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Democratic Services

SHAREHOLDER SUB-COMMITTEE (SPECIAL MEETING)

Tuesday 14 July 2026 at 8.00 pm or at the rising of the meeting of the ordinary meeting of the Strategy and Resources Committee, whichever is the later.

Place: Council Chamber, Epsom Town Hall

Online access to this meeting is available on YouTube: Link to online broadcast

The members appointed at the ordinary meeting of the Strategy and Resources Committee on 14 July 2026 are summoned to attend the Shareholder Sub-Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Yours sincerely

Chief Executive

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

EMERGENCY EVACUATION PROCEDURE

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

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

Public information

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

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

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

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

Exclusion of the Press and the Public

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

Questions and statements from the Public

Questions and statements from the Public cannot be received at this special meeting of the sub-committee.

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

Filming and recording of meetings

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

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

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

AGENDA

1. 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.

2. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 6)

The Sub-Committee is asked to confirm as a true record the Minutes of the Meeting of the Sub-Committee held on the 18 November 2025 (attached) and to authorise the Chair to sign them.

3. COMMERCIAL PROPERTY UPDATE (Pages 7 - 30)

To consider the attached Epsom & Ewell Property Investment Company Ltd (EEPIC) confidential Report to Shareholder (Exempt Appendix 1).

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

The Sub-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.

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Minutes of the Meeting of the SHAREHOLDER SUB-COMMITTEE held at the Council Chamber, Epsom Town Hall on 18 November 2025

PRESENT -

Councillor Neil Dallen (Chair); Councillors Hannah Dalton, Bernice Froud (as nominated substitute for Councillor John Beckett) and Humphrey Reynolds

Absent: Councillor John Beckett and Councillor Kate Chinn

Officers present: Jackie King (Chief Executive), Mark Shephard (Head of Property and Regeneration), Sue Emmons (Chief Accountant) and Tim Richardson (Democratic Services Manager)

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1 QUESTIONS AND STATEMENTS FROM THE PUBLIC

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

2 DECLARATIONS OF INTEREST

No declarations of interest were made by Councillors in items on this agenda.

3 MINUTES OF THE PREVIOUS MEETING

The Minutes of the meeting of the Shareholder Sub-Committee held on 19 November 2024 were agreed as a true record and signed by the Chair.

4 ANNUAL REPORT

Annual reporting on Epsom & Ewell Property Investment Company Ltd (EEPIC).

Following consideration, the sub-committee unanimously resolved to:

(1) note Epsom & Ewell Property Investment Company Ltd Report to Shareholder (Appendix 1 to the report);

(2) note Epsom & Ewell Property Investment Company Ltd Shareholder Annual Review (Appendix 2 and 3 to the report);

(3) approve the Exempt Annual Business Plan 2026-2027 (Appendix 4 to the report);

(4) note the Exempt Report to Shareholder (Appendix 5 to the report).

The meeting began at 6.30 pm and ended at 6.37 pm

COUNCILLOR NEIL DALLEN (CHAIR)

COMMERCIAL PROPERTY UPDATE

Head of Service:	Jackie King, Chief Executive
Report Author	Mark Shephard
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	Yes
If yes, reason urgent decision required:	Awaiting urgent completion of legal documentation as described in paragraph 2.4 below.
Appendices (attached):	Exempt Appendix 1:confidential Report to Shareholder Sub Committee (exempt from publication under paragraph 3 of Sch 12A LGA 1972)

Summary

To consider the attached Epsom & Ewell Property Investment Company Ltd (EEPIC) confidential Report to Shareholder (Exempt Appendix 1).

Recommendation (s)

The Sub-Committee is asked to:

(1) Approve the confidential Report to Shareholder (Exempt Appendix 1), noting and agreeing to adhere to the implication of the section 24 direction.

(2) Recommend to the East Surrey Shadow Authority to approve the Company's confidential Report to Shareholder (Exempt Appendix 1).

1 Reason for Recommendation

1.1 To meet the requirements of the Shareholder's Agreement dated 28 December 2018.

1.2 The confidential Report to Shareholder (Exempt Appendix 1) is commercially sensitive as it includes external strategic advice to the Company. It is excluded under Part 1 Schedule 12A Local Government Act 1972, paragraph 3; Information relating to the financial or business affairs of the Company / Shareholder. To disclose Exempt Appendix 1 pre-contract would potentially jeopardise the transaction being considered.

2 Background

2.1 The Shareholder's Agreement between the Council and Epsom & Ewell Property Investment Company Limited ('the Company') provides for a series of requirements where the Company must seek the Council's consent.

2.2 Shareholder consent is requested to the confidential Report to Shareholder (Exempt Appendix 1).

2.3 Following implementation of the section 24 direction, the confidential Report to Shareholder (Exempt Appendix 1) will require the approval of East Surrey Shadow Executive in respect of:

- *Disposal of any land if the consideration for the disposal exceeds £100,000*; in the context of the proposal contained in the confidential Report to Shareholder (Exempt Appendix 1), s24 'disposal' relates to a lease extension.

2.4 Legal documentation on behalf of the Company has been prepared in anticipation that approval from the Shareholder will be forthcoming. This is to comply with the urgent timescale stipulated by the tenant to complete the transaction the next working day following S&R Committee / Sub-Committee approval. Any delay post approval will potentially jeopardise the transaction being considered i.e. the tenant may withdraw.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 Not applicable

3.2 Crime & Disorder

3.2.1 Not applicable

3.3 Safeguarding

3.3.1 Not applicable

3.4 Dependencies

3.4.1 None

3.5 Other

3.5.1 None

4 Financial Implications

4.1 The proposed Heads of Terms are set out in the confidential Report to Shareholder (Exempt Appendix 1).

4.2 **Section 151 Officer's comments:** The financial impact of the proposal would be mitigated by the Council through a transfer from the Property Income Equalisation Reserve.

5 Legal Implications

5.1 External legal advice is being provided by Cripps Solicitors who will be involved in the negotiation and preparation of the necessary documentation.

5.2 **Legal Officer's comments:** Members will be aware that further to the Structural Change Order, the Secretary of State indicated that they were minded to issue a statutory direction under the Local Government and Public Health Involvement Act 2007. This is colloquially known as a section 24 direction.

5.3 At the time of review (25 June), a section 24 direction has yet to be implemented but it is expected that this will come into force on 3 July and hence prior to consideration of this report by members. This means that any decision which commit the spend of capital or revenue over certain limits will be caught by the s.24 direction.

5.4 Its purpose is to make sure Shadow Authorities have a say in decisions about arrangements that will transfer to them, helping protect their future financial and operational position.

5.5 The s24 direction shall require this Council to seek the approval of the East Surrey Shadow Executive to:-

1. dispose of any land if the consideration for the disposal exceeds £100,000;

2. enter into any capital contract –

(a) under which the consideration payable by the relevant authority exceeds £1,000,000; or

(b) which includes a term allowing the consideration payable by the relevant authority to be varied;

3. enter into any non-capital (revenue) contract under which the consideration payable by the relevant authority exceeds £100,000, where –

(a) the period of the contract extends beyond 1 April 2027; or

(b) under the terms of the contract, that period may be extended beyond that date.

5.6 The financial thresholds apply to all cumulative expenditure with the same supplier, organisation or individual, or for similar services, since 1 April 2025.

5.7 The s.24 direction shall apply at the point of transaction, regardless of whether a decision has already been made by this council – meaning it may apply to some decisions already taken if contracts have yet to be signed.

5.8 In relation to property, 'Dispose of any Land' includes: -

5.8.1 Any part of Land of any tenure, Mines or Minerals, on the surface or otherwise

5.8.2 Buildings or parts of Buildings

5.8.3 Easement, right, privilege, or benefit in, over, or derived from land

5.9 Therefore, granting of leases and licences and similar transactions (such as that set our within Exmept Appendix 1) are also caught by the s.24 direction. Any transaction caught by the s.24 directions requires the consent of those Councils that are due to be abolished next year alongside consent form East Surrey Shadow Authority.

5.10 To support business continuity, a General Consent was proposed to delegate decisions meeting certain criteria, back to existing councils, so that existing councils can continue routine activity without being required to seek individual approval each time.

5.11 The relevant general consent to those matters contained in this report are:

5.11.1 Acquisition or disposal of any land and/or property where:

the decision to acquire or dispose of the land or property was taken by the existing council prior to 3rd July; and

the disposal or acquisition will complete prior to 31 March 2027.

5.11.2 Capital contracts in relation to expenditure on a project that has been fully approved in an existing council's 2026/27 approved capital budget (for the avoidance of doubt, this does not include any budgets that are 'provisional' or 'pipeline projects').

5.11.3 Non-capital (revenue) contracts relating to the implementation of existing council decisions where:

a. the procurement process commenced prior to 3rd July 2026; and

b. the expenditure is within the approved budget of the existing council for 2026/27.

5.12 The term 'commenced' means that a tender notice has been issued or a decision has been taken to call off a framework or undertake a direct award.

5.13 Members are invited to take this into account when debating the recommendations at committee

6 Policies, Plans & Partnerships:

6.1 **Council's Key Priorities**: The following Key Priorities are engaged: Opportunity & Prosperity, Effective Council.

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

6.3 **Climate & Environmental Impact of recommendations**: Not applicable.

6.4 **Sustainability Policy & Community Safety Implications:** Not applicable.

6.5 **Partnerships**: None.

6.6 **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.

7 Background papers

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

Previous reports:

- Establishment of a Local Authority Property Investment Trading Company, Strategy & Resources Committee, 19 September 2017

- Establishment of a Local Authority Property Investment Trading Company, Council, 19 September 2017

Document is Restricted

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EXCLUSION OF THE PRESS AND PUBLIC

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

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

Item 03 – Commercial Property Update Appendix 1
The report deals with information relating to the financial or business affairs of the Council and third parties.

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