

EEBC STRATEGIC PRIORITIES 2025-2027

Head of Service:	Victoria Potts, Director of Environment, Housing and Regeneration
Report Author:	Victoria Potts
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Strategic Priorities 2025-27 Appendix 2 – Town Hall Move Exempt Appendix 3 – Town Hall Move

Summary

This report asks the Council to approve the Strategic Priorities for the council for 2025 – 2027 and associated proposals to fund these priorities.

Recommendation (s)

The Council is asked to:

- (1) Approve the proposed amendment to the Council’s Four Year Plan, to be replaced by the Strategic Priorities for 2025 to 2027, as set out within Appendix 1.**
- (2) As part of the approval of the Council’s strategic priorities, to agree that these revised priorities no longer include the proposed office move to 70 East Street, for the reasons included in paragraphs 2.8-2.15 and Appendices 2 and 3.**
- (3) Approve an amended reserves policy for the Council, as set out in the 2024-2028 Financial Plan (and further ratified as part of the 2025/26 budget) that enables the Council to resource the strategic priorities in this paper, as set out at paragraphs 2.16-2.22, noting the caveats set out by the Section 151 officer in paragraph 4.16.**

1 Reason for Recommendation

- 1.1 To ensure an agreed set of strategic priorities for the next two years and to ensure that available resources are aligned to achieving these strategic priorities.

2 Background

Council

6 May 2025

- 2.1 The Council's approved Four-Year Plan 2020-2024 set out the key priorities over the four-year period and was supported by Annual Plans each year. In light of Local Government Reorganisation (LGR) and its likely timescales of the vesting day in May 2027, this report sets out the Council's new Strategic priorities for 2025-2027. These Strategic Priorities shall stand in place of a new Four Year Plan, in light of the noted timescales of LGR.
- 2.2 The adopted Strategic priorities will be supported by a specific delivery plan, risk register and budget monitoring. Performance against the priorities will be reported back via the monthly Policy Chairs meetings. In addition, regular overall progress against the plan will be reported to the Chair and Vice Chair of the Strategy & Resources Committee (S&R).
- 2.3 Sitting underneath the strategic priorities will be service delivery plans for individual departments, the annual budget setting process, as well as specific targets for officers as part of overall performance management.
- 2.4 The Council's priorities for 2025-27 are in two main sections:
 - a) 2025 - 2027 Priorities – key area of focus
 - b) Delivery linked to Local Government Reorganisation/Section 24 timing – key areas of focus that are reliant on LGR/S24 timings
- 2.5 This report focuses on the delivery of the 2025-2027 Priorities as per appendix 1. These priorities are:
 1. Implement future local governance e.g., Community Councils
 2. Move old Town Hall into existing new Town Hall
 3. Investigate future options for the existing Town Hall, 70 East Street
 4. Carry out and complete major Asset Reviews including EEPIC, Bourne Hall, Playhouse and C&W Centre but excluding those on long commercial leases
 5. Create an Epsom Town Centre Car Park Strategy/Deliver the Hook Road (Utilities site) Car Park re-development
 6. Strategic CIL Projects
 7. Future of the Museum
- 2.6 The key areas of focus where the delivery is linked to Local Government Reorganisation/Section 24 timing are:
 8. Work with local government partners to deliver the future Service Delivery Models
 9. On completion of the Asset Review, explore transfer of ownership of assets to future local governance entities
 10. Identify part of the Hook Road Arena site for sporting use
- 2.7 Further details on these priorities, including the proposed outcomes and associated costs, are included in Appendix 1.

Town Hall move

- 2.8 The proposed priority above – to move Old Town Hall into the New Town Hall – represents a change in approach in light of the implications of Local Government Reorganisation (LGR). Prior to this meeting, the Council had been working on a plan to relocate the civic office to 70 East Street.
- 2.9 Since the full council decision in December 2023. The operating context for the council has significantly changed. Local Government Reorganisation will mean that Epsom and Ewell Borough Council in its current form will cease to exist in April 2027. Therefore, it is correct to review the future office site in this context and the best use of Council resources.
- 2.10 The strategic business case to move to East Street was based on funding the relocation via the optimal redevelopment use of the existing Town Hall site. Further information, as laid out in Appendix 1, concludes that the selling of the Town Hall site would only partially cover the costs of moving to East Street.
- 2.11 The original business case was based on ongoing running cost savings of 70 East Street compared to the existing Town Hall. In the short term, given LGR, the savings would not cover the additional cost to relocate.
- 2.12 Therefore, based on all of this information, it is proposed that the Council will not move its civic office to 70 East Street.
- 2.13 It is clear from the original strategic business case that staying in the existing town hall for the long term is not financially viable. Investment of around £15m would be required to ensure compliance with government reforms around energy efficiency and to undertake essential works to ensure the building is safe to occupy.
- 2.14 Given the timescales associated with Local Government Reorganisation remaining in the existing Town Hall is likely to be short term (2-3 years). Indicative costs of staying are £1-2million and therefore likely to present best value in the short term.
- 2.15 Further details are set out in Appendix 2 and Exempt Appendix 3 (not for publication).

Funding the Strategic Priorities

Council

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- 2.16 Each year, as part of the budget-setting process, the Section 151 officer reviews the Council's reserve policies to assess the appropriate levels of reserves that the Council should hold to meet known (and likely unknown) expenditure. For Council to sign off a balanced budget, the Section 151 Officer has to write a "Section 25 statement" which is their professional assessment on whether the Council has adequate reserves (and is required under the Local Government Act 2003 section 25(1) (b)).
- 2.17 The Council's current reserves policy is contained in the Financial Plan 2024 – 2028 as approved by Full Council in February 2024. This policy was reiterated as part of the 2025/26 budget which was approved by Full Council in February 2025. This policy notes that minimum reserves levels should remain as currently specified within the Medium-Term Financial Strategy; namely:
- 2.17.1 General Fund Working Balance Reserve – £2.5 million
- 2.17.2 Capital Receipts – £1 million; and
- 2.17.3 Corporate Projects Reserve – £1 million.
- 2.18 The Council priorities set out within this paper are, at present, activities in addition to the budget that was agreed for the 2025/26 financial year. This spending is estimated to be up to £2.22m. Therefore, any spending on these priorities will not be able to be financed from existing budgets and will require an allocation from the Council's reserves.
- 2.19 The Council has a range of reserves set aside for different purposes, including:
- 2.19.1 Contingencies for specific issues – the largest of these being the Property Income Equalisation Reserve (£5.8m, to mitigate against reduced income, compared to budget from the Council's commercial properties) and the Collection Fund Equalisation Reserve (£1.7m, to mitigate against reduced income, compared to budget, from Business Rates and Council Tax)
- 2.19.2 Ringfenced funds held for a particular purpose – for example, Homelessness Grants that may not have been spent in prior years that are held back to be spent in this year
- 2.20 Alongside these reserves, the Council has two reserves available for general use – the General Fund Working Balance Reserve and the Corporate Projects Reserves. Any reserve allocations for the proposed priorities in this paper would need to come from these reserves.
- 2.21 Therefore, it is proposed that an LGR reserve be created to cover spending on these priorities, using funding currently in the General Fund Working Balance Reserve and the Corporate Projects Reserve, as follows:

Reserve	Current balance (£m)	Drawdown to fund priorities (£)	Remaining balance (£)	Revised reserve policy								
General Fund Working Balance	2.77	-1.20	1.57	To hold a minimum balance of £1m in this reserve – this equates to around 10% of the 2025/26 net expenditure budget. Currently, CIPFA guidance is that this balance represents at least 5% of the net expenditure budget for the year								
Corporate Projects Reserve	1.68	-1.02	0.66	<p>There is no formal requirement to hold such a reserve; it is held by the Council to fund policy priorities.</p> <p>Therefore, it is proposed that there is no minimum balance for this reserve, with any drawdowns being subject to the same procedure as other reserves and laid out in the financial regulations, namely:</p> <table><tr><th>Value</th><th>Level of Responsibility</th></tr><tr><td>Up to £20,000</td><td>Chief Finance Officer</td></tr><tr><td>From £20,000 to £50,000</td><td>Chief Finance Officer in consultation with the relevant Committee Chair</td></tr><tr><td>Above £50,000</td><td>Committee approval required</td></tr></table>	Value	Level of Responsibility	Up to £20,000	Chief Finance Officer	From £20,000 to £50,000	Chief Finance Officer in consultation with the relevant Committee Chair	Above £50,000	Committee approval required
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LGR Priorities Reserve (newly created)	0.00	2.22	2.22	<p>This newly-created reserve would be managed by the Strategy & Resources committee with any drawdowns subject to the same procedure as other reserves and laid out in the financial regulations, namely:</p> <table><tr><th>Value</th><th>Level of Responsibility</th></tr><tr><td>Up to £20,000</td><td>Chief Finance Officer</td></tr><tr><td>From £20,000 to £50,000</td><td>Chief Finance Officer in consultation with the relevant Committee Chair</td></tr><tr><td>Above £50,000</td><td>Committee approval required</td></tr></table>	Value	Level of Responsibility	Up to £20,000	Chief Finance Officer	From £20,000 to £50,000	Chief Finance Officer in consultation with the relevant Committee Chair	Above £50,000	Committee approval required
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Above £50,000	Committee approval required											
Total	4.45	0.00	4.45									

- 2.22 It is worth noting that, for capital projects, these reserve contributions will need to be added to the Council's revenue budget and then proposed as a revenue contribution to capital.

Next Steps

- 2.23 This report proposes that a new reserve – the LGR reserve – is set up to fund the priorities laid out in this paper and other LGR expenditure which may arise over the next 2 years. This reserve, as it is a corporate reserve, shall fall under the Terms of Reference of the Strategy & Resources Committee. Government have indicated that some funding may be made available to contribute to LGR costs but no details are forthcoming at this point – any funds received would be allocated to this reserve also.
- 2.24 Further spending on these priorities will be overseen by the S&R committee with decisions to allocate funding following the existing process, as laid out in the Financial Regulations ([link](#)), which states that:

Annex 5.1 – Financial Regulations
Date of issue: 14/05/2024

Reserves

- 4.4 It is the responsibility of the Chief Finance Officer to advise the Strategy and Resources Committee and/or the full Council on prudent levels of reserves for the Authority.
- 4.5 The Chief Finance Officer is responsible for ensuring that reserves are used only for the purposes for which they were earmarked.
- 4.6 The Chief Finance Officer may authorise the use of reserves for their intended purpose up to the following limits:

Value	Level of Responsibility
Up to £20,000	Chief Finance Officer
From £20,000 to £50,000	Chief Finance Officer in consultation with the relevant Committee Chair
Above £50,000	Committee approval required

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

- 3.1.1 An EIA has not been carried out for this annual plan, as EIAs for individual objectives will be completed as necessary.

3.2 Crime & Disorder

- 3.2.1 No direct implications.

3.3 Safeguarding

- 3.3.1 No direct implications.

3.4 Dependencies

- 3.4.1 There are links to the service delivery plans and other council strategies.

3.5 Other

- 3.5.1 These will require procurement of multiple short-term specialism specific consultancy instructions.

4 Financial Implications

- 4.1 Financial implications have been considered to resource the delivery of the Strategic Priorities. These are set out in Appendix 1.
- 4.2 The total estimated costs to support the delivery of these projects is up to £2.22m. This primarily relates to works required to stay in the existing Town Hall building and additional staff resource, either contract or consultancy. These numbers are subject to further due diligence and will depend on the final scope for each project.

Section 151 Officer's comments

- 4.3 It should be noted that the estimated costs of delivering the proposed Strategic Priorities are subject to refinement. Therefore, the allocation of funding is proposed up to the amount stated in this paper.
- 4.4 To fund these priorities, as noted in Section 2 of this report, the Council will need to amend its reserves policy to reduce the minimum balances held in two corporate reserves – the General Fund Working Balance and the Corporate Projects reserve.
- 4.5 As a result of this amended reserves policy, and in the role of Section 151 Officer, it should be noted that the under the Local Government Act 2003 section 25(1) (b), the Section 151 Officer (Chief Finance Officer) has a personal duty to advise the Council about the robustness of the budget and the adequacy of the Council's reserves when it considers its budget and council tax. The Act requires Members to have regard to this report in making their decisions.
- 4.6 While this is not a formal budget-setting report, to ensure that members can take the decisions proposed in this paper, a revised statement on the adequacy of reserves is provided below.
- 4.7 The requirement for financial reserves is acknowledged in statute (Local Government Finance Act 1992). There are also safeguards in place to prevent local authorities over-committing themselves financially.
- 4.8 These include:
- 4.8.1 The balanced budget requirement;
- 4.8.2 Chief Finance Officer's Section 114 powers;
- 4.8.3 The external auditor's responsibility to review and report on financial standing; and

4.8.4 The prudential code for capital finance

- 4.9 The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net – a contingency to cushion the impact of unexpected events or emergencies and a working balance to help cushion the impact of uneven cash flows. Reserves can also be a means of building up funds, often referred to as earmarked reserves to meet known or predicted liabilities.
- 4.10 The consequences of not keeping a minimum prudent level of reserves can be serious. In the event of a major problem, or a series of events, the Council could be forced to cut spending during the year in a damaging and arbitrary way. The level of reserves was reported to Full Council in February 2025.
- 4.11 In the past, government has increased local authority exposure to financial risk with the changes to funding from business rates. The risk in part has been offset by increasing the provision for bad debt, and by creating the collection fund equalisation reserve.
- 4.12 Having considered these risks, the conclusion is that minimum levels should remain as currently specified with the Medium-Term Financial Strategy; namely:
- 4.12.1 General Fund Working Balance Reserve – to be amended from £2.5 million down to £1 million. A minimum level of £1 million represents around 10% of the Council's net expenditure budget for the 2025/26 financial year. CIPFA notes that this general balance should, as best practice, be at least 5% of the net expenditure budget for the year;
- 4.12.2 Capital Receipts – to remain at £1 million;
- 4.12.3 Corporate Projects Reserve – to be amended down from £1 million to £0, on the basis that there is no legal requirement to hold such a reserve. It is held to fund corporate priorities, of the kind laid out in this paper. The Council has also set aside significant earmarked reserves for specific purposes, including the potential reduction in two of the Council's biggest income sources, business rates and commercial property income.
- 4.13 The Council is expected to meet these minimum reserves levels.

- 4.14 Therefore, having undertaken a review of reserves and given the economic and financial environment the Council is working within, it is believed that the Council continues to operate with an acceptable level of reserves in the near-term. However, it should be noted that plans for generating significant additional income and reducing expenditure need to be developed in the coming year to help to mitigate risks (notably around commercial property income and potential reductions in government grants and business rates income) and tackle increasing service costs (notably the cost of nightly-paid temporary accommodation) to balance budgets over the course of the Medium-Term Financial Strategy.
- 4.15 The proposals laid out in this paper are deemed to be affordable, at present, as two of the big risks that would normally require potential uses of reserves – loss of business rates income and loss of commercial property income – are already covered by significant ring-fenced reserves (as noted in Section 2 of this paper). The remaining likely reserve uses, namely overspends across general budgets, are mostly likely to be as a result of the increasing costs around temporary accommodation. The Council will continue to work hard to help residents find alternative accommodation options.
- 4.16 Therefore, it is proposed that Full Council supports this change in reserve policy, subject to the following conditions:
- 4.16.1 Council recognises that the funding set aside for these projects is an agreement in principle only, subject to more detailed business cases;
- 4.16.2 Such business cases are reviewed within the governance structures based on the proposed delegations in this paper, namely those that govern reserves overseen by the S&R committee (as noted in paragraph 2.24); and
- 4.16.3 Any such delegations are reviewed if there is a material change in the current LGR timetable (which currently aims for new unitary authorities to be operational for the 2027/28 financial year).

5 Legal Implications

- 5.1 Legal implications will be considered as each objective is progressed.
- 5.2 **Legal Officer's comments:** Noting the comments above in relation to Local Government Act 2003 section 25(1) (b), it is within the purview of the Council's section 151 statutory officer to make recommended changes as to the 'adequacy' of reserves held at any point in time. Members are invited to reflect upon the recommendation noted above before reaching their decision as to whether or not they are satisfied by the revised approach set out within this report.

- 5.3 As noted above, there shall be relevant legal implications to consider should each or any of the proposed Strategic Priorities be adopted by full Council; further consideration of each proposal will take place once a decision has been made.

6 Policies, Plans & Partnerships

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



- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plans.
- 6.3 **Climate & Environmental Impact of recommendations:** Climate and environmental implications will be considered as each priority is progressed.
- 6.4 **Sustainability Policy & Community Safety Implications:** No direct implications.
- 6.5 **Partnerships:** No direct implications.
- 6.6 **Local Government Reorganisation Implications:**

The timescales of Local Government Reorganisation may mean that not all the outcomes of the strategic priorities will be realised prior to the need for LGR partner consultation and agreement.

Should the LGR timescales be delayed, there is the risk that the Council will need to continue to occupy the existing town hall beyond three years, incurring significant additional costs to undertake emerging essential works required to ensure the building is fit for occupation by the Council and its tenants.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:
- Town Hall Move – Full Council report December 2023 (Restricted access).

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- Budget Report 2025/26 – Full Council report February 2025