

## STRATEGY AND RESOURCES COMMITTEE

Thursday 25 September 2025 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 John Beckett  
Councillor Kate Chinn

Councillor James Lawrence  
Councillor Jan Mason  
Councillor Lucie McIntyre  
Councillor Humphrey Reynolds

Yours sincerely



Chief Executive

For further information, please contact [democraticservices@epsom-ewell.gov.uk](mailto: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](mailto: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](mailto: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](mailto:democraticservices@epsom-ewell.gov.uk)

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

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, 24 September**.

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

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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. REVISED COMPLIANCE AND ENFORCEMENT POLICY (Pages 5 - 18)**

The Committee is asked to note the outcome of the consultation and to consider the adoption of a revised compliance and enforcement policy.

### **4. LAHF3 - REVIEW (Pages 19 - 24)**

This report seeks approval to utilise £50,000 of the funding allocated to the LAHF3 programme, in order to facilitate the renovation of a Town & Country Housing (TCH) property in Epsom and thereby ensure the property can continue to be utilised for settled accommodation by applicants nominated from the Council's housing register.

### **5. PLANNING SOFTWARE PROCUREMENT (Pages 25 - 30)**

This report sets out the case for renewing the Council's planning software contract with Idox Software Ltd. The IDOX Uniform system currently in use supports a wide range of essential planning and regulatory functions.

### **6. EPSOM AND EWELL COMMUNITY INFRASTRUCTURE LEVY - ANNUAL FUNDING AWARDS 2025 (Pages 31 - 46)**

This report presents the recommendations of the CIL Working Group for the Committee's consideration.

### **7. CHARITABLE TRUSTS (Pages 47 - 50)**

To consider the future operation of the Chuter Ede Trust Funds and the Elizabeth Welchman Trust Fund.

### **8. GOVERNMENT CONSULTATIONS (Pages 51 - 94)**

To report to committee details of two government consultations responded to since the last committee meeting.

**9. TITLE RESTRICTION - SOUTHFIELD PARK PRIMARY SCHOOL (Pages 95 - 116)**

This report considers a request from Surrey County Council to release its land from a Land Registry title restriction registered by EEBC to protect the former EEBC land from non-educational use.

**10. COUNCIL REFERRED MOTION (Pages 117 - 126)**

At the Meeting of the Full Council on 22 July 2025, a Motion (attached at Appendix 1) was submitted under FCR 14 of Appendix 4 of the Constitution. The Council resolved by a majority vote to refer the Motion to Strategy & Resources Committee.

This report addresses the Motion for the Committee to consider.

**11. MINUTES OF PREVIOUS MEETING (Pages 127 - 134)**

The Committee is asked to confirm as a true record the Minutes and Restricted Minutes of the meeting of the Committee held on 15 July 2025 (attached) and to authorise the Chair to sign them.

**12. EXCLUSION OF PRESS AND PUBLIC (Pages 135 - 136)**

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.

**13. FACILITIES MANAGEMENT CONTRACT**

The report has not been published as it deals with information in relation to the financial or business affairs of the Council or a third party.

## REVISED COMPLIANCE AND ENFORCEMENT POLICY

<b>Head of Service:</b>	Rod Brown, Head of Housing & Community
<b>Report Author</b>	Oliver Nelson
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Appendices (attached):</b>	Appendix 1: Draft revised Compliance and Enforcement policy

### Summary

The Committee is asked to note the outcome of the consultation and to consider the adoption of a revised compliance and enforcement policy.

### Recommendation (s)

#### The Committee is asked to:

- (1) **Agree to adopt the revised Compliance and Enforcement policy as set out in Appendix 1.**
- (2) **Agree to nominate and authorise the Head of Housing and Community to make any future amendments of an administrative nature (updates to legislation, role changes, constitutional changes)**

### 1 Reason for Recommendation

- 1.1 The existing enforcement policy dates from 2014 and was adopted by the then Social Committee.
- 1.2 The existing policy can be located on the [council's website](#).
- 1.3 Owing to the passage of time, the policy requires changes to update generally and to enhance its robustness. An opportunity has also been taken to rename the policy "Compliance and Enforcement Policy" to reflect the fact that enforcement can take many forms ranging from a verbal instruction to a formal prohibition or injunction.

- 1.4 It is necessary to have a robust policy as it is commonly relied upon during litigation and to aid Officer's justification in taking particular courses of action. In this respect it can become critical during appeals hearings and external scrutiny such as matters considered by the Local Government and Social Care Ombudsman.

## **2 Background**

- 2.1 At its meeting of 28 January 2025, this committee agreed to authorise a consultation based on a revised draft document with likely stakeholders. This consultation was non statutory but it is considered best practice to consult with representatives of those who may be affected by the policy in the future.
- 2.2 Pursuant to that decision, a consultation ran between 17 February and 9 March 2025 publicised through social media, a conventional media release and through having contacted the Epsom Business Improvement District to share with their members.
- 2.3 This consultation did not attract any comments, perhaps reflecting the shorter timeframe and lower level of interest involved with this subject matter relative to the recent consultations such as, for example, the Local Plan. Consequently, the draft policy appended to this report is unchanged from the version presented on 28<sup>th</sup> January.

## **3 Risk Assessment**

Legal or other duties

### **3.1 Equality Impact Assessment**

- 3.1.1 Different services undertaking enforcement and compliance work have very different customer demographics licence holders many of whom are sole traders. This is likely to differ across services dependent upon the area covered. Nothing in the draft policy introduces new elements which might disproportionately affect any of the protected characteristics. Regulatory and enforcement activity is intended to be non-discriminatory and applies to all persons and businesses. There is no evidence to suggest that as part of these activities there is inadvertent discrimination.

### **3.2 Crime & Disorder**

- 3.2.1 A carefully balanced compliance and enforcement policy will have a positive effect on crime and disorder including supporting the victims of antisocial behaviour.

### **3.3 Safeguarding**

3.3.1 No specific safeguarding impact. However it is important to note that officers working in the service areas affected will commonly be the first to encounter safeguarding issues in the community and are trained to recognise and report them.

3.4 Dependencies

3.4.1 None identified

#### 4 Financial Implications

4.1 It is assumed that all enforcement undertaken within the remit of this revised policy will be delivered within existing service budgets.

4.2 **Section 151 Officer's comments:** The revised Compliance and Enforcement Policy currently has no direct financial impact. However, it is essential to monitor the policy closely to ensure that any potential future financial implications are identified and addressed promptly. Continuous evaluation will help us understand the policy's effectiveness and any associated costs, allowing for timely adjustments and resource allocation as needed.

#### 5 Legal Implications

5.1 As a cross cutting issue covering all of the Council's policy committees, it is consistent with the Council's Constitution (Appendix 3) that this committee make policy in this area.

5.2 A clear and robust policy is necessary to continue to undertake successful compliance and enforcement activities.

5.3 An important legal principle to be avoided is fettering discretion through an absolute blanket approach which takes no account of individual circumstances. Likewise, where the policy is departed from it would be expected that a record be made of this and justifications set out in a note attached to the case file.

5.4 **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:

- Safe and Well
- Opportunity and Prosperity
- Green and Vibrant
- Effective Council

- 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:** As outlined in the body of this report.
- 6.5 **Partnerships:** None. Whilst it is common to work with partners in compliance and enforcement matters, the contents of this report are in reference to the options available to Epsom & Ewell Borough Council only.
- 6.6 **Local Government Reorganisation Implications:** The policy applies to the activities of Epsom & Ewell Borough Council only. Any future successor authority will need to adopt its own policy which will likely follow similar lines.

## 7 Background papers

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

### **Previous reports:**

- Epsom & Ewell Borough Council, Strategy and Resources Committee 28 January 2025.

### **Other papers:**

- Office for Product and Safety Standards The Regulators Code [www.gov.uk/government/publications/regulators-code](https://www.gov.uk/government/publications/regulators-code) [accessed 16/12/24]





## Compliance and Enforcement Policy

Version number: 0.2  
Date: June 2025

Document Information and Approvals

Policy title: Compliance and Enforcement Policy  
Review frequency: As required.

Document Approvals

- Each revision requires the following approvals:
- Non-administrative updates: Strategy and Resources Committee
  - Administrative updates: Head of Housing and Community

Revision History

Version No.	Revision Date	Revisor	Previous Version	Description of Revision
0.2	12 June 2025	O Nelson	0.1	Date revision
0.1	7 January 2025	O Nelson	-	Revised version for initial committee review
-			26/4/14	Initial adopted version

Four Year Plan

Applicable [Four Year Plan](#) theme(s): Green and Vibrant, Opportunity and Prosperity, Safe and Well, Smart and Connected, Effective Council.

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## Introduction

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This policy has been devised using guidance from the Better Regulation Delivery Office (now Office for Product Safety and Standards), and has been the subject of consultation with the public and local businesses. It covers all of the council's enforcement powers and duties except those relating to the Council's powers as Local Planning Authority which is subject to a separate policy.

We will have regard to the Principles of Good Regulation and exercise our regulatory activities in a way which is:

- **Proportionate** – our activities will reflect the level of risk to the public and enforcement action taken will relate to the seriousness of the offence.
- **Accountable** – our activities will be open to public scrutiny, with clear and accessible policies, and fair and efficient complaints procedures.
- **Consistent** – our advice to those we regulate will be robust and reliable and we will respect advice provided by others. Where circumstances are similar, we will endeavour to act in similar ways to other local authorities,
- **Transparent** – we will ensure that those we regulate are able to understand what is expected of them and what they can anticipate in return.
- **Targeted** – we will focus our resources on higher risk enterprises and activities, reflecting local need and national priorities.

Amongst others, we will have regard to principles contained within the Human Rights Act 1998, the Data Protection Act 1998, the Regulatory Enforcement and Sanctions Act 2008, the Code for Crown Prosecutors, and any successor legislation or codes. This Enforcement Policy has itself been drawn up having regard to the Regulators Code<sup>1</sup>. In certain instances we may conclude that a provision in the Code is either not relevant or is outweighed by another provision consideration or series of considerations. We will ensure that any decision to depart from the Code will be properly reasoned, based on material evidence and documented.

We will avoid imposing unnecessary regulatory burdens by assessing whether similar social, environmental and economic outcomes could be achieved by a less burdensome means.

This policy can be found on the Borough Council's website and a paper copy can be supplied on request.

## What is this policy for?

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This document communicates our policy in respect of our approach to dealing with non-compliance to businesses and individuals affected by the laws we enforce and sanctions we have at our disposal.

Authorised officers will act in accordance with this policy by being properly trained and qualified, by the use of peer review and through management oversight.

## When does this policy apply?

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<sup>1</sup> Better Regulation Delivery Office (now Office for Product Safety and Standards), 2014 "Regulators Code" Department for Business Innovation and Skills

This policy applies during all our regulatory and enforcement activities except for planning enforcement which draws upon its own policy – the 2024 Planning Enforcement Plan. In certain circumstances other policies apply such as the Statement of Licensing Policy in respect of premises subject to the Licensing Act 2003 and our Taxi and Private Hire Policy in respect of our regulatory activity connected with the taxi and private hire trade.

Matters connected to our work dealing with antisocial behaviour, neighbourhood issues and other community safety issues are also controlled by the Council's Community Safety Intervention Policy which should be read in conjunction with this document.

### **Our approach to dealing with non-compliance**

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In coming to a decision over how to deal with non-compliance, we will have regard to the following principles which were set out in the Macrory review<sup>2</sup>.

- Aim to change the behaviour of the offender.
- Aim to eliminate any financial gain or benefit from non-compliance.
- Be responsive and consider what is appropriate for the particular offender and regulatory issue, which can include punishment and the public stigma that should be associated with a criminal conviction.
- Be proportionate to the nature of the offence and the harm caused.
- Aim to restore the harm caused by regulatory non-compliance, where appropriate.
- Aim to deter future non-compliance.

We will choose a proportionate response in all cases where non-compliance is detected based not just on the nature of the contravention but the overall capability and capacity of the business or regulated person to comply, including the level of technical advice available to them. In coming to a decision about proportionate response, we will weigh up the likely cost to the business or individual, the expected benefit to public health or safety or the environment from compliance as well as the seriousness of the non-contravention. We are committed to applying the Primary Authority Principal for businesses which have a Primary Authority partnership.

We encourage businesses or regulated persons to approach us where they believe they are non-compliant and we will offer advice as to the best way they can comply. Where an approach of this nature is made, provided a willingness to comply is demonstrated, we will not take direct enforcement action but instead cooperate to ensure the problem is corrected.

However, we will not tolerate deliberate or serious persistent non-compliance and will take firm action against businesses or regulated persons found to be acting in this way.

Actions stemming from non-compliance can typically be separated into two categories – informal and formal.

#### **Informal Action**

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We use compliance advice, guidance and support as a first response in the case of many breaches of legislation that are identified. Advice is provided, sometimes in the form of a warning letter, to assist individuals and businesses in rectifying breaches as quickly and efficiently as possible, avoiding the need for further enforcement action. A warning letter will

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<sup>2</sup> Macrory, R 2006 "Regulatory Justice, Making Sanctions Effective" Department for Business Innovation and Skills

set out what should be done to rectify the breach and to prevent re-occurrence. If a similar breach is identified in the future, this letter will be persuasive in considering the most appropriate enforcement action to take on that occasion. Such a letter cannot be cited in court as a previous conviction but it may be presented in evidence. We regard a Community Protection Warning Notice (CPW), issued under section 43(5) of the Anti-social Behaviour, Crime and Policing Act 2014 as an informal warning letter along with any handwritten report left on site, or with the duty holder arising from any of our inspections.

The term warning letter also encompasses any emailed correspondence whether or not the letter is attached to that email as an electronic document, or whether the warning is delivered in the body of the email itself.

## **Formal Action**

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### **Statutory Notices**

In respect of many breaches we have powers to issue statutory notices. These fall into three broad categories: 'Prohibition Notices', 'Emergency Prohibition Notices', and 'Improvement Notices'. Such notices are legally binding. Failure to comply with a statutory notice can be a criminal offence and may lead to prosecution and/or, where appropriate, the carrying out of work in default or the seizure of equipment and articles.

We also have a range of Antisocial Behaviour tools containing similar provisions aimed at stopping, starting or modifying behaviour likely to have a detrimental effect.

A statutory notice will clearly set out actions which must be taken and the timescale within which they must be taken. It is likely to require that any breach is rectified and/or prevented from recurring. It may also prohibit specified activities until the breach has been rectified and/or safeguards have been put in place to prevent future breaches. Where a statutory notice is issued, an explanation of the appeals process will be provided to the recipient.

Owing to the nature of the circumstance, emergency notices will be issued without any recourse to preliminary stages. For other types of notice, the decision to serve will be based on

- The severity of the situation
- The response to any informal attempts to rectify the situation
- Whether there is a duty to serve a notice in the circumstances
- The past history of the premises
- Our overall confidence in management
- The outcome of considerations under any established framework or guidance such as the Enforcement Management Model for Health and Safety contraventions and the enforcement guidance document for Housing Act contraventions.
- Any legislation specific considerations which must be met prior to serving of the notice

Some notices issued in respect of premises may be affixed to the premises and/or registered as local land charges.

### **Fixed Penalties**

We have powers to issue fixed penalty notices in respect of some breaches. A fixed penalty notice is not a criminal fine and does not appear on an individual's criminal record.

If a fixed penalty is paid in respect of a matter we will not take any further enforcement action in respect of that breach. Payment of a fixed penalty does not provide immunity from prosecution in respect of similar or recurrent breaches. We are only able to issue fixed penalty notices where we have specific powers to do so and where we have adequate evidence of a crime.

Fixed penalties will be issued at the amount specified by statute. Where there is a facility to vary the amount payable and where the Council has decided to offer this variation, the amount will be specified by the Council. For example, certain provisions provide for a discount in respect of early payment.

Where fixed penalties are available for an offence, it will normally be policy to offer discharge of the matter via fixed penalty. This offers the advantage of dealing with the matter more promptly, avoiding costly court time and acts as an immediate disincentive for further offending. If fixed penalty notices are available, their issue is at our discretion. In some circumstances, in particular where breaches are serious or recurrent, it may be that prosecution is more appropriate than the issue of a fixed penalty notice.

Where a fixed penalty is not paid, following reasonable enquiry, we will normally take that matter to prosecution or other enforcement subject to a final review of the evidential and public interest tests.

### **Civil Sanctions**

Civil sanctions are a decriminalised route available in respect of certain housing offences. The operation of these sanctions is covered by a separate policy adopted by the Council. We will apply the same evidential and public interests tests as a prosecution when deciding whether to offer a discharge of the matter via civil sanction and we will follow the process laid out in law and guidance when operating the civil sanction scheme.

### **Injunctive Actions, Enforcement Orders etc.**

In some circumstances we may seek a direction from the court (in the form of an order or an injunction), that a breach of notice or other serious matter is rectified and/or prevented from recurring. We may consider this step when we feel other remedies are insufficient or the harm being caused requires rapid redress. The court may direct that specified activities be suspended until the breach has been rectified and/or safeguards have been put in place to prevent future breaches.

Failure to comply with a court order constitutes contempt of court, a serious offence which may lead to imprisonment.

We are required to seek enforcement orders after issuing some enforcement notices, providing the court with an opportunity to confirm the restrictions imposed by the notice. Otherwise, we will usually only seek a court order if there are serious concerns about compliance with voluntary undertakings or a notice.

Chapter 4 of Part 2 of the Housing and Planning Act 2016 has widened the circumstances where rent repayment orders can be sought. We will normally seek a rent repayment order where a landlord has been prosecuted and found guilty of a relevant offence. Where we haven't prosecuted but have used another sanction such as a simple caution or financial penalty, we will assess on a case by case basis whether to seek a rent repayment order. In doing this we will look at the gravity of the situation, the length of time the offence persisted

for, the general record and approach of the offender and degree of harm posed by the offence.

### **Simple Caution**

We have the power to issue out of court disposals when dealing with adult offenders. Simple cautions may be suitable as a means of dealing with low-level, mainly first time offending where there are no fixed penalty options and a criminal prosecution is not justified. It will only be used where a person admits an offence and consents to the simple caution. Where a simple caution is offered and declined, we are likely to consider prosecution.

Simple cautions will be used in accordance with the most recent relevant Ministry of Justice Circular and other applicable guidance.

### **Prosecution**

We may prosecute in respect of serious or recurrent breaches, or where other enforcement actions, such as voluntary undertakings or statutory notices have failed to secure compliance. We may also take a prosecution where the offender is unwilling or unable to pay a fixed penalty as a court has a greater range of non financial sanctions available to it. When deciding whether to prosecute we will have regard to the provisions of The Code for Crown Prosecutors as issued by the Director of Public Prosecutions.

A finding of guilt at trial will result in a criminal record. The court has a range of sentencing powers including the imposition of a fine, community sentences and custodial sentences. The court may order the forfeiture and disposal of non-compliant goods and/or the confiscation of any profits which have resulted from the breach. Prosecution may also lead, in some circumstances, to the disqualification of individuals from acting as company directors.

In deciding whether or prosecute or not, we will consider the following matters.

#### **The gravity of the offence(s) such as**

- Whether there has been a blatant disregard for the law, negligence or deliberate intent
- Whether there has been persistent poor standards or poor practice
- Whether there has been, or currently exists a significant risk of ill health or injury as a result of the legal contravention
- Whether the contravention(s) have caused serious public alarm
- Whether those affected are particularly vulnerable

#### **The general record and approach of the offender, for example**

- Repeated breaches of legal requirements or licence conditions or various breaches of multiple concern where it appears the individual or business is unwilling or unable to deal with these.
- Failure to comply with a statutory notice where the contravention is of significant concern and/or persistent.
- Any previous convictions or cautions relevant to the offence.
- Any previous enforcement such as statutory notices and advice which is relevant to the offence.

### **Refusal/Suspension/Revocation of Licences**

We issue a number of licences and permits and we also have a role to play in ensuring that appropriate standards are met in relation to licences or registrations issued by other agencies. Most licences include conditions which require the licence holder to take steps to

ensure that, for example, a business is properly run. Breach of these conditions may lead to a review of the licence which may result in its revocation or amendment.

When considering future licence applications, we may take previous breaches and enforcement action into account and we have a specific Private Hire and Hackney Carriage Policy incorporating a Penalty Points scheme.

Where non-compliance exists, we will offer advice as to the best way to comply and distinguish between good practice advice and what is required to meet a statutory minimum.

Where non-compliance exists we will provide an opportunity for dialogue by publishing direct dial telephone numbers, email addresses to communicate our reasons for the advice, actions or decisions. This commitment does not extend to situations that require an immediate enforcement action to prevent or respond to a serious breach or where providing such an opportunity would be likely to defeat the purpose of the proposed enforcement action.

### **Recovery of enforcement expenses**

Certain Acts of Parliament and Regulations provide for the recovery of costs of expenses from those who have been the subject of enforcement action. It is the policy of Epsom & Ewell Borough Council to recover the full costs of such enforcement where the law allows, unless there is a compelling case not to. This is separate and additional to any claim for costs arising from a successful criminal prosecution.

### **Conduct of Investigations**

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Our Constitution is available on our website and contains a register of officers and the provisions under which they are authorised to act on behalf of the Council. Each officer is responsible for day to day management of investigations and for making decisions on enforcement action in line with this policy. The relevant line manager has responsibility for oversight of their team's enforcement.

Where a shared enforcement regime exists such as certain fire safety, public safety and health and safety legislation, liaison occurs at an officer level with relevant members of the counterpart enforcement body. This is also the means by which intelligence is shared into potential offences or non-compliance in businesses regulated by more than one enforcement body. Under Data Protection Act exemptions, we will share personal and other information relating to individuals and companies where a legal basis exists for doing so.

From time to time it is necessary to regulate ourselves in premises which the Council have an interest. For example in food safety, licensing and some pollution control functions we are the sole regulator. In these circumstances this policy will still apply up until the formal stage of enforcement which will instead be replaced with a report being sent to the Director or Chief Executive and the expectation that corrective action will be effected in the same way as a statutory notice. If the Director or Chief Executive is implicated, the matter will instead be referred to the Council's Monitoring Officer.

It is understood that English may not be the first language for some businesses and that consequently there may be some difficulty in understanding legal requirements. This is why we will offer a verbal explanation of what is required in addition to documentation relating to any enforcement action. Compliance will be assessed on a factual basis taking into account the effort the business or individual has put into becoming compliant and any mitigation which may exist.



We will make revisits shortly after expiry of improvement notices to assess compliance with the notice. Where non-compliance was dealt with by an informal means we will check these at the next routine inspection unless the matter is deemed by us to be significant.

In some cases we may decide not to investigate a complaint at all. Where this happens it will normally be because the complaint has previously been dealt with and there are no significant new factors involved or, having assessed the substance of the complaint, it does not appear to us to be actionable. In these circumstances we will record our decision and update the informant accordingly.

Where we detect breaches of law which is best dealt with by a counterpart enforcer (either internally to the Council or externally), we will refer the matter to them. Where we receive intelligence of non-compliance from other enforcement agencies we will normally carry out an independent investigation to confirm the facts of the case.

Where available, we use national risk assessment criteria to determine inspection frequency. Where we are made aware of possible non-compliance (typically by complaint from a member of the public), we will evaluate the facts to hand and either make a separate additional visit, bring forward any pending or future inspection or make a note on the file to assess the situation at the next contact opportunity with the business.

Where we are required to investigate alleged breaches we will comply with the relevant sections of the Police and Criminal Evidence Act 1984, the Criminal Procedure and Investigations Act 1996, the Regulation of Investigatory Powers Act 2000 the Criminal Justice and Police Act 2001, the Human Rights Act 1998 and codes of practice of guidance published under these.

These Acts and associated guidance control how evidence is collected and used and give a range of protections to the public and potential defendants. Additional legislation provides for a range of powers of entry for the efficient execution of our duties. Many of these statutory instruments contain an offence of obstruction. Where a criminal investigation is underway, we will periodically review whether it remains in the public interest to continue with the investigation.

We undertake to notify both potential defendants and witnesses of the outcomes of our decisions of enforcement action and any rights of appeal or representation which exist.

### **Review of this policy**

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This policy will be reviewed in light of any revisions to the Regulator's Code, relevant legislation or guidance. Any administrative changes will be carried out under delegated authority. Any changes in policy will be formally adopted by the necessary decision making body of the Council.

This policy has been the subject of consultation with the local business community. We will consult once again if we propose to change the policy in any way (other than purely administrative changes).

### **Comments and Complaints**

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We operate a comments and complaints policy which can be accessed by telephoning the Council's Contact Centre on 01372 732000 or on the website at [www.epsom-ewell.gov.uk](http://www.epsom-ewell.gov.uk).

In addition, most modern legislation has a right of appeal available to those being regulated. In the first instance however we encourage a dialogue to resolve points of difference before it becomes necessary to formally complain.

## LAHF3 - REVIEW

<b>Head of Service:</b>	Rod Brown, Head of Housing & Community
<b>Report Author</b>	Arjan de Jong
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 - LAHF3 Strategy & Resources Report November 2024

### Summary

This report seeks approval to utilise £50,000 of the funding allocated to the LAHF3 programme, in order to facilitate the renovation of a Town & Country Housing (TCH) property in Epsom and thereby ensure the property can continue to be utilised for settled accommodation by applicants nominated from the Council's housing register.

### Recommendation (s)

**The Committee is asked to:**

- (1) Authorise the sum of £50,000 from the funding allocated to the LAHF3 programme, to be spent to facilitate the renovation of a 3-bedroom Town & Country Housing property in Epsom.**

## 1 Reason for Recommendation

- 1.1 The Council has a statutory duty to assist homeless households under the Housing Act 1996 and Homelessness Reduction Act 2017. The Council's expenditure on temporary accommodation (including nightly paid) during 2024/25 was £3.1M. This proposal will help the Council manage the increase in the annual cost of temporary accommodation by maintaining the number of settled accommodation.

## 2 Background

- 2.1 As set out in Appendix A, the Council received a one-off funding allocation of £1,493,250 from the Local Authority Housing Fund R3 (LAHF R3) last year, following S&R Committee approval in November 2024.

- 2.2 In exchange for the funding, the Council is expected to provide a minimum of **5** homes for the TA element, and a minimum of **1** home for the resettlement element.
- 2.3 Since approval, Officers have successfully purchased the resettlement unit plus one TA unit at a total cost of £673,000, whilst several other potential purchases have unfortunately fallen through.
- 2.4 Officers continue to liaise with estate agents and to monitor the local market for appropriate properties.
- 2.5 If the Council is unsuccessful in acquiring the four TA homes by March 2026, the funding must be repaid pro rata to MHCLG.

### **3 Proposal**

- 3.1 Officers became aware several months ago of a property owned by TCH, which has been vacant since July 2024 and which TCH was seeking to sell via auction, due to what it considers to be prohibitive costs associated with refurbishment.
- 3.2 Officers requested that TCH review the original decision, however, the outcome remained that the property would be sold at auction.
- 3.3 Officers considered purchasing the property as part of the LAHF3 programme, however, the cost of purchase plus refurbishment was considered prohibitive.
- 3.4 Officers subsequently contacted MHCLG to ask whether it would be possible to utilise LAHF funding for refurbishment costs as an alternative to outright purchase. MHCLG confirmed that this would be an option, although should the Council pursue this option, it would include a clawback sum from the original allocation of £225,295, to reflect the reduced cost associated with refurbishing, as opposed to purchasing, the property.
- 3.5 The remaining allocation for the purchase of the outstanding three properties would be £1,294,955.
- 3.6 Officers' view is that the proposal represents good value for money and ensures that the Council has no ongoing maintenance obligation for the property. In addition, the property would contribute to the Council's aims of the LAHF3 programme.

### **4 Risk Assessment**

Legal or other duties

#### **4.1 Equality Impact Assessment**

- 4.1.1 Minimising homelessness will have a positive impact on inequalities.

4.2 Crime & Disorder

4.2.1 None for the purposes of this report.

4.3 Safeguarding

4.3.1 Assisting homeless households to access safe and secure accommodation will have a positive impact on safeguarding.

4.4 Dependencies

4.4.1 Progress is being closely monitored, and regular updates provided to the Chair and Vice chair of this Committee, Director of Environment, Housing and Regeneration and the Council's s151 officer, as well as the Strategy & Resources Committee with this report.

4.5 Other

4.5.1 None for the purposes of this report.

**5 Next Steps**

5.1 Should the Committee approve the recommendation, the Council will enter into a grant agreement with TCH to transfer £50,000 in return for nomination rights for the property in perpetuity. The grant agreement will also ensure the property remains available for social housing and that it can only be sold with the agreement of the Council and in such event that the Council receives a return on its investment.

5.2 Officers will continue to liaise with estate agents and to monitor the local market for appropriate properties, in order to achieve the aims of the funding allocation.

**6 Financial Implications**

6.1 As set out above, although there will be a clawback sum of £225,295, the overall financial implications are not adverse should the proposal be approved.

6.2 The grant agreement will include a clause to ensure the Council receives a return on its investment in the event that the property is sold.

6.3 **Section 151 Officer's comments:** The transfer of £50,000 to TCH with the relevant conditions noted in the report provides an opportunity to alleviate some of the council pressures surrounding temporary accommodation.

**7 Legal Implications**

- 7.1 The Council's obligations, powers and duties in relation to homeless households are contained within the Housing Act 1996 and Homelessness Reduction Act 2017. If the Council does not meet its statutory obligations, then the Council will be in breach of its obligations and open to legal challenge.
- 7.2 The Council will enter into a grant agreement with TCH, to ensure the Council has nomination rights for the property in perpetuity. The grant agreement will also ensure the property remains available for social housing and that it can only be sold with the agreement of the Council and in such event that the Council receives an appropriate return on its investment.
- 7.3 **Legal Officer's comments:** None arising further to the implications noted above.

## 8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Safe & Well: Work with partners to improve health and wellbeing of our communities, focusing on those who are more vulnerable.
- Managing our resources – The proposal will maintain the Council's access to settled accommodation, reducing the Council's reliance on expensive out of borough nightly paid accommodation.
- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** The Council will ensure that the property will be brought up to an Energy Performance Certificate rating of no lower than C.
- 8.4 **Sustainability Policy & Community Safety Implications:**
- 8.5 **Partnerships:** This proposal represents a partnership between the Council and the Ministry of Housing Communities and Local Government (MHCLG) and Town & Country Housing Association (TCH).
- 8.6 **Local Government Reorganisation Implications:** The approval of the recommendation will assist the Council, and future Council, in reducing NP costs.

## 9 Background papers

- 9.1 The documents referred to in compiling this report are as follows: None.

### **Previous reports:**

- [Strategy & Resources LAHF3 report November 2024](#)

**Other papers:**

- None

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## PLANNING SOFTWARE PROCUREMENT

<b>Head of Service:</b>	Andrew McGuire, Head of IT
<b>Report Author</b>	Ian Mawer, Andrew McGuire, Simon Taylor
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	None

### Summary

This report sets out the case for renewing the Council's planning software contract with Idox Software Ltd. The IDOX Uniform system currently in use supports a wide range of essential planning and regulatory functions.

### Recommendation (s)

#### The Committee is asked to:

- (1) Approve the procurement of the Uniform software suite from IDOX Software Ltd for a further three years.**

### 1 Reason for Recommendation

- 1.1 The existing contract expires on 30th October this year and marks the final year of a three-year agreement, including a two-year extension. As IDOX currently only offers new contracts with a minimum term of three years, this necessitates the procurement of a new three-year contract via a Framework Agreement.
- 1.2 It is very unlikely that systems and software will be switched off once we transition to the new unitary authority. These arrangements are expected to continue until new provisions are formally established, which can typically take several years. If the Council were to terminate the contract early without cause, Idox may adjust the charges, and the Council will be liable for any actual stranded costs incurred by the supplier as a result.

- 1.3 The IDOX Uniform system has supported essential planning and regulatory functions since its introduction in November 2000, and there is currently no operational or financial reason to consider switching to another solution. Evaluating and implementing a new system would be complex and time-consuming, particularly in light of the upcoming Local Government Reorganisation. Renewing the existing contract is therefore the most practical way to ensure uninterrupted service during this period of change.
- 1.4 The Local Government Reorganisation harmonisation is expected to take several years, during which time common services will be aligned across the new unitary authorities. Depending on the outcome, either two or three councils within the likely EastSurrey.gov structure will already be using a variety of IDOX software products. The proposed three-year contract extension provides a sensible window to plan and, if necessary, migrate to a new solution in a coordinated and cost-effective manner.
- 1.5 In accordance with the Council's Contract Standing Orders, and recognising that this procurement falls within the parameters of a Threshold 4 classification, the committee is formally requested to grant approval for the proposed expenditure as outlined in this report.

## 2 Background

- 2.1 The Uniform software suite provides comprehensive support for planning, building control, environmental health, housing services, licensing, and estate management. Planning modules include development control, appeals, monitoring, enforcement, tree preservation orders, listed buildings, and contaminated land. Building control covers contraventions and dangerous structures. Environmental health includes accident reports, commercial premises, infectious disease tracking, notices, and pest control. Licensing modules cover a range of regulated activities.
- 2.2 The system features comprehensive modules and most of these are in use by EEBC, specifically:
  - 2.2.1 **Planning Services** - The planning modules support the Council's statutory responsibilities in managing land use and development. They cover the full lifecycle of planning applications, appeals, and enforcement actions. Features include monitoring compliance with planning conditions, managing Tree Preservation Orders (TPOs), overseeing listed buildings, and addressing contaminated land. These tools help ensure that development is well-regulated, transparent, and aligned with local policies.

- 2.2.2 **Building Control** - This area focuses on ensuring buildings meet safety and regulatory standards. The system helps manage contraventions of building regulations and respond to reports of dangerous structures. These capabilities are essential for maintaining public safety and ensuring that construction activities comply with legal requirements. For Epsom and Ewell this function is outsourced but the contracted company uses the EEBC IDOX platform.
- 2.2.3 **Environmental Health** - These modules enable the Council to monitor and respond to public health concerns. They include tools for logging accident reports, inspecting commercial premises, tracking infectious diseases, issuing statutory notices, and managing pest control services. These functions support proactive health protection and regulatory enforcement.
- 2.2.4 **Licencing** - These modules streamline the management of licences for activities such as alcohol sales, entertainment, and taxi operations.
- 2.2.5 **Housing** – Whilst our principal product for Housing services is Abritas, EEBC also uses part of the Idox Housing module for HMO licensing and Residential Premises (specifically for issues with properties that are reported to us).
- 2.3 In addition to its core planning and regulatory functions, the UNIFORM system also serves as the repository for the Council's Corporate Address Gazetteer, ensuring consistent and accurate address data across services. Complementary systems currently in use include TLC, which supports the Land Charges function, and the Document Management System (DMS), which is utilised by all departments operating within the UNIFORM environment to manage and retrieve planning-related documentation efficiently.
- 2.4 The scope of the IDOX contract further extends to include Public Access, the Council's online portal that enables members of the public to view and interact with the Planning Register. This facility plays a vital role in promoting transparency and accessibility, allowing residents and stakeholders to track applications, decisions, and associated documents in real time.

### 3 Risk Assessment

Legal or other duties

#### 3.1 Equality Impact Assessment

- 3.1.1 The renewal of the Idox contract is operationally neutral in its impact on users and residents. The system has been in place since 2000 and continues to support statutory functions without bias or limitation in its application.

3.2 Crime & Disorder

3.2.1 None for the purposes of this report

3.3 Safeguarding

3.3.1 None for the purposes of this report

3.4 Dependencies

3.4.1 None for the purposes of this report

3.5 Other

3.5.1 As detailed in the recommendations this renewal is taking place in a time of considerable uncertainty in Surrey as a whole and how the services will be delivered in the future. However, this renewal as stated ensures a continuity of services to the residents while the transition to new operational models takes place.

#### 4 Financial Implications

4.1 The contract spans three years (31 Oct 2025 – 30 Oct 2028) with the following annual costs:

Year	Uniform & EDRMS	Digital Services	Upgrade Service	Total
1	£63,068.78	£6,438.60	£18,150.00	£87,657.38
2	£66,222.22	£6,760.53	£19,057.50	£92,040.25
3	£69,533.33	£7,098.56	£20,010.38	£96,642.27

4.2 The total cost of the three-year extension will be £276,339.90

4.3 The Upgrade Service ensures the Uniform system stays up to date with the latest features, security patches, and regulatory changes. It helps maintain system stability and supports integration with other platforms like the Document Management System and Public Access portal.

4.4 The Digital Services part of the Idox contract includes tools like the Public Access portal, which allows residents view planning applications online. It also supports integration with the Council's document system, helping departments manage planning records efficiently.

4.5 **Section 151 Officer's comments:** There is a base budget to cover this yearly cost for at least next 3 years, ensure continued service and value for money within the current context of LGR.

**5 Legal Implications**

5.1 **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 - Improve access to services through technology
- Smart & Connected – Increase digital connectivity for all

6.2 **Service Plans:** The matter [is](#) included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** None for the purposes of this report.

6.4 **Sustainability Policy & Community Safety Implications:** None for the purposes of this report.

6.5 **Partnerships:** None for the purposes of this report.

6.6 **Local Government Reorganisation Implications:** As detailed in the body of this report.

**7 Background papers**

7.1 None for the purposes of this report.

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## **EPSOM AND EWELL COMMUNITY INFRASTRUCTURE LEVY - ANNUAL FUNDING AWARDS 2025**

**Head of Service:** Ian Mawer, Head of Planning Policy and Economic Development

**Report Author** Ian Mawer, Michelle Meskell

**Wards affected:** (All Wards);

**Urgent Decision?** No

**Appendices (attached):** Appendix 1 Part A – 2025 Strategic and Neighbourhood CIL Bids recommended to be funded by the CIL Member Working Group.

Appendix 1 Part B – 2025 Strategic and Neighbourhood CIL Bids not recommended to be funded by the CIL Member Working Group.

Appendix 1 Part C – 2025 Strategic CIL Bids recommended to be funded through an interim spending decision by the CIL Member Working Group

### **Summary**

The Council undertook its annual funding rounds for strategic and neighbourhood CIL between the 1 May 2025 and 15 June 2025. During this funding window 5 Strategic CIL bids and 9 Neighbourhood CIL bids were received.

In accordance with the Epsom and Ewell CIL Spending Protocol (March 2025), all bids received have been subject to an initial stage 1 assessment. Only the bids that passed the stage 1 assessment were then subject to a stage 2 assessment by the CIL Member Working Group.

Following this process 4 Strategic CIL bids (totalling up to £1,371,053 of strategic CIL funding) and 6 neighbourhood CIL bids (totalling up to £236,800 of neighbourhood CIL funding) were recommended to receive funding by the CIL Member Working Group in July 2025.

In addition to the above CIL bids submitted during the annual funding round, one Strategic bid (totalling up to £3,100,000 of strategic CIL funding) was received in August 2025 outside of the scheduled funding round but in accordance with the CIL Spending

Protocol, and was recommended to receive funding by the CIL Member Working Group in September 2025.

### **Recommendation (s)**

#### **The Committee is asked to:**

- (1) Approve and ratify the funding recommendations of the CIL Working Group for each of the bids set out in paragraph 3 of this report, OR**
- (2) Make amendments to the recommendations of the CIL Working Group.**

## **1 Reason for Recommendation**

- 1.1 To ensure the robust and effective expenditure and reporting in line with the Community Infrastructure Levy Regulations 2010 (as amended) and in accordance with the Epsom and Ewell CIL Spending Protocol (March 2025).

## **2 Background**

- 2.1 Epsom and Ewell's CIL Charging Schedule came into force on the 1 July 2014 and applies to all liable developments that were granted permission after this date. The charging schedule sets out the rates at which different types of development will be charged CIL on a pounds per square metre (£/sq m) basis. The charging schedule has not been updated since 2014, however the CIL rates increase annually based on the BCIS All-in Tender Price Index. CIL is payable when work to implement the development commences.
- 2.2 The Community Infrastructure Levy (CIL) is used to mitigate the cumulative impact of development but is rarely sufficient to fund all of the infrastructure that is required to support development of an area. CIL cannot be used to remedy existing deficiencies (unless those deficiencies will be made more severe by new development) undertake maintenance of existing infrastructure, or remedy demands from population growth driven by other factors such as birth rates.
- 2.3 On the 11 March 2025 Licencing and Planning Policy Committee approved the revised Epsom and Ewell CIL Spending Protocol which sets out the governance arrangements for spending CIL funds in the borough.
- 2.4 CIL Regulations require apportionment of CIL as follows:
  - ☐ The Strategic CL Portion (70-80%)
  - ☐ The Neighbourhood Portion (15-25%)



- The CIL Administrative proportion (5%)

#### Strategic CIL

- 2.5 Strategic CIL funding can be used to fund infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities. Local authorities must spend the levy on infrastructure needed to support development of their area. CIL can be used to increase the capacity of existing infrastructure or provide new infrastructure that is necessary to support development. The clearest way to justify this is to link it to the Council's Infrastructure Delivery Plan that supports the Local Plan. We cannot use strategic CIL to fund affordable housing as this is still dealt with through s106 obligations.
- 2.6 As of the 10 September 2025 there was £6.086m of unallocated Strategic CIL funding available in the borough.

#### Neighbourhood CIL

- 2.7 The Neighbourhood portion can be used to fund a wider range of spending, but it must still be necessary to support development.
- 2.8 As of the 10 September 2025 there was £1.138m of unallocated neighbourhood CIL funding available.

### **3 Recommendations for CIL funding**

- 3.1 During the annual funding round, we received 5 Strategic CIL bids and 9 Neighbourhood CIL bids.
- 3.2 The process of scoring and categorisation for strategic and neighbourhood CIL bids is set out in the Epsom and Ewell CIL Spending Protocol (March 2025).

#### Strategic CIL Bids received during the annual funding round

- 3.3 On the 11 July 2025 the council's CIL Member Working Group (MWG) have recommended the allocation of Strategic CIL funding to the following four projects:

<b>Bid Reference</b>	<b>Project name</b>	<b>MWG funding recommendation</b>
Strategic project 1	Ash Dieback Essential Safety Works and Treescape Restoration	Up to £200,000  Partial award of funding requested
Strategic project 2	ANPR Surrey Police	Up to £36,000  Partial award of funding requested
Strategic project 3	B284 Ruxley Lane, West Ewell, Epsom - Road Safety Scheme	Up to £75,000  Partial award of funding requested
Strategic project 4	Parks recreation and play for young people and families	£1,060,053  Full award of funding requested

- 3.4 Further detail on the bids detailed above is contained in Appendix 1 – Part A.

#### Strategic Interim CIL Bid

- 3.5 The Epsom and Ewell CIL Spending Protocol (March 2025) allows CIL bids to be received and considered outside of the annual funding round process in exceptional circumstances.
- 3.6 In August 2025, one Interim CIL bid was submitted outside of the annual funding window which was considered to demonstrate exceptional circumstances for consideration by the CIL MWG on 2 September 2025. The council's CIL Member Working Group (MWG) have recommended the allocation of Strategic CIL funding to the following project:

<b>Bid Reference</b>	<b>Project name</b>	<b>MWG funding recommendation</b>
Strategic project 5	Gibraltar Recreation Ground – Centre of Sporting Excellence	£3,100,000  Full award of funding requested

- 3.7 Further detail on the bid recommended for approval is contained in Appendix 1 – Part C.
- 3.8 If this committee were to approve the five Strategic CIL projects detailed above, this would reduce the amount of unallocated Strategic CIL funding available in the borough to be approximately £1.61m based on funds held on 10 September 2025.
- 3.9 One strategic bid has not been recommended for funding. The reasons are set out in Appendix 1, Part B. The bid in question is as follows:
- Epsom & Ewell Local Cycling and Walking Infrastructure Plan (LCWIP) Delivery

Neighbourhood CIL Bids

- 3.10 The CIL Member Working Group (MWG) has recommended the allocation of Neighbourhood CIL funding to the following six projects:

<b>Bid Reference</b>	<b>Project name</b>	<b>MWG funding recommendation</b>
Neighbourhood project 1	3rd Epsom Scouts Community Building	£50,000 Full award of funding requested
Neighbourhood project 2	Cattle Arch/Under-Rail Tunnel	Up to £32,000 Partial award of funding requested
Neighbourhood project 3	Wheels for Epsom	£10,000 Full award of funding requested
Neighbourhood project 4	Horton Country Park Path Restoration	£85,000 Full award of funding requested
Neighbourhood project 5	The Library of Things	£4,800 Full award of funding requested (conditional)
Neighbourhood project 6	Linden Bridge School – Road Safety Outside School Scheme	Up to £55,000 Partial award of funding requested

- 3.11 Further detail on the neighbourhood bids recommended to be funded by the CIL MWG is contained in Appendix 1 – Part A.
- 3.12 If this committee were to approve the 6 Neighbourhood CIL projects detailed above, this would reduce the amount of unallocated Neighbourhood CIL funding available in the borough to £901,200 based on funds held on 10 September 2025.
- 3.13 A total of 1 neighbourhood bid has not been recommended for funding this year by the CIL MWG. The reasons are set out in Appendix 1, Part B.
- 3.14 A total of 2 neighbourhood bids have not passed Stage 1 and have not been brought forward to Stage 2 for this funding year. The reasons are set out in Appendix 1, Part B.

#### **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 CIL is intended to support the strategic infrastructure that is required to support the development of the local area and spend must be in accordance with our Spending Protocol.
- 5.2 The Council was in receipt of £6.086m unallocated Strategic CIL and £1.138m Neighbourhood CIL (as of the 10 September 2025) which are available to fund CIL bids.

- 5.3 If approved, the remaining balance of unallocated Strategic CIL would reduce to approximately £1.61m and the balance of Neighbourhood CIL would reduce to approximately £901,200. For clarification, whilst there is provision for the charging authority (i.e. EEBC) to reclaim unspent monies from a 'local council' (e.g. a Parish Council where one exists), the legislation does not give developers the right to reclaim CIL from EEBC as charging authority.
- 5.4 For strategic CIL, in line with the CIL Spending Protocol, no funds will be released in advance of the project being delivered; rather they will be released upon completion of the project or on a staged basis agreed at the point of allocation.
- 5.5 It is expected that projects will be delivered to the agreed timescale, and project leads are expected to make regular reports on progress, including notifying the CIL team of any expected delays to delivery as set out in the spending agreement. Where a project will not be delivered, the agreed funds will be returned to the Strategic CIL fund for re-allocation.
- 5.6 For neighbourhood CIL in line with the CIL Spending Protocol, in approving CIL Neighbourhood Portion bids, the Council is supporting the project financially only and is not committing to providing or supporting the delivery of the project. Bidders take on the responsibility of delivering the project. This includes bids by Epsom and Ewell Borough Councillors.
- 5.7 Following allocation of the funds, project leads are required to give 3 monthly update reports on their projects to the CIL Team. The Council expects projects with agreed CIL funding to be delivered within one year of funding being agreed, with extensions possible in advance agreement with the Council. This is to allow for unexpected slippages in project delivery. If the project is not completed within three years, the Council will return the promised funds back to the Neighbourhood CIL fund for reallocation.
- 5.8 **Section 151 Officer's comments:** CIL remains a vital tool for delivering council priorities. However, in the current financial climate it is imperative that bids are scrutinised rigorously to ensure they represent sound investment and are deliverable within the constraints of our financial strategy.

## 6 Legal Implications

- 6.1 The collection and spending of CIL is governed by The Community Infrastructure Levy Regulations 2010 as amended ("the CIL Regulations"). Part 7 of The Community Infrastructure Levy sets out how CIL may be applied and in particular Regulation 59(1) places a duty on the Council to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.

6.2 The Councils CIL Spending Protocol seeks to ensure consistent, equitable and transparent application of the money collected with a clear CIL governance structure to oversee the spending of CIL monies so as to ensure CIL serves its statutory purpose.

6.3 **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:

- One of the Strategic CIL funding projects (Gibraltar Recreation Ground – Centre of Sporting Excellence) is a priority in the Council Strategic Priorities 2025-2027.

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

7.3 **Climate & Environmental Impact of recommendations:** None

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

7.5 **Partnerships:** The projects to be funded support a wide range of external partners, including Surrey County Council, to enable the delivery of improved infrastructure in the borough.

7.6 **Local Government Reorganisation Implications:** None

## 8 Background papers

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

Other papers:

- Epsom and Ewell CIL Spending Protocol (March 2025) -accessible from the following link:

<https://www.epsom-ewell.gov.uk/sites/default/files/documents/residents/planning/community-infrastructure-levy-cil/community-infrastructure-levy-fund/Community%20Infrastructure%20Levy%20CIL%20Spending%20Protocol%20-%20March%202025.pdf>

- Epsom and Ewell Infrastructure Delivery Plan (November 2024) – accessible from the following link:

<https://www.epsom-ewell.gov.uk/sites/default/files/documents/residents/planning/community-infrastructure-levy-cil/community-infrastructure-levy-fund/Community%20Infrastructure%20Levy%20CIL%20Spending%20Protocol%20-%20March%202025.pdf>

- Membership of the Epsom and Ewell CIL Member working group for 2025 is accessible from the following link:

<https://democracy.epsom-ewell.gov.uk/mgAi.aspx?ID=11605>

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## Appendix 1 – Part A Bids Recommended for Funding

Please note as part of the assessment process all bids were reviewed against the criteria set out in the [CIL Spending Protocol](#)

Projects put forward for funding from Epsom and Ewell's Community Infrastructure Levy (CIL) 'Strategic Portion'

Project No	Project Name and Description	Amount of CIL Funding Requested	Amount of CIL Funding Recommended by the CIL MWG	CIL MWG Stage 2 Scoring
1	<b>Ash Dieback Essential Safety Works and Treescape Restoration</b> The project will provide safe and accessible public open spaces tackling peak Ash Dieback Disease in EEBC maintained public open spaces to avoid the heightened health and safety risk caused by increased visitor numbers due to new development. New tree planting to create more resilient public green infrastructure.	<b>£598,794.00</b>	Partial Award of funding - Up to £200k for 2 years urgent works	Overall Score 6 <ul style="list-style-type: none"> <li>best value score 1</li> </ul>
2	<b>ANPR Surrey Police</b> The project is for ANPR infrastructure delivery in Epsom & Ewell Borough, crime within the county is carried out by the travelling criminal targeting areas using the arterial routes through the county. Funding is requested for the additional installation of ANPR cameras around the county.	<b>£72,000.00</b>	Partial Award of funding - Up to 50% subject to PCC funding	Overall Criteria Score 8 <ul style="list-style-type: none"> <li>best value score 3</li> </ul>
3	<b>B284 Ruxley Lane, West Ewell, Epsom - Road Safety Scheme</b> The project is for three full width road tables at the existing signalised crossings in B284 Ruxley Lane, near the junctions of Gatley Avenue, Cox Lane and Merchant Close.	<b>£300,000.00</b>	Partial Award of funding - Up to 25%	Overall Criteria Score 8 <ul style="list-style-type: none"> <li>best value score 2</li> </ul>
5	<b>Parks recreation and play for young people and families</b>	<b>£1,060,053.00</b>	<b>Awarded in full - £1,060,053.00</b>	Overall Criteria Score 8 <ul style="list-style-type: none"> <li>best value score 2</li> </ul>

	The project is for the upgrade of playgrounds and recreation grounds in Epsom & Ewell.			
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Projects put forward for funding from Epsom and Ewell's Community Infrastructure Levy (CIL) 'Neighbourhood Portion'

Project No	Project Name and Description	Amount of CIL Funding Requested	Amount of CIL Funding Recommended by the CIL MWG	Stage 2 CIL MWG Scoring - Best value score (out of 3)
1	<b>3rd Epsom Scouts Community Building</b> The project proposes to renovate and rebuild an old, partly derelict building on 3rd Epsom Scout Group's site known as the Forge. This will provide modern, accessible facilities that can be used by community groups in the borough at an affordable rate, while allowing 3rd Epsom to increase the number of places we can offer to young people to take part in Scouting activities.	<b>£50,000</b>	Awarded in full - £50,000	Overall Score 8 <ul style="list-style-type: none"> <li>best value score 2</li> </ul>
2	<b>Cattle Arch/Under-Rail Tunnel</b> This project proposes the installation of permanent, energy-efficient lighting in the pedestrian tunnel at Dewsbury Gardens, Worcester Park. The tunnel is currently unlit, creating a safety concern for residents, particularly during evening hours. The lack of lighting has also contributed to antisocial behaviour and vandalism. The proposed lighting will improve visibility, enhance public safety, and encourage greater use of the space by the community	<b>£40,000</b>	Partial and conditional award of funding – up to £32,000 (80% of the project cost) subject to: a) SCC confirming approval of project and verification of the cost of the works. b) alternate funding being secured to cover at least 20% of the total project cost	Overall Score 5 <ul style="list-style-type: none"> <li>best value score 2</li> </ul>
3	<b>Wheels for Epsom</b> The project is for a new and improved container, larger and insulated to protect bikes. Wheels for All	<b>£10,000</b>	Awarded in full - £10,000	Overall Score 6 <ul style="list-style-type: none"> <li>best value score 3</li> </ul>

	embraces disabled people and people who would otherwise not be able to cycle, through providing fun and friendly activities.			
7	<b>Horton Country Park Path Restoration</b> The project is a continuation of work begun in 2018 to restore over a ten year period the worn out surfaces of the network of signed paths and bridleways in Horton Country Park. Restoration and improvement of the multi-used paths both in material, design and increased width, is required to ensure they are safe to use by pedestrians, cyclists and horse riders. If the project can continue, then one of the key proposals in the Horton Country Park Local Nature Reserve Management Plan can be met. Any slippage in the restoration project, apart from the obvious detriment to the Park, would in all likelihood result in increased cost whenever or if the project could be recommenced.	<b>£85,000</b>	Awarded in full - £85,000	Overall Score 5 <ul style="list-style-type: none"> <li>best value score 3</li> </ul>
8	<b>The Library of Things</b> Our project will install a permanent, secure storage shed at a suitable community site in Epsom & Ewell to enable the launch and long-term operation of a new community service: the Library of Things. A Library of Things is a sharing initiative where local residents can borrow useful household items (such as tools, gardening equipment, party items, kitchen appliances, DIY gear) for free. This reduces unnecessary consumption, cuts waste, saves residents money, and fosters community connections.	<b>£4,800</b>	Conditional award of funding in full - £4,800 - subject to all necessary permissions being in place to deliver project	Overall Score 6 <ul style="list-style-type: none"> <li>best value score 3</li> </ul>
9	<b>Linden Bridge School – Road Safety Outside School Scheme</b> The project proposes to implement a scheme to improve pedestrian accessibility and safety for children	<b>£80,000</b>	Partial award of funding – up to £55,000 approved (50% of total project cost)	Overall Score 7 <ul style="list-style-type: none"> <li>best value score 2</li> </ul>

	and families crossing Grafton Road to access Linden Bridge School and measures to reduce congestion, speed and aid smoother traffic movement on Grafton Road.			
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## Appendix 1 – Part B Bids not recommended to be funded

The following bids did not pass Stage 1 and were therefore not progressed to Stage 2.

Project No	Type	Project Name and Description	Location	Amount of CIL Funding Requested	Reason for Non-Progression to Stage 2
4	Neighbourhood	<b>West Ewell Allotments Perimeter Fence</b> A project to replace the existing perimeter fence around the allotment site necessitated by the existing wire fence no longer being fit for purpose. Over an extended period of time the existing wire fence has deteriorated and been extensively vandalised.		<b>£35,760</b>	The project failed to address the effects of new development or support development of the area.  The project was for replacement fencing and therefore pure maintenance.
6	Neighbourhood	<b>Good Company Café</b> A project to develop an advice cafe in a local venue to reach those who may require support but do not access it. The Good Company Café will provide workshops and community activities aimed at growing skills and capabilities. It will run as a social enterprise,		<b>£65,000</b>	The project failed to address the effects of new development or support development of the area. The project failed to demonstrate the benefit would last beyond the short term (3 years). Stage 1 shortlisting requires a bid to be for fixed infrastructure the funding applied for

		contributing to people being able to live 'good' lives and not being held back by their economic background or circumstances			is funds for rent, renovation and equipment/resources. The funding sought must be for project delivery, rent, renovation and resources all fall under project development and therefore fail Stage 1 shortlisting.
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The following bids did pass Stage 1 and assessed at Stage 2 by the CIL MWG, however, the projects were not put forward for funding

Project No	Type	Project Name and Description	Amount of CIL Funding Requested	Stage 2 CIL MWG Scoring - Best value score (out of 3) and Recommendation
4	Strategic	<b>Epsom &amp; Ewell Local Cycling and Walking Infrastructure Plan (LCWIP) Delivery</b> The LCWIP is a long term (10+) year plan for investing in and enhancing walking and cycling infrastructure across the borough. It comprises of a series of walking and cycling (active travel) improvements, within Epsom & Ewell which have been identified as priority corridors and zones	£1 million	Overall Criteria Score 8 <ul style="list-style-type: none"> <li>best value score 2</li> </ul> <p>The project was not put forward for funding, the MWG agreed not to fund the LCWIP project in this year's bidding cycle as the location and feasibility were not yet determined.</p>
5	Neighbourhood	<b>Ewell Grove Primary and Nursery School - Outdoor Learning Area Enhancement Project</b> The project aims to transform and enhance the outdoor space at Ewell Grove to support enriched learning opportunities, promote student wellbeing, and foster a deeper connection with nature for pupils across the whole school. The upgraded area will include new benches, decorative planters, raised beds, and a dedicated mud kitchen, creating a dynamic, multi-purpose environment for play,	<b>£6089.26</b>	Overall Criteria Score 4 <ul style="list-style-type: none"> <li>best value score 1</li> </ul> <p>The project was not put forward for funding, the MWG agreed not to fund as the project would not be accessible to the whole community.</p>

		exploration, and hands-on curriculum activities.		
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## Appendix 1 – Part C Strategic CIL Interim Allocation of CIL Funding

The following bid is considered expedient and deemed necessary outside of the standard CIL bidding round

Project No	Type	Project Name and Description	Amount of CIL Funding Requested	Stage 2 CIL MWG Scoring - Best value score (out of 3) and Recommendation
1	Strategic	<p><b>Gibraltar Recreation Ground – Centre of Sporting Excellence</b></p> <p>Redevelopment of Gibraltar Recreation Ground into a multi-sport community hub, addressing Local Plan deficits in football, cricket and court sports, whilst introducing new activities such as padel, pickleball and Teqball.</p> <p>The proposal includes pavilion extension, new and refurbished pitches, floodlit courts, cricket nets, solar panels, CCTV and improved access. The proposal will transform Gibraltar Recreation Ground into a centre of Sporting Excellence, tackling long-identified shortfalls in borough-wide sports provision. It will provide modern, inclusive facilities for schools, clubs, families and casual users, while securing a sustainable, long-term community infrastructure asset.</p>	£3.1m	<p>Overall Criteria Score 8</p> <ul style="list-style-type: none"> <li>best value score 2</li> </ul>

## CHARITABLE TRUSTS

<b>Head of Service:</b>	Andrew Bircher, Assistant Director of Corporate Services
<b>Report Author</b>	Andrew Bircher
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/a
<b>Appendices (attached):</b>	None

### Summary

To consider the future operation of the Chuter Ede Trust Funds and the Elizabeth Welchman Trust Fund

### Recommendation (s)

#### The Committee is asked to:

- (1) Support investigation into the transfer of the assets of the Chuter Ede Trust Funds to the Epsom and Ewell Community Fund.
- (2) Authorise the closure of the charity trust funds with the Charity Commission, if the Charity Commission approve the transfer
- (3) Authorise spending the remaining balance of the Elizabeth Welchman fund and thereafter Authorise the closure of the charity trust fund.
- (4) Nominate and authorise the Assistant Director of Corporate Services, in consultation with the Director of Corporate Services and Head of Legal Services to take all necessary steps to bring into effect the recommendations resolved by this Committee.

### 1 Reason for Recommendation

- 1.1 To secure ongoing management of the Chuter Ede funds, in accordance with the wills, after Epsom and Ewell Borough Council has ceased to exist.
- 1.2 Close down the Elizabeth Welchman Fund for administrative reasons

## 2 The Chuter Ede Trusts

- 2.1 Under their respective wills James Chute Ede and his wife Lillian Mary Stephens Ede set up trust funds together known as the James and Lillian Chuter Ede Trust. The trusts are registered with the Charity Commission.
- 2.2 The Council is the trustee for the trusts. The James trust has approx. £18k in value and the Lillian trust has £10k. The money is invested with the council's other funds and earns interest.
- 2.3 There is a great deal of discretion for the trustee to act within the narrow objective of the trusts. The key part of the will is as follows (this is an extract from James' will):
  - 2.3.1 "The trustees shall hold the trust fund to apply the income thereof from time to time in such a manner as they shall in their discretion think fit in or towards assisting persons ordinarily resident in the Borough of Epsom and Ewell ...who are for the time being resident students at a residential university in the United Kingdom, or who are about to become such students and who have not obtained or qualified for the degree of Master of Arts or an equivalent degree of any university to obtain the full benefits of residence at such university and so that the selection of persons to receive assistance from among those qualified therefor hereunder shall be in the absolute discretion of the Trustees"
- 2.4 In the case of Lillian's will the provisions are the same except that it relates only to "girls or women" ordinarily resident in the Borough.
- 2.5 What was noble ambition when the trust was set up, is of less relevance now given the large number of people who attend university and the various funding and support arrangements for attending (student loans). Also, as the restriction on the use of the funds is only to spend the interest, in reality the sums generated (say interest on the capital sum of £28k at 3.5% is £980) do not go far to support a number of students in attending university. Recent applications have been limited to a max of £250 and scaled back depending on how many apply. Add to that the capital sum, without interest being applied is reducing in real terms value.
- 2.6 We would like to explore changing the terms of the trust to allow the money to be spent with fewer restrictions and also on a more diverse range of issues, whilst still supporting the overall ambition to support those residents of the borough who wish to study. There could be many different ways of doing that.
- 2.7 However, to depart from the specifications of the will, is a matter that will need to be investigated and discussed with the Charity Commission.



- 2.8 If successful in getting approval to change the terms of the trust, we would also like to consider merging the funds with the Epsom and Ewell Community Fund, so that together there may be greater scope to meaningfully support people. The Epsom and Ewell Community Fund is part of the extensive family of similar Area Funds under the umbrella of the Community Foundation for Surrey, and has scope within its terms of reference to support young people from the borough, through education or other ways, to ensure that the spirit of the Chuter Ede funds could still be delivered.

### **3 The Elizabeth Welchman Trust**

- 3.1 The trust was set up to provide funding and resources for the maintenances of the Elizabeth Welchman gardens, in Epsom
- 3.2 The trust currently only has £1,649 in the balance. It is proposed that this money is spend on a project as advised by the countryside team (bench, planting, signage, bins etc).
- 3.3 Once the money has been spent the trust will be closed with the Charity Commission.

### **4 Risk Assessment**

Legal or other duties

- 4.1 Equality Impact Assessment
- 4.1.1 There are no direct implications from this report
- 4.2 Crime & Disorder
- 4.2.1 There are no direct implications from this report
- 4.3 Safeguarding
- 4.3.1 There are no direct implications from this report
- 4.4 Dependencies
- 4.4.1 none
- 4.5 Other
- 4.5.1 none

### **5 Financial Implications**

- 5.1 Transferring the funds will create a small time saving for finance staff as the financial administrative tasks relating to the funds will no longer be required.

- 5.2 **Section 151 Officer's comments:** The proposals represent a prudent approach to managing legacy charitable funds. They will not result in any additional financial burden to the Council and may improve the effectiveness of the funds in serving the community.
- 5.3 Any changes to trust purposes will be subject to appropriate legal and regulatory processes, including engagement with the Charity Commission.

## 6 Legal Implications

- 6.1 **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:
- None
- 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
- 7.6 **Local Government Reorganisation Implications:** There is an element of tidying our legacy trusts so that the new unitary will not have to deal with them

## 8 Background papers

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

**Previous reports:**

- none

**Other papers:**

- none

## GOVERNMENT CONSULTATIONS

<b>Head of Service:</b>	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer), Victoria Potts, Director of Environment, Housing and Regeneration
<b>Report Author</b>	Andrew Bircher
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 – Consultation response: LGR for Surrey Appendix 2 – Consultation response: Fair Funding Review 2.0

### Summary

To report to committee details of two government consultations responded to since the last committee meeting.

### Recommendation (s)

**The Committee is asked to:**

**(1) Note the consultation responses**

#### 1 Reason for Recommendation

- 1.1 The consultations have already been submitted and cannot be amended further. The consultations reports are provided for information only.

#### 2 Background

- 2.1 Two government consultations were submitted by the council. The first was a government consultation on LGR for Surrey – attached as Appendix 1 - and the other was on the proposed Fair Funding Review 2.0 – attached as Appendix 2.

- 2.2 Both consultations have been published on Members news
- 2.3 As set out in the Constitution any responses to consultations that have been submitted outside of a committee approval process should be reported to the next meeting of the relevant committee.

### **3 Risk Assessment**

Legal or other duties

#### **3.1 Equality Impact Assessment**

- 3.1.1 There are no direct consequences as a result of 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

#### **3.5 Other**

- 3.5.1 none

### **4 Financial Implications**

Fair Funding Review 2.0 outlines the proposals for a new funding formula to be used in determining the Local Government Finance Settlement (LGFS) for 2026/27.

The report includes a general assessment of the changes and the response to the 46 consultation questions, as detailed in Appendix 2.

#### **Section 151 Officer's comments:**

- 4.1 The report examines the key elements of the consultation and assesses the potential implications for Epsom and Ewell Borough Council (EEBC), based on the limited information currently available.

It is important to note that the final impact of these proposals will not be confirmed until the LGFS is published in December 2025.

## 5 Legal Implications

- 5.1 **Legal Officer's comments:** In accordance with Delegation CG2 as set out within Appendix 2.1 of the Council's constitution, the Chief Executive, Directors and Heads of Service have "Authority to Respond on behalf of the Council to all Consultations from Central Government, Surrey County Council and any professional body, after consultation with the Chair of any relevant Committee. A report will be brought to the next listed committee meeting sharing the response".

## 6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Budget setting and LGR are part of the council's priorities
- 6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** No issues arose from the consultations
- 6.4 **Sustainability Policy & Community Safety Implications:** None
- 6.5 **Partnerships:** None
- 6.6 **Local Government Reorganisation Implications:** One consultation was about LGR

## 7 Background papers

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

**Previous reports:**

- none

**Other papers:**

- Published on members' news

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**Epsom & Ewell Borough Council response to Government's Surrey LGR consultation**

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### Response on the two unitary proposal

**1) Does the proposal suggest sensible economic areas and geographies which will achieve a single tier of local government for the whole of Surrey?** Please explain your answer, including any comments on whether this proposal suggests sensible economic areas (for example reflect economic geography/travel to work areas/functioning economies) for councils with an appropriate tax base that does not create an undue advantage or disadvantage for one part of the area, and a sensible geography that will help to increase housing supply and meet local needs?

No.

The two unitary proposal does not suggest sensible economic areas and /or geographies.

**Economic and travel to work areas:** The proposal makes no mention of the local functional economic geographies that have long been recognised as existing across the area, and the proposed two unitary geography does not reflect these.

For example, it does not acknowledge or reflect the well-established Gatwick Diamond economic area, which is a key sub-regional geography including Epsom & Ewell, Reigate & Banstead, Tandridge, and Mole Valley authorities - but does not extend to Elmbridge. This geography has been recognised in regional, sub-regional and local economic development strategies since the early 2000s and in local planning documents; and the area has a well-established business identity.

The proposal does not provide any evidence or consideration of local travel to work areas – and the proposed geography of the two unitaries does not align with these either. Travel to work area information from the ONS shows that towns in Elmbridge fall into different travel to work areas from the rest of East Surrey.

Conversely, the three unitary proposal demonstrates how evidence of both functional economic areas and travel to work areas has informed the proposed unitary groupings.

**Housing supply and meeting local housing needs:** The scale and geography of the proposed two unitaries also does not reflect the diversity of local places and communities across the county and its multiple centres.

The two unitary proposal asserts that larger councils will be better positioned to identify housing sites and overcome delivery challenges but provides no evidence to back this assertion up.

It makes no reference to relevant evidence about housing supply and local need, failing to recognise the complexity of local housing market areas, land availability, constraints, and housing affordability issues. Instead, it suggests that land area and population /housing density are the key determinants when it comes to housing delivery, and that achieving an equitable split of these across the two unitary is a sufficient basis for good planning. In doing so it fails to demonstrate an understanding of the importance of place-based spatial planning that reflects on-the-ground realities (and which is a key tenet in national planning policy).



**Appropriate tax base:** Council tax harmonisation calculations were agreed collectively across the 12 Surrey authorities and demonstrate little variation in maximum percentage increase under either a three or two unitary scenario (6.96% vs 6.84% respectively). The two unitary proposal does not acknowledge this evidence, which shows that it does not provide a substantively more advantageous solution than the three unitary proposal.

Suggesting (as the two unitary proposal does) that a satisfactory outcome of unitarisation should be achieving the most 'numerically similar' council tax base and business rates income is further demonstration of the lack of understanding of the Government's aspirations for a stronger place-based approach within local government.

Conclusion: The two unitary proposal does not explain or evidence how the proposed new council geographies are in any way reflective of 'functional' areas. Instead of proposing geographies grounded in evidence of how local areas in Surrey function, the two unitary proposal has been predicated on achieving a 500,000-population threshold along with 'similar levels of variation' or 'an equitable split' across a numerical metrics such as population density, economic (in)activity, and percentage land use coverage.

The logic for this methodology is not clear, given that new authorities will have the autonomy to determine how local services are provided and funded to best meet local needs. We believe this methodology misinterprets what the Government is seeking to achieve through local government reorganisation. 'Similar levels of variation' (with no consideration of local sectoral strengths, labour market characteristics or other locational advantages) is not a sound basis for place-based local government that is able to effectively support economic growth and housing delivery.

**2) Will the local government structures being put forward, if implemented, achieve the outcomes described? Please explain your answer, including any specific comments on the evidence and analysis to support the proposals.**

No.

While a vision is included in the two unitary proposal, the two unitary solution does not provide the only means for meeting this vision.

The vision is described as 'Strengthen / Save / Simplify' with a number of priorities under each category.

The vast majority of these would or (or could) be equally delivered under a two or three unitary scenario. There are several which we consider could actually *be better achieved* under a three unitary model, and only two (out of 19) which would likely be better achieved under a two unitary model.

Many of the stated priorities are dependent on how detailed transition planning, and then implementation, is undertaken and managed. This includes all of the following:

- Safe and legal services from day one
- Clear strategic priorities
- Resilience to financial shocks
- Insight and intelligence
- Better protection and support for vulnerable children and young people (due to bringing together upper and lower tier services)
- Economies of scale in commissioning
- Maximising use of available income and funding

- Creating commercial opportunities
- Shared IT and digital services
- Prioritising the most efficient and effective delivery models
- Leveraging the Surrey Pension Fund to stimulate growth
- Clearer responsibilities (from removal of two-tier structures)
- Maintaining a clear digital and physical presence
- Joined up processes
- Operating as a single public service system

We have not seen any convincing evidence in the two unitary proposal as to why the above things could only be delivered by a two unitary solution with the boundaries as proposed and could not be delivered by a three unitary solution.

In addition, we believe the following priorities from the two unitary submission would actually be better delivered under a three unitary scenario. These are:

- Better resident experience (due to councils only having one local council)
- Strong local democracy

As noted elsewhere in our consultation response (questions 6 and 8), there is no evidence in the two unitary proposal it has taken account of local residents' views or has tried to address local concerns; nor that the limited community engagement mechanisms proposed would improve the resident experience or local democracy - particularly as the two unitaries would be operating across larger areas with fewer councillors per ward than proposed in the three unitary proposal.

We have identified only two priorities from the two unitary proposal that may be more achievable in the shorter term under a two unitary scenario, which are:

- Leaner workforce – due to only requiring two sets of senior managers rather than three; and
- Savings in property and assets – due to only requiring two council 'headquarters' buildings rather than three.

However, even for these objectives, the benefits of a two unitary solution rather than a three unitary solution are limited in scope. This is due to – firstly – increasing levels of local need and population limiting the extent to which workforce reduction can be achieved without impacting on service quality. And – secondly – the need to retain most existing operational hubs across the area to ensure the continued effective and efficient delivery of local services.

**3) Is the councils' proposal for unitary local government of the right size to achieve efficiencies, improve capacity and withstand financial shocks and is this supported by a rationale for the population size proposed?** Please explain your answer, including any specific comments on the efficiencies identified to help improve the councils' finances, how it will manage transition costs and any future service transformation opportunities identified.

No.

The two unitary proposal assumes that larger authorities are more effective and efficient than smaller ones. However, it has been widely reported – based on evidence from existing unitary authorities — that there is no correlation between population size and the performance or financial sustainability of unitary councils. In fact, on balance, the optimal

size appears to be somewhere between 350,000 and 500,000, which is smaller than the authorities provided in the two unitary proposal and more akin to those within the three unitary proposal.

It is also clear from recent local government reorganisation that has taken place that indicative financial modelling at the business case stage is not a guarantee of long-term council financial sustainability (with, for example, both Somerset and Cumberland Councils requesting Exceptional Financial Support, and considerable debt challenges in Cornwall). Savings are relatively marginal compared to overall expenditure and only realised over extended timeframes. We therefore urge the Government to treat the financial modelling within the two-unitary submission with caution.

**Efficiencies and transition costs:** We agree that there some areas where a two unitary model can offer greater initial financial savings – for example through requiring only two rather than three council headquarters, and two rather than three senior management teams. However, we question the assumptions in the two unitary proposal's financial modelling both in relation to the costs and efficiencies associated with three unitaries compared to two.

For example, when it comes to senior staff structures, the two unitary mid-point scenario makes no allowance for the smaller size of the authorities and assumes that the upper tier authority senior staffing structure would be replicated fully – whereas in reality this would not be needed. This assumption therefore underplays the efficiencies that a three unitary scenario could deliver.

When it comes to disaggregation assumptions, the two unitary proposal assumes considerable duplication of current upper tier staff at the management levels below senior staff. This fails to recognise that the existing sub-area / quadrant delivery model means that the majority of this management structure is already in place. This double counting therefore misleadingly inflates the financial impact of disaggregation for a three unitary solution in the two unitary proposal (this notwithstanding our views that full disaggregation at Day 1 is not the most appropriate delivery approach).

Overall, this means that the two unitary proposal has over-estimated when it comes to the financial differences between having two or three unitary authorities.

**Transformation opportunities:** When it comes to transformation, we do not disagree with the transformation opportunities identified in the two unitary submission. We also appreciate that decisions about transformation and public service reform will be for the new Councils.

However, the approach to transformation in the two unitary proposal appears predicated on 'business as usual' county county-style service delivery models rather than reflecting the opportunity for genuine service reform that local government reorganisation offers, and which can improve service delivery and unlock capacity as the Government's White Paper envisages. For example, it fails to explore the introduction of partnership and place based models of adult social care and children's services delivery that would maximise benefits from both bringing together upper tier and lower tier services and only provides a weak and informal mechanism for better integration with health and other public services (see also our answer to question 5).

It is these and other such opportunities that will genuinely deliver long term efficiencies and capacity improvements, and secure long term financial sustainability in the face of rising demand - and which the two unitary proposal fails to properly consider.

**4) As an area covering councils in Best Value intervention and in receipt of Exceptional Financial Support, do you agree the proposal will put local government in the area as a whole on a firmer footing?** As of 17 June 2025, councils in Surrey in Best Value intervention are Spelthorne Borough Council and Woking Borough Council. As of 17 June 2025, the council in Surrey in receipt of Exceptional Financial Support in 2025/26 is Woking Borough Council.

Please explain your answer, including any specific comments on the area-specific arrangements necessary to make new structures viable.

Yes.

Epsom & Ewell Borough Council has a low level of serviceable debt; and we strongly believe that our Council (and our residents) should not be expected to contribute to the resolution of the debt problems of other local authorities in Surrey that are geographically distant from us (for example through the sale of assets or use of reserves).

At Epsom & Ewell, we are aligned with all other councils in Surrey in the view that the Government must write off the unserviceable debt that exists as part of local government reorganisation in Surrey, and that this is the only reliable route to ensuring that new unitary authorities are financially sustainable from the outset.

As such we welcome recognition in the Ministerial letter of 17 June that the majority of Woking's debt cannot be managed locally, that the Government is committed to addressing that debt to ensure new councils are sustainable in the long term, and the ongoing discussions that are taking place on this issue.

Subject to this issue being resolved, we believe that – when it comes to purely financial considerations – either a two or three unitary model in Surrey can result in local government in Surrey being on a relatively firm footing.

**Avoiding overreliance on early financial modelling:** It is our view that - at this stage in the local government reorganisation process - there is considerable uncertainty about both the financial modelling that has been undertaken to date, and the future fiscal environment within which the new authorities will be operating.

We are aware that experience elsewhere in the country has demonstrated that early modelling of the financial impacts of unitarisation is inherently uncertain and is not a guarantee of long term council financial sustainability (for example, Somerset Council which although only established in 2023 has already needed to seek Exceptional Financial Support from Government).

That is why, fundamentally, we do not believe that LGR should be led by financial considerations alone. It is why Epsom & Ewell Borough Council supports the three unitary proposal, which takes a more holistic view across *all* the Government's identified LGR criteria, and not the two unitary proposal, whose development has been driven by a focus on short term financial savings and hitting a widely questioned population target.

**5) Will the proposal prioritise the delivery of high quality and sustainable public services to citizens, improve local government and service delivery, avoid unnecessary fragmentation of services and lead to better value for money in the delivery of these services?** Please explain your answer, including any comments on the public service reform opportunities within the proposal, including social care, children's services, SEND and homelessness, and wider public services, including public safety.

No.

The two unitary proposal has prioritised meeting the indicative (and widely questioned) 500,000 population target over the delivery of sustainable public services or improvements to local government service delivery models.

While it does recognise that benefits can be realised from bringing upper and lower tier services together, it does not fully explore the scale of opportunity for reform and innovation that local government reorganisation presents - rather being predicated on a 'business as usual' county council-style service delivery approach.

**Delivery of 'high risk' local government services such as adult social care, children's services, SEND and homelessness:**

Disaggregation: The two unitary submission proposes a disaggregated service delivery model for high-risk services currently carried out by Surrey County Council.

It recognises that this will come with some significant potential risks however dismisses options for models such as shared services with limited explanation of why, despite encouragement from Government to properly consider such models.

With the increasing demand for SEND, adult social care and children's services, it is acknowledged - across the sector and beyond - that reform is needed. The two unitary proposal seemingly rejects this, instead preferring a disaggregated 'business as usual' county council-style service delivery model. This is in contrast to the three unitary proposal which recognises the need for a cautious and phased approach to providing high risk services by limiting disaggregation during the transition period, but also the benefits that different service delivery models – and a focus on place-based working and prevention - can bring to meet the challenges ahead.

Scale: The two unitary proposal argues that the delivery of high-risk services will be compromised in unitary authorities of 300,000-500,000 population compared to its proposed unitaries of 550,000-670,000 population. This is not supported by evidence from across the country that shows no clear link between scale and the quality, effectiveness, or efficiency of service delivery.

Rather, the drivers of quality service provision are multiple and complex. In a world of increasing demand, more important than scale is the ability to deliver high risk services hand in hand with prevention activity, working across genuinely place-based geographies.

In practice, Surrey County Council's Adult and Children's social care services are already delivered over 5 and 4 sub-areas, respectively. Delivery of these services on a local basis, with overarching coordination, is therefore proven to work. These existing sub-areas are much more akin to the geographies proposed in the three unitary proposal than those in the two unitary proposal; undermining the suggestion that a three unitary geography is 'too small.'

Similarly, homelessness services (currently provided by district and borough councils) benefit from local community and place-based collaboration – a model that is already proven to work in East Surrey on the three unitary geography. The two unitary proposal recognises some of the benefits of bringing together upper and lower tier services when it comes to housing and homelessness, but not the benefits of delivery using a local place-based geography.

**Wider public service sustainability:** The two unitary proposal does not explain with any clarity how it will contribute to wider public service reform and sustainability; nor why it provides a more appropriate geography than the three unitary proposal in this regard.

Working across smaller geographies (more aligned with the three unitary proposal) already takes place in Surrey (for example with three police divisions, and – in the health sector - the Integrated Care System having four place-based partnerships). It is misleading of the authorities supporting the two unitary proposal to suggest that the three unitary proposal does not align with health and police delivery footprints but that the two unitary proposal does.

Although the English Devolution White Paper acknowledges the benefits of place-based public service provision; and this is backed up by recent publications from the Local Government Association and the District Council's Network, in the two unitary proposal, the geographies proposed do not reflect the scale of these established working arrangements nor local place identities (see also our response to questions 1 and 6).

And while Community Boards are identified as the means to engage with partner organisations, no information is provided about how genuine cross-public sector neighbourhood working or outcomes will be achieved.

We therefore consider that the two unitary proposal misses the opportunity to use place-based working to achieve genuine public service reform and improvement – particularly through focusing on early intervention and prevention activity. It misses the opportunity to realise the savings to the public purse that this offers).

**6) Has the proposal been informed by local views, and does it consider issues of local identity and cultural and historic importance?** Please explain your answer, including any comments on the local engagement activity undertaken on the proposal and how it is proposed that any local concerns will be addressed.

No.

The Government LGR criteria require “*evidence of local engagement, an explanation of the views that have been put forward and how concerns will be addressed.*” The two unitary proposal includes no evidence that the proposal has been well informed by local views. It includes information about a range of communication and promotion tactics that have been used by Surrey County Council, but only very partial (and – in our view - misleading) information about the views that have been put forward. It also fails to explain how the local concerns that have been expressed will be addressed.

**Local views:** The proposal refers to a resident's panel which 558 residents took part in. Key results from this are not included in the submission, and it has subsequently come to light that the results do not support the proposal: of those who responded 1/3 agreed or strongly agreed with both three and one unitary authorities, compared to 25% for two; and 40% disagreeing with both two and three unitaries).

While there is mention of in-person events, no event was held in Epsom & Ewell, no information is provided about how many events were held, how many people attended or how the proposal has been informed by the views that were collected.

Since so little evidence of local views is included in the submission, it is perhaps unsurprising that there is also no explanation of how any local concerns that were raised will be addressed.

Partner engagement is acknowledged in the submission as having been primarily through the Combined Health and Wellbeing and Integrated Care Partnership Board, with some other engagement – but again it is not clear what views were expressed by most partners or how these have been reflected in the submission. Indeed, misleadingly, the two unitary proposal is presented as having support from Luminis (whose ‘supporting’ letter actually expresses support for two or more unitaries and particularly for authorities on a smaller footprint) and Community Foundation for Surrey (whose letter expresses a preference for a single unitary).

**Local identity and cultural and historic importance:** The two unitary proposal also fails to consider issues of local identity, culture, or historic importance. No evidence of any local evidence about - or engagement on – these issues is provided in the submission.

Neither do issues of local identity, culture or historic importance feature in the options appraisal or the rationale provided for the preferred option.

It is not clear why these important considerations – which are clearly requested via the Government criteria - have been neglected.

**Democratic process:** In terms of the democratic process around agreeing the proposal for submission for Government, we note that (unlike in districts and boroughs across the County) Surrey County Council elected members were only formally presented with the two unitary proposal for consideration, limiting councillors ability to properly consider a range of options to determine which would best reflect local views and provide the best basis for delivery of local government services in the future. Only 36 of 78 county councillors supported that the Cabinet should make a decision on whether the two unitary proposal should be submitted.

This is in stark contrast to Epsom & Ewell, where both proposals were considered, and the three unitary proposal has received cross-party support.

#### 7) Does the councils’ proposal support devolution arrangements? Do you have any comments on the proposed devolution arrangements?

No.

The two unitary proposal envisages a Mayoral Strategic Authority (MSA) for Surrey that would divide Surrey’s economic geography and make strategic planning more difficult

**Oversimplification of Diverse Economic Zones:** Surrey has multiple distinct economic zones (e.g. Gatwick Diamond, Heathrow corridor, Guildford tech cluster). A three unitary, rather than a two unitary model allows each council to focus on the specific economic strengths and needs of its area, enabling more tailored growth strategies.

The East/West split proposed by Surrey County Council groups together areas with very different economic profiles. For example, Elmbridge (London-facing, high-income) is grouped with Tandridge and Mole Valley (more rural, Gatwick-facing). This oversimplification in turn, risks diluting strategic focus and misaligning investment priorities, undermining one of the major objectives behind the creation of Mayoral Strategic Authorities.

**Challenges for Strategic Planning:** A two-unitary model may struggle to coordinate across disparate economic drivers, leading to fragmented planning for:

- Housing and infrastructure
- Transport corridors (e.g. Gatwick vs Heathrow)



- Skills and employment zones

**Limited Detail on MSA Implementation Costs/ Dependency on Government Support:**

The financial modelling does not include costs for establishing the MSA, which could be significant and affect feasibility. The success of the two-unitary MSA model is contingent on both government writing off Woking's stranded debt and receipt of funding for LGR implementation.

**Potential Governance Complexity:** The proposal assumes smooth collaboration between the Mayor and two unitary councils but does not fully explore how conflicting priorities or political differences might be managed. While the two-unitary model enables a Mayoral Strategic Authority (MSA), it may limit the Mayor's ability to tailor strategies to distinct sub-regions.

A three-unitary model could offer more granular input into MSA priorities and better alignment with local delivery.

Whilst the proposal argues that the two unitary model is more efficient and financially sustainable, a three unitary model could:

- Better reflect Surrey's complex economic geography
- Enhance local accountability and service responsiveness
- Support more effective strategic planning under devolution

**8) Will the councils' proposal enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment? Do you have any comments on the proposed approach to community engagement?**

No.

The two unitary proposal is weak when it comes to the proposed approach to community engagement.

By definition, larger unitary authorities will be more distant from the populations they serve than smaller ones. The two unitary proposal further exacerbates this by suggesting (and modelling) only two elected councillors per ward – generating immaterial financial savings at the expense of local democratic accountability. (We also note that at least one of the signatory authorities to the two unitary proposal also has a publicly stated opposition to this).

The two unitary proposal, as submitted, suggests a model of community engagement predicated on Community Boards. Reigate & Banstead have used this approach in the past and concluded that it is not a particularly effective means of local community engagement.

This proposed approach does not align with the Government's previously stated preference for formal Neighbourhood Area Committees (perhaps somewhat diluted in the English Devolution and Community Empowerment Bill). Informal discussion forums, such as the Community Board model proposed, are clearly a useful element in community engagement but limited in their scope and ability to both achieve genuine resident empowerment and accountability in decision-making. There is no evidence provided in the two unitary submission that proper consideration has been given to alternative or additional models that could strengthen the proposal in this regard (for example models such as participatory budgeting, citizen panels and service co-design, which have been considered in the three unitary proposal).



*Note that the above comments relate to the two unitary proposal as submitted. We are aware that subsequently there has been some backtracking by the signatory authorities to the two unitary proposal, with proposed Community Boards being re-named as Neighbourhood Area Committees. In our view, merely changing the name of what is proposed does not resolve the lack of recognition in the official proposal of the importance of - and commitment - to genuine community empowerment.*

### 9) Do you have any other comments with regards to the proposed local government reorganisation in Surrey?

**This consultation response:** Epsom & Ewell Borough Council's response to this consultation has been informed by discussions with stakeholders.

**Rationale for local government reorganisation:** Epsom & Ewell Borough Council is committed to ensuring that our local communities are supported, and residents receive high quality local services.

We recognise the Government's desire to reorganise local government, and support the overall aspirations set out in the English Devolution White Paper. However, we have concerns that replacement of the two tier system with a small number of larger unitary authorities will negatively impact on local democratic accountability and local government's ability to deliver genuinely place-based services – high quality statutory services along with prevention work that benefits our residents (particularly the most vulnerable) and ultimately delivers savings to the public purse.

This concern is not just the Council's concern; our stakeholder and resident engagement exercise echoed these sentiments. Concerns expressed include that larger councils will be more removed from the local community, deliver poorer services and be less accountable.

**Our preference for three unitaries over two unitaries:** Epsom & Ewell Borough Council supports a three unitary solution for local government reorganisation across Surrey.

The three unitary proposal is supported by 75% of the Surrey local authorities (9 out of 12), and reflects the clear preference of local residents, and we urge Government to give due weight to these factors in making its decision.

We do not believe that the two unitary proposal reflects our area's local character or place identity, nor that it has genuinely been informed by a consideration of either local views or robust technical evidence.

While a two unitary solution *may* offer some quicker financial benefits (and even this projection we have some reservations about), it is our view that this would be at the expense of genuinely sustainable, resilient, and effective local authorities in Surrey in the longer term.

We do not subscribe to the suggestion that scale is the most important consideration when it comes to financial efficiency and effectiveness. And we believe that scale should not be the primary consideration when it comes to the delivery of place-based services that support and benefit local residents and enable effective working across the public sector. Only through genuine reform of how local government services are delivered can the challenges of increasing demand and financial sustainability be managed. A 'county council' style service delivery model will not achieve this.

The Council considered both the two and three unitary proposals before resolving - across all political parties - to support the three unitary proposal.

**Partnership working and social care:** We can confirm that Epsom & Ewell Borough Council is committed to working constructively and proactively – in partnership with the county council, districts and boroughs, other public sector bodies and the voluntary and community sector - to develop a successful transition and implementation model for local social care and other high risk services. Our view accords with that in the three unitary proposal that a phased approach to disaggregation is most appropriate to mitigate short term risk; and that in the longer term, the challenges of increasing demand and financial sustainability can only be fully addressed through a holistic, place-based and partnership approach that prioritises early intervention and prevention, alongside collaboration and/or shared services where it makes operational and financial sense to do so.

**Cross boundary considerations:** We support the ambition in the English Devolution White Paper that sensibly drawn local authority and mayoral strategic authority boundaries can be a lever to unlock economic and housing growth, infrastructure investment and innovation across public services.

**Reservations about financial modelling:** We recognise and support that financial considerations are a driver for local government reorganisation.

However, many of the decisions that will have a bearing on both the cost of reorganisation and the savings it can generate will not be taken by existing authorities and will rest with shadow authorities or new unitary authorities which may have very different compositions and priorities to existing councils.

It is also clear from recent local government reorganisation that has taken place that indicative financial modelling at the business case stage is not a guarantee of short term (let alone medium to long term) financial sustainability. Savings are relatively marginal compared to overall expenditure and only realised over extended timeframes. Therefore, we would urge the Government to treat the financial modelling provided at this stage with an appropriate degree of caution.

Similarly, we would have strong reservations if this modelling were to be used as the basis for determining a solution to unsupported debt in the county (see also our response to question 4).

### Response on the three unitary proposal

**1) Does the proposal suggest sensible economic areas and geographies which will achieve a single tier of local government for the whole of Surrey?** Please explain your answer, including any comments on whether this proposal suggests sensible economic areas (for example reflect economic geography/travel to work areas/functioning economies) for councils with an appropriate tax base that does not create an undue advantage or disadvantage for one part of the area, and a sensible geography that will help to increase housing supply and meet local needs?

Yes.

The proposal makes a strong and sensible case for creating three new councils in Surrey – East Surrey, North Surrey, and West Surrey. These areas are based on how people actually live, work, travel and do business in Surrey. They reflect real communities and local economies, not just lines on a map.

**Economic and travel to work areas:** Each of the three areas has its own identity and economic links:

- East Surrey includes places like Reigate, Epsom, and Dorking. It has strong links to London and Gatwick Airport, and many people travel within this area for work and services.
- North Surrey includes towns like Walton, Staines, and Egham. It is closely connected to London and Heathrow, with a strong economy based on creative industries, tech, and professional services.
- West Surrey includes Guildford, Woking, and Farnham. It is a hub for innovation, research, and education, with strong transport links and a growing economy.

The proposal shows that these three areas already work well together in terms of housing, transport, and local services. They also have similar challenges and opportunities, which means each new council can focus on what matters most to its communities.

Importantly, the proposal avoids creating councils that are too big or too disconnected from local people. It also avoids splitting up areas that naturally belong together. This means better planning for housing, transport, and jobs – and a fairer system for everyone.

In addition to the strong case made for the three new councils based on existing economic and community ties, further evidence supports the appropriateness of this geography. The proposed East Surrey unitary, comprising Reigate & Banstead, Tandridge, Epsom & Ewell, and Mole Valley, aligns with the well-established Gatwick Diamond economic area. This sub-regional geography has been recognised in regional and local economic strategies since the early 2000s and reflects a coherent labour market and business identity.

The proposal also aligns with travel to work areas as defined by the ONS, which show that towns in Elmbridge fall into different travel to work areas than those in East Surrey. This reinforces the rationale for grouping areas with shared commuting patterns and economic interdependence.

Furthermore, the three unitary proposal avoids artificial boundaries based solely on population thresholds. Instead, it reflects functional economic geographies, local housing market areas, and shared service delivery patterns. This approach is consistent with national planning policy, which emphasises the importance of place-based spatial planning.

**Housing supply and meeting local housing needs:** The three unitary submission proposes a sensible, place-based (and evidence-based) approach to housing delivery that aligns with the National Planning Policy Framework. It recognises the importance of taking account of environmental constraints and opportunities, local housing market areas and local economic, retail and transport catchments. Relevant evidence is referred to in the submission.

Conversely, the two unitary proposal provides no evidence that the proposed geographies are sensible ones that will increase housing supply and meet local need. No reference is made (for example) to housing market areas. Rather the two unitary submission appears to suggest that achieving an equitable split in land area and comparable overall housing densities is sufficient to secure sensible and sustainable housing delivery aligned with the Government's housing ambitions.

**Appropriate tax base:** Importantly, the proposal ensures that each new council has a sustainable tax base. Council tax harmonisation modelling, agreed across all 12 Surrey authorities, shows minimal variation between the two and three unitary scenarios (6.96% vs

6.84%), indicating that the three unitary model does not create an undue financial advantage or disadvantage for any area.

It recognises that different areas have different economic strengths and the tax generation potential that these bring locally: the local councils it proposes have individually strong (although differing) local economies, with each proposed new unitary council contributing between £16 billion and £18 billion in GVA.

**Conclusion:** By grounding its structure in real-world economic patterns, community identities, and evidence-based planning, the three unitary proposal offers not just a logical reorganisation—but a transformative opportunity to build stronger, more responsive, and future-ready local government across Surrey.

**2) Will the local government structures being put forward, if implemented, achieve the outcomes described? Please explain your answer, including any specific comments on the evidence and analysis to support the proposals.**

Yes.

The proposal recommends three new councils – East Surrey, North Surrey, and West Surrey – based on real economic areas and travel-to-work patterns. These areas reflect how people live, work, and access services and each has a strong and cohesive local economy and tax base. This structure avoids splitting up communities or creating artificial boundaries, and it supports better planning for housing, transport, and jobs. It is a practical and well-evidenced approach that makes sense for Surrey.

We believe the three unitary proposal includes an ambitious but deliverable vision and principles that both align with the Government's ambitions for LGR whilst also reflecting what is important to local people and communities. Furthermore, it represents a sensible proposal which - rather than being driven by a focus on a (widely challenged) population target and the prospect of short-term financial savings - strikes an appropriate balance between the financial and non-financial considerations within the Government's LGR criteria.

The outcomes described are:

**Supports economic growth, housing, and infrastructure delivery:** The three unitary authorities identified are based on evidence that takes into account local functional economic geographies and strengths, housing market areas, travel to work patterns, environmental considerations, local population, and workforce characteristics. This is a robust basis for future economic growth and housing and infrastructure delivery, recognising that different local government support and intervention will be needed to reflect the diversity of opportunity and constraints across the county.

We can confirm that the East Surrey geography included within this proposal best reflects what the evidence indicates for our own local area, and a geography that our residents and businesses recognise and identify with (see also our comments on question 1).

**Unlocks the benefits of devolution:** The three unitary proposal unlocks the benefits of devolution. The two unitary proposal also does this; however, we believe that three unitaries creates a more appropriate population ratio between local and strategic government. See also our comments in relation to question 7.

**Values and advocates for Surrey's unique local identities and places:** The three unitary proposal respects and seeks to enhance the different, and unique, identities that exist across

Surrey, and includes a detailed and evidence-based analysis of these. It is also consistent with resident views that Epsom & Ewell Borough Council has collected recently via our Residents' Survey, which confirms that our residents feel most connection with Mole Valley (24%), Epsom & Ewell (20%) and Tandridge (18%) and an extremely limited connection with Elmbridge (2%).

**Provides strong democratic accountability, representation, and community**

**empowerment:** The three unitary proposal includes a detailed, well thought through model for democratic accountability, representation, and community empowerment. It is evidence-based, with on a comprehensive assessment of best practice and builds on the Boroughs' and Districts' local knowledge and place leadership experience of what works 'on the ground.'

In addition, smaller unitaries mean that councils (and councillors) are closer to the electorate. In both regards, therefore, the three unitary proposal provides reassurance that community empowerment and democratic accountability can be protected and enhanced; to a much greater degree, and a higher level of confidence, than the two unitary proposal.

**Secures financial efficiency, resilience, and the ability to withstand financial shocks:**

The three unitary proposal is based on robust financial modelling which demonstrates how financial resilience and savings can be achieved, but not at the expense of high-quality public service delivery. It includes consideration of scale, risk, economic and demographic factors, and current and future demand to ensure that the new authorities proposed will be financially sustainable and able to withstand ongoing financial pressures and shocks.

**Delivers high-quality, innovative, and sustainable public services that are responsive to local need and enable wider public sector reform:**

As set out in more detail in our response to question 5, the three unitary proposal recognises the need for innovation, and a focus on prevention and early intervention. It outlines opportunities to redesign services around people and places, rather than organisational boundaries and 'county-council' style delivery models. This includes plans for integrated neighbourhood teams, shared commissioning, and closer working with health, education, and voluntary sector partners. It also addresses opportunities for better coordination and joint working in relation to public safety and resilience. This approach is, in our view, essential as demand for local public services continues to grow.

**3) Is the councils' proposal for unitary local government of the right size to achieve efficiencies, improve capacity and withstand financial shocks and is this supported by a rationale for the population size proposed?** Please explain your answer, including any specific comments on the efficiencies identified to help improve the councils' finances, how it will manage transition costs and any future service transformation opportunities identified.

Yes.

The proposed three councils are large enough to deliver savings and resilience, while still reflecting real communities. Each has a strong economy and tax base, and the proposal shows how they will save over £60 million by year four.

**Local government of 'the right size':** The government has said 500,000 is a guide, not a rule, and the slightly smaller size is justified in Surrey to ensure local identity and effective service delivery.

The three unitary proposal clearly explains the rationale for the population sizes proposed, which is based on local evidence and identity, rather than a purely numerical / desk based 'even split' across the area.

The proposal is clear that – in the case of Surrey – three unitaries slightly smaller than the suggested 500,000 figure both makes sense 'on the ground' and will provide a strong basis for sustainable local government in the long term.

The submission explains that each of the three proposed councils would serve a population of between 330,000 and 480,000 (based on 2023 mid-year estimates). However, it is worth noting that the recently released 2022-based sub-national population projections indicate a slightly higher rate of population increase across the area compared to 2018-based projections (thus improving alignment with the indicative target).

These – therefore – are not small unitary authorities and would be in the top 20% by population of existing non-metropolitan unitary authorities. The slightly smaller population size is a deliberate choice to ensure each new council reflects real communities and functional economic areas (rather than being based on non-meaningful boundaries just to meet an indicative population target), while also being of an appropriate scale to manage risk and withstand financial shocks. The appropriateness of these population sizes is backed up by evidence from unitary authorities of a similar scale across the country which deliver high quality services in a financially sustainable manner.

**Efficiencies and transition costs:** The financial modelling in the three unitary proposal suggests that creating three unitaries would deliver significant savings – over £60 million by year four – through a combination of reducing duplication, streamlining management, and transforming services.

We accept that, in the short term, these savings will be less than were two unitaries created, primarily due to additional reduction in workforce and asset costs being possible under this scenario.

But in the longer term, the modelling indicates that three unitaries would be financially viable while importantly also delivering against the *other* Government LGR criteria which – as per our responses on other consultation questions - the two unitary proposal does not.

(As a general point, we urge Government to treat the financial modelling within both submissions with caution. It is clear from recent local government reorganisation that has taken place that indicative financial modelling at the business case stage is not a guarantee of long-term council financial sustainability, and that savings are marginal compared to overall expenditure and only realised over extended timeframes).

**Transformation opportunities:** When it comes to transformation opportunities, the three unitary proposal recognises the opportunities for longer term financial efficiencies that exist from not only simply amalgamating lower tier services; but that can be realised from genuine service transformation by bringing together upper and lower tier services, and other public sector partners, to deliver services differently in the future.

While a precautionary approach is taken in the financial modelling to possible financial savings resulting from transformation, the detailed transformation plan outlined in the three unitary submission explains how a comprehensive approach can be taken to unlock innovation as well as efficiency savings. This will make for more resilient councils (and a more resilient public sector generally) in the longer term, in the face of rising demand. Only by moving away from out-dated county council style service delivery models to a focus on early intervention, prevention and place-based working will this be possible.

The three unitary proposal explains how existing budgets and capital receipts can be used to fund this work, while also recognising that a phased approach is necessary so that services can continue safely while improvements are made over time.

**4) As an area covering councils in Best Value intervention and in receipt of Exceptional Financial Support, do you agree the proposal will put local government in the area as a whole on a firmer footing?** As of 17 June 2025, councils in Surrey in [Best Value intervention](#) are Spelthorne Borough Council and Woking Borough Council. As of 17 June 2025, the council in Surrey in receipt of [Exceptional Financial Support in 2025/26](#) is Woking Borough Council.

Please explain your answer, including any specific comments on the area-specific arrangements necessary to make new structures viable.

Yes.

The three-unitary proposal provides a credible and well-evidenced path to strengthening local government across Surrey, including for areas currently facing financial challenges. It acknowledges the scale of issues in Woking and Spelthorne and sets out a realistic plan for long-term sustainability, including the need for national support to address Woking's stranded debt. The proposal includes detailed financial modelling, a phased transformation plan, and area-specific arrangements to ensure stability from day one. With the right support, it offers a strong foundation for more resilient, accountable, and financially sustainable local government.

Epsom & Ewell Borough Council has no debt; and we strongly believe that our Council (and our residents) should not be expected to contribute to the resolution of the debt problems of other local authorities in Surrey that are geographically distant from us (for example through the sale of assets or use of reserves).

At Epsom & Ewell, we are aligned with all other councils in Surrey in the view that the Government must write off the unserviceable debt that exists as part of local government reorganisation in Surrey, and that this is the only reliable route to ensuring that new unitary authorities are financially sustainable from the outset.

As such we welcome recognition in the Ministerial letter of 17 June that the majority of Woking's debt cannot be managed locally, that the Government is committed to addressing that debt to ensure new councils are sustainable in the long term, and the ongoing discussions that are taking place on this issue.

Subject to this issue being resolved, we believe that – when it comes to purely financial considerations – either a two or three unitary model in Surrey can result in local government in Surrey being on a relatively firm footing.

**Avoiding overreliance on early financial modelling:** It is our view that - at this stage in the local government reorganisation process - there is considerable uncertainty about both the financial modelling that has been undertaken to date, and the future fiscal environment within which the new authorities will be operating.

We are aware that experience elsewhere in the country has demonstrated that early modelling of the financial impacts of unitarisation is inherently uncertain and is not a guarantee of long term council financial sustainability (for example, Somerset Council which although only established in 2023 has already needed to seek Exceptional Financial Support from Government).



That is why, fundamentally, we do not believe that LGR should be led by financial considerations alone. It is why Epsom & Ewell Borough Council supports the three unitary proposal, which takes a more holistic view across *all* the Government's identified LGR criteria, and not the two unitary proposal, whose development has been driven by a focus on short term financial savings and hitting a widely questioned population target.

**5) Will the proposal prioritise the delivery of high quality and sustainable public services to citizens, improve local government and service delivery, avoid unnecessary fragmentation of services and lead to better value for money in the delivery of these services?** Please explain your answer, including any comments on the public service reform opportunities within the proposal, including social care, children's services, SEND and homelessness, and wider public services, including public safety.

Yes.

The three-unitary proposal prioritises high-quality, sustainable public services by replacing the current two-tier system with three unitary councils, enabling more joined-up, accessible, and efficient service delivery. It includes a phased approach to transformation, ensuring continuity in critical services like social care and SEND, while creating space for innovation and local tailoring. The proposal also outlines plans for integrated neighbourhood teams, shared commissioning, and strong coordination with partners such as the NHS and emergency services. Overall, it offers a practical and well-evidenced route to more responsive services and a more resilient local government system for Surrey.

Bringing together upper and lower tier services presents an opportunity for improved and more sustainable public services and better value for money. This opportunity is recognised and developed within the three unitary proposal.

The proposal acknowledges how bringing together upper and lower tier activities presents opportunities to reduce duplication, streamline decision-making, and to make it easier for residents to access the support they need; and also to enable better integration between related services (such as housing and social care or planning and infrastructure) which are currently managed by different councils.

**Delivery of 'high risk' local government services such as adult social care, children's services, SEND and homelessness:**

Disaggregation: The three unitary proposal recognises the need for a carefully planned and phased approach to the delivery of high-risk local government services. Given the timeframes that Surrey LGR is proceeding on, it takes a precautionary approach to upper tier service disaggregation and future transformation across these services.

It recognises the opportunity that shared and partnership models of provision for elements of these high risk services can provide, both in the immediate term (minimising the short term risks of rapid disaggregation) but also, in some instances and for some activities, in the longer term (providing the opportunity for innovation and transformation leading to better prevention outcomes).

The three unitary proposal includes an exploration of different service delivery models (which the two unitary proposal does not). It has considered examples from elsewhere across the country, good practice, and the Government's aspirations for LGR; recognising the importance of giving proper consideration to all viable options, but also that decisions about long term structures will rest with the new unitary authorities. In doing so, it has taken



account of the need to manage risk, respond to increasing demand, and establish structures that create the conditions for reform and innovation when it comes to prevention.

Scale vs place: There is some suggestion in the two unitary proposal that - due to their smaller scale - three unitary authorities will be compromised in their ability to deliver high risk upper tier services in an effective way. However, evidence shows no clear link between scale and the quality, effectiveness, or efficiency of service delivery and across the country unitary authorities of the scale proposed (330,000 to 470,000) successfully deliver these services. Opportunity exists - via shared service and partnership models - to secure economies of scale for back office and specialist functions, at the same time as retaining local community-based service delivery.

In practice, Surrey County Council's Adult and Children's social care services are already delivered over 5 and 4 sub-areas, respectively. These existing sub-areas are much more akin to the geographies proposed in the three unitary proposal than those in the two unitary proposal.

Similarly, homelessness services (currently provided by district and borough councils) and benefit from local community and place-based collaboration – a model that is already proven to work in East Surrey across the proposed three unitary geography.

The drivers of quality service provision are multiple and complex. In a world of increasing demand, more important than scale is the ability to deliver high risk services hand-in-hand with prevention activity, working across genuinely place-based geographies. As evidenced in the submission and referenced in our response to questions 1 and 6, the three unitary proposal includes geographies that genuinely reflect local place identities, and which will therefore be able to realise the Government's aspirations. The two unitary proposal does not.

**Wider public service sustainability:** The three unitary proposal has prevention at its heart. This is because the Boroughs and Districts have first-hand 'on the ground' experience of the real change that this brings to residents, to how public sector partners work together, and to demand for services such as social care.

The proposal is specific about opportunities to redesign services around people and places, rather than organisational boundaries. This includes plans for integrated neighbourhood teams, shared commissioning, and closer working with health, education, and voluntary sector partners.

Smaller place-based geographies are already established in practice in Surrey (for example with three police divisions, and – in the health sector - the Integrated Care System having four place-based partnerships. A wide range of place-based working to deliver prevention activity already takes place in East Surrey, in which Reigate & Banstead is a key partner.

And although specific geographies vary, all this work takes place across areas which are smaller than that proposed in the two unitary model. This model has proved successful due to the ability to develop and maintain close community and place-based links and relationships. Examples are provided in the proposal.

The three unitary proposal also includes consideration of public safety and emergency planning. It includes plans to maintain strong coordination across the new councils and with key partners like the police, fire services, and NHS, ensuring that resilience and community safety are not compromised during or after reorganisation.

We therefore consider that the three unitary proposal properly recognises, and sets an appropriate framework – not only for, safe local government service delivery, but importantly

for maximising the opportunities for prevention through innovative place-based working with public sector partners to manage future demand and provide genuine value for money.

**6) Has the proposal been informed by local views, and does it consider issues of local identity and cultural and historic importance?** Please explain your answer, including any comments on the local engagement activity undertaken on the proposal and how it is proposed that any local concerns will be addressed.

Yes.

**Local views:** The proposal has been clearly shaped by local views and gives strong weight to local identity, culture, and history. It draws on engagement with over 3,000 residents, 63% of whom preferred a three-unitary model, and reflects priorities such as local decision-making and understanding of community needs. This is backed up by a survey conducted by the Reigate & Banstead Residents' Survey completed by 1,461 residents, that also demonstrated a local preference for a three unitary model (37% compared to 12% for two unitaries).

The proposal provides detailed information from the residents' survey about respondents' priorities for the future and relates these to specific elements of the proposal.

It also provides detailed information about the views expressed by 134 local stakeholders and partner organisations.

In providing a clear picture of local views, the three unitary proposal is therefore notably stronger and more evidence-based than the two unitary proposal.

The three unitary proposal also reflects on concerns expressed locally about local government reorganisation – specifically the potential loss of local knowledge and connection – and explains how these could be resolved through the creation of appropriate community engagement structures.

**Local identity and cultural and historic importance:** Local identity, community and historic spatial relationships are reflected in the three unitary geography proposed, with details about local characteristics, connections and communities provided for each proposed unitary area.

For the Epsom & Ewell area, the proposed three unitary East Surrey geography reflects our 'on the ground' understanding of how people identify with their local area and communities, and how and where people live, work and spend their leisure time.

**Democratic process:** The three unitary proposal is supported by the 75% of the principal local authorities in Surrey. The 9 Councils that support it have considered both two and three unitary options and concluded - based on the local knowledge and experience of their councillors - that it represents the preferred option in both reflecting local views and providing a suitable basis for the future delivery of local services.

In Epsom & Ewell both proposals were considered, and the three unitary proposal has received cross-party support.

**7) Does the councils' proposal support devolution arrangements?** Do you have any comments on the proposed devolution arrangements?

Yes.

The three unitary proposal strongly supports devolution and is designed to unlock its full potential for Surrey.

By creating three new unitary authorities that align with Surrey's distinct economic areas, the proposal lays the groundwork for a new Mayoral Strategic Authority (MSA) covering the whole county. This structure will allow for a more joined-up approach to planning, transport, skills, and infrastructure—key areas where devolved powers can make a real difference.

The proposal sets out a clear timeline: the new unitary councils would be established by April 2027, with elections for a directly elected Mayor of Surrey taking place the same year. This ensures that the new MSA can begin operating immediately, with strong local leadership and a clear democratic mandate.

Importantly, the proposal avoids the pitfalls of a two-unitary model, which would divide Surrey's economic geography and make strategic planning more difficult. Instead, it ensures that local councils and the new Mayor can work together effectively, each focused on their area's needs but aligned around shared goals for growth and investment.

This approach meets the government's criteria by:

- Supporting a coherent strategic footprint for devolution.
- Enabling strong local leadership and accountability.
- Creating the right conditions for long-term economic growth.

In short, the proposal does not just support devolution—it is built to make it work.

**8) Will the councils' proposal enable stronger community engagement and deliver genuine opportunity for neighbourhood empowerment?** Do you have any comments on the proposed approach to community engagement?

Yes.

The three unitary proposal will enable stronger community engagement and neighbourhood empowerment by creating three new councils that are rooted in recognisable parts of Surrey. It prioritises local decision-making, reflects strong public support for more responsive governance, and avoids top-down models that have failed elsewhere. Instead, it builds on existing local strengths and commits to inclusive approaches like participatory budgeting and co-designed services. By aligning council boundaries with real communities and embedding engagement into service delivery, the proposal offers a practical and democratic model that puts residents at the heart of local government.

The loss of accountability and concerns about local decision making were key issues raised by stakeholders and residents via our Surrey-wide engagement exercise and echoed in Reigate and Banstead's Residents' Survey.

The three unitary geographies proposed are ones that are known and familiar to local people, rather than having been developed via a desk-based numbers exercise. This will make it easier for residents to recognise and engage with their local council and feel that their voices are being heard and – importantly – understood.

To further enhance local democracy, the three unitary proposal recommends three councillors per ward, as opposed to the two per ward in the two unitary proposal.

Beyond this, the three unitary proposal seeks to build on existing models that have been successful across the local area and identifies specific opportunities to further strengthen

these. For example, participatory budgeting, citizen panels and service co-design to reflect the needs and aspirations of each community.

We believe that the engagement and empowerment models in the three unitary proposal would enable residents to have a genuine say in council priority setting and service delivery and would complement the introduction of Neighbourhood Area Committees.

**Conclusion:** The three unitary proposal recognises that real empowerment means more than just promotion and consultation. It means giving communities the tools, support, influence, and accountability to shape decisions and take action on issues that matter to them. Ultimately this will lead to better local outcomes and more responsive, resilient, and sustainable communities.

### 9) Do you have any other comments with regards to the proposed local government reorganisation in Surrey?

**This consultation response:** Epsom & Ewell Borough Council's response to this consultation has been informed by discussions with stakeholders.

**Our preference for three unitaries over two unitaries:** Epsom & Ewell Borough Council supports a three unitary solution for local government reorganisation across Surrey.

The three unitary proposal is supported by 75% of the Surrey local authorities (9 out of 12), and reflects the clear preference of local residents, and we urge Government to give due weight to these factors in making its decision.

We do not believe that the two unitary proposal reflects our area's local character or place identity, nor that it has genuinely been informed by a consideration of either local views or robust technical evidence.

While a two unitary solution *may* offer some quicker financial benefits (and even this projection we have some reservations about), it is our view that this would be at the expense of genuinely sustainable, resilient, and effective local authorities in Surrey in the longer term.

We do not subscribe to the suggestion that scale is the most important consideration when it comes to financial efficiency and effectiveness. And we believe that scale should not be the primary consideration when it comes to the delivery of place-based services that support and benefit local residents and enable effective working across the public sector (include references). Only through genuine reform of how local government services are delivered can the challenges of increasing demand and financial sustainability be managed. A 'county council' style service delivery model will not achieve this.

The Council considered both the two and three unitary proposals before resolving - across all political parties - to support the three unitary proposal.

**ENDS**

## **Fair Funding Review (FFR) - 2**

### **Background**

The government published a consultation paper on its proposed changes in local government funding. You can find the paper via the link below:

<https://www.gov.uk/government/consultations/the-fair-funding-review-20>

The consultation period is shorter than normal and making sense of the full changes across councils, in particular understanding the direct impact on each council, has been challenging. The council has used various sources to understand the impact on its 2026-27 budget, including working closely with consultants like Pixel and LG Futures. However, until the settlement figures are published in November / December 2025 we will not know the full impact.

Part of the challenge for local authorities is that there are two important aspects to these funding proposals. They are as follows:

1. what impact will they have on my authority's funding over the next 3 years? This task is considerable, and still not fully complete. But it is an understandable priority for authorities.
2. The second challenge is to understand the content of the consultation paper, and to respond to the detail of these proposals.

### **Introduction**

The consultation is technical, and it is still difficult to understand the full financial impact of government policies.

This paper provides a brief overview of the impact and focusses on the following sections which are more relevant to Epsom & Ewell:

1. Sector Impact
2. Temporary Accommodation - Relative Needs Formula (RNF)
3. Foundation Formula
4. Business Rates Reset
5. Damping
6. New Homes Bonus (NHB)
7. Technical response to the consultation

## **Sector impact**

According to modelling carried out by Pixel the impact of the funding reforms appears be broadly neutral in shire areas. Shire counties gain by £50m, whilst shire district lose by £73m.

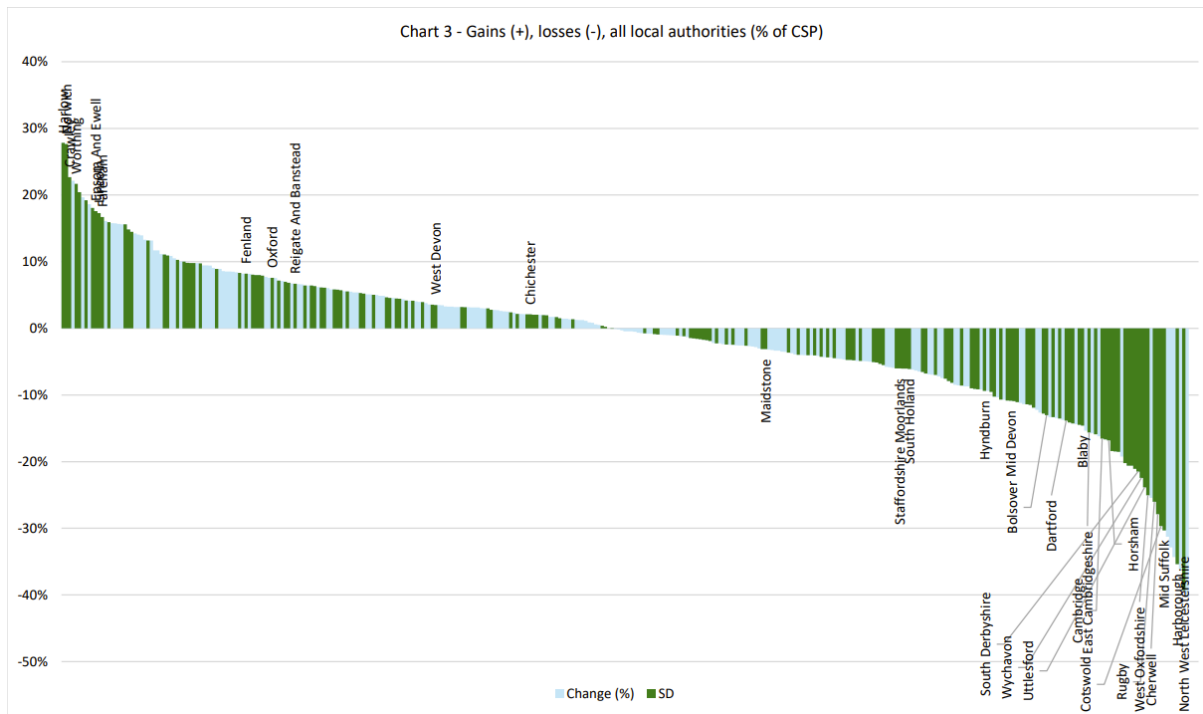
For shire district councils, the range is enormous. The three authorities with the largest gains (as a percentage of CSP) are shire districts (Harlow, Norwich, Crawley), as are some of those with the largest losses (Harborough, North West Leicestershire, Mid Suffolk).

Big losses for some shire districts were expected and derive from the business rates baseline reset. Some shire districts had business rates growth that was greater than their Baseline Funding Level (BFL), and even with favourable changes in funding elsewhere, these authorities were always going to see huge funding losses.

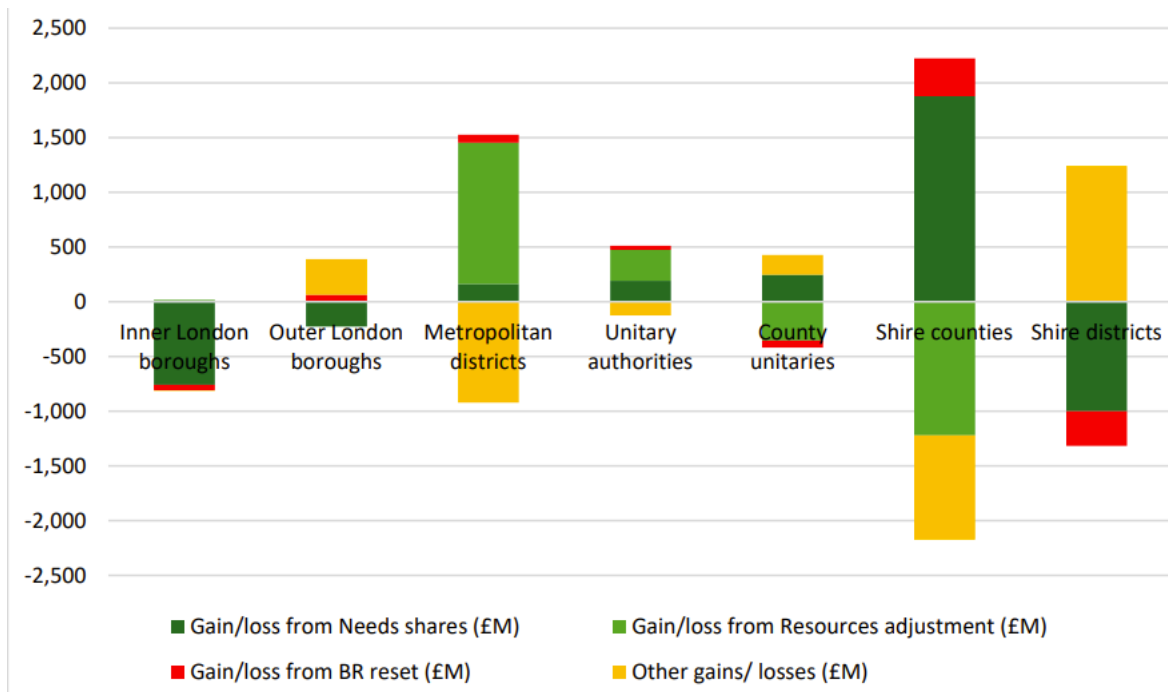
The substantial gains for other shire districts, however, are much more of a surprise. The places that are gaining are urban shire districts, such as Harlow, Norwich, Crawley, Worthing, Stevenage, and Basildon, and even shire districts with very low needs, such as us, Epsom and Ewell. These are the more-urban districts, and they have benefitted from a combination of the new foundation formula, along with the new temporary accommodation Relative Needs Formula (RNF).

The analysis indicates that the control totals have been the biggest factor in the substantial gains in some shire districts. The control total for the Foundation Formula (lower tier) is much higher than anticipated. But with very large grants rolled into SFA, and distributed using these control totals, the benefits for shire districts have been significant.

There is a risk for shire districts that the benefit from the control totals is just too good to be true. Large roll-ins combined with a very high share of the control totals could push ministers to change some of their funding assumptions. And a lower share of the control totals could easily be justified on technical grounds. The graph below shows the gains and losses across councils. EEBC is on the left, listed as one of the biggest winners.



Determining the reasons and contributory factors to these changes in funding is extremely difficult. However, a brief overview is provided below. EEBC loses out on business rates reset but gains from temporary accommodation formula and foundation formula.

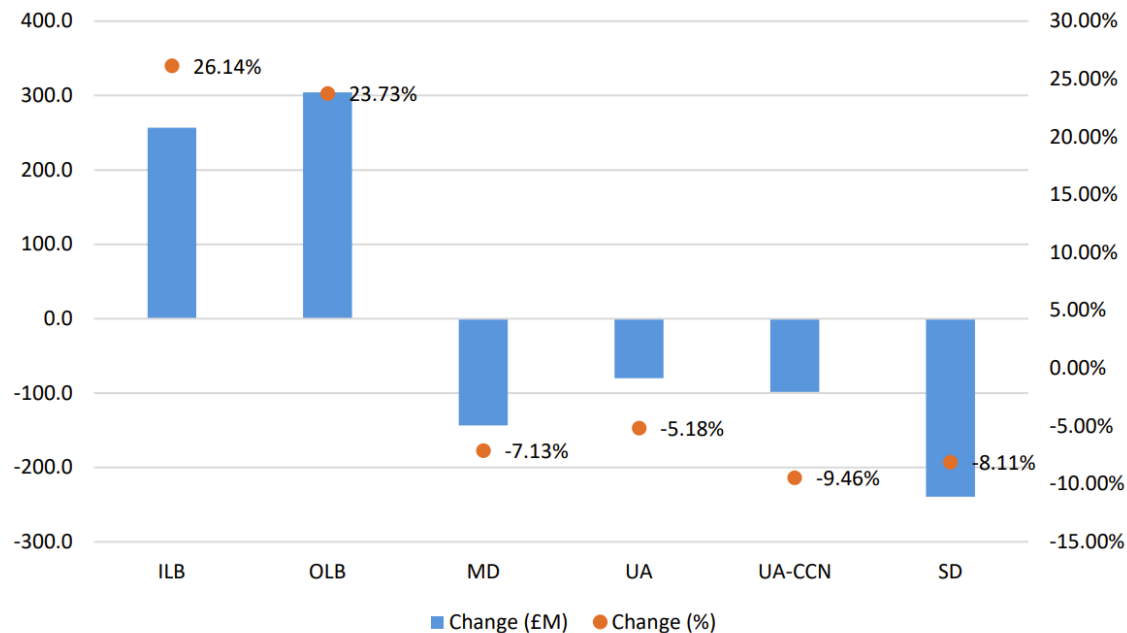


### Temporary Accommodation RNF

A new Relative Needs Formula (RNF) has been created for temporary accommodation and homelessness within SFA. Part of the existing Homelessness Prevention Grant (HPG) will

transfer into SFA (estimated to be 45%), and will be distributed within SFA with the existing funding for homelessness within SFA.

Apart from London and few shire districts like EEBC, Basildon, Crawley, Eastbourne, Harlow, Hastings, and Worthing; All the other local authority classes lose from the TA RNF, even metropolitan authorities. Clearly this reflects the distribution of actual TA expenditure.



## Foundation Formula

The foundation formula funds the services that do not have their own RNFs, and are typically the universal services delivered by local authorities. In the 2018 consultation paper, the proposals were for a very flat distribution of resources, with only population, ACA and a (small) uplift for deprivation. This was a much simpler formula than the current formula (which has some very large (judgement-based) uplifts for density, deprivation, and daytime population, and smaller uplifts for sparsity). The formula proposed for 2026/27 is more of a compromise. It is certainly simpler than the current RNF (no density, no sparsity), it has fewer indicators, and it now encompasses many of the other smaller RNFs. RNFs for flood defence, coast protection and fixed costs, plus the concessionary fares RNF, have been rolled-in. So, changes in funding share within the foundation formula are the result of many different factors.

## Business Rates Baseline Reset

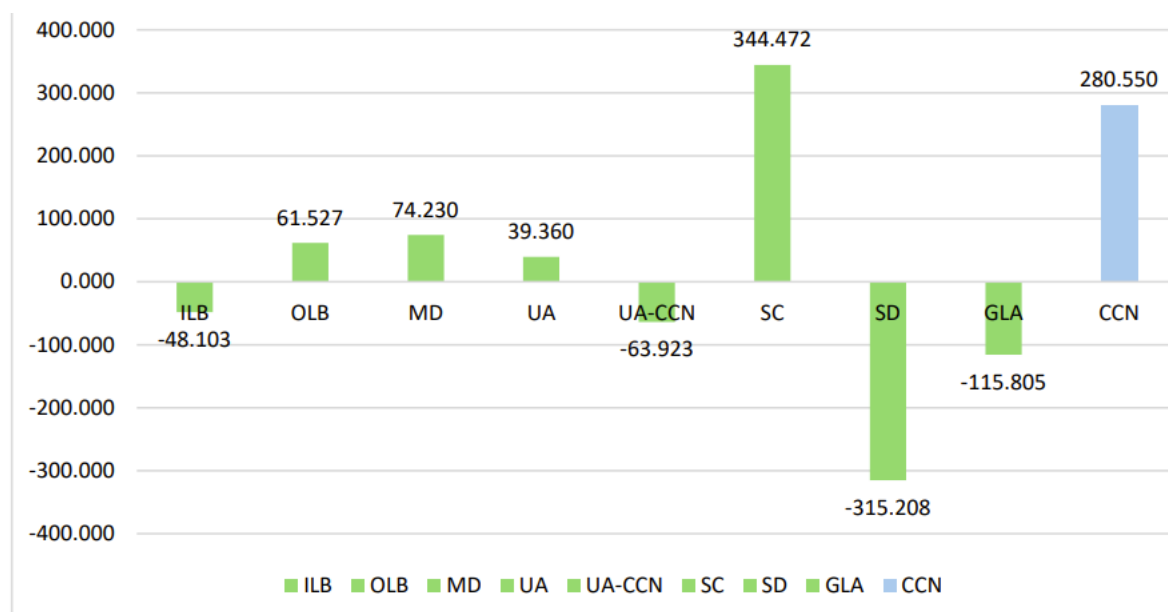
There will be a full baseline reset in 2026-27. More detailed work on the mechanics of the reset are taking place outside this consultation, and we will find out more about them over the next few months. This consultation outlines some of the concepts around the future of the Business Rates Retention System (BRRS), including changes to levy rates, the safety net, pooling and the inclusion of Strategic Authorities.



The only consultation question on the BRRS is on whether the safety net should continue to be set at 92.5% of the Baseline Funding Level (BFL), or whether it should be set at a higher level in 2026-27. This is partly to reflect the increased risk to authorities in the early years following the reset, when authorities are less likely have a cushion of above-baseline growth. Most authorities will probably welcome a more generous safety net, even if it is more expensive and results in less funding from the Levy Account (the safety net is funded in the first instance by levy payments). The safety net threshold is already more generous for pilot authorities, at 97%, although these authorities retain business rate income at 100% rather than 50%, and so have greater risk.

The government is fully committed to a full reset, and the sector has been preparing for this for a considerable time. A full reset was also the policy of previous governments. There might be partial or rolling resets in future, but a full reset in 2026-27 is certain.

Epsom & Ewell council will have the biggest loss under business rates rest but will be countered by the positive impact mentioned below. Total impact on Shire Districts is in the region of £315m as reported in the graph below.



The consultation does not ask any questions or provide any detail defining the amounts that will roll into SFA, although this is a really important decision. It indicates that the rolled-in business rates income will be distributed “according to the needs shares”.

## Transitional Support (Damping)

There are three different types of transitional support within the proposals:

1. Phasing in new allocations.
2. 0% damping floor.

### 3. Below-cash funding floor

If the council was expecting to lose from FFR this would have been more directly relevant for the council. However, the council, based on latest Pixel modelling is not expected to lose overall and the types of transitional support will not have a direct impact but in principle we support the idea of supporting councils that will see significant changes and will need a period to adapt.

Given the scale of changes that are being proposed, a substantial transitional support scheme was unavoidable. In our view, the proposals are proportionate and provide a reasonable level of support for those losing-out from the funding reforms. The majority of the damping is provided via the phased damping.

#### **New Homes Bonus**

New Homes Bonus (NHB) is going to be abolished after 2025-26. The consultation claims that NHB is “an ineffective incentive for new homes”, and that it “often rewards authorities for housebuilding that would have happened anyway”. The government would prefer to distribute the NHB funding (about £290m) based on “needs”. It is difficult to make a strong case for continuing the NHB. NHB has been in place since 2011, and desperately needed to be reformed or updated. Previous governments had issued consultation papers about replacements but never with much enthusiasm, or with a clear idea of what the replacement would look like. The 80% tier split in favour of shire districts was looking increasingly anomalous. The council had assumed no NHB for some time now so any change here will have no impact for EEBC. In fact, we may now have a share of the £290m mentioned above.

## **Epsom & Ewell Technical Consultation Response**

### **Questions & Response**

#### **Question 1 – What are your views on the updated SFA resulting in zero allocations, and the use of mitigations to avoid zero allocations?**

It appears that zero allocation will mean that an authority will not have any RSG or business rates income, which in effect will be distributed to other authorities. If so, we understand the reason behind it reduces business rates incentive, plus it can be significant for some councils, especially small district councils such that they should be protected.

#### **Question 2 – Do you agree with how the government proposes to determine the Isles of Scilly's Settlement Funding Assessment?**

Not relevant to us but it makes sense to treat Isles of Scilly differently due to its population size.

#### **Question 3 – Do you agree with the government's plans to simplify the grant landscape?**

Simplification is very helpful. It is also important to balance this with fairness. It is not always easy to get the balance right but nevertheless a simplified landscape will help to better understand the distribution mechanism and plan with more certainty.

It is currently not clear if new grants will just be added to SFA and whether this is for all government grants or just MHCLG, hence clarity would be helpful. It appears that a new distribution formula may be necessary for fairness.

In brief, the balance between simplicity and fairness is important.

New grants via s31 is understandable but can be confusing when several new grants are introduced and difficult to determine each element of the grant. At times, it's not even clear on government letter what the new s31 grant is paid for as a standard letter is sent out with little detail.

A full list of grants that will be rolled into SFA and updated thereafter with all new grants will be helpful.

#### **Question 4 - Do you agree with the formulae for individual services the government proposes to include?**

For each pot of money, a relevant formula is plausible. Whether it provides a fair distribution and the correlation between current council is yet to be seen.

We also support the inclusion of a separate formula for Temporary Accommodation as it's a large part of our spend which causes a significant cost pressure for many district councils.

We agree that deprivation does impact on the need to provide services and therefore spend of a local authority. To reflect the fact that pockets of deprivation can also exist in

comparatively less deprived (or more affluent) areas which have an impact on service need, we think that the adjustment applied for deprivation should be based on the Index of Multiple Deprivation (IMD) at Lower Super Output Area (LSOA) level.

**Question 5 – Do you agree with the areas of need the government proposes to no longer include in the assessment through the Foundation Formula?**

There is no clear understanding on why Coast Protection, Flood Defence and Fixed Costs have been removed, therefore a comment on this would be helpful.

According to DCN Analysis conducted during the 2018 consultation indicated that the fixed cost uplift should be retained and should be weighted at least three times higher.

The formulae for flood defence and coast protection are smaller pots of money, very unevenly distributed, and only weakly correlated with population size and deprivation. They are not paid to all authorities. It is vital that flood defence and coastal protection continue to have a bespoke formulae or receive other specific consideration. If it is too complicated to retain individual formulae for flood defence and coastal protection, our strong view is that they should be covered by separate grant funding streams outside the settlement.

The approach of rolling these important funding sources into the main settlement is unfair and harmful to councils that unavoidably incur significant cost to provide the necessary coastal and flood protection for their communities.

**Question 6 – Do you agree with the government’s approach to calculating the control total shares for the relative needs formulae?**

As proposed in the 2018 consultation, we agree with the proposal to use Revenue Outturn (RO) data returns completed by local authorities annually to set the control totals and that this is a fair reflection of actual expenditure by local

DCN supports splitting the foundation formula control total using the expenditure patterns in shire county areas which have district and county councils. This is the only expenditure data that clearly shows the relative spend of the two types of council.

**Question 7 – Do you agree with the Labour Cost Adjustment (LCA) and Rates Cost Adjustment (RCA) equations set out in this chapter?**

**Question 8 – What are your views on the proposed approach to the Area Cost Adjustment?**

**Question 9 – Do you agree or disagree with the inclusion of the Remoteness Adjustment? Do you have any evidence to support or contradict the theory that rural areas face additional costs due to separation from major markets?**

In response to question 7,8 & 9; we agree with applying an Area Cost Adjustment (ACA) based on Premises, Labour and Remoteness at a local authority geographical area level as proposed

**Question 10 – Do you agree with the government’s proposal to set a notional Council Tax level at the national average level, to achieve the objective of full equalisation?**

This appears to be technically the correct approach which has been used in previous settlements. Using actual council tax effectively subsidises low Band D authorities, whereas using notional equalisation is based on the ability to generate council tax income.

We also understand the need to set a notional council tax to achieve government objective, but this should not penalise councils who have made local decision making to support residents.

**Question 11 – Do you agree with the government’s proposal to fully include the impact of mandatory discounts and exemptions in the measure of taxbase?**

We agree but should also recognise local decisions and should not penalise councils for those decisions.

**Question 12 – Do you agree with the government’s proposal to use statistical methods to proxy for the impact of Working Age Local Council Tax Support in the measure of taxbase?**

Yes we agree due to the wide variety of schemes across the country and in order to retain local decision making and discretion over the design of LCTS schemes.

**Question 13 – What are your views on the proposed statistical approach to proxy for the impact of Working Age Local Council Tax Support?**

This means models will be used to estimate how much council tax support reduces the taxbase, rather than relying on each council’s specific figures. There is insufficient evidence provided to substantiate it and no evidence that alternatives have been considered. Using benefit data should have been explored because this is much more likely to correlate with the demand for Working Age Local Council Tax Support (WALCTS).

We recognise that some measure of deprivation does need to be taken into account because demand for the WALCTS will be higher in authorities with higher levels of deprivation. We would like to see more transparency about the approach that has been used.

**Question 14 – Do you agree with the government’s proposal to assume that authorities make no use of their discretionary discount and premium schemes in the measure of taxbase?**

Yes in order to retain local decision making and discretion over whether a local authority chooses to implement empty property and second homes premium or other discretionary

discount schemes to tackle local housing issues we believe the impact of these should be excluded in the calculation of the taxbase for the relative resources assessment

**Question 15 – Do you agree with the government’s proposal to apply a uniform Council Tax collection rate assumption to all authorities?**

We agree that a uniform rate should be applied. But the collection rate assumption should be based on the actual collection rate and not on full collection. The objective of the equalisation calculation is to base the adjustment on actual council tax levels (hence the use of the national average Band D). Local authorities do not collect 100% of council tax. The actual collection rate of 95.8% should be used. The justification for using full collection rather than the actual collection rate is “to [ensure] that the incentive for all authorities to reduce tax avoidance remains”. This is misleading. Billing authorities are already incentivised to maximise collection. Using a different collection rate in the resources adjustment will not reduce that incentive.

**Question 16 – Do you agree with the government’s proposal to split or allocate the resource adjustment in multi-tier areas according to the average share in Council Tax receipts in multi-tier areas?**

Yes we agree that the average share in council tax receipts should be applied in multi-tier areas. However, we would welcome clarification whether or not the 11.0% share for district councils includes the parish precept. Also, how would this be impacted if councils set up parish councils post FFR.

**Question 17 – Noting a potential trade-off of an increased levy charged on business rate growth for some local authorities, do you agree that the level of Safety Net protection should increase for 2026-27?**

We agree that safety net increase will give councils, especially districts, better protection but in the absence of levy payments in first year or two, how will this be funded is the question.

**Question 18 – Do you agree with the government’s proposal to end the New Homes Bonus in the Settlement from 2026-27 and return the funding currently allocated to the Bonus to the core Settlement, distributed via the updated Settlement Funding Assessment?**

For many years councils have been preparing for the end of NHB and councils like us have assumed nil NHB going forward. Hence, we agree to re-integrate the NHB into the core settlement. Changes to NHB in recent years have seen overall funding reduce significantly and it, no longer, provides an incentive to build more homes. Nevertheless, local councils should be incentivised to support the delivery of housing.

Building new homes creates additional demand for council services and hence additional cost. Council tax income from these new homes will not by itself cover the additional cost and more needs to be done to help councils.

**Question 19 – What measures could the government use to incentivise local authorities to specifically support affordable and sub-market housing?**

Government could exclude affordable and submarket housing from the taxbase calculation for the assessment of relative resources. This would allow local authorities to keep 100% of the council tax levied on affordable and sub-market housing locally and provide an incentive to build more.

To incentivise housebuilding, especially affordable homes, councils need to have confidence that a proportion of their growth in taxbase will be retained locally over an extended period. We believe it would be possible and desirable to design a housing incentive scheme specifically targeted at affordable housing. This could include additional flexibility on council tax or business rates income if defined thresholds are met.

**Question 20 – Are there any further flexibilities that you think could support local decision-making during the transitional period?**

MHCLG should offer a big package of additional freedoms and flexibilities for councils to raise and retain income locally. This could include changes to council tax referendum thresholds as well as new freedoms on fees and charges.

This is especially important for district councils given their higher gearing to local income and much lower share of government grant. The current limit of 2.99% or £5 does not provide district councils with the funding required to maintain their vital services. Last year district councils generated 53% of their revenue funding from council tax yet district councils have consistently been given tighter council tax referendum principles than town and parish councils and Police and Crime Commissioners (PCCs) over a long period. Increasing the referendum principles to at least 5% or £10 could generate around £100m extra income per year for district council services at no cost to central government. The current £5 limit is only relevant to 20 out of 164 district councils. Even if these additional flexibilities were used in full in 2026/27, it would only cost the average Band D household 22p extra a week. District precepts would remain below PCC precepts in the vast majority of areas. Additionally, if the government approach is based on national council tax levels, there should be additional flexibility for councils below the average national level to increase council tax up to the average.

Furthermore given the level of change proposed as part of the Fair Funding Review 2.0, Devolution and Local Government Re-organisation local authorities should be given the flexibility to borrow to fund transformation programmes aimed at generating savings over the multi-year settlement in addition to having the existing flexibility to fund transformation costs from capital receipts (which may take a significant amount of time to deliver).

**Question 21 – What are the safeguards that would need to go alongside any additional flexibilities?**

Existing safeguards for the use of capital flexibilities such as needing Council approval of a flexible use of capital receipts policy and submission of a statutory return to government could be extended to provide a similar safeguard for capital flexibility on borrowing.

**Question 22 – Do you agree or disagree that we should move local authorities to their updated allocations over the multi-year Settlement? Please provide any additional information, including the impact this measure could have on local authorities' financial sustainability and service provision.**

Yes we agree in principle that transition gradually over the multi-year settlement. At this stage, without allocations being confirmed and in light of LGR taking effect for 2027/28 in Surrey, it is not possible for us to fully assess the impact on this or any new unitary council's financial sustainability other than to re-iterate that the respective proposals for LGR in Surrey anticipated significant budget gaps (deficits) between estimated funding and expenditure across all councils in Surrey over the multi-year period

**Question 23 – Do you agree or disagree that we should use a funding floor to protect as many local authorities' income as possible at flat cash in each year of the Settlement?**

Yes we agree that a funding floor should be applied to all councils. They should have the benefit of the same 0% funding floor if they need it. It is not clear how MHCLG has defined and selected the councils that will not be offered the 0% floor.

**Question 24 – Do you agree or disagree with including projections on residential population?**

Disagree. We do not support the use of population projections because they are not sufficiently reliable or accurate. Sub National Population Projections (SNPP) are produced using historical data and population component trends that are projected into the future, whereas Mid-Year Estimates (MYE) are produced using changes to the population components measured during the previous year. Projections are not forecasts and do not attempt to predict the impact of future political and economic changes or local development policies. In other words, projections are based on historic trends and simply projected forwards. It is for this reason that projections can often be significantly inaccurate. The ONS highlights that "...projections become increasingly uncertain as they go forward into the future, particularly for smaller geographic areas and detailed age and sex breakdowns".

Therefore actual population figures should be used.

**Question 25 – Do you agree or disagree with including projections on Council Tax level?**

We disagree that projections of council tax levels (Band D) should be used.

**Question 26 – Do you agree or disagree with including projections on Council Tax base?**

There are no formal council tax projections or forecast published by ONS or any government department. Projections would be based on previous years' trends, which might not reflect



future capacity to grow. It would be unacceptable to use such unreliable projections, which would lock-in allocations over 3 years. Our view is that neither population nor taxbase should be updated within the 3-year allocations. The quality of the projections is insufficiently robust.

**Question 28 – Do you agree with the proposed above approach to determining allocations for areas which reorganise into a single unitary authority along existing geographic boundaries?**

Yes agree that two tier areas which are reorganising into single unitary authorities will see new funding allocations based on the combined total of the predecessor authorities

**Question 29 – Do you agree that, where areas are reorganising into multiple new unitary authorities, they should agree a proposal for the division of existing funding locally, based on any guidance set out by central government? Please provide any supporting information, including any further information areas would find helpful in guidance.**

Agree. Government must consider the rate at which efficiency savings can be delivered without undermining existing services. Without this, there is a risk that new councils will start on the wrong foot by having to grapple with cuts to their spending power while trying to stabilise new organisations.

**Question 30 – Do you agree that the government should work to reduce unnecessary or disproportionate burden created by statutory duties? If you agree, what specific areas of statutory duties impose significant burden without significant value for residents? Please provide any examples of changes you would like to see to statutory duties, being as specific as possible.**

Numerous requirements have been imposed on local government over decades by successive governments. There is scope for many of them to be removed, reduced or simplified. These include

- The regime for Freedom of Information and subject access requests
- Planning appeals
- Excessive reporting requirements for annual accounts
- Bureaucratic procedural requirements in legislation or statutory guidance, of which the numerous requirements to publish notices in local newspapers are only one example

We would also support a fundamental review of central government monitoring and reporting requirements and of unnecessary hurdles to data sharing in the public sector.

**Question 31 – Do you agree with the proposed framework outlined at paragraph 11.2.3 for assessing whether a fee should be changed?**

Please provide any additional information, for example any additional considerations which would strengthen this proposed assessment framework, and any data which would be used to assess against it. Disagree. The framework set out in the consultation is very high-level and is not a substitute for concrete action to devolve fee setting. A hierarchy is not required. Instead, a common approach is needed, which we set out below. The proposal is far too slow and cautious. DCN does not agree that the first step should be for government to increase some fees centrally before considering devolution. There is no reason why we cannot proceed directly and quickly to free councils to set all fees and charges for services they provide, including penalties arising from enforcement. The approach should be that all fees and charges collected by councils should be set locally to ensure they will meet the cost of specific services in full, unless the council decides there is a reason to charge a below-cost fee. The view that service users need to be 'protected' is understandable, but misplaced. In many cases, service users have discretion to avoid a charge by changing their behaviour. In addition, many charges – such as for obtaining an alcohol licence or building control certificate - are incurred as the result of undertaking a commercial enterprise. If the level of charge does not reflect the cost of the service, other council taxpayers are subsidising something which benefits the individual or company. It is time to set aside concerns about variation in fees between areas. Council tax varies between areas, as do car parking charges, taxi licensing fees and a range of other fees and charges that councils already set. Private sector companies do not operate universal pricing. For example, prices for fuel vary from area to area and prices for goods can even vary between the same company's superstore and local stores in the same town. Variation is a consequence of devolution. In our view the Government should prioritise devolution and demonstrate that it has reset the relationship between central and local government by bringing forward an urgent, comprehensive programme to delegate setting of all fees, charges and penalties to councils. This would be subject to a requirement not to exceed full cost recovery. Having fees set by central government creates a rigid system that is not responsive enough to changing circumstances. Even when levels are reviewed, the process of implementing changes through legislation is often ponderous. The DCN does not believe that changing the criteria used by central government to set this system would make it nimble in the way a locally led system would be.

**Question 32 – The government invites views from respondents on how best to balance the need to maintain fee values and the original policy intent of the fee whilst minimising cost of living impacts for service users.**

The council supports the devolution of fee setting to local authorities for all current fees set through legislation by Government. There can be safeguards put in place such as 'ringfencing', cost recovery criteria and duty to report specific accounts that currently exist for some highways / transport charges and building control fees that can be used to ensure that service users are protected from excessive fee increases and local authorities are able to

cover the full cost of service provision. These safeguards would also increase transparency in reporting what the costs of the services and income generated are.

Service users deserve to pay the full price of services that they use rather than expect to have it subsidised by other council taxpayers. The best and simplest solution is to devolve all fee setting to councils, subject only to a requirement not to exceed full cost recovery.

**Question 33 – Do you agree that the measures above provide an effective balance between protecting charge payers from excessive increases, while providing authorities with greater control over local revenue raising?**

Where national fees are set, they should be updated on a periodic basis in line with the multiyear settlement rather than being the same for decades as has been the case for some services (eg licensing)

However, it is time to reset the relationship between central and local government and see central government withdraw from the minutiae of what the appropriate fee for a particular service or activity should be. If councils were empowered to set all fees and charges locally but only at the level that covers the cost of a service, it would ensure that those seeking licences, being inspected or using particular services would bear the cost of them. At the same time, limiting fees to the level required for full cost recovery would ensure that service users do not suffer a financial impact above and beyond that which is necessary to deliver a service without burdening council taxpayers who do not use it.

An additional safeguard would be provided by the fact that councils would be accountable to their local electorates at the ballot box for the level of any fees set locally and for any impacts that arise from them.

**Question 34 – Do you agree that we should take action to update fees before exploring options to devolve certain fees to local government in the longer term?**

In fact, central government reviews of fees are generally unnecessary and unduly lengthy. Responsibility should be devolved to local government immediately. In the event it can't be done immediately due to legislation government should take action to update fees before exploring options to devolve certain fees.

**Question 35 – Do you agree or disagree that these are the right relative needs indicators [for the Adult Social Care formula]? Are there any other Relative Needs Indicators we should consider [for Adult Social Care]? Note that we will not be able to add additional indicators for a 2026-27 update.**

No comment

**Question 36 – Do you agree or disagree with including population projections in the ASC formula, when published, that have been rebased using Census 2021 data?**

No comment

**Question 37 – Do you agree or disagree with our proposal to include a Low Income Adjustment (LIA) for the older adults component of the ASC RNF model?**

No comment

**Question 38 – Do you agree or disagree that the overall ASC RNF should combine the two component allocation shares using weights derived from the national ASC net current expenditure data on younger and older adults (in this case 2023 to 2024)? If you disagree, what other weightings would you use? Please provide details for why you would use these weights and what data it would be based on?**

No comment

**Question 39 – Do you agree that ethnicity should be removed as a variable in the CYPs formula? Please explain your reasoning.**

No comment

**Question 40 – Do you agree overall that the new formula represents an accurate assessment of need for children and family services? Please share any reflections or suggested changes.**

No comment

**Question 41 – Do you believe that the components of daytime population inflow should be weighted to reflect their relative impact on demand for services?**

We agree but no evidence has been presented in the consultation about how residents and non-residents should be weighted. We would like to understand the options that MHCLG is considering.

**Question 42 – Do you agree with/have any comments on the design of the Foundation Formula?**

We agree especially the aim of linking funding more tightly to demand for services and the cost of providing them. We also support the aim of tackling deprivation and inequality. While increased funding for deprived areas is welcome, the basis for the new deprivation weighting is unclear and seems inconsistent with earlier findings.

**Question 43 – Do you agree with/have any comments on the design of the Fire and Rescue Formula?**

Not applicable

**Question 44 – Do you agree with/have any comments on the design of the formula for Highways Maintenance?**

Not relevant to us but agree that Highways Maintenance RNF should be based on road length and traffic flow, together with an ACA uplift.

**Question 45 – Do you agree with/have any comments on the design of the formula for Home-to-School-Transport?**

No comment

**Question 46 – Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?**

As local government generally supports those who are the most vulnerable in society, the proposals to divert resources away from some councils as part of Fair Funding is likely to have disproportionate impact on people with protected characteristics in those areas.

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## **TITLE RESTRICTION - SOUTHFIELD PARK PRIMARY SCHOOL**

<b>Head of Service:</b>	Mark Shephard, Head of Property and Regeneration
<b>Report Author</b>	Mark Shephard
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	Yes
<b>If yes, reason urgent decision required:</b>	To allow legal documentation to be completed on the academy conversion target date of 1 October 2025.
<b>Appendices (attached):</b>	Appendix 1: Location Plan Appendix 2: Pre-Emption Agreement

### **Summary**

This report considers a request from Surrey County Council to release its land from a Land Registry title restriction registered by EEBC to protect the former EEBC land from non-educational use.

### **Recommendation (s)**

#### **The Committee is asked to:**

- (1) Approve the proposal to terminate the Pre-Emption Agreement and thereby remove the restriction from Surrey County Council's Land Registry title.**

## **1 Reason for Recommendation**

- 1.1 The Property and Regeneration Scheme of Delegation does not include officer authority to release a title restriction (a pre-emption agreement) from a former Council land sale.
- 1.2 An academy conversion of Southfield Park Primary School is in compliance with the Council's pre-emption agreement, that is, the permitted use of the Council's former land for educational purposes only.

## **2 Background**

- 2.1 Southfield Park Primary School (adjacent to Long Grove Park) was expanded in 2011 to accommodate a larger number of pupils.

- 2.2 As part of the expansion, Surrey County Council (as the local education authority), agreed terms to acquire some amenity land from the Council. The acquired land would be retained as outdoor space to provide a secure play area within the school curtilage.
- 2.3 The land, adjacent to Chantilly Way / Long Grove Road is shown at Appendix 1.
- 2.4 At its meeting on 13 November 2012, this Committee approved the sale of the land for £10,000 (reflecting amenity land value). The school would be responsible for fencing the land and its use restricted to school amenity and play area use only.
- 2.5 The Council also retained a contractual Pre-Emption right:
- *In the event that Surrey County Council wished to sell all or part of the land at a future date, EEBC would first be offered the right to repurchase the land at its market value.*
  - *Both parties would use all reasonable endeavours to agree the market value of the land, failing which an independent expert Chartered Surveyor would jointly be appointed to determine its market value.*
- 2.6 The right was documented in a Pre-Emption Agreement and its purpose was to ensure EEBC's land would only be used to expand the school as an educational establishment.
- 2.7 If school use ceased, any proposal by Surrey County Council to dispose of the land would trigger the Pre-Emption Agreement. The County Council would then serve an offer notice to EEBC for a period of 6 weeks and on expiry, EEBC would have the option to exercise the right and thereby commence the process to buy back the land at market value or decline the offer.
- 2.8 The Pre-Emption Agreement allows a "*Permitted Disposal*" defined as;
- "A disposal to another education authority or such other governing body, **academy trust** or other form of educational establishment as is required by law to hold the freehold or leasehold interest in the land comprising the School for the purpose of continuing to run the School as an educational establishment."*
- 2.9 The Pre-Emption Agreement dated 17 October 2013 is attached at Appendix 2.

### 3 Proposal

- 3.1 Southfield Park Primary School is currently the subject of an academy trust conversion. Legislation permits academies approved by the Secretary of State for Education to be granted 125-year leases at nil rent from the local education authority.



- 3.2 The Academies Act 2010 further provides for a Funding Agreement between the Secretary of State for Education and the academy trust i.e. the academy no longer receives funding from the local education authority.
- 3.3 On behalf of Surrey County Council (the local education authority and landowner), the acting solicitors have been instructed to request whether the Council would agree to terminate the Pre-Emption Agreement and thereby remove the restriction from Surrey County Council's Land Registry title.
- 3.4 By agreeing to terminate the Pre-Emption Agreement, Surrey County Council would no longer be required to serve a 6 week notice period on the Council under the terms of the Agreement. This would not only simplify the Land Registry title but more importantly, allow the academy conversion process to be completed on the target date of 1 October 2025.
- 3.5 Surrey County Council have made this request as a disposal to an academy trust is permitted under the Pre-Emption Agreement and hence, it is anticipated that the Council would have no objection to the removal of the restriction and support the continued use of the land for a school.
- 3.6 The permitted 125-year lease is a standard form academy lease and provides protection to the local education authority. In the event that academy funding ceases or is withdrawn by the Secretary of State for Education (i.e. the Funding Agreement terminates), the academy lease automatically terminates, and the school reverts back to operational control by the local education authority i.e. Surrey County Council.

#### **4 Risk Assessment**

##### Legal or other duties

- 4.1 Equality Impact Assessment
  - 4.1.1 Not applicable
- 4.2 Crime & Disorder
  - 4.2.1 Not applicable
- 4.3 Safeguarding
  - 4.3.1 Not applicable
- 4.4 Dependencies
  - 4.4.1 None
- 4.5 Other

4.5.1 None

**5 Financial Implications**

- 5.1 There are no financial implications arising from this report.
- 5.2 **Section 151 Officer's comments:** Terminating the agreement will simplify the land title and facilitate the timely completion of the academy conversion, without compromising the Council's strategic interests or financial position.

**6 Legal Implications**

- 6.1 **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:
- Supporting our Community
  - Managing our Resources
- 7.2 **Service Plans:** The matter is 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
- 7.6 **Local Government Reorganisation Implications:**
- 7.6.1 Post LGR, the Pre-Emption Agreement would fall away as both parties would become the same entity i.e. the new unitary authority.

**8 Background papers**

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

**Previous reports:**

- Proposed Transfer of Amenity Land to Southfield Park Primary School, S&R Committee 13 November 2012

**Other papers:**

- None

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Surrey County Council LA 076872 1996.

Notes:  THE MAYOR

 CHIEF EXECUTIVE

A	Green area altered	12.08.13	KBD
Rev.	Description	Date	By
			Chk'd



**SURREY**  
COUNTY COUNCIL

Estates Planning & Management, County Hall,  
Penryhn Road, Kingston upon Thames, Surrey, KT1 2DW.  
Tel : 020 8541 7233

O.S. Ref.	TQ 2061	
Scale	1:1250 @ A4	
Surveyed by	Drawn by	Checked by
Date	KBD	Date
	08.01.13	

Location	LAND AT SOUTHFIELD PARK PRIMARY SCHOOL LONG GROVE ROAD EPSOM
Title	ACQUISITION PLAN
Plan Reg. No.	CM 2984A



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These are the notes referred to on the following official copy

## Agenda Item 9 Appendix 2

Title Number SY815405

The electronic official copy of the document follows this message.

This copy may not be the same size as the original.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

*[Signature]* 18.10.13  
SOLICITOR

DATED

17th October 2013

**PRE-EMPTION AGREEMENT**

relating to

**LAND AT SOUTHFIELD PARK SCHOOL**

**EPSOM**

between

**SURREY COUNTY COUNCIL**

and

**EPSOM AND EWELL BOROUGH COUNCIL**



ANN CHARLTON  
HEAD OF LEGAL SERVICES  
COUNTY HALL  
KINGSTON UPON THAMES  
KT1 2DN

REF: CGL/DCO/55101

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THIS AGREEMENT is dated 17th October 2013

**PARTIES**

- (1) SURREY COUNTY COUNCIL of County Hall, Penrhyn Road, Kingston upon Thames KT1 2DN (**Seller**).
- (2) EPSOM AND EWELL BOROUGH COUNCIL of Town Hall, The Parade, Epsom, Surrey KT18 5BY (**Buyer**).

**BACKGROUND**

- (A) The Seller owns the freehold property known as land adjoining Southfield Park Primary School, Long Grove Road, Epsom Surrey KT19 8TP and has agreed to grant the Buyer a right of pre-emption in the event of the Seller wishing to make a disposal of it during a specified period.
- (B) The Buyer's right of pre-emption is subject to the terms contained in this agreement.

**AGREED TERMS**

**1. INTERPRETATION**

- 1.1 The definitions in this clause apply in this agreement.

**Acceptance Notice:** the duplicate of the Offer Notice signed and dated by the Buyer.

**Acceptance Period:** the period commencing on, and including, the date of service of the Offer Notice and ending at midnight on the expiry of six (6) weeks;

**Buyer's Conveyancer:** Head of Legal of Epsom and Ewell Borough Council, Town Hall, The Parade, Epsom, Surrey KT18 5BY.

**Completion Date:** the day that is four (4) weeks after the date of service of an Acceptance Notice by the Buyer on the Seller.

**Disposal:** a disposition or an agreement for a disposition of the whole or any part of the Property including (but not limited to):

- (a) a sale (whether or not at open market value);
- (b) a gift;
- (c) an exchange in return for other property;
- (d) a declaration of trust;
- (e) a grant of a lease;

other than a Permitted Disposal.

**Offer Notice:** written notice in the form set out in the Schedule to this agreement.



**Part 1 Conditions:** Part 1 of the Standard Commercial Property Conditions (Second Edition) and **Condition** means any one of them.

**Part 2 Conditions:** Part 2 of the Standard Commercial Property Conditions (Second Edition).

**Permitted Disposal:** a Disposal to another education authority or such other governing body, academy trust or other form of educational establishment as is required by law to hold the freehold or leasehold interest in the land comprising the School for the purpose of continuing to run the School as an educational establishment.

**Pre-emption Period:** the period from the date of this agreement until the expiry of the Acceptance Period.

**Pre-emption Sum:** A PEPPERCORN (if demanded).

**Property:** the freehold property adjoining the School shown more particularly tinted green on the plan attached to this agreement and being part of the property registered at the date of this agreement at the Land Registry with title absolute under title number SY682265.

**Purchase Price:** the amount that is agreed or determined in accordance with clause 6 at the date the Offer Notice is served (exclusive of VAT).

**Right of Pre-emption:** the right for the Buyer to buy the Property, in accordance with the terms of this agreement, in the event of the Seller wishing to make a Disposal during the Pre-emption Period.

**School:** Southfield Park Primary School, Long Grove Road, Epsom, Surrey KT19 8TF.

**Seller's Conveyancer:** Head of Legal Services of Surrey County Council, County Hall, Penrhyn Road, Kingston upon Thames KT1 2DN.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement tax and any similar additional tax.

**Working Day:** any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory Bank Holiday.

- 1.2 The rules of interpretation in this clause apply in this agreement.
- 1.3 Clause and Schedule headings do not affect the interpretation of this agreement.
- 1.4 Except where a contrary intention appears, a reference to a clause or a Schedule is a reference to a clause of, or Schedule to this agreement.
- 1.5 Unless otherwise specified, a reference to a law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-

enactment and includes any subordinate legislation for the time being in force made under it.

- 1.6 A **person** includes a corporate or unincorporated body.
- 1.7 **Writing** or **written** includes faxes but not e-mail.
- 1.8 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.9 Unless expressly stated to the contrary, a reference to the **Property** is to the whole only.
- 1.10 Any reference to the **Seller** includes its successors in title and any reference to the **Buyer** is personal to the party named above.
2. **GRANT OF THE RIGHT OF PRE-EMPTION**
  - 2.1 On the date of this agreement the Buyer will pay the Pre-emption Sum to the Seller.
  - 2.2 In return for the Pre-emption Sum, the Seller will grant the Buyer the Right of Pre-emption.
3. **REGISTRATION OF THE RIGHT OF PRE-EMPTION**
  - 3.1 The Seller consents to the following entries being made against the Seller's title to the Property at the Land Registry in order to protect this agreement:
    - (a) An agreed notice; and
    - (b) A restriction in the following terms:

"No disposition of the registered estate (other than a charge) by the proprietor of the registered estate is to be registered without a certificate signed by the Head of Legal of Epsom and Ewell Borough Council, Town Hall, The Parade, Epsom, Surrey KT18 5BY that the provisions of an agreement dated [ 17 October 2013 ] and made between Surrey County Council and Epsom and Ewell Borough Council have been complied with or that they do not apply to the disposition".
  - 3.2 Immediately at the end of the Pre-emption Period, the Buyer will cancel all entries relating to this agreement registered against the title to the Property.

**4. OFFER**

- 4.1 If the Seller wishes to make a Disposal during the Pre-emption Period, it must first offer to sell the Property to the Buyer on the terms of this agreement and serve an Offer Notice in duplicate on the Buyer.
- 4.2 The offer contained in the Offer Notice will be irrevocable and not capable of any amendment by the Seller during the Acceptance Period (except for the endorsement of the Purchase Price pursuant to clause 6.3).
- 4.3 The Seller must not make a Disposal during the Pre-emption Period unless either the Buyer has declined the offer contained in the Offer Notice or the Acceptance Period has expired without the Buyer serving an Acceptance Notice and any Disposal will then be subject to the provisions of clause 5.3.

**5. ACCEPTANCE**

- 5.1 If the Buyer wishes to accept the offer contained in the Offer Notice, it must serve an Acceptance Notice on the Seller within the Acceptance Period.
- 5.2 If an Acceptance Notice is served, the Seller will sell the Property and the Buyer will buy the Property in accordance with the terms of this agreement.
- 5.3 If the Buyer has not served an Acceptance Notice by the end of the Acceptance Period:
  - (a) the Right of Pre-emption will terminate on the expiry of the Acceptance Period, clause 4 will cease to apply and the Seller may make a Disposal free of the Right of Pre-emption; and
  - (b) the Buyer will remove all entries relating to this agreement registered against the title to the Property.

**6. PURCHASE PRICE**

- 6.1 Following service of the Offer Notice, the parties will use all reasonable endeavours promptly to agree the market value of the Property as at the date of service of the Offer Notice.
- 6.2 Notwithstanding clause 6.1, if the parties fail to agree the market value of the Property within two (2) weeks after the date of service of the Offer Notice, the following provisions will apply:
  - (a) the determination of the market value of the Property as at the date of service of the Offer Notice will be referred to a surveyor who is a Fellow or

Associate of the Royal Institution of Chartered Surveyors with at least ten years experience in valuing properties similar to the Property;

- (b) the surveyor will be appointed jointly by the parties;
- (c) if the parties have not agreed on the surveyor's identity within three (3) weeks of service of the Offer Notice, the surveyor will be appointed, on either party's request, by the President for the time being of the Royal Institution of Chartered Surveyors;
- (d) the surveyor will act as an expert and allow the parties each to make representations and submissions;
- (e) the surveyor's costs will be payable equally by the parties; and
- (f) The surveyor's decision as to the market value of the Property as at the date of service of the Offer Notice will be final and conclusive as to the Purchase Price payable.

- 6.3 Immediately upon the agreement or determination of the Purchase Price, the parties will endorse a note of the Purchase Price on each copy of the Offer Notice and will initial the endorsement.

**7. TITLE GUARANTEE**

The Seller will sell the Property with limited title guarantee.

**8. CONDITIONS**

- 8.1 Following service of an Acceptance Notice, the Part 1 Conditions will be incorporated in this agreement in so far as they:

- (a) Apply to a sale by private treaty;
- (b) Relate to freehold property;
- (c) Are not inconsistent with the other clauses in this agreement; and
- (d) Have not been modified or excluded by any of the other clauses in this agreement.

- 8.2 Following service of an Acceptance Notice, the Part 2 Conditions will not be incorporated into this agreement.

- 8.3 The following Part 1 Conditions will not apply:

- (a) Conditions 1.1.4(a), 1.3 and 1.5;
- (b) Condition 2.2;
- (c) Conditions 3.1.4 and 3.3;
- (d) Conditions 6.2, 6.3.1, 6.4.1 and 6.6.2; and

(e) Condition 7.1.3.

**9. VACANT POSSESSION**

The Property will be sold with vacant possession on completion subject only to any rights created by a Permitted Disposal.

**10. COMPLETION**

10.1 Completion will take place on the Completion Date.

10.2 On completion the Buyer will pay the Purchase Price to the Seller.

**11. VAT**

11.1 Each amount stated to be payable by the Buyer to the Seller under or pursuant to this agreement is exclusive of VAT (if any).

11.2 If any VAT is chargeable on any supply made by the Seller under or pursuant to this agreement, the Buyer will pay the Seller an amount equal to that VAT, subject to the Seller supplying the Buyer with a VAT invoice at the time of payment.

**12. ENTIRE AGREEMENT**

12.1 This agreement and the plan annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.

12.2 Each party acknowledges that in entering into this agreement it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) other than those:

- (a) set out in this agreement; or
- (b) contained in any written replies that the Seller's Conveyancer has given to any written enquiries raised by the Buyer's Conveyancer before the date of this agreement.

**13. NOTICES**

13.1 Any notice (including the Offer Notice and an Acceptance Notice) given to a party under or in connection with this agreement:

- (a) shall be in writing;

- (b) shall be signed by or on behalf of the party giving it;
- (c) shall be sent to the party for the attention of the contact and at the address or listed in clause 13.2;
- (d) shall be sent by a method listed in clause 13.4; and
- (e) unless proved otherwise is deemed received as set out in clause 13.4 if prepared and sent in accordance with this clause.

13.2 The parties' addresses and contacts are as set out in this table:

Party	Contact	Address
Surrey County Council	Head of Legal Services	Legal and Democratic Services, Surrey County Council, County Hall, Penrhyn Road, Kingston upon Thames KT1 2DN.
Epsom and Ewell Borough Council	Head of Legal	Legal Services, Epsom and Ewell Borough Council, Town Hall, The Parade, Epsom, Surrey KT18 5BY.

13.3 A party may change its details given in the table in clause 13.2 by giving notice, the change taking effect for the party notified of the change at 9.00 am on the later of:

- (a) the date, if any, specified in the notice as the effective date for the change; or
- (b) the date five Working Days after deemed receipt of the notice.

13.4 This table sets out:

- (a) delivery methods for sending a notice to a party under this agreement; and
- (b) for each delivery method, the corresponding delivery date and time when delivery of the notice is deemed to have taken place provided that all other requirements in this clause have been satisfied:

Delivery method	Deemed delivery date and time
Delivery by hand.	On signature of a delivery receipt.
Pre-paid first class recorded delivery post or other next working day delivery service providing proof of delivery.	9.00 am on the second Working Day after posting.

13.5 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

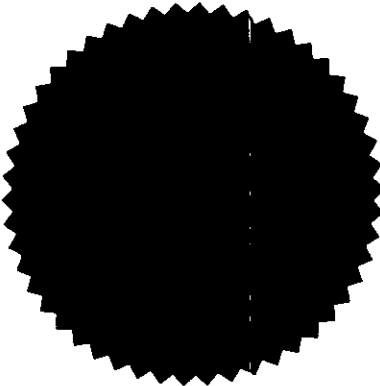
13.6 A notice given under this agreement is not valid if sent by e-mail.

14. RIGHTS OF THIRD PARTIES

- 14.1 A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.
- 14.2 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this agreement are not subject to the consent of any person that is not a party to this agreement.

This agreement has been entered into on the date stated at the beginning of it.

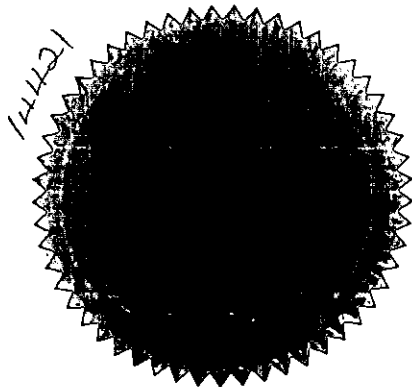
no EXECUTED as a DEED by affixing )  
THE COMMON SEAL of SURREY )  
COUNTY COUNCIL in the presence )  
of and attested by: )



*[Signature]*  
Authorised Signatory

*Lead Partner, Legal Services*  
Position

EXECUTED as a DEED by affixing )  
THE COMMON SEAL of EPSOM )  
AND EWELL BOROUGH COUNCIL )  
in the presence of and attested by: )



Authorised Signatory *[Signature]*

Authorised Signatory *[Signature]*





3. ACCEPTANCE

To: Surrey County Council  
At: County Hall, Penrhyn Road, Kingston upon Thames KT1 2DN  
for the attention of the Head of Legal Services  
[OR SUCH OTHER ADDRESS OR FOR THE ATTENTION OF SUCH OTHER  
PERSON AS WAS LAST NOTIFIED IN WRITING BY THE SELLER]  
BY [HAND][PRE-PAID FIRST CLASS RECORDED DELIVERY]

Epsom and Ewell Borough Council accepts the offer of Surrey County  
Council to sell the Property to the Buyer in accordance with the terms of the  
Agreement.

Dated ..... DO NOT  
Authorised Signatory ..... SIGN  
Position .....

for and on behalf of  
Epsom and Ewell Borough Council

**SURREY COUNTY COUNCIL**

No. IN SEALING  
REGISTER

8639-8642

ORDERED TO  
BE SEALED

V. No. 3/2013

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Notes:

*Francis A. Putter*  
CHIEF EXECUTIVE

*[Signature]*  
THE MAYOR

Rev.	Description	Date	By	Chk'd
A	Green area altered	12.08.13	KBD	



**SURREY**  
COUNTY COUNCIL

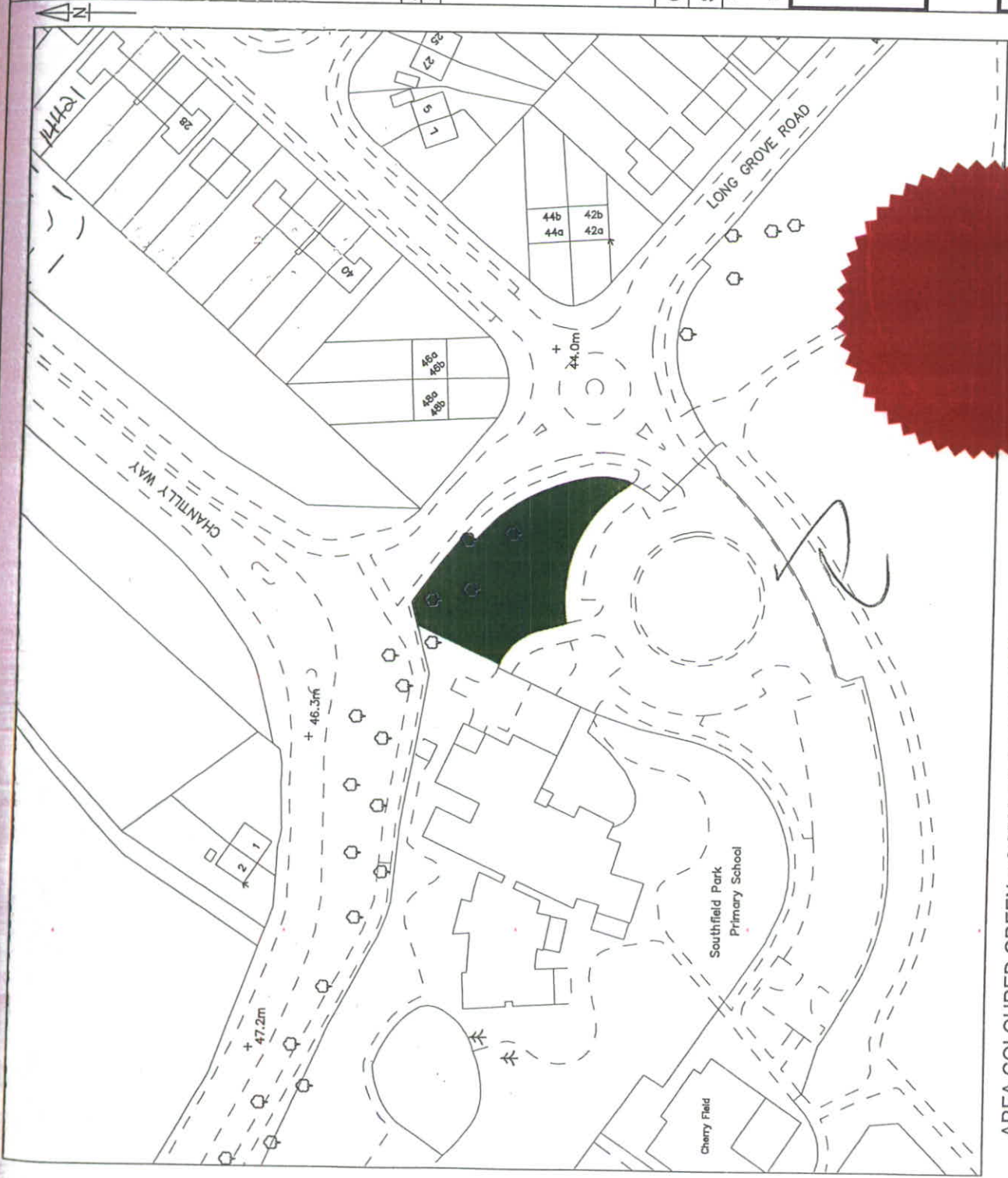
Estates Planning & Management, County Hall,  
Penryn Road, Kingston upon Thames, Surrey, KT1 2DW.  
Tel : 020 8541 7233

O.S. Ref.	TQ 2061
Scale	1:1250 @ A4
Surveyed by	Drawn by
Date	Checked by
	KBD
	Date
	08.01.13

Location	LAND AT SOUTHFIELD PARK PRIMARY SCHOOL LONG GROVE ROAD EPSOM
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Title	ACQUISITION PLAN
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Plan Reg. No.	CM 2984A
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## COUNCIL REFERRED MOTION

<b>Head of Service:</b>	Mark Shephard, Head of Property and Regeneration
<b>Report Author</b>	Mark Shephard
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 – Motion 1

### Summary

At the Meeting of the Full Council on 22 July 2025, a Motion (attached at Appendix 1) was submitted under FCR 14 of Appendix 4 of the Constitution.

The Council resolved by a majority vote to refer the Motion to Strategy & Resources Committee.

This report addresses the Motion for Committee to consider.

### Recommendation (s)

#### The Committee is asked to:

- (1) **Note the Motion and agree that no action be taken on any of the items within it, having considered the advice as set out in this report.**

### 1 Reason for Recommendation

- 1.1 The Council faces significant financial pressures and has a statutory obligation to maintain and deliver essential services to its residents.

### 2 Background

- 2.1 The Motion is attached at Appendix 1.

### 3 Committee considerations

- 3.1 The Motion's four requests are considered below.

***Reduce the Property Income Equalisation Reserve to £1m with the remaining £5.694m being equally divided between the General Fund Working Balance and Capital Reserves, from the 1<sup>st</sup> of September.***

3.2 The three reserves each have a clearly defined purpose and use. The policies for the reserves are contained in the Financial Plan 2024-2028 as approved by Full Council in February 2024. The policy notes that minimum reserve levels should remain as currently specified within the Medium-Term Financial Strategy:

- **Capital Reserves** are used to invest in future capital expenditure for services and assets i.e. future planned expenditure.

Minimum balance: £1m

- **The General Fund Working Balance** is maintained to safeguard against unexpected potential financial risks beyond those for which specific contingencies have been created i.e. unforeseen current expenditure.

Minimum balance: £1.5m

- **The Property Income Equalisation Reserve (PIE)** was specifically created to hold sufficient funds to mitigate the risks associated with future rental income streams from commercial properties acquired through borrowing.

Target balance: c£6m (the reserve's target is to hold sufficient funds to cover the potential loss of 1 year's rental income from each property acquired through the use of external borrowing).

The reserve's target balance has been attained and exceeded at times to temporarily hold one-off capital receipts associated with the acquisitions.

3.3 Whilst the purpose of the Capital and General Fund Working Balance Reserves is self-explanatory, the PIE was established in 2017 shortly after the Council created its Commercial Property Acquisition Fund at Extraordinary Council (21 November 2016).

3.4 The Commercial Property Acquisition Fund was initially £20m and subsequently increased to £80m following Strategy & Resources (7 February 2017). The Fund was resourced from prudential borrowing via the Public Works Loan Board (part of the Treasury).

3.5 The Council borrowed £64.4m to assist the acquisition of six commercial properties, including two properties held by the Council's 100% wholly owned property investment company (Epsom & Ewell Property Investment Company Ltd - EEPIC).

- 3.6 The purpose of the PIE is specifically to mitigate the risk of acquiring commercial property with externally borrowed funds. The highest risk is loss of rental income, for example, the lease is not renewed at expiry, or the tenant becomes insolvent.
- 3.7 In the absence of a tenant, the Council would become liable for various costs including (but not limited to) borrowing costs, vacant rates liability and security. The former property asset would quickly become a property liability immediately impacting the Council's limited budgets.
- 3.8 Furthermore, at lease expiry, a commercial property will potentially require a landlord's refurbishment to ensure the rent achievable is maximised and the property remains attractive to potential occupiers. Again, the purpose of the PIE is to mitigate the cost of any future works.
- 3.9 The above risks are well known to private property companies, and they will typically hold sufficient cash reserves to not only acquire non-income producing property assets (i.e. pre-refurbishment / construction) but to also mitigate against unforeseen tenant eventualities.
- 3.10 The PIE therefore serves a very defined and prudent role to mitigating the risks associated with commercial property assets acquired using external borrowed funds. By purchasing such assets, the Council is exposed to the same risks as private property companies and therefore, it is only responsible and prudent to ensure it holds a similar reserve and adopts a similar approach to the private sector.
- 3.11 As a £50m property investment company, EEPIC best portrays the potential level of risk the PIE aims to mitigate. Holding two commercial property assets with a combined gross rental stream of £3.78m per annum, any loss of future rent would potentially have an immediate and significant impact on the Council as the Company's sole shareholder.
- 3.12 In light of the above, reducing the PIE to £1million, equivalent to just 2% of EEPIC's valuation and approximately three months' gross rental income, would not be a prudent course of action. At best, it would be considered extremely high risk and at worst, reckless.
- 3.13 It is recommended that this Motion request is noted but no action taken.

***Urgently dispose of 66 High Street, 70 East Street and any underperforming Council owned commercial properties, and the capital receipts to be placed in Capital Reserves.***

- 3.14 66 High Street (a retail property located on the Spread Eagle Junction, Epsom), is not recognised as underperforming. It is commercially leased at market rent to a good tenant and contributes £59,000 pa to the Council's frontline service budgets. The net income yield reflects an attractive and secure 7.1% pa which the Council would be unable to finance a similar rate of return in the current market.

- 3.15 As approved at 6 May 2025 Full Council, it was agreed that the revised Strategic Priorities 2025-2027 would no longer include the proposed office move to 70 East Street.
- 3.16 Instead, 70 East Street was included in the revised Strategic Priorities 2025-2027 Priority 3: *Investigate future options for the existing Town Hall, 70 East Street*; and will be reported to Council as soon as the work is complete (anticipated to be through S&R committee in November 2025).
- 3.17 As regards “*and any underperforming Council owned commercial properties*”; none are currently identified within the Council’s commercial property portfolio.
- 3.18 The Council is fortunate to hold a high performing c£65m commercial property portfolio, the majority of properties being held on long term (30+ year) leases to secure commercial tenants. A further c£50m of commercial property is held indirectly by the Council through EEPIC.
- 3.19 The commercial tenants are responsible for all outgoings and the only non-income producing asset is 70 East Street – a result of LGR as per paragraph 3.16 above.
- 3.20 The Property & Regeneration Team was established in August 2016 to proactively asset manage the existing commercial property portfolio and increase its size through carefully identified commercial property acquisitions.
- 3.21 To demonstrate the Portfolio’s strong performance, the Council’s net rental income (that is, after the deduction of any borrowing or other running costs from the gross rental income) was £1,546,524 pa for the financial year 2018/19.
- 3.22 In contrast, the current 2025/26 published budget for the Council’s expected net rental income is £3,055,686 pa i.e. a near doubling in income. To consistently achieve a year-on-year net income increase requires rent reviews to be actively exercised / negotiated and vacant properties relet as soon as possible.
- 3.23 It would not be in either the Council or EEPIC’s interests to hold underperforming commercial properties. As mentioned, 70 East Street is the subject of a separate Strategic Priority workstream and a direct consequence of LGR.
- 3.24 It is recommended that this Motion request is noted but no action taken.

***Urgently explore disposal of underperforming properties owned by EEPIC, the capital receipts to be used for increased dividends to be placed in Capital Reserves.***



- 3.25 For 2025/26, dividend income from EEPIC is expected to be £1.35m and there are no rent arrears with both properties leased on long term commercial leases. Neither of the two properties owned by EEPIC are recognised as being underperforming.
- 3.26 As explained in paragraphs 3.6 – 3.12, the risk of holding EEPIC's £50m assets is mitigated by the Property Income Equalisation (PIE) reserve.
- 3.27 It should be noted that if the PIE was reduced to £1m or extinguished altogether, then the risk of holding the EEPIC properties would be considered untenable by EEPIC directors. Directors would have little alternative but to dispose of its assets and dissolve the Company.
- 3.28 Dissolving EEPIC carries its own risk as there are currently limited purchasers in the commercial property market i.e. a sale could take anything from several months to several years.
- 3.29 It is recommended that this Motion request is noted but no action taken.

***Proactively use our increased Capital Reserves for an accelerated 2026/27 capital programme to addresses a backlog of deferred works and future needs in the EEBC Building Asset Management Plan 2020-2030.***

- 3.30 The Council is already committed to an ambitious Capital Programme for 2025/26 that includes a variety of diverse and complex projects, such as:
- Stew Ponds desilting
  - Upper Pond Bank replacement
  - Ashley Centre Car Park Level 1 new waterproof membrane
  - Court Rec renewal of 3G football pitch
  - Playhouse Stage replacement lighting and dimmers
- 3.31 The process to identify projects for the 2026/27 Capital Programme will shortly commence. As with each year, it will take full account of the works highlighted in the EEBC Building Asset Management Plan 2020-2030 i.e. essential statutory and Health & Safety items considered first and operational / essential maintenance prioritised accordingly.
- 3.32 Representing the final financial year before LGR takes full effect, the 2026/27 Capital Programme is already expected to be equally ambitious as the current financial year. This will (and currently is) committing all available staff resource as evidenced by the recent additional UK Shared Prosperity Fund (UKSPF) works to both the Playhouse (upper bar refurbishment) and Bourne Hall (replacement windows and PV panels).

3.33 Even if it is unrealistically assumed commercial assets could be sold at short notice, the risk then transfers to one of limited staff resource i.e. the Council may suddenly have significant funds to spend but the lack of staff resource and onerous public procurement procedures, will likely render the funds unspent before vesting day in April 2027.

3.34 It is recommended that the Motion request is noted with no action taken.

#### 4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 Not applicable

4.2 Crime & Disorder

4.2.1 Not applicable

4.3 Safeguarding

4.3.1 Not applicable

4.4 Dependencies

4.4.1 None

4.5 Other

4.5.1 None

#### 5 Financial Implications

5.1 The council is regularly monitoring the reserves balance, asset value and risk which the Council is exposed to in the current climate. The proposal to reduce the reserve balance to £1m may not be prudent in the current circumstances but we are reviewing the policy to determine if there are balances which may be considered as over prudent and can be released for other priorities.

5.2 **Section 151 Officer's comments:** The sale of assets that have a financial strain on Council budgets may be an option which will be assessed following the asset review which is expected to be completed by October/November 2025.

#### 6 Legal Implications

6.1 **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:

- Priority 3: Investigate future options for the existing Town Hall, 70 East Street

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

7.3 **Climate & Environmental Impact of recommendations:** Not applicable

7.4 **Sustainability Policy & Community Safety Implications:** Not applicable

7.5 **Partnerships:** None

7.6 **Local Government Reorganisation Implications:**

7.6.1 The Council remains under a statutory obligation to achieve Best Value and ensure services can be delivered and maintained until LGR Vesting Day on 1 April 2027.

7.6.2 LGR does not represent an opportunity for the Council to make decisions and undertake activities it would otherwise not consider prudent in the absence of LGR.

## 8 Background papers

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

### **Previous reports:**

- EEBC Strategic Priorities 2025-2027, Full Council 13 May 2025  
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MIId=1627>
- Budget Meeting, Full Council 13 February 2024  
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MIId=1514>
- Establishment of a Company, Strategy & Resources 7 February 2017  
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MIId=258>
- Commercial Property Acquisition Fund, Extraordinary Council 21 November 2016  
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MIId=364>

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## Motions to Council Request Form

<b>Motion 1</b>	
<b>Proposer</b>	Cllr Alex Coley
<b>Seconder</b>	Cllr James Lawrence
<b>Motion</b>  Set out motion in full	<p>This Council notes that:</p> <ol style="list-style-type: none"> <li>I. Epsom &amp; Ewell Borough Council owns and operates over 30 buildings in public use which are cherished and beloved by residents.</li> <li>II. Epsom &amp; Ewell Borough Council is facing a likely budget deficit of £1.928m in 2026/27 and an accumulated gap of £5.063 million by the end of 2028/29 as reported to Financial Strategy Advisory Group in June 2025.</li> <li>III. The capital programme for 2026/27 as reported at Budget Council in February 2025 is forecast to cost £3.372 million and the accumulated four year capital programme is forecast to cost £10.023 million.</li> <li>IV. At Budget Council in February 2025 it was agreed that the 2026/27 capital programme will be partly financed by planned annual revenue contributions of £500k.</li> <li>V. The Capital Strategy agreed at Budget Council in February 2025 states that the estimated cost of works in the capital programme will have increased since the Asset Management Plan was agreed in July 2020, due to inflation.</li> </ol> <p>This Council therefore resolves to:</p> <ol style="list-style-type: none"> <li>1. Reduce the Property Income Equalisation Reserve to £1m with the remaining £5.694m being equally divided between the General Fund Working Balance and Capital Reserves, from the 1st of September.</li> <li>2. Urgently dispose of 66 High Street, 70 East Street and any underperforming Council owned commercial properties, and the capital receipts to be placed in Capital Reserves.</li> <li>3. Urgently explore disposal of underperforming properties owned by EEPIC, the capital receipts to be used for increased dividends to be placed in Capital Reserves.</li> <li>4. Proactively use our increased Capital Reserves for an accelerated 2026/27 capital programme to addresses a backlog of deferred works and future needs in the EEBC Building Asset Management Plan 2020 - 2030.</li> </ol>

<b>Relevant Committee(s) Motion would relate to</b>	Strategy & Resources
<b>Name of the Chairman of such Committee</b>	Neil Dallen

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held at the Council Chamber, Epsom Town Hall on 15 July 2025**

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**PRESENT -**

Councillor Neil Dallen (Chair); Councillor Hannah Dalton (Vice-Chair); Councillors John Beckett, Kate Chinn, James Lawrence, Lucie McIntyre and Humphrey Reynolds

Absent: Councillor Jan Mason

Officers present: Jackie King (Chief Executive), Cagdas Canbolat (Director of Corporate Services (S151)), Piero Ionta (Head of Legal Services and Monitoring Officer), Mark Shephard (Head of Property and Regeneration), Jon Sharpe (Interim Assistant Head of Service and Transport & Waste Services Manager), Sue Emmons (Chief Accountant), Will Mace (Corporate Governance & Strategy Manager) (Items 7-10 only) and Tim Richardson (Democratic Services Manager)

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**7 QUESTIONS AND STATEMENTS FROM THE PUBLIC**

No questions or statements were received from members of the public.

**8 DECLARATIONS OF INTEREST**

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

**9 MINUTES OF PREVIOUS MEETING**

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on 25 March 2025 and Minutes and Restricted Minutes of the two Special Meetings held on 17 June 2025 and authorised the Chair to sign them.

**10 PROCUREMENT STRATEGY UPDATE**

The Committee received a report setting out an updated Procurement Strategy, providing the council's vision, values and objectives for its procurement function.

The following matters were considered:

- a) **Contract waivers.** In response to a question from a Member, the Corporate Governance and Strategy Manager informed the meeting that the Audit and Scrutiny Committee would consider the inclusion of a

procurement exceptions report onto its work programme at its meeting of 17 July.

- b) **Transparency.** A Member of the Committee expressed the view that information evidencing the reasons for the evaluation scoring of contract tenders should be provided to Members within committee reports.

Following consideration, the Committee unanimously resolved to:

- (1) Approve the updated Procurement Strategy (Appendix 1 to the report).**

## 11 2024-25 PROVISIONAL FINANCIAL OUTTURN

The Committee received a report summarising the Council's provisional financial performance for 2024/25 and providing details of the capital budgets to be carried forward for schemes where costs will be incurred in 2025/26.

The following matters were considered:

- a) **Section 106 funds.** In response to a question from a member, the Chief Accountant informed the Committee that the majority of the Council's received Section 106 balances related to affordable housing. Where balances were time-bound the council sought to use them before they expired.
- b) **Disabled Facilities Grants (DFG).** In response to a question from a member, the Chief Accountant informed the Committee that any unspent DFG balances were rolled forward to the new financial year, but that the council also held a creditor balance of the same amount for use in the event that the grant was required to be paid back to the government. The Committee was informed that there had been a backlog of DFG works created by the Covid pandemic but that the Government had provided an extension to the period for existing funds to be used.

Following consideration, the Committee unanimously resolved to:

- (1) Receive the report on provisional financial outturn for 2024/25;**
- (2) Approve the carry forward £1.923 million budget for capital schemes to be added to the 2025/26 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.**

## 12 2026/27 STRATEGIC FINANCIAL PLANNING

The Committee received a report recommending budget targets for 2026/27 and providing an update on financial planning for 2027/28 to 2028/29 as recommended by the Financial Strategy Advisory Group.



The following matters were considered:

- a) **Benchmarking.** In response to a question from a Member, the Director of Corporate Services and S151 Officer informed the Committee that data from Spelthorne Borough Council had been omitted from the benchmarking data provided within the report due to the significant variance between its data and that of the other authorities within the County (a reported useable reserve of 431%).

Following consideration, the Committee unanimously resolved:

- (1) **To accept the recommendations of Financial Strategy Advisory Group held on 27 June 2025 as set out in Appendix 1 to the report, and;**
- (2) **Agree the amendment to the Medium-Term Financial Strategy position and note the budget gap for the relevant years as set out in table 4.2 in Appendix 2 to the report.**
- (3) **Agree the proposed Medium-Term Financial Strategy is in line with council priorities, prudent and sets a framework for a strong financial control.**
- (4) **To recommend to Full Council the proposed changes to the General Fund unallocated reserve levels set out in section 4.13 of Appendix 3 to the report.**

### 13 APPOINTMENT OF MEMBERS AND CHAIR OF THE SHAREHOLDER SUB-COMMITTEE

The Committee received a report seeking to agree the appointment of Members and a Chair to the Shareholder Sub Committee for the 2025-26 Municipal Year.

Following consideration, the Committee unanimously resolved to:

- (1) **Appoint Members and a Chair for the Shareholder Sub Committee as required by its Terms of Reference, and set out in paragraph 3.4 of the report, namely:**
  - **Councillor Neil Dallen (Chair)**
  - **Councillor John Beckett**
  - **Councillor Kate Chinn**
  - **Councillor Hannah Dalton**
  - **Councillor Humphrey Reynolds**

# 14 URGENT DECISION

The Committee received a report informing it of a decision taken by one of the Directors and / or Chief Executive on the grounds of urgency, in compliance with the requirements of the Constitution. The report related to Urgent Decision 154 - Postponement of committee decision relating to a charitable organisation operating in the borough, to consider further information which has been supplied, and act accordingly.

The following matter was considered:

- a) **Management arrangements.** In response to a question from a Member, the Head of Property and Regeneration provided the Committee with a verbal summary of the management arrangements for tenants of the council's properties.

Following consideration, the Committee unanimously resolved to:

- (1) Note the urgent decision taken and the reasons for that decision.**

# 15 BOURNE HALL LODGE

The Committee received a report setting out six potential options to consider the future use of Bourne Hall Lodge.

The following matter was considered:

- a) **Locking of park gates.** In response to a question from a Member, the Chair informed the Committee that park gates in Ewell and some sites in Epsom were locked daily. The Head of Property and Regeneration informed the Committee that the gates at Bourne Hall were currently locked by operational staff and the arrangements for the future was a matter to be decided with the tenant.

Following consideration, the Committee unanimously resolved to:

- (1) Agree for Bourne Hall Lodge to be refurbished for residential accommodation, as detailed in Option 1 (Appendix 2, paragraphs 1.1 – 1.12 of the report).**
- (2) Agree to fund the refurbishment budget of up to £340,000 from S106 developer funds.**
- (3) Nominate and authorise the Head of Property & Regeneration, Head of Housing & Community in consultation with the Director of Corporate Services and Head of Legal, to take all necessary actions further to the above decision being made that commit resources, as is necessary and appropriate, to progress the selected option to completion.**

## 16 EXCLUSION OF PRESS AND PUBLIC

During the Committee's debate on Item 10 of the agenda (Transport Fleet Vehicle Renewal), the Committee considered that due to the sensitivity of the information contained within the appendices to the report, an exclusion of the Press and Public would be necessary in order to enable effective debate on the matter in question.

The Chair proposed a motion that the Press and Public be excluded from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involved 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 outweighed the public interest in disclosing the information.

The Committee unanimously agreed the motion as set out by the Chair.

## 17 TRANSPORT FLEET VEHICLE RENEWAL

The Committee received a report informing it that the Council's vehicle fleet will require replacement starting mid-2027 and recommending that a decision is taken to extend the existing contract.

The matters that were considered by the Committee in relation to this item following the exclusion of the Press and Public is recorded in a separate (not for publication) restricted minute.

Following consideration, the Committee unanimously resolved to:

- (1) Authorise that the extension of the existing transport fleet contract be awarded to Specialist Fleet Services Limited, on the basis of lease with full maintenance, as now at an annual cost detailed within Exempt Appendix 1 to the report.**
- (2) Nominate and authorise the Head of Operational Services, following consultation with the Chairman and Vice-Chairman of the Strategy and Resources Committee, the Director of Corporate Resources and Head of Legal, to take all necessary steps to finalise the extension in accordance with the existing agreement terms so as to bring into effect the recommendations resolved by this Committee.**
- (3) Nominate and authorise the Deputy Chief Executive and Head of Housing, Environment and Regeneration, to take all necessary steps to enter into and approve all individual Contract Hire Schedules – including extensions, if vehicles are kept for longer than the originally intended term - in accordance with the existing agreement terms so as to bring into effect the recommendations resolved by this Committee.**

Following the consideration of this item the Chair expressed his thanks to the Interim Assistant Head of Service and Transport & Waste Manager for the work of the council's staff to provide the council's waste management services.

**18 LEASE ARRANGEMENTS - RELATE 2025/6**

The Committee received a report considering options for future funding arrangements for RELATE Mid and East Surrey for 2025-2027.

The Head of Property and Regeneration informed the Committee that he had been informed that RELATE Mid and east Surrey had changed its name on 1 July 2025 to Surrey Counselling and Mediation.

The matters that were considered by the Committee in relation to this item following the exclusion of the Press and Public is recorded in a separate (not for publication) restricted minute.

Following consideration, the Committee resolved with 6 votes for and 1 abstention to:

- (1) Agree the funding arrangements for RELATE Mid & East Surrey (Surrey Counselling and Mediation) for 2025-2027 as detailed in Alternative Option 1 as detailed in Exempt Appendix 2 to the report.**

*The meeting began at 7.30 pm and ended at 8.36 pm*

COUNCILLOR NEIL DALLEN (CHAIR)

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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 document is included on Part Two of the agenda and have not been published:

Item 11 – Restricted Minutes of previous meeting
The report deals with information relating to the financial or business affairs of the Committee and third parties.
Item 13 – Facilities Management Contract
The report deals with information relating to the financial or business affairs of the Committee and third parties.

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