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Democratic Services



STRATEGY AND RESOURCES COMMITTEE

Tuesday 17 March 2026 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 Humphrey Reynolds
Councillor Shanice Goldman

Yours sincerely

A handwritten signature in black ink, appearing to read "Sing".

Chief Executive

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

EMERGENCY EVACUATION PROCEDURE

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

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

Public information

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

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

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

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

Exclusion of the Press and the Public

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

Questions and statements from the Public

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

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

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

Questions must be received in writing by Democratic Services by noon on the fifth working day before the day of the meeting. For this meeting this is **Noon, Tuesday 10 March**.

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, Monday 16 March**.

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

Filming and recording of meetings

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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. MINUTES OF PREVIOUS MEETING (Pages 5 - 10)

The Committee is asked to confirm as a true record the Minutes of the meeting of the Committee held on 27 January 2026 (attached) and to authorise the Chair to sign them.

4. COUNCIL REFERRED MOTION (Pages 11 - 18)

To consider the motion as received from Council regarding the proposed twinning of this Council with the town of Bucha, in Kyiv Oblast, Ukraine.

5. APPOINTMENT OF MEMBERS AND CHAIR OF THE SHAREHOLDER SUB-COMMITTEE (To Follow)

6. BOURNE HALL BUNGALOW (Pages 19 - 22)

This report considers the lease renewal of Bourne Hall Bungalow.

7. COMMERCIAL TENANT UPDATE: LEASE EXTENSIONS (Pages 23 - 30)

This report outlines the opportunity for the Council to extend two long term commercial leases on their existing terms and receive a combined £52,500 capital receipt.

8. EEBC 2025-2027 STRATEGIC PRIORITY 4: COMMUNITY ASSET REVIEW

This report outlines the progress made in respect of the Council's 2025-2027 Strategic Priority 4 in relation to Community Assets. It recommends completion of the Phase 2 work to ensure each of the 3 key Community Assets (Bourne Hall, Community & Wellbeing Centre and Epsom Playhouse) are provided with a business case to help safeguard their future success.

9. EEBC 2025-2027 STRATEGIC PRIORITY 3: 70 EAST STREET

This report outlines the progress made on the Council's 2025-2027 property related Strategic Priority 3 and recommends the sale of 70 East Street.

10. EXCLUSION OF PRESS AND PUBLIC (Pages 31 - 32)

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

Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held at the Council Chamber, Epsom Town Hall on 27 January 2026

PRESENT -

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

In Attendance: Councillor Alex Coley

Absent: Councillor Kate Chinn and Councillor Jan Mason

Officers present: Cagdas Canbolat (Director of Corporate Services (S151)), Piero Ionta (Head of Legal Services and Monitoring Officer), Stephanie Osborne (Head of People and Organisational Development), Mark Shephard (Head of Property and Regeneration), Sue Emmons (Chief Accountant), Tony Foxwell (Senior Surveyor), Siobhan Gavigan (Revenues Manager) and Tim Richardson (Democratic Services Manager)

43 QUESTIONS AND STATEMENTS FROM THE PUBLIC

There were no questions or statements from the public.

44 DECLARATIONS OF INTEREST

Councillors made the following declarations in relation to items on the agenda:

Epsom and Ewell Employment Hub

Councillor Chris Ames, Other Interest: Councillor Chris Ames declared that his daughter meets Surrey Choices using the Epsom and Ewell Employment Hub premises.

Urgent Decisions

Councillor Chris Ames, Other Interest: Councillor Chris Ames declared that he was a member of the Audit and Scrutiny Committee.

45 PAY POLICY STATEMENT 2026

The Committee received a report introducing the draft Epsom & Ewell Borough Council Pay Policy Statement for 2026/27 and seeking approval of the Statement

prior to its presentation to Full Council and subsequent publication on the Council's website.

The following matter was considered:

- a) **Staff pay award.** In response to a question from a Member, the Head of People and Organisational Development informed the Committee that the Chief Executive and Directors received the same percentage annual salary increase as all staff. The Full Council had agreed the percentage salary increase at its meeting in December 2025.

Following consideration, the Committee unanimously resolved to:

- (1) **Agree that the draft Pay Policy Statement for 2026/27 is referred to Full Council for approval.**
- (2) **Nominate and Authorise the Head of People and Organisational Development to include the returning officer fees, when received.**

46 PLANNED MAINTENANCE PROGRAMME 2026-27

The Committee received a report providing a progress update on the current (previously approved) financial year 2025-26 planned maintenance programme and requesting approval for the planned maintenance programme for the financial year 2026-27.

The following matters were considered:

- a) **Fire risk assessments.** In response to a question from a Member, the Building Services and Facilities Manager informed the Committee that the majority of actions relating to fire risk assessments were for the Town Hall, as these had not been undertaken due to the intention to sell the site. Following the decision not to sell the site, these works had commenced. The Committee was informed that actions identified within fire risk assessments were not always completed within 1 year, due to the complexity of the works involved.
- b) **Bourne Hall Garages.** In response to a question from a Member, the Building Services and Facilities Manager informed the Committee that works to the garages were not required at the current time as the roof of the garages was still in sufficiently good condition.
- c) **Auriol Pavillion intruder alarms.** In response to a question from a Member, the Building Services and Facilities Manager informed the Committee that works to the alarm had been undertaken within the past few years and that no further works were required at present.
- d) **Community & Wellbeing Centre External decorations.** In response to a question from a Member, the Building Services and Facilities Manager informed the Committee that external decoration works should be completed every 5 years and were not a high cost item.

- e) **CCTV replacement.** In response to a question from a Member, the Building Services and Facilities Manager informed the Committee that this related to systems in Council premises.
- f) **Scheduling of Playhouse works.** In response to a question from the Vice-Chair, the Building Services and Facilities Manager informed the Committee that works to Epsom Playhouse would be scheduled at a time to ensure that they did not impact upon shows to be held at the venue.

Following consideration, the Committee unanimously resolved:

- (1) **To note the progress and anticipated spend at the end of the current year 2025-26 as shown in Appendix 1 to the report.**
- (2) **To note the additional emergency works raised and carried out in the 2025-26 planned maintenance programme.**
- (3) **To approve the 2026-27 planned maintenance programme at an estimated cost of £757,000 as set out in Appendix 2 to the report, to be funded from planned maintenance budgets and the Planned Maintenance Reserve.**
- (4) **To nominate and authorise the Head of Property and Regeneration to make changes within the 2026-27 planned maintenance programme to cover unforeseen matters (such as tender price variances) of up to, but not exceeding £20,000 per change, in accordance with Financial Regulations and Contract Standing Orders.**
- (5) **To agree to transfer the unspent budgets back to the Planned Maintenance Reserve at the end of the 2026-27 financial year.**

47 COUNCIL TAX EMPTY PROPERTY AND SECOND HOME POLICY

The Committee received a report proposing the removal of the Council Tax one month empty and unfurnished exemption from 01 April 2026, the Introduction of the 100% Empty Home Premium on properties which have been empty and substantially unfurnished for longer than 1 year, from the 01 April 2026 and the introduction of a 100% premium for all second homes from 01 April 2027, in line with the governing legislation.

The following matter was considered:

- a) **Reset for unfurnished / not in use properties.** In response to a question from a Member, the Revenues Manager informed the Committee that for properties that are empty and unfurnished there was a legal requirement that there be 6 weeks of occupation before a further empty exemption can be applied. With regard to second homes that remained furnished, the 6 week rule was not applicable as it would be applied the whole time that the property remains a second home.

Following consideration, the Committee unanimously resolved:

- (1) **Approve the recommended changes to how Council Tax is levied on Empty properties, as set out in Appendix 1, with effect from the 1 April, 2026.**
- (2) **Approve the recommended changes to how Council Tax is levied on Second Homes in the Borough, as set out in Appendix 1, with effect from 1 April, 2027.**

48 REVENUE BUDGET AND FEES AND CHARGES 2026/27

The Committee received a report setting out estimates for income and expenditure on services in 2026/27 and recommending fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2026.

The following matters were considered:

- a) **Percentage fee change.** In response to a question from a Member, the Chief Accountant informed the Committee that the Medium Term Financial Strategy set that fees should be increased by at least the rate of CPI plus 1%. The rate of CPI in September of the previous year was used for this calculation (3.8% in September 2025), with a total of 4.8% as the result.
- b) **Future savings and income generation.** In response to a question from a Member, the Director of Corporate Services and Section 151 Officer informed the Committee that any future sustainable savings or income generation opportunities identified could be taken forward by the new unitary East Surrey Council.

Following consideration, the Committee unanimously resolved to:

- (1) **Recommend the 2026/27 service estimates for approval at the budget meeting of Full Council on 10 February 2026, amended since the publication of the draft budget book, as set out in table 4.6 of the report;**
- (2) **Recommend the 2026/27 fees and charges, as set-out in Appendix 1 to the report, for approval at the budget meeting of Full Council on 10 February 2026;**
- (3) **Agree the Council Tax Discount bands for 2026/27, as set-out in section 7 of the report.**

49 EPSOM AND EWELL EMPLOYMENT HUB

The Committee received a report presenting options for funding the Epsom and Ewell Employment Hub for 2026/27 for consideration.

The following matter was considered:

- a) **Exempt information.** A Member requested to know why Appendix 2 to the report had been classified as exempt information and had not been published. The Chair and Head of Legal and Monitoring Officer informed the committee that the reasons were detailed in Item 10 of the agenda (Exclusion of press and public).

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

- (1) **Agree that Option A as set out in section 5 of the report for the financial support of the Epsom and Ewell Employment Hub in 2026/27 was preferred.**
- (2) **Agree that the Council continues the delivery arrangements with Surrey Life Long Learning to deliver this initiative.**
- (3) **Nominate and authorise the Head of Housing and Community, in consultation with the Director of Environment Housing and Regeneration and the Chair of Community and Wellbeing Committee, to enter into a legal agreement with Surrey Life Long Learning to deliver this initiative.**

50 URGENT DECISIONS

The Committee received a report on decisions taken by the Chief Executive and Directors on the grounds of urgency, in compliance with the requirements of the Constitution.

The following matters were considered:

- a) **Status of negotiations.** In response to a question from a Member, the Chair informed the Committee that negotiations were ongoing.
- b) **Reason for urgency.** In response to a question from a Member, the Chair informed the Committee that the reason for the urgency of the decision was to allow negotiations with the venue operator regarding various matters including health and safety matters. Further negotiations were continuing with regard to who would repay the council for those works.
- c) **Wording of committee report.** In response to a query from a Member in relation to paragraph 2.2 of the report, the Head of Legal and Monitoring officer informed the Committee that in paragraph 2.2 of the report the word “concluded” should read “initiated”.

Following consideration, the Committee resolved with 5 votes for and 2 abstentions to:

- (1) **Note the urgent decision taken since the last meeting of the committee.**

51 MINUTES OF PREVIOUS MEETING

The Committee confirmed as a true record the Minutes and Restricted Minutes of the Meeting of the Committee held on 9 December 2025 and the Chair signed them.

The meeting began at 7.30 pm and ended at 8.39 pm

COUNCILLOR NEIL DALLEN (CHAIR)

COUNCIL REFERRED MOTION

Head of Service:	Piero Ionta, Head of Legal and Monitoring Officer
Report Author	Piero Ionta, Tim Richardson
Wards affected:	(All Wards);
Urgent Decision? (yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Motion as received by Full Council on 10 February 2026.

Summary

To consider the motion as received from Council regarding the proposed twinning of this Council with the town of Bucha, in Kyiv Oblast, Ukraine.

Recommendation (s)

The Committee is asked to:

- (1) **Approve the creation of a Working Group – that comprises of 3 members of this Committee (2 Resident Association Group members of this committee + 1 member of this committee to be selected from either the Labour, Liberal Democrat or Conservative Political Groups).**
- (2) **Nominate and authorise the Chief Executive, in consultation with the Chair and Vice Chair of this Committee to settle the Terms of Reference of the Working Group in advance of its first meeting.**
- (3) **To invite the Working Group to provide an update of its efforts at the next scheduled meeting of this Committee.**

1 Reason for Recommendation

- 1.1 To consider creating a working group of members of this committee to consider the impact of the motion received from Full Council.

2 Background

- 2.1 At its meeting held on 10 February 2026, a motion was received proposing the following recommendations:
- 2.2 That the council:
 - 2.2.1 Endorse in principle the establishment of a twinning arrangement between the Borough of Epsom & Ewell and the City of Bucha, Ukraine.
 - 2.2.2 Recognise the Bucha-Epsom Association (BEA) as the lead organisation in the Borough responsible for twinning activities with Bucha.
 - 2.2.3 Authorise the Chief Executive, at an appropriate time, to approve and sign on behalf of the Council a standard twinning charter provided under Ukrainian law, as is consistent with UK civic practice.
 - 2.2.4 Encourage civic, cultural, educational, and community groups within the Borough to engage with the Bucha-Epsom Association and consider participation in twinning initiatives.
- 2.3 Council resolved by a majority vote to refer the Motion to this Committee for consideration.
- 2.4 The aim of this report is to set out the issues that this committee should consider before making a decision on the motion noted above.

Recent History of Twinning within Epsom & Ewell:

- 2.5 Council last considered the issue of twinning back in 1995. Following a public consultation, the Council, in April 1993 invited local organisations to set up a Town Twinning Steering Committee, charged with the task of selecting a suitable twin and setting up a properly constituted Town Twinning Association.
- 2.6 A report was brought to the then Policy and Resources Committee on 28 March 1995. Following the recommendation of that Committee, a report was then brought to Full Council on 11 April 1995, who adopted the recommendation as received.
- 2.7 Whilst the starting point would be to look at the existing agreement in place for the Chantilly twinning arrangement, It is fair to say that as some 30 years have passed since anyone at the council last consider this, there is no knowledge or internal process to rely upon, which is relevant to the issue of resourcing delivery of this proposal.

Formal process:

- 2.8 As noted within the motion, there is no statutory process that the Council is obliged to follow to make a decision whether to twin Epsom & Ewell with another municipal area; a recent House of Commons Library Briefing Papers on the topic states:
- 2.8.1 “Twinning has traditionally consisted of agreements (charters, contracts or memorandums of understanding) or school exchanges and meetings between business leaders, and council officials from each town meeting one another.”
- 2.9 Under the Council’s Constitution and Operating Framework, there is no specific delegation to officers nor does this fall with the Terms of Reference of any committee which leads to the conclusion that a resolution of full Council is required and that an MoU between the relevant parties should be put in place.

Resource implications and risk:

- 2.10 If this Council were minded to support this motion, there are a number of considerations to be explored before a decision can reasonably be made.
- 2.11 It is therefore recommended that a working group made up for 3 members of this Committee explore this motion and the issues that it raises, reporting back to this Committee at its next scheduled meeting.
- 2.12 The issues that require further exploration and discussion with officer includes:
- 2.12.1 **Resourcing** - Mindful that this Council is entering its final year of existence, will this twinning process and support of it add demands upon the Council’s Mayoral Office, Democratic Service & Legal Team whilst they continue to deliver services alongside preparing for a new East Surrey Council and supporting the work across Surrey to deliver Local Government Reorganisation
- 2.12.2 **Risk** – Entering into a new twinning relationship (which requires officer time, civic engagement, committee reporting and potential travel arrangements) may pull focus away from mandatory LGR preparations. This can cause delays, quality issues, or operational failures in core reorganisation tasks.

2.12.3 **Uncertainty** - East Surrey Council may review or terminate pre-vesting arrangements, potentially harming relationships with the proposed parties. Any twinning commitments signed now may not align with the future council's strategic priorities, governance, or budget framework. This would also place a burden upon the new Council to update any agreement/s soon after vesting day to reflect the new Council in place of this Council.

2.12.4 **Cost** – It is unclear if any grant funding is sought in addition to the obligation that would be placed for officer support; it is noted that the current Chantilly twinning arrangement has no funding or resourcing from the council. Whilst it is said that twinning is low-cost, it is still a discretionary activity. In a period of budgetary pressure, creating new recurring commitments (hospitality, travel, officer support) is likely to be challenged and scrutinised by auditors or public opinion.

2.13 A Working Group – much as this Council created a Steering committee back in 1994 to carry out a similar function – would be best placed to explore these issues and make a number of recommendations for this Committee to consider; these may include conducting a public consultation to mirror the approach adopted back in 1993 before a decision is taken whether to invite Full Council to consider endorsing the proposal.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 None arise from this motion.

3.2 Crime & Disorder

3.2.1 None arise from this motion.

3.3 Safeguarding

3.3.1 None arise from this motion.

3.4 Dependencies

3.4.1 Noted above.

3.5 Other

3.5.1 None

4 Financial Implications

- 4.1 It is hoped that the Working Group will be able to ascertain what cost this would place upon the Council – in terms of grant funding, officer time, providing access to council facilities for public events and meetings, hosting and attendance by the Mayor or other members of civic events, etc.
- 4.2 **Section 151 Officer's comments:** None arising from the content of this report.

5 Legal Implications

- 5.1 **Legal Officer's comments:** Any relevant comments are included within the body of this report.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** None of the Key Priorities are engaged.
- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** None arise from this motion.
- 6.4 **Sustainability Policy & Community Safety Implications:** None arise from this motion.
- 6.5 **Partnerships:** None arise from this motion.
- 6.6 **Local Government Reorganisation Implications:** Any impact is noted within the body of this report.

7 Background papers

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

Previous reports:

- None

Other papers:

- None

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Motions to Council Request Form

Proposer	Cllr Kieran Persand
Seconder	Cllr Julie Morris
<p>Motion</p> <p>Set out motion in full</p>	<p>This Council notes that:</p> <p>The town of Bucha, in Kyiv Oblast, Ukraine, has become internationally recognised for the atrocities committed against its civilian population in 2022, but is today a symbol of resilience, democratic values, and European aspiration.</p> <p>Epsom and Ewell is already home to a vibrant network of individuals and organisations actively supporting Ukraine, including the charity Surrey Stands With Ukraine, which has sent several million pounds worth of humanitarian aid to Ukraine since 2022.</p> <p>The Borough has welcomed refugees from Ukraine and hosted cultural, musical, and educational activities strengthening ties between our communities, including the current Festival of Friendship – Ukraine.</p> <p>The Mayor of Bucha, Anatolii Fedoruk — in office since 1998 — has personally expressed his strong wish that Epsom become Bucha’s first twin town in the UK, emphasising that the twinning is not about seeking aid, but about building future cultural, business, educational and civic links.</p> <p>Bucha has signed twinning agreements with several European and US cities but has no UK twin. Bucha and Epsom are similar in size and suburban character, each situated approximately 25km from their national capitals.</p> <p>A dedicated Bucha-Epsom Association (BEA) has been established in the Borough, with a constitution and committee, to undertake all organisational and administrative responsibilities for any future twinning, similar to the existing Epsom and Chantilly Town Twinning Association.</p> <p>This Council further notes that:</p> <p>There is no statutory framework for town twinning in the UK. Twinning arrangements are civic in nature and have historically been endorsed in principle by</p>

	<p>councils and administered in practice by local associations.</p> <p>While Ukraine’s law requires twinning charters to be signed by municipal authorities, UK practice allows such documents to be signed by a council Chief Executive with delegated authority. Any physical exchange visits to Ukraine during wartime would not be expected. Interaction would take place online or through visits to Epsom. Security and prudence will always be prioritised.</p> <p>Accordingly, this Council resolves to:</p> <p>Endorse in principle the establishment of a twinning arrangement between the Borough of Epsom & Ewell and the City of Bucha, Ukraine.</p> <p>Recognise the Bucha-Epsom Association (BEA) as the lead organisation in the Borough responsible for twinning activities with Bucha.</p> <p>Authorise the Chief Executive, at an appropriate time, to approve and sign on behalf of the Council a standard twinning charter provided under Ukrainian law, as is consistent with UK civic practice.</p> <p>Encourage civic, cultural, educational, and community groups within the Borough to engage with the Bucha-Epsom Association and consider participation in twinning initiatives.</p>
<p>Relevant Committee(s) Motion would relate to</p>	<p>Strategy and Resources Committee</p>
<p>Name of the Chairman of such Committee</p>	<p>Councillor Neil Dallen</p>

BOURNE HALL BUNGALOW

Head of Service:	Mark Shephard, Head of Property and Regeneration
Report Author	Mark Shephard
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report considers the lease renewal of Bourne Hall Bungalow.

Recommendation (s)

The Committee is asked to:

- (1) Renew the existing 1-year commercial lease to the operating company of Epsom Primary Care Network (part of the NHS) for a term of 3 years subject to an option to break the lease on 3 months' written notice. The lease break option would be exercisable by either party after the first 12 months. All other lease terms to be carried over.**
- (2) Nominate and authorise the Head of Property & Regeneration to take all necessary actions further to the above decision being made to progress the lease to completion.**

1 Reason for Recommendations

- 1.1 To reflect the changing circumstances of the tenant and seek approval to grant a lease term that exceeds the previous 1 year only decision made at this Committee on 25 March 2025.

2 Background

- 2.1 Bourne Hall Bungalow, a former detached caretaker's bungalow, forms part of the Council's commercial property portfolio. It is located adjacent to Bourne Hall with vehicular access via Bourne Hall public car park.

- 2.2 The property has been annually leased since April 2023 to the operating company of Epsom Primary Care Network (PCN), part of the NHS.
- 2.3 As reported to S&R Committee on 28 March 2023, the property was extensively marketed by an external commercial letting agent when the previous tenant vacated at lease expiry.
- 2.4 Bourne Hall Bungalow provides Epsom PCN with an opportunity to give their population a visible “front door” neighbourhood presence. It is a valuable community space for some of their team - particularly the social prescribers and care coordinators supporting residents in need.
- 2.5 The commercial lease was granted on a Full Repairing and Insuring basis (FRI - tenant responsible for all outgoings) and at market rent. However, due to long term NHS funding uncertainty, it was recommended the duration of the lease be restricted to coincide with the available 1-year funding.
- 2.6 Further NHS funding was secured for a second year and the annual lease duly renewed in April 2024.
- 2.7 At its meeting on 25 March 2025, committee took the opportunity to consider the future use of the property and was presented with various alternative options. It was agreed that the property would continue to be commercially let to the NHS and renewed accordingly for a further year.
- 2.8 At each annual lease expiry, the rent was confirmed by the Council’s external Asset Valuers as representative of the open market rental value.

3 Proposal

- 3.1 The NHS has been a valued commercial tenant of the Council for almost 3 years, each year readily obtaining funding and confirming a willingness to renew the lease.
- 3.2 It is now proposed to provide both parties with greater certainty and renew the lease for a term of 3 years subject to an option to break the lease on 3 months’ written notice. The lease break option would be exercisable by either party after the first 12 months.
- 3.3 The lease break option would provide the:
 - NHS with the advantage of a minimum lease term of 15 months (assuming the Council gave written notice after 12 months).
 - Council with full flexibility to pursue alternative options in the future.
- 3.4 The new 3-year lease would continue to reflect full commercial terms including verification with the Council’s externally appointed Asset Valuers to ensure the rent reflects Best Value.

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 Commercial tenant remains dependent on NHS funding.

4.5 Other

4.5.1 None

5 Financial Implications

5.1 Renewal of the commercial lease maximises income from the use of Council assets.

5.2 **Section 151 Officer's comments:** The proposal supports the Council's Medium Term Financial Strategy objective to maximise commercial income from its asset base and provides a clearer, more predictable income stream while maintaining protections for the Council.

6 Legal Implications

6.1 The Local Government Act 1972 ("the 1972 Act") provides the Council with powers to dispose of land, including the ability to sell or lease land. However, under the 1972 Act, the Council must ensure that any disposal is for the best consideration reasonably obtainable unless specific exemptions apply.

6.2 Best Value is evidenced by the new 3-year lease continuing to reflect full commercial terms including verification with the Council's externally appointed asset valuer to ensure the rent reflects Market Value.

6.3 Legal services are being provided by external solicitors instructed by the Head of Property & Regeneration further to the agreement of the Head of Legal and Monitoring Officer.

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

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity and Prosperity, Effective Council
- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** While in occupation, the tenant is responsible for Building Regulation compliance. Furthermore, the wider NHS has adopted a Green Plan Strategy 2025-28 to integrate Net Zero Carbon into everything it does.
- 7.4 **Sustainability Policy & Community Safety Implications:** The tenant will promote sustainable solutions and endeavour to support their implementation wherever they do not conflict with the operation of their business.
- 7.5 **Partnerships:** The Council supports Epsom PCN by providing accommodation and facilitating the increased provision of NHS community services to residents.
- 7.6 **Local Government Reorganisation Implications:** The Council remains under a statutory duty to achieve Best Value and ensure services can be delivered and maintained until LGR Vesting Day on 1 April 2027.

8 Background papers

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

Previous reports:

- Bourne Hall Bungalow, S&R Committee 25 March 2025
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=1683>
- Commercial Property Update, S&R Committee 28 March 2023
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=1300>

COMMERCIAL TENANT UPDATE: LEASE EXTENSIONS

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

Summary

This report outlines the opportunity for the Council to extend two long term commercial leases on their existing terms and receive a combined £52,500 capital receipt.

Recommendation (s)

The Committee is asked to:

- (1) **Agree to extend the two commercial leasehold interests by 100 years and 50 years as described in paragraphs 1 and 2 of Exempt Appendix 1.**
- (2) **Note that the two lease extensions will generate a combined capital receipt of £52,500 on completion.**
- (3) **Nominate and authorise the Head of Property & Regeneration to take all necessary actions further to the above decision being made, to progress the lease to completion.**

1 Reason for Recommendation

- 1.1 The Council has a statutory obligation under s123 Local Government Act 1972 to seek Best Value from its land and property assets.
- 1.2 The above recommendations exceed the Property & Regeneration Scheme of Delegation which requires Committee approval to:
 - 1.2.1 Leasehold disposals exceeding £10,000 value and / or;
 - 1.2.2 Grant / extension of leases over 15 years.

- 1.3 The recommendations reflect the changing circumstances of the tenants and demonstrate the Council's commitment to its s123 obligation.

2 Background

- 2.1 The majority of the Council's commercial properties are held by tenants on long term leases.

- 2.2 These provide the Council with numerous benefits including:

- Long term secure income.
- Avoidance / reduction in vacancy costs – no loss of income at lease expiry.
- Increased Asset Value – strong demand in the property investment market for financially secure tenants on long leases.

- 2.3 Equally, commercial tenants benefit from long term leases:

- Operational stability to justify long term investment in the business.
- Avoidance of relocation costs at lease expiry.
- Customer base – a long term location promotes brand and customer loyalty.
- Work force – a long term location promotes staff retention and assists recruitment.

- 2.4 Lease extensions are not uncommon and are often requested by tenants to:

- Refinance – to attract the most favourable loan interest rate for long term capital investment.
- Grants – to access grant funding where a minimum lease term is often required.

- 2.5 Two long leasehold commercial tenants have approached the Council requesting lease extensions to justify long term investment in their respective operations.

- 2.6 The Council commissioned Market Valuation reports to independently determine the premium payable to extend the respective leases on their existing terms.

- 2.7 The Market Valuation reports were undertaken by the Council's external commercial property Asset Valuers to ensure Best Value compliance.

3 Proposal

- 3.1 The proposed lease extensions are detailed in Exempt Appendix 1. The terms are considered commercially sensitive as they are subject to contract and provide the identity / financial information of the commercial tenant.
- 3.2 Existing lease terms for both opportunities remain unchanged and will apply in full to the additional lease terms granted.
- 3.3 It is recommended to extend the leasehold interests and thereby provide the Council with a £52,250 capital receipt and enable both commercial tenants to invest for the long term.

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 Not applicable
- 4.5 Other
 - 4.5.1 None

5 Financial Implications

- 5.1 The renewal of commercial leases is consistent with the Council's agreed Medium Term Financial Strategy objective to generate commercial income from the use of Council assets.
- 5.2 **Section 151 Officer's comments:** The combined capital receipt of £52,500 will contribute to the Council's capital resources and can be used to support other priority investments. The extensions also protect the Council's long-term revenue position by maintaining secure rental income streams and reducing the risk of future void costs.

6 Legal Implications

- 6.1 The Local Government Act 1972 (“the 1972 Act”) provides the Council with powers to dispose of land, including the ability to sell or lease land. However, under the 1972 Act, the Council must ensure that any disposal is for the best consideration reasonably obtainable unless specific exemptions apply.
- 6.2 The Council has a statutory obligation under s123 Local Government Act 1972 to seek Best Value from its land and property assets.
- 6.3 The lease extension premiums were assessed by the Council’s external Asset Valuers to ensure Best Value compliance. Valuation reports advised the Council on the level of Market Value premium payable to extend the respective leases on their existing terms.
- 6.4 Legal services are being provided by external solicitors instructed by the Head of Property & Regeneration further to the agreement of the Head of Legal and Monitoring Officer.
- 6.5 **Legal Officer’s comments:** None arising from the content of this report.

7 Policies, Plans & Partnerships

- 7.1 **Council’s Key Priorities:** The following Key Priorities are engaged: Opportunity and Prosperity, Effective Council
- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** While in occupation, the tenant is responsible for Building Regulation compliance.
- 7.4 **Sustainability Policy & Community Safety Implications:** Not applicable.
- 7.5 **Partnerships:** Not applicable.
- 7.6 **Local Government Reorganisation Implications:** The Council remains under a statutory duty to achieve Best Value and ensure services can be delivered and maintained until LGR Vesting Day on 1 April 2027.

8 Background papers

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

Previous reports:

- None

Other papers:

- None

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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 on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The following documents are included on the agenda and have not been published as they contain exempt information:

:

Item 07 – Commercial Tennant Update Appendix 1
The document deals with information relating to the financial or business affairs of the Committee and third parties.
Item 09 - EEBC 2025-2027 Strategic Priority 3: 70 East Street Appendix 1
The document deals with information relating to the financial or business affairs of the Committee and third parties.

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