an estimated £1,575 per annum reduction in treasury management income, assuming investment returns of 4.5%.

5.6 Beyond Year 1, should external resource become necessary for other reviews to progress, this will be reported to Strategy & Resources Committee with a funding option identified, ahead of the review taking place.

- 5.7 In addition, where a completed review proposes service changes/savings that require upfront costs to implement, a funding option for these costs will need to be identified and reported for members to consider alongside the review.
- 5.8 The 2024/25 capital programme includes two projects at the Community & Wellbeing Centre – installation of solar panels and replacement of windows – with a combined budget of £120,000. As the review of community services/facilities is scheduled for year 1, members are asked to note that these two capital projects will be deferred until the review is completed.
- 5.9 **Section 151 Officer's comments:** The proposals in this report represent an important step for Epsom & Ewell Borough Council to continue to meet its statutory duty to set balanced budgets in future years. The service reviews will run alongside other workstreams set-out in the separate 2025/26 Strategic Financial Planning Report on this committee's agenda. Policy chairs and members will be updated through the budget setting process.

6 Legal Implications

- 6.1 Any legal implications that arise from specific service reviews will be considered and reported within the individual reviews.
- 6.2 **Legal Officer's comments:** None arising from the contents of this report, save that the external legal support required to support the review of community services and facilities shall be selected further to consultation with the Head of Legal and Monitoring Officer.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Effective Council.
- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** Any implications will be assessed and reported within the individual service reviews.
- 7.4 **Sustainability Policy & Community Safety Implications:** Any implications will be assessed and reported within the individual service reviews.
- Partnerships:** Any implications will be assessed and reported within the individual service reviews.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 2024/25 Budget and Medium-Term Financial Strategy report to Full Council – 13 February 2024

Other papers:

- 2025/26 Strategic Financial Planning report to S&R Committee – 23 July 2024
- Review of Reserves report to Financial Strategy Advisory Group – 28 June 2024.

Appendix 1 - Programme of Service Reviews

Year	Review Title	Objective	2024/25 Net Direct Budget (£000)*	Committee	Responsible Officers	Report to Committee
Year 1	Review of community services & facilities	To review the community services offering and facilities at Community & Wellbeing Centre and Bourne Hall (including museum).	554	Community & Wellbeing	Head of Operational Services; Venues & Community Commercial Services Manager	Community & Wellbeing, March 2025
Year 1	Review of mayoral transport	To prepare savings options within the mayoral function from 2025/26.	18	Strategy & Resources	Chief Executive	Strategy & Resources, January 2025
Year 2	Review of enforcement & borough cleansing	To review whether savings could be achieved through rationalising enforcement and streetcare activities.	1,190	Environment	Head of Housing & Communities; Head of Operational Services	Environment, October 2025
Year 2	Review of support for voluntary organisations	To review financial support provided to voluntary organisations; To identify areas where the voluntary sector can assist the Council to achieve further efficiencies.	200	Community & Wellbeing	Head of Housing & Communities; Community Development Manager	Community & Wellbeing, October 2025
Year 2	Review of waste collection	To review waste operations in conjunction with any new National Waste Strategy requirements, to identify whether savings could be delivered. The review's timing will flex to align with govt's waste strategy.	1,208	Environment	Head of Operational Services; Transport & Waste Services Manager	Environment, March 2026
Year 3	Review of parks & open spaces	To review the savings achievable through changes to the level of park maintenance, locking of parks, and additional income (including the jointly managed Nonsuch Park).	1,557	Environment	Head of Operational Services; Streetcare Manager.	Environment, October 2026
Year 3	Review of Playhouse Theatre	To review the impact of facility upgrades due in 2024/25; To identify further options for the theatre to achieve a revenue surplus each year, rather than continuing to operate at a net cost to the Council.	36	Community & Wellbeing	Head of Operational Services; Venues & Community Commercial Services Manager	Community & Wellbeing, October 2026

*Figures represent current expenditure budgets; the scope and scale of any savings achievable will vary from service to service.

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APPOINTMENT OF MEMBERS AND CHAIR OF THE SHAREHOLDER SUB COMMITTEE

Head of Service:	Piero Ionta, Head of Legal and Monitoring Officer
Report Author	Tim Richardson
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	Not applicable
Appendices (attached):	None

Summary

To agree the appointment of Members and a Chair to the Shareholder Sub Committee for the 2024-25 Municipal Year.

Recommendation (s)

The Committee is asked to:

- (1) Appoint Members and a Chair for the Shareholder Sub Committee as required by its Terms of Reference, and set out in paragraph 3.3 of this report.**

1 Reason for Recommendation

- 1.1 This report requests the Committee to appoint Members and a Chair of the Shareholder Sub Committee for the 2024-25 Municipal Year, in accordance with the Sub Committee's Terms of Reference.

2 Background

- 2.1 The Council established a Local Authority Property Investment Company (EEPIC) at an Extraordinary Meeting on 19 September 2017.
- 2.2 At that meeting, Council ratified Strategy and Resources Committee's decision to establish a Shareholder Sub Committee to discharge the functions of the Council as the Shareholder in the Company.

3 Risk Assessment

- 3.1 The Terms of Reference of the Sub Committee are attached included in [Appendix 3 of the Council's constitution](#).
- 3.2 The Sub Committee comprises five members and is required to comply with the Political Balance Rules in Section 15 of the Local Government and Housing Act 1989. Accordingly, four members of the Sub Committee are to be appointed by the Residents' Association Group and one member appointed by one of the Minority Groups. The proportionality calculation allocates the seat to the Liberal Democrat Group.
- 3.3 The Committee is asked to appoint the Membership and the Chair of the Sub Committee. In accordance with the wishes of the relevant Groups, it is proposed that the following nominated Members are appointed:
 - 3.3.1 Councillor Neil Dallen (Chair) (Residents' Association)
 - 3.3.2 Councillor Alex Coley (Residents' Association)
 - 3.3.3 Councillor Hannah Dalton (Residents' Association)
 - 3.3.4 Councillor Alison Kelly (Liberal Democrat)
 - 3.3.5 Councillor Robert Leach (Residents' Association)

4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment
 - 4.1.1 None.
- 4.2 Crime & Disorder
 - 4.2.1 None.
- 4.3 Safeguarding
 - 4.3.1 None.
- 4.4 Dependencies
 - 4.4.1 None.
- 4.5 Other
 - 4.5.1 None.

5 Financial Implications

- 5.1 There are no specific financial implications for the purposes of this report.

- 5.2 **Section 151 Officer's comments:** None arising from the contents of this report.

6 Legal Implications

- 6.1 There are no legal implications arising from the contents of this report.
- 6.2 **Legal Officer's comments:** None arising from the contents of this report.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Effective Council
- 7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** None.
- 7.4 **Sustainability Policy & Community Safety Implications:** None.
- 7.5 **Partnerships:** None.

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Restricted report and Minutes of meeting of Council, 19 September 2017.

Other papers:

- [Terms of reference of the Shareholder Sub Committee, Constitution of Epsom and Ewell Borough Council, Appendix 3](#)

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PROCUREMENT OF HARRIER CENTRE ROOF REPLACEMENT

Head of Service:	Andrew Bircher, Interim Director of Corporate Services
Report Author	Andrew Bircher
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	no
If yes, reason urgent decision required:	
Appendices (attached):	n/a

Summary

To present the findings of a review into the procurement of the Harrier Centre Roof replacement, commissioned as requested by the Strategy and Resources committee meeting on the 21st September 2023.

Recommendation (s)

The Committee is asked to:

- (1) **Note the findings of the report and endorse the learning points from it (as set out in para 4.1 of this report).**

1 Reason for Recommendation

- 1.1 The committee is asked to note the outcome of the review following the procurement of the Harrier Centre roof replacement and support the recommended items for improvement.

2 Background

- 2.1 A report seeking funding to pay for the works at the Harrier Centre was brought to the Strategy and Resources Committee on the 21st September 2023. The report sought further funding for the roof replacement project as a result of substantially increased costs from the initial estimate following a procurement exercise. Permission was sought from the committee to fund the works at the new, increased costs.
- 2.2 Approval was given for the works at the meeting and the works have progressed through to successful completion.

- 2.3 During the meeting members of the committee raised concerns about the fact that the costs had increased since the work was first scoped. There was also concern expressed about the closeness of the final bid figures between different suppliers.
- 2.4 The explanation for this was given to the committee reflecting that the material costs had increased over time since the original estimate. The closeness of the figures was explained by the fact that the roofing material itself was coming from one supplier and as a result of that fixed cost the only variable cost was installation costs from the various suppliers, whose margins would only differ slightly.
- 2.5 Although the committee approved the funding it was requested that a review should take place of the procurement process to see if any lessons could be learned. That review was commissioned through our (external) internal auditors (a company called Southern Internal Audit Partnership – SIAP - who provide internal audit services for a number of local authorities in the South East of England).
- 2.6 A summary of the key findings by SIAP are set out below.

3 Key findings from SIAP following their review of the Harrier Centre Roof procurement.

1. Background

1.1. At the Strategy and Resources Committee 21 September 2023 an additional funding of £105k to previously approved funding of £150k, was requested for the project.

Scope of review

2.1. To review the procurement process to ascertain the reasons for the price increase and reasons why the bids were close in value.

2.2. This included:

- Seek to determine if due process was followed throughout the procurement process including how the potential suppliers were identified and any due diligence undertaken around these suppliers.
- Seek to provide insight as to why prices increased from the original proposal.

3. Key findings

The procurement process

3.1. Contract Standing Orders require all procurements at threshold 2 and 3 to be processed via the Council's eSourcing platform In-Tend. This requirement was fulfilled.

3.2. The Council's Procurement Strategy March 2022, section 9.3 sets out that local SMEs should be encouraged to bid for contract opportunities, subject to the normal tendering requirements. This was adopted in full in the March Request For Quotation (RFQ) and in part in the October RFQ.

3.3. For the October RFQ no evidence, including a Companies House check, was identified that indicates collusion between the suppliers. All suppliers completed the statement of non-collusion as required.

3.4. Whilst the fitting of the new roof has been subject to a competitive procurement process, the anti-vandal roofing materials specified within the RFQ are from a sole manufacturer. In circumstances of a sole provider a waiver to the normal procurement rules, in line with Contract Standing Orders is needed. Whilst a waiver was raised, it was done so retrospectively as a result of an administrative oversight.

Price Increases

3.5. The review identified three main reasons that account for the increase in cost for the project from the original capital bid to outturn expenditure:

- **Original budget estimate insufficient.** The original capital bid was based on a quotation received from the supplier of the roofing with a provision added (internally) for preliminaries and contingencies. These provisions were insufficient to incorporate all other supplier costs beyond the roof materials and labour for fitting, as evidenced on the returned RFQ's. As a result, a revised capital bid had to be submitted and a further RFQ exercise undertaken, thereby extending the timeframe for the project.

- **Extended timeline/inflation.** During a period of high inflation, the extended timeline has contributed to the increase in cost. Based on the National Statistics Office, RPI between June 2022 – September 2023 was 11.3% and Construction Output Price Indices (Private industrial Non-housing new work) indicates monthly cumulative change of 4.9% between June 2022 and September 2023.

- **Change in scope for works.** The project brief within the October RFQ required additional work compared to the March RFQ documentation. These additions have contributed to an increase in cost in the range of £16.6k - £26.1k (depending on supplier) and a further increase of £15k in the contingency requirement in the RFQ.

4 Recommendations / management actions

4.1 There are a number of improvements identified through the audit as follows:

- 4.1.1 Ensure greater focus on the timely supply and approval of waiver documentation, recognising as in this case that there was a sole supplier involved and therefore a waiver of the CSOs was required for that element of the overall procurement, even though the rest of the process was to go through a tender. This has been agreed and will be taken forward with the procurement team.
- 4.1.2 In the case of a small number of suppliers through a closed tender, credit checks could be carried out at an earlier stage of the process. This has been agreed and will be taken forward with the procurement team.
- 4.1.3 Ensure that where possible there is minimal delay between the sourcing of a quotation and carrying out the works so as to avoid any cost increases and regularly refresh estimates in a time of high inflation if the work has not been progressed. This has been agreed and where possible will be implemented by the Building services team.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 Nothing arises from this report

5.2 Crime & Disorder

5.2.1 n/a

5.3 Safeguarding

5.3.1 n/a

5.4 Dependencies

5.4.1 n/a

5.5 Other

5.5.1 n/a

6 Financial Implications

6.1 **Section 151 Officer's comments:** None arising from the contents of this report.

7 Legal Implications

7.1 **Legal Officer's comments:** None arising from the contents of this report

8 Policies, Plans & Partnerships

8.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council

8.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

8.3 **Climate & Environmental Impact of recommendations:** n/a

8.4 **Sustainability Policy & Community Safety Implications:** n/a

8.5 **Partnerships:** n/a

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Poole Road Pavilion Reroofing Project, Strategy & Resources, 21 September 2023

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STONELEIGH RAILWAY STATION COMMUNITY LICENCE

Head of Service:	Mark Shephard, Head of Property and Regeneration
Report Author	Victoria Potts
Wards affected:	Stoneleigh Ward;
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Stoneleigh Railway Station Community licence

Summary

To facilitate the community of Stoneleigh to establish and maintain a community garden next to Stoneleigh Railway Station.

Recommendation (s)

The Committee is asked to:

- (1) Agree to enter into a Community Licence between Network Rail and EEBC once a group of volunteers has been established, to enable the volunteers in Stoneleigh to establish a community garden next to Stoneleigh Railway Station.**
- (2) Nominate and Authorise the Director of Environment, Housing and Regeneration and Head of Legal to progress the community licence to completion and take all actions and decisions as are necessary and appropriate to ensure that it is not the Council who is responsible for maintaining the community garden.**

1 Reason for Recommendation

- 1.1 To support Stoneleigh to establish a community garden next to Stoneleigh railway station following completion of the Access for All project.
- 1.2 Ensure the Council is protected from additional burdens which are unbudgeted and not resourced.

2 Background

- 2.1 A community licence grants privileges on Network Rail land or infrastructure free of charge to community groups. It is typically needed for an activity that is short term (a year or less) and/or that does not involve any intrusive or permanent change to Network Rail managed land or property. For example: gardening in planters; picking up litter; clearing vegetation and graffiti; most types of community art displays.
- 2.2 Community licences can be renewed. Some groups, for example, have maintained gardens in raised beds at stations for several years, by having a community licence that is renewed annually.
- 2.3 There is typically no charge associated with community licences.
- 2.4 The scheme will establish a community garden with raised planters next to Stoneleigh Railway Station. Community volunteers will manage the planting and maintenance of the community garden.
- 2.5 The area of the community garden is indicated in Appendix 1. This area of land will be leftover following the completion of the Access for All project at Stoneleigh Railway Station which will see step free and obstacle free access from street to platform.
- 2.6 A community garden will provide for improved public realm on entering and existing the station.
- 2.7 This community licence serves to support a local group of volunteers (yet to be established), but in the event the volunteers are not established, do not create a community garden, do not maintain the garden at least once every four weeks or fail to comply with the terms of the licence in any way, the Council will seek to give notice on the licence as to avoid any unbudgeted costs and resource associated with planting and maintaining the garden. It will, however, be the Council's responsibility to return the land to Network Rail is an acceptable condition.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 None.

3.2 Crime & Disorder

3.2.1 None.

3.3 Safeguarding

3.3.1 None.

3.4 Dependencies

3.4.1 None.

3.5 Other

3.5.1 The Licence means that the Council is liable to create and maintain a community garden in the absence of volunteers. There are risks for the council in the absence of an active and successful volunteering group, but these are minimised by the Council being able to give notice to terminate the licence.

4 Financial Implications

4.1 There are no financial implications of this report.

4.2 **Section 151 Officer's comments:** None arising from the contents of this report.

5 Legal Implications

5.1 **Legal Officer's comments:** The licence is prescriptive as to the council's responsibilities so there will need to be supervision on the part of the Council for ensuring that the volunteers comply with the obligations. Legal will need to be involved before any licence is entered into.

5.2 The licence can be terminated immediately by either party on written notice at any time.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Green and vibrant: A better place to live where people enjoy their surroundings.

6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** None.

6.4 **Sustainability Policy & Community Safety Implications:** None.

6.5 **Partnerships:** This would be a partnership between EEBC and the local community of Stoneleigh who would volunteer to look after the community garden.

7 Background papers

7.1 There are no background documents in relation to this report.

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Community Licence Agreement

At Stoneleigh Railway Station

Licence reference: N/A

Date of Licence: 15th January 2024

The Parties to this licence

We are **Network Rail Infrastructure Limited** (company no. 2904587) registered office *Waterloo General Office, London, SE1 8SW*

You are **Epsom & Ewell Borough Council** of Town Hall, The Parade, Epsom, Surrey, KT18 5BY and you are entering into the licence to enable the members of the local community to undertake the Activities permitted by this licence]

If more than one person is the licensee under this licence, then each of you is required individually to comply with all of the licensee's obligations in this licence such that your obligations are owed to us jointly and severally.


Pre-Activity checklist

[This checklist is to ensure that all necessary items are in place before the Activity can safely start]

Item	Confirmation date
All Network Rail approvals for the Scheme have been obtained	Yes
The risk assessment has been completed	
All Volunteers have signed the register and provided their details	
The Route clearance certificate has been obtained	Yes
Works Record has been completed	Yes

Defined words used in this licence

The terms in the first column are listed in the order in which they appear in the next section, which contains the obligations and requirements of the parties

Area	<p>This is the part of our property that we allow you to enter and use for the Activity as indicated in edged purple area</p> 
Activity	<p>You may use the Area in order to create and thereafter tend and maintain a community garden.</p> <p>The Activity is described in more detail in the documents comprising the Scheme (see below)</p> <p>The Activity falls within Categories B of the list below and the obligations and requirements of Part 2 applicable to that or those Categories apply</p> <p><u>Category B - Maintenance</u></p> <p>General maintenance or upkeep of a garden area by cutting back weeds, picking litter and looking after wildflowers.</p> <p>Maintenance of disused platforms including general vegetation</p> <p>Litter picking (e.g. from redundant line or from NR land that is outside the station lease)</p>

Scheme	The scheme will establish a community garden with raised planters next to Stoneleigh Railway Station. Community Volunteers will manage the planting and maintenance of the community garden.
Start Date	To be confirmed
End Date	To be confirmed This does not prevent either of us from serving a notice on the other terminating this licence earlier than the above date under clause 14 of Part 1
Safety Pack	The Network Rail documents described as 'Safety Pack for Community Rail Schemes'
Volunteers	Firstly, those persons listed in section 4 of the Safety Pack and who are thereby initially allowed to take part in the Activity Secondly, those persons participating in the Activity after the Start Date of this licence after clause 5 of Part 1 has been complied with
Works Record	A co-operative written record of any physical changes intended to be made to the Area as part of the Scheme, including any necessary procedures for implementing the changes and the dates when the changes have been made, and any other matters that the Community Rail Lead requires
Group Lead	Victoria Potts Email – VPotts@epsom-ewell.gov.uk Phone - 07872060891
Community Rail Lead	Jack Wharton Email - jack.wharton@networkrail.co.uk Phone - 07716 095282

Obligations and requirements of the Parties

Part 1 – Applicable to all Activities

1 Safety

- 1.1 We do not allow any Activity or access to the Area to take place until this licence has been signed and dated and all items on the Pre-activity checklist are confirmed. [State date is 1 May 2023, does the Activity already take place?]
- 1.2 Before taking part in any Activity, you and all Volunteers must have:
 - (a) completed the Risk Assessment in section 1 of the Safety Pack and confirmed that they have understood it;
 - (b) familiarised themselves with and confirmed that they have understood the Safety Briefing in section 3 of the Safety Pack; and
 - (c) signed the register in section 4 of the Safety Pack.
- 1.3 We will inform each other in writing if either of us considers that the risks in undertaking the Activity or any aspect of it change during this licence. If this occurs, we will review the Risk Assessment together and, if necessary, produce between us a revised Risk Assessment. All Volunteers must then follow the steps set out in clause 1.2 of Part 1 in relation to the revised Risk Assessment.
- 1.4 Before starting any Activity, you must provide written confirmation to us that you have obtained all Hi-Vis clothing required for the Activity.

2 Community Rail Lead and Group Lead

- 2.1 Your contact with us for matters arising in connection with this licence is the person specified as the Community Rail Lead in the defined words part of this licence.
- 2.2 Our contact with you for matters arising in connection with this licence is the person specified as the Group Lead in the defined words part of this licence.
- 2.3 The Community Rail Lead is entitled to issue instructions and advice to you on our behalf about the conduct of the Activity.
- 2.4 The Group Lead is responsible for communication with the Volunteers and for supervising Volunteers with the objective that they act and behave as required by this licence.
- 2.5 Each of us must always have a person who is the Community Rail Lead and the Group Lead for the purpose of this licence.
- 2.6 We can replace the Community Rail Lead and (subject to clause 2.7 of Part 1) you can replace the Group Lead at any time. If we do this, we will each inform the other in writing of the replacement and their details as soon as possible.
- 2.7 The Group Lead cannot be replaced under clause 2.6 of Part 1 if they are the only person named as the licensee.

3 Permission for the Activity

- 3.1 This licence gives permission to you and to permitted Volunteers and to no-one else.
- 3.2 You must not share the use of the Area with any other person or allow any other person to enter onto or to use it.
- 3.3 We give you permission to use the Area for the Activity during the hours of daylight as the Community Rail Lead informs the Group Lead in writing (these are the **permitted hours**).
- 3.4 This permission applies during the permitted hours between the Start Date and the End Date. You must not enter our land outside the permitted hours or after the End Date.
- 3.5 You may bring the items specifically identified in the Scheme onto the Area as part of this permission. But you must, on a daily basis, take away all loose items when you leave the Area and not leave any loose items on the Area or on our land.
- 3.6 We can require you to remove anything that you bring or put onto the Area that is not in accordance with the Scheme. If you do not do so, we can remove it.
- 3.7 We retain control and management of the Area at all times.
- 3.8 This licence ends on the End Date or on an earlier date referred to in a notice to terminate given under clause 14 of Part 1 in the manner required by clause 15 of Part 1.

4 Access and parking (if any)

- 4.1 The means of access to and exit from the Area are specified in documents that form part of the Scheme. You must only use these means to get to and from the Area. You must not park on or obstruct the access to the Area.
- 4.2 You can use any parking areas specified in the documents that form part of the Scheme to park during the permitted hours and to unload materials. You must comply with any instructions about parking that we give you.
- 4.3 Site-specific access and parking arrangements are set out in the Extra Provisions in Part 3. You must comply with these.
- 4.4 We can change access and parking arrangements at any time by informing the Group Lead in writing.

5 Volunteers

- 5.1 We have agreed that the Volunteers listed or referred to in the defined words part of this licence may take part in the Activity from the date of this licence.
- 5.2 In addition to the initial Volunteers, you may subsequently allow other people to volunteer and take part in the Activity. You must, however, obtain our written permission before allowing anyone aged 16 or under to be a Volunteer and you must supervise any such people entering our land at all times.

- 5.3 You must provide us in writing with the names of all those who become Volunteers under clause 5 of Part 1, and ensure that they comply with clause 1.2 of Part 1, before they are allowed to enter our land.
- 5.4 You are responsible for supervising the Volunteers and you must satisfy yourself that they are suitable and appropriate to take part in the activities before accepting them as Volunteers.
- 5.5 We may expel or refuse entry to any Volunteer who we consider is behaving or has behaved in an inappropriate manner.
- 5.6 If you are an unincorporated or incorporated entity, all Volunteers must be bona fide members of that entity or closely-related to a bona-fide member.

6 General requirements

- 6.1 In using the Area, you must keep it clean and tidy in relation to your Activity.
- 6.2 You must comply with all laws and requirements of public bodies affecting your use of the Area, the access and the parking specified in clause 4 of Part 1.
- 6.3 All Activity is to be done under our general supervision. You must comply with any directions given to you by the Community Rail Lead at all times.
- 6.4 The Community Rail Lead and the Group Lead will update the Works Record in a manner agreed between them and ensure that each has access to it.

7 General prohibitions

- 7.1 You must not use the Area for any purpose other than the Scheme.
- 7.2 You must not use any part of our land other than the Area and (if applicable) the access and parking area.
- 7.3 You can only use the Area during the permitted hours.
- 7.4 You must ensure that you do not cause any damage to the Area or to any of our land. If you do cause any damage, you must provide all reasonable assistance and co-operation that we reasonably require in order to make good the damage and minimise any interference with the operation of the railway.
- 7.5 You must not do anything that might cause nuisance, damage or annoyance to us or to others using our land or neighbouring land.
- 7.6 You must not obstruct the use of the Area, access, parking or other parts of our land by others permitted to use them.
- 7.7 You must not:
 - (a) use any power tools, unless we give you express written permission to do so; or
 - (b) put any items within 1 metre of the operational railway; or
 - (c) bring dogs or other animals with you; or

- (d) allow paint, chemicals or other deleterious substances to come into contact with the operational railway; or
- (e) bring any acetylene, liquid petroleum gas or any other explosive, combustible or dangerous substance with you; or
- (f) display any lights or illuminations that might cause confusion with signals on the railway or affect train crew's vision and if you do, you must remove them immediately on our request.

8 Insurance

- 8.1 You must not do or omit to do anything that has the effect of making any insurance policy for our property or liability void or voidable or that increases the insurance premium payable.
- 8.2 You must comply with any recommendations and requirements of the insurers of our property or liability of which you have been informed in writing.
- 8.3
 - (a) We will arrange public liability insurance in respect of the Activity.
 - (b) If anything you do on our land gives rise to a claim under our public liability policy, you acknowledge responsibility for payment of the third party property damage excess (if any) under that policy (the personal injury excess is nil in any event).
 - (c) Unless we inform you to the contrary before or during this licence, the third party property damage excess is nil.
- 8.4 We do not maintain any employer's liability or personal accident insurance on your behalf or for your benefit.
- 8.5 We will not claim against you for reimbursement in respect of loss of or damage to our property that you cause during the Activity.
- 8.6 If any accident or incident occurs in respect of the Activity, you must:
 - (a) immediately inform the Community Rail Lead in writing by the form provided in the Safety Pack;
 - (b) provide them with all the information they require; and
 - (c) comply with any requirements that we inform you of in writing.

9 The railway

- 9.1 Notwithstanding anything in this licence, we will continue to operate the railway and otherwise carry on our undertaking in the exercise of our statutory and common law functions and obligations.

9.2 You must not do anything that does or might interfere with the operations referred to in clause 9.1 of Part 1 and, if there is any such interference, you must comply with any directions we give you in this respect.

9.3 Our opinion about anything affecting the safety of the railway is final and you must comply with any directions we give you in this respect.

10 Acknowledgements

10.1 By entering into this licence, you give us the acknowledgements in this clause.

10.2 You use the Area as a licensee and this licence does not create a relationship of landlord and tenant between us.

10.3 We retain control, possession and management of the Area.

11 Our right to remedy breach

11.1 If you breach this licence, you must comply with any directions we give you to remedy the breach and must co-operate with us in taking any action we see fit to take in order to remedy it and mitigate its effects.

12 Reliance and use

12.1 We do not warrant or imply that the Area may be lawfully used or is physically suitable for your use under this licence.

12.2 You acknowledge that you have not entered into this licence by relying on anything we have said except any statements or representations expressly made or referred to in this licence.

13 Extra Provisions

13.1 Unless they read 'Not Used', the Extra Provisions in Part 3 apply in this licence and you must comply with them.

13.2 If there is a conflict or inconsistency between any Extra Provisions in Part 3 and any general provisions in Parts 1 and 2, the Extra Provisions prevail.

14 Termination

14.1 Either we or you may terminate this licence immediately on written notice given at any time.

14.2 If a notice is given by us to you, we will allow you a reasonable period in which to remove your materials from our land.

14.3 If a notice is given by you to us, you must have removed your materials from our land before giving the notice so that on giving it, you have entirely vacated our land.

15 Notices

15.1 Any written notice that one of us gives to the other under this licence is treated as effectively served if:

- (a) the giver and recipient are the Community Rail Lead and the Group Lead and the notice is handed by one to the other while both are on our land; or
- (b) it is sent by email to an email address that the recipient has provided before or on entering into this licence or given later in substitution for that address; or
- (c) where you are serving notice on us, it is sent by first class post addressed to the Community Rail Lead at the address stated in the Defined Words section of this licence or another address given in substitution for that address; or
- (d) where we are serving notice on you, it is sent by first class post addressed to the Group Lead at the address stated in the Defined Words section of this licence or another address given in substitution for that address.

16 Third parties

This licence does not create any rights in favour of any person under the Contracts (Rights of Third Parties) Act 1999.

17 Consideration

17.1 You acknowledge that you receive a benefit by way of undertaking activities for your enjoyment on our land by entering into this licence and by us giving you the permissions set out in it.

17.2 We acknowledge that we receive a benefit by way of enhancements to the railway environment by entering into this licence and by you undertaking the Activities and by performing your obligations and requirements set out in it.

Part 2 – Obligations and requirements applicable to Categories of Activities

Part 2A: Activity Category A – Installations

Installing items on our land

- 17.3 In the section of the licence, ‘install’ and ‘installation’ refers to the installation of items referred to in the Scheme at the places specified for its installation.
- 17.4 You have permission only to install the specific items identified in the Scheme and to do so at the location and in the manner set out in the Scheme and in accordance with the Safety Pack.
- 17.5 The Group Lead must inform the Community Rail Lead in writing 7 days before you intend to start installation and again when you have completed it.
- 17.6 You must execute and finish the installation in accordance with the Scheme, under our supervision and to our reasonable satisfaction. If we consider that the installation has not been done to a good standard, we can ask you to remedy or repeat the installation to bring it up to that standard.
- 17.7 In doing the installation you must cause the minimum inconvenience to us and must make good all damage caused to our land
- 17.8 If you start the installation you must complete it. If you do not do so, we can either remove it or finish it as we see fit.
- 17.9 We can remove and (if we wish) relocate the installation to a different place on our land should we need to do so for any reason.

18 Artworks

- 18.1
 - (a) We own the surfaces on which you are to paint or place an artwork in accordance with the Scheme and you acknowledge that the artwork and any images you create on them are part of our property to deal with as we see fit.
 - (b) Accordingly, you waive all moral rights in respect of the artwork and any other images you create.
 - (c) With our prior permission, the person who created who creates an artwork may sign the artwork.
 - (d) You give us a non-exclusive, irrevocable, licence to copy or reproduce any artwork. We will use our reasonable endeavours to attribute that artwork to the person who created it if it is practicable to do so.
- 18.2 You must inform us if you want to place an artwork that was produced by or belongs to a third party person on our land, giving us the name and address of the relevant person(s). You must not place that

artwork on our land until we have confirmed to you that we have entered into an agreement to our satisfaction with that (those) person(s).

19 Use of artworks

After termination of this licence, we can use and deal with any artwork, images and any materials that you leave behind as we see fit.

20 Specific prohibitions

All work must be done from ground floor level surfaces. You must not use any ladders, platforms or similar devices.

Part 2B: Activity Category B – Maintenance**Extent of permission**

- 20.1 The permission in the licence extends to watering, weeding, cutting back, re-planting and harvesting flowers, fruit and vegetables, and otherwise generally maintaining the Scheme.
- 20.2 You may bring the necessary plants, compost, materials to put together beds, tools (but not power tools, unless you have our specific permission) and other items onto the Area as part of this permission. But you must take away all loose items when you leave the Area and not leave any loose items on the Area or on our land.

21 Specific prohibitions

- 21.1 You must not:
- (a) plant or treat non-native invasive species; or
 - (b) undermine the stability or interfere with the natural drainage of any land; or
 - (c) plant in locations where the penetration of roots might cause a nuisance or where trees or plants might be used as a means of trespass onto the railway.
- 21.2 You must ensure that vegetation does not:
- (a) overhang outside the Area; or
 - (b) grow to within 6 metres of any overhead railway equipment;
- 21.3 You must not use ladders, power tools or drill into any structures without our prior and specific permission.

Part 2C Activity Category C – Substances applied to surfaces**22 Paint and materials**

- 22.1 You may bring the necessary paints and other painting materials onto the Area as part of this permission. But you must take away all paint and materials on each occasion and not leave any items on the Area or on our land.
- 22.2 We will provide or direct the surfaces for you to paint. You must not use any other surfaces than those.
- 22.3 You may bring the necessary paints and other painting materials onto the Area as part of this permission. But you must take away all paint and materials on each occasion and not leave any items on the Area or on our land.
- 22.4 We can require you to remove or paint over any painting or images that are not in accordance with the Scheme or that we consider to be offensive or otherwise inappropriate in the context of our operating the railway. If you fail to do this, we can do so.

23 Condition of the Area

At the end of this licence, you must leave all surfaces of the Area in the condition described by the Scheme, unless we otherwise direct.

Part 2D Activity Category D – Works (non-art)**24 Work and materials**

- 24.1 In the section of the licence, '**work**' means the work referred to in the Scheme at the places specified for it.
- 24.2 You have permission only to do the work specifically identified in the Scheme and to do it in the manner set out in the Scheme and to do so with materials either set out in the Scheme or otherwise approved by us and in accordance with the Safety Pack.
- 24.3 The Group Lead must inform the Community Rail Lead in writing 7 days before you intend to start work and again when you have completed it.
- 24.4 You must either store or remove any loose materials at the end of a day's work. The manner and place of storage must be approved by the Community Rail Lead.
- 24.5 You must execute and finish the work in accordance with the Scheme, under our supervision and to our reasonable satisfaction. If we consider that any work has not been done to a good standard, we can ask you to remedy or repeat the work to bring it up to that standard.
- 24.6 You must make any alterations to the work as stated in the Scheme that are, in our opinion, necessary for the operation of the railway or other use of our land.
- 24.7 In doing the work you must cause the minimum inconvenience to us and must make good all damage caused to our land.
- 24.8 You must inform us at once in writing of any accident to or leakage from the works and follow our directions in making the situation safe and in remedying the situation.
- 24.9 If you start the work, you must complete it. If you do not do so, we can either remove it or finish it as we see fit.
- 24.10 We can remove and (if we wish) relocate the work to a different place on our land should we need to do so for any reason.

Part 3 – Extra Provisions

No Extra Provisions Required

Signatures

Agreed by the parties on the date at the beginning of this licence

Signed by *[insert full name]* as authorised signatory
of Network Rail Infrastructure Limited

Signed by *[insert full name]* as [authorised signatory
of] the licensee

URGENT DECISIONS

Head of Service: Victoria Potts, Director of Environment,
Housing and Regeneration

Report Author Andrew Bircher

Wards affected: (All Wards);

Urgent Decision?(yes/no)

**If yes, reason urgent decision
required:**

Appendices (attached):

Summary

To report to the committee the decisions taken by the Chief Executive and Directors on the grounds of urgency, in compliance with the requirements of the Constitution.

Recommendation (s)

The Committee is asked to:

- (1) **Note the urgent decisions taken and the reasons for those decisions, since the last meeting of the committee.**

1 Reason for Recommendation

- 1.1 To report to the committee the decisions taken by the Chief Executive and Directors on the grounds of urgency, in compliance with the requirements of the Constitution.

2 Background

- 2.1 The scheme of delegation sets out that the Chief Executive and Directors are authorised to take decisions on grounds of urgency regarding matters which would otherwise be reserved for determination by a Committee or Council. A matter can be deemed urgent if, in the reasonable opinion of the officer concerned, a delay would seriously prejudice the interest of the Council or of the public and it is not practicable to convene a quorate meeting of the relevant decision-making body in sufficient time to take the decision.

- 2.2 Since the last meeting of the Committee, three urgent decisions have been taken by the Director of Environment, Housing and Regeneration in consultation with the Chair, Cllr Neil Dallen, and published in Member News in line with the Council's Constitution, Appendix 2, Paragraph 3.1. iii. The decisions are set out below.

2.2.1 **Decision 121** – Lease renewal to Bambini Nursery, Ewell Court House

2.2.2 **Urgency reason for decision 121** - There is a significant risk we will lose the negotiated and favourable agreement if we wait until the next committee. Consequently EEBC could be financially exposed potentially leaving the council with a vacant unit and loss of income.

2.2.3 **Decision 124** - Household Support Fund 5 (HSF5)

2.2.4 **Urgency reason for decision 124** - To enable distribution and spend of HSF5 funds by the scheme deadline of 30th September 2024. The Council is required to distribute and spend £88k between May-September 2024. Officers need to commence work immediately and allocate these funds to ensure full spend. A decision is therefore needed prior to the next scheduled S&R committee which is not due to take place until July

2.2.5 **Decision 127** – Procurement of Document Management software

2.2.6 **Urgency reason for decision 127** – Need to progress with signing contract at the price agreed through the procurement process so that we can expedite implementation.

2.2.7 **Decision 131** – Purchase of residential property

2.2.8 **Urgency reason for decision 131** – Purchase of residential property to be used for supporting housing need – offer needed quickly in a competitive market. Details of the purchase are part 2 whilst the sale progresses. Councillors can ask for details of the report by contacting Executive support.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 None arising directly from this report

3.2 Crime & Disorder

3.2.1 None arise from this report

3.3 Safeguarding

3.3.1 None arise from this report

3.4 Dependencies

3.4.1 None arise from this report

3.5 Other

3.5.1 none

4 Financial Implications

4.1 **Section 151 Officer's comments:** Finance are consulted as part of the urgent decision-making process.

5 Legal Implications

5.1 **Legal Officer's comments:** Legal are consulted as part of the urgent decision-making process.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- N/A

6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations** – None.

6.4 **Sustainability Policy & Community Safety Implications:** - None.

6.5 **Partnerships:** N/A

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None.

Other papers:

- None.

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HOOK ROAD CAR PARK - ENVIRONMENTAL IMPLICATIONS

Head of Service:	Mark Shephard, Head of Property and Regeneration
Report Author	Mark Shephard
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Historical Land Use

Summary

This report proposes the Council and the developer of the SGN Site work collaboratively to investigate the level of contamination and consequent environmental implications for development on any part of the wider gas works site.

The report was previously considered at Environment Committee (16 July 2024), being the responsible committee for:

- Environmental protection, pollution control and biodiversity
- Parking including the provision and management of parking and the fixing of charges and parking enforcement.

Environment Committee agreed to recommend the report be considered by S&R Committee as the responsible committee for the purchase, management and disposal of Council owned real estate.

Recommendation (s)

The Committee is asked to support the recommendations of Environment Committee to:

- (1) **Agree to undertake a Ground Investigation (GI) survey of the Council's car park site at a cost of up to £30,000 (which includes £7,000 contingency as detailed in this report), to be funded from the Property Maintenance Reserve.**
- (2) **To release (in principle) the Hook Road Car Park to facilitate the wider redevelopment of the gas holder site.**
- (3) **Note that the Director of Environment, Housing & Regeneration and Head of Property & Regeneration, in consultation with the Chief Finance Officer and**

Chief Legal Officer, have express authority to take all necessary actions further to the above decisions being made that commit resources, as is necessary and appropriate.

1 Reason for Recommendation

- 1.1 To facilitate the redevelopment of a prime town centre brownfield site.

2 Background

- 2.1 The Council owned Hook Road multi-storey car park is located directly adjacent to the former Southern Gas Networks (SGN) gas holder site. Both sites formed a larger historic coal / gas manufacturing works dating from at least the 1870s. Historical land use maps are attached at Appendix 1.
- 2.2 The wider gas works site has included several processes / structures in different configurations over the decades. It is known these included, gas holder, purifiers, tar tanks and gas oil storage. Disused gasworks holder bases and tanks were often used for gasworks and other waste disposal.
- 2.3 Gas works are some of the most contaminated sites in the UK with the Council's car park situated above a concrete capped former tar pit. Tar pits have a very high level of contamination, and it is possible that the car park is located above the most contaminated part of the wider gas works site.
- 2.4 The car park was built in the mid-1980s when it was environmentally and legally acceptable to concrete over former contaminated land uses to make the site safe. Any potential redevelopment of a former gas works site would require extensive remediation.
- 2.5 In addition, Thames Water's Epsom Water Works are located a short distance away with the East Street drinking water boreholes in close proximity (less than 200m) to the former gas works site. Consequently, the potential remediation of any part of the former gas works site would be considered extremely sensitive by the Environment Agency (EA) and involve close monitoring.
- 2.6 The Council's Land Contamination Officer has noted the increasing concern shown by the EA for any emerging development in close proximity to the gas works site.
- 2.7 Since 2000, development proposals fronting East Street have been heavily scrutinised by the EA. Furthermore, in 2009, the EA expressed concern to the former landowner (National Grid) over the high level of contamination on the gas works site. They also expressed concern at the Council's adjacent car park.

- 2.8 While there is no current surface contamination risk to either the Council's car park or the SGN site; the Council is conscious that there could be a potential risk to either its car park, the SGN site or both sites, if redevelopment proceeded on the SGN site.
- 2.9 The risk reflects the reality of the situation i.e. both sites were once part of the larger gas works site and the land will eventually (be it redevelopment or possibly, a future environmental obligation enforced by legislation) need to be decontaminated.

3 Potential SGN site redevelopment

- 3.1 The SGN site offers a well located, town centre brownfield redevelopment opportunity and for this reason has been included in previously adopted and currently proposed, draft planning policy documentation:-

- The gas works were included in the Council's 2011 "Plan E" Epsom Town Centre Area Action Plan (a strategic policy document) as part of the wider "Utilities Site", which also included the Council's car park and Thames Water site.
- More recently, the Reg 18 March 2023 consultation of the Draft Local Plan and November 2023 consultation of the Epsom Town Centre Masterplan, both included the Council's car park and the former Gas Works site as a potentially deliverable redevelopment opportunity.

Paragraph 4.12 (page 82) of the Draft Local Plan states; *"There is the opportunity to redevelop the site into a prominent, high density, mixed use development, which would result in an improved, attractive and better utilised environment to the eastern gateway of the town centre. New development would offer the opportunity for a better connected and rejuvenated area that would attract new residents and businesses to Epsom Town Centre."*

- 3.2 The SGN site has recently been acquired by a pro-active, mixed-use developer with the necessary experience to progress a redevelopment of its site.
- 3.3 The developer is currently preparing a planning application with the intention of submitting it to the Local Planning Authority (LPA) this year.
- 3.4 At its previous meeting on 19 June 2024, this committee agreed to work collaboratively with the SGN developer (by entering into a mutual deed of easement) to facilitate, through potential future redevelopment, the enhancement of future public realm and connectivity across the Hook Road Car Park and/or SGN site.

4 Environmental Survey - Collaborative Approach

- 4.1 As the adjacent landowner (distinct to acting in its capacity as the LPA), the Council has a further opportunity to work collaboratively with the SGN developer to investigate the contamination implications of the wider gas works site.
- 4.2 To comprehensively understand the contamination risk of the wider gas works site i.e. combined Council and SGN land ownerships, both sites require Ground Investigation (GI) surveys. Without the respective surveys, the wider site's environmental risk cannot be assessed.
- 4.3 To support the GI survey work already undertaken for the SGN site, it is proposed the Council commissions its own GI survey for the car park. The results are needed no later than 30th November 2024. This is required to develop and cost accurately the remediation strategy for the wider site. In compliance with the Council's Contract Standing Orders, quotes were obtained from specialist environmental land remediation companies. Their proposal has been reviewed by the Council's land contamination officer.
- 4.4 The GI survey will be an intrusive investigation and involve limited breaking out of hardstanding surfaces using a hydraulic hand breaker where necessary. Reinstatement will be appropriate to the hardstanding in question i.e. concrete or macadam.
- 4.5 The GI survey would comprise 4 days of intrusive bore-holing, chemical and geotechnical laboratory testing (2 weeks), gas/groundwater monitoring (4 weeks) and production of a ground investigation report (1-2 weeks).
- 4.6 All necessary temporary safety barriers / fencing will be provided and the intrusive investigation will be undertaken in accordance with the following:-
 - British Standard BS5930:2015 "Code of practice for ground investigations"
 - British Standard BS10175:2011+A2:2017 "Investigation of potentially contaminated sites – code of practice"
 - British Standard BS1377:1990 "General requirements for soil testing"
 - Environment Agency's land contamination risk management (LCRM) guidance
 - Association of Geotechnical and Geoenvironmental Specialists Guidelines for Good Practice in Site Investigations

- 4.7 The cost of the above work is approximately £23,000 and would be sufficient for a straightforward survey. However, given the history of the site, the expectation is that additional monitoring visits and groundwater sampling may be required. It is therefore recommended that a contingency of £7,000 is allocated to provide a total budget requirement of £30,000 for the GI survey work.
- 4.8 It is not known what investigation / remediation was carried out when the car park was built. At the time, it was entirely likely that concrete capping was seen as the preferred solution to prevent disturbing the contamination.

5 Environmental Consequences

- 5.1 The GI survey will inform the Council to the likely extent and severity of contamination. The survey principally relies on the testing of borehole samples and therefore, no survey can be 100% conclusive.
- 5.2 Assuming contamination is confirmed, this could lead to serious environmental consequences embroiling the Council's car park and wider gas works site:-

- Limited contamination – considered highly unlikely but in any event, remains a risk to development due to the wider site naturally sloping away from the car park i.e. risk of contamination leakage.
- High contamination - the GI surveys confirm the site is highly contaminated and if a planning application was submitted to the LPA for any part of the gas works site, the EA would likely require full remediation of both the SGN and Council land ownerships for development to proceed.

Furthermore, there is a high likelihood that once the EA is consulted, it will require full remediation, irrespective of whether the development proceeds or not. The Council's Land Contamination Officer considers this to be a very real risk as the EA will almost certainly be duty bound to act due to the close proximity of the Epsom Water Works i.e. potential risk to drinking water.

- 5.3 The overarching risk for both landowners is the historic industrial nature of the wider gas works site. As a statutory consultee to the LPA for ground contamination, the EA is highly unlikely to treat the two land ownerships in isolation once it is aware of any development proposed for any part of the gas works site.
- 5.4 In view of the very real risk that the Council's car park will be unavoidably drawn into the decontamination of the wider gas holder site, it is recommended that Committee agrees in principle, to release the Hook Road Car Park to facilitate the wider remediation and redevelopment of the gas holder site.

6 Risk Assessment

Legal or other duties

6.1 Equality Impact Assessment

6.1.1 While not applicable for the GI survey, any future planning application involving the Council's car park would include an EIA.

6.2 Crime & Disorder

6.2.1 Not applicable

6.3 Safeguarding

6.3.1 Not applicable

6.4 Dependencies

6.4.1 Not applicable

6.5 Other

6.5.1 The environment risks are set out in the body of the report.

7 Financial Implications

7.1 It is proposed that the estimated cost of up to £30,000 could be funded from the Property Maintenance Reserve, which would reduce the reserve's uncommitted balance from £183,000 to £153,000.

7.2 Financial Strategy Advisory Group has previously recommended a minimum balance for this reserve of £250,000. The Council will need to consider how this reserve can be replenished during the 2025/26 budget setting process.

7.3 Utilising £30,000 from reserves reduces the Council's annual treasury management income by c.£1,350, assuming investment returns of 4.5%.

7.4 Any further financial implications that may arise from the outcome of the survey, and/or potential redevelopment of the wider site, will be reported back to the Committee when known at the appropriate time.

7.5 **Section 151 Officer's comments:** None arising from the contents of this report.

8 Legal Implications

8.1 **Legal Officer's comments:** None for the purposes of this report.

9 Policies, Plans & Partnerships

9.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council
- Opportunity & Prosperity

9.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

9.3 **Climate & Environmental Impact of recommendations:** To be assessed pursuant to the recommendations of this report.

9.4 **Sustainability Policy & Community Safety Implications:** As 9.3.

9.5 **Partnerships:** It is proposed to adopt a collaborative approach with the developer of the SGN site to assess the environmental implications of past historical contamination.

10 Background papers

10.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Special Meeting, Strategy & Resources Committee 19 June 2024
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=1754>

Other papers:

- Environment Committee 16 July 2024
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=144&MId=1642>

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COMMERCIAL TENANT UPDATE - CLOCK TOWER UNIT 2

Head of Service:	Mark Shephard, Head of Property and Regeneration
Report Author	Mark Shephard
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Marketing Particulars Appendix 2 – Confidential Terms (Part II paper – exempt from publication under paragraph 3 of Sch 12A of the Local Government Act 1972)

Summary

This report outlines the outcome of the marketing exercise to find a new tenant for the vacant Unit 2 at the Clock Tower.

Recommendation (s)

The Committee is asked to:

- (1) **Agree the grant of a new Full Repairing & Insuring (FRI) lease of Unit 2 The Clock Tower based upon the terms set out in paragraph 2.9 of the confidential Appendix 2.**
- (2) **Note that the Head of Property & Regeneration, in consultation with the Chief Finance Officer and Chief Legal Officer, has express authority to take all necessary actions further to the above decisions being made that commit resources, as is necessary and appropriate, to progress the lease to completion.**

1 Reason for Recommendation

- 1.1 To grant a new lease of Unit 2 The Clock Tower to maximise the Council's commercial rental income and thereby support essential services.

2 Background

- 2.1 Epsom's historic Grade II listed Clock Tower (built in 1847 to replace the 17th century watch house), was enlarged in the 1920s by the construction of public conveniences either side of the tower.
- 2.2 The public conveniences were converted in 2003 to create two small ground floor commercial units (toilet provision for the market traders was retained at the base of the Clock Tower).
- 2.3 Each of the two commercial units comprise approximately 200 sq ft (18.58 sq m) usable accommodation.
- 2.4 Unit 1 is let to Clock Tower Cars and Unit 2 became vacant at the end of last year when the existing lease expired.

3 Marketing

- 3.1 An Epsom based firm of commercial letting agents were instructed to market the premises.
- 3.2 Marketing particulars are attached at Appendix 1 for information.
- 3.3 The interest received is summarised and discussed in the confidential Appendix 2. This contains commercially sensitive information about the prospective tenants and the Council's letting strategy.
- 3.4 The successful offer represents a favourable outcome for the Council. It is therefore recommended the offer is accepted and the lease progressed to completion as soon as possible.

4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment
 - 4.1.1 Not applicable
- 4.2 Crime & Disorder
 - 4.2.1 An occupied unit acts as a deterrent to antisocial behaviour.
- 4.3 Safeguarding
 - 4.3.1 Not applicable
- 4.4 Dependencies
 - 4.4.1 Not applicable
- 4.5 Other
 - 4.5.1 None

5 Financial Implications

- 5.1 The Council's base budget assumes a rental income of £12,000 per annum from this clocktower unit, therefore the new rent of £14,000 pa will provide an increase of £2,000 pa on the previous lease and budget. The increased rent will initially be offset by the combined legal and letting agency fees of approximately £5,000 expected to be incurred in this transaction.
- 5.2 **Section 151 Officer's comments:** Financial implications are set-out in the body of the report.

6 Legal Implications

- 6.1 The council has a statutory duty under the Local Government Act 1972 ("the Act") not to dispose of its land or properties for a consideration less than the best that can reasonably be obtained, except with the express consent of the Secretary of State.
- 6.2 The Head of Property & Regeneration confirms the unit has been fully exposed to the open market to seek Best Value as detailed in Section 2 of the confidential Appendix 2.
- 6.3 Legal support will be provided by Guildford Borough Council as a separate instruction by the Head of Property & Regeneration further to the agreement of the Head of Legal & Monitoring Officer (the cost being met by the rental income as detailed in paragraph 5.1). Should they lack capacity to assist within the necessary timeframe, an external firm shall be identified to assist funded on the same basis.
- 6.4 **Legal Officer's comments:** None arising from the content of this report.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity and Prosperity, Effective Council.
- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** The proposed tenant will be responsible for the unit's fit-out and these will be subject to compliance with the latest Building Regulations.
- 7.4 **Sustainability Policy & Community Safety Implications:** The proposed tenant will promote sustainable solutions and endeavour to support their implementation wherever they do not conflict with the operation of their business.
- 7.5 **Partnerships:** None

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports: None

Other papers: None



**The Clock Tower, High Street, Epsom,
Surrey, KT19 8BA**

TO LET

Approx 200 sqft (18.58 sqm)

DESCRIPTION

Rare opportunity to occupy commercial space within Epsom's iconic Clock Tower, the property is grade II listed and comprises a self-contained retail kiosk with kitchenette and WC. The property has most recently been used as a barber though would suit a variety of occupiers under Class E and benefits from good natural light, water, electricity and external display area.

Retail Area	190 sqft		17.65 sqm
Internal Store	10 sqft		0.93 sqm
WC			
TOTAL	200 sqft		18.58 sqm

RENT

£13,000 per annum exclusive.

LEASE

New lease, terms to be agreed.

LOCATION

The historic Clock Tower is located in the heart of Epsom High Street in the town centre by The Ashley Centre. Situated on the pedestrianised side of the High Street the property is in a prime position benefitting from substantial

footfall, nearby occupiers include Boots, Marks & Spencer and Nationwide Building Society. Epsom Train station is close by and provides regular services to London Waterloo and London Victoria. The M25 junction 9 (Leatherhead) is approximately 4 miles away.

RATES

100% small business rate relief may be applicable. Applicants to make their own enquiries and are responsible for confirming their eligibility with Epsom & Ewell Borough Council.

LEGAL COSTS

Each party to bear their own legal costs.

VIEWING

Strictly by appointment via sole agents Huggins Stuart Edwards.

CONTACT

Huggins Stuart Edwards - Epsom Office
10 West Street, Epsom, KT18 7RG
T: 01372 740555
E: epsom@hsedwards.co.uk

DATE

January 2024

FOLIO NUMBER

30222

SUBJECT TO CONTRACT

Important: See Disclaimer Notice to the Right.



**HUGGINS STUART
EDWARDS**

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EXCLUSION OF PRESS AND PUBLIC

Under Section 100(A)(4) of the Local Government Act 1972, the Committee may pass a resolution to exclude the public from the Meeting for Part Two of the Agenda on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The following documents are included on Part Two of the agenda and have not been published:

Item 13 Appendix 2 – Commercial property update – Clocktower Unit 2

The report deals with information relating to the financial or business affairs of the Committee and third parties.

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