

HOOK ROAD ARENA

Head of Service:	Mark Shephard, Head of Property and Regeneration
Report Author	Victoria Potts, Mark Shephard
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	<ol style="list-style-type: none">1 Hook Road Arena Location Plan2 Policy SA34 – Hook Road Arena3 Hook Road Arena Identified Uses4 EXEMPT Hook Road Arena Briefing Note

Summary

This report has been prepared in response to Members' request to bring forward Hook Road Arena following interest expressed from sporting bodies to secure grant funding and thereby for them to progress their proposals for the potential occupation of the site.

The report responds to the sporting enquiries and considers the options for bringing forward a mixed-use scheme for playing pitches / sports / recreation facilities and housing as outlined in the emerging Local Plan 2022-2040 and sets out the implications for the Council of any decision at this time.

Recommendation (s)

The Committee is asked to:

- (1) Note the restriction placed on the land by Surrey County Council as described in paragraphs 9.1 – 9.4 and Exempt Appendix 4 Briefing Note.
- (2) Approve the undertaking of a feasibility study that identifies the land (hatched blue on the plan at Appendix 3) be for use as playing pitches/sports and recreation facilities, and the remaining, eastern land (hatched red on the plan at Appendix 3) for a policy compliant residential use (subject to the emerging Local Plan 2020-2040 being successfully adopted) to cross subsidise the playing pitches/sports and recreation facilities (and note the implications of this as set out in the Exempt Appendix 4 Briefing Note).

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- (3) Nominate and Authorise the Director of Environment, Housing & Regeneration to provide a letter of intent to any interested sporting party to facilitate their own grant bid applications.**
- (4) Agree and authorise:**
 - a) procurement of external legal advice, specialist property project management and consultancy support as detailed within this report.**
 - b) budget of up to £250,000 to be funded from the Corporate Projects Reserve as described in paragraphs 5.2 – 5.3.**
- (5) Nominate and authorise both the Director of Environment, Housing & Regeneration and the Head of Property & Regeneration in consultation with the Chief Finance Officer, to commission the work outlined within paragraph 6.6 of this report.**
- (6) Note a report will be brought back to Committee in approximately 8 - 12 months (as explained in paragraphs 6.1 – 6.5) following completion of the work outlined above.**

1 Reason for Recommendation

- 1.1 To enable all interested sporting parties to progress grant bid applications and to develop their own proposals for their potential future use of the sporting land (subjected to planning and shown hatched blue on the plan at Appendix 3).
- 1.2 To facilitate the future potential development of this site to allow the Council to progress and support its strategic plans and priorities.

2 Background

- 2.1 Hook Road Arena is approximately 14 hectares of Council owned open land located between Chessington Road and Horton Lane, Epsom.
- 2.2 A location plan is provided at Appendix 1.
- 2.3 It sits adjacent to St Ebba's NHS / Parkview Estate, Epsom Riding for the Disabled; opposite Horton Golf Centre and backs onto residential properties along the Chessington Road.
- 2.4 The site is currently hired for car boot sales, festivals, fun parks, circus fairs and other community events, including the annual Firework Display, and generates an approximate annual income to the Council of £75,000.

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3 Current planning status and identified uses

- 3.1 The site lies within the Green Belt and any consideration of developing the site needs to be in line with the Planning Policy Framework which has limited the opportunities on Green Belt land.
- 3.2 The emerging Local Plan 2022-2040 is currently at an advanced stage having been submitted by the Council on 10 March 2025 to the Planning Inspectorate (Regulation 22 of the Town & Country Planning (Local Planning) (England) Regulations 2012 (as amended)).
- 3.3 The emerging Local Plan (Policy SA34 – Hook Road Arena) proposes Hook Road Arena be allocated for:

“New Sports Hub for the borough to include playing pitches (grass and artificial), a new pavilion and changing facilities. The provision of approximately 100 dwellings (C3) on the eastern part of the site.”
- 3.4 Policy SA34 – Hook Road Arena is attached at Appendix 2.
- 3.5 Since 2010, Hook Road Arena has received interest from various sports clubs who wish to utilise this site, as it has the capacity to provide much needed playing pitches and ancillary facilities to meet their growing requirements.
- 3.6 The Council is currently aware of several interested parties in the site which potentially, could provide a permanent base for a variety of sporting activities.
- 3.7 The Strategy and Resources Committee on 16 November 2021 put forward the land for consideration in the Local Plan process. Full Council on 10 December 2024 approved the Regulation 19 Local Plan for submission, containing this site. This paper does not serve to reconsider any aspect of this process. To assist the Council (acting in its capacity as the Local Planning Authority) demonstrate deliverability at the Local Plan Examination, this report seeks authority to undertake feasibility work of Hook Road Arena for a mixed-use scheme for playing pitches / sports / recreation facilities and housing. Hook Road Arena is naturally dissected by a Group Tree Preservation Order 285.A2 and this splits the site into its two component parts (shown in Appendix 3) and more fully described in the emerging Local Plan 2022-2040 Policy SA34 (Appendix 2).
- 3.8 By identifying permitted activities on the land, the Council is acting in its capacity as landowner (as distinct from acting in its capacity as the Local Planning Authority) and consequently, any proposed change of use by a developer, occupier or otherwise, remains subject to planning approval.

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3.9 To provide interested sporting parties with the necessary evidence that, subject to planning, the Council (as landowner) would welcome future sporting activities and residential dwellings on Hook Road Arena; it is proposed a letter of intent be issued to interested sporting parties to facilitate their grant bid applications.

3.10 This decision, or when completed, the feasibility study, **does not determine**:

- The final development proposal
- The future occupier or leaseholder of the site
- That the Council commits to cross subsidising the sport, playing pitch, recreation aspect of any future proposal/scheme.

3.11 The feasibility study will however determine the development parameters of the site and financial viability.

4 Best Value obligation

4.1 Although there are interested parties suggesting how the proposed uses might be brought forward to support their own activities, the Council is under a statutory duty to demonstrate Best Value with all its land and property holdings.

4.2 To satisfy Best Value, the Council must first understand the options, financial implications and associated risks of bringing forward an appropriate scheme.

4.3 Only then can a marketing decision be made by the Council in full knowledge i.e. either a sale of the land, lease or partnership agreement (e.g. Joint Venture or Development Agreement) that provides the Council with the required balance between its financial and community objectives.

4.4 If the Council was to invite bids now without undertaking this work, the Council would not be able to demonstrate if Best Value was achieved (with the exception of an unencumbered freehold sale).

4.5 An unencumbered freehold sale of the site in the open market (using an appropriately qualified commercial property agency) would ordinarily represent Best Value. However, Hook Road Arena is not unencumbered as Surrey County Council benefits from a restriction on part of the site. For this reason, specialist legal advice is required to ensure whether deliverability can be achieved.

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5 Specialist project management, consultancy support and legal advice

5.1 Specialist project management, consultancy support and legal advice is being requested as it represents the most cost and time efficient route to the Council understanding the options and associated risks of bringing forward development. This is particularly relevant to the Council for the following reasons:

- **Strategic Priorities 2025-2027** – the Council’s internal property and legal teams have fully committed their available resources to delivering the Strategic Priorities agreed at Full Council on 6 May 2025. As a consequence, specialist external legal, property project management and consultancy support is required to progress the majority of the project.
- **Expertise** – the Council does not have expertise in the housing or leisure development industry.
- **Specialist skills** – an appropriate mixed-use scheme of a sports hub and housing encompasses many professional specialist skills, and appointing a consultant allows the Council to access these skills as and when necessary, at a competitively procured rate.
- **Specialist knowledge** – specialist consultants offer up to date knowledge as they are advising clients on a daily basis. They will be aware of relevant existing / pending legislation, financing implications and market sentiment – all necessary to fully understand risk.
- **Risk** – property development is a high-risk activity with many publicised examples of failure in the public and private sectors. It is inconceivable that the Council would not seek external expert consultancy support.
- **Speed** – appropriate consultancies have the capacity and resource to undertake instructions in a specified timeframe.

5.2 The legal and property consultancy work will include advice relating to all aspects of the redevelopment opportunity including (but not limited to):

- The Council’s ownership of Hook Road Arena supported with an analysis of the asset’s existing value and potential redevelopment value including advice on the land restrictions and the likely cost to overcome them. The asset currently provides the Council with an important income stream of approximately £75,000 pa which must be maintained, or alternative solutions identified.
- Funding options (including a review of grant funding if available).
- Residual ownership options (including the potential acquisition of residential units).

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- Financing structures, financial risks and delivery mechanisms (development agreement / joint venture / land sale etc).
- Legal advice / support.
- Negotiations - representing the Council and ensuring it achieves Best Value.
- Risk analysis

5.3 The specialist advice will allow the preparation of a future report to be brought back to this Committee for consideration and approval.

6 Procurement timeline and budget requirement

6.1 To comply with the Council's Contract Standing Orders and ensure it has access to the best consultants in the industry at competitive rates, it is proposed to use an existing Professional Services Procurement Framework.

6.2 Procurement Frameworks are considered 'best practice' as all suppliers have competitively bid to establish tendered rates in compliance with public procurement regulations.

6.3 In January 2025, the public procurement regulations were updated, and this has resulted in a more onerous administrative process that must be adopted.

6.4 Frameworks have prescribed time periods allocated for each part of the procurement process. These include:

- Expressions of Interest – this provides suppliers with the opportunity to consider whether they wish to bid for the provision of services.
- Sifting Brief – undertaken when a high level of supplier interest is shown.
- Competitive Invitation to Tender – once there is a shorter tender list of suppliers from the Sifting Brief, these suppliers then respond to the full brief i.e. full scope of consultancy instruction on which bids are submitted.

6.5 The full consultancy procurement process (including signing of legal contracts) will take approximately 4 – 6 months to complete before the consultants can commence work. Due to the complex nature and amount of work required, it is likely to take a further 4 – 6 months to complete the commission and be able to report back to Committee.

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- 6.6 The total budget requirement is dependent on future Committee / Council decision making, but it is anticipated, based on similar costs experienced on a recent development study, that an initial budget of up to £250,000 will be required for the provision of specialist legal advice, property project management, property development consultancy, leisure and recreation valuation advice and the provision of funding / financial appraisals.

7 Risk Assessment

- 7.1 Please see Exempt Appendix 4.

Legal or other duties

- 7.2 Equality Impact Assessment

7.2.1 Not applicable

- 7.3 Crime & Disorder

7.3.1 Not applicable

- 7.4 Safeguarding

7.4.1 Not applicable

- 7.5 Dependencies

7.5.1 The future development of Hook Road Arena is dependent on the release of the Surrey County Council restrictive covenant (explained in paragraphs 9.1 – 9.4) and on the adoption of the emerging Local Plan 2022 – 2040.

7.5.2 The Local Plan is currently at the Examination in Public stage and the site being released from Green Belt will only happen on successful adoption of the Local Plan with the allocation intact.

- 7.6 Other

7.6.1 To ensure the future delivery of leisure activities and housing on the site (subject to planning), the entire Hook Road Arena must remain one development opportunity (as explained in Exempt Appendix 4).

8 Financial Implications

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- 8.1 The Council's agreed 2025/26 budget includes an income budget of £75,000 for the hire of the site for various events. Any proposed changes to the use of this site should seek to generate same level of income for the Council as a minimum. If this is not achieved, it would create a budget pressure requiring savings to be found elsewhere. There is also a risk that if the current users learn of potential changes to the site, they may find alternative venues, leading to a loss of income for the Council before any alternative use is in place. This risk will need to be mitigated by clear communication to stakeholders regarding any proposed changes.
- 8.2 The £250k cost of the feasibility study will be covered from the Corporate Projects Reserve. Reduction in the reserve will reduce the cash balance, hence reducing annual treasury management income by approximately £10,000 (£250k x 4%).
- 8.3 **Section 151 Officer's comments:** The financial implications are contained within the body of the report. It is important to note that any deviation from the projected income or expenditure could have impact on the Council's overall budgets, and it is necessary to monitor the budgets closely throughout the year.

9 Legal Implications

- 9.1 Hook Road Arena comprises part of land transferred to the Council by the Secretary of State for Health in 1973.
- 9.2 The purchase was part funded by Surrey County Council which imposed restrictions by way of a 1975 deed on the future use of the land to ensure its retention as Green Belt. These restrictions can be summarised as follows:
 - 9.3 The land shall not without the written consent of the County Council be used for any other purpose than:
 - 9.3.1 A country park within the meaning of the Countryside Act 1968
 - 9.3.2 A public open space within the meaning of the Open Spaces Act 1906
 - 9.3.3 Public walks and pleasure grounds within the meaning of the Public Health Acts 1875 to 1961
 - 9.3.4 Such purpose which a local authority may under Section 4(1) of the Physical Training and Recreation Act 1937 maintain land and provide for outdoor games or recreations
 - 9.3.5 Grazing, agriculture and riding establishments
 - 9.3.6 In addition, no building shall be erected other than a building ancillary to the permitted uses without the County Council's written consent.

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9.4 The terms of the 1975 deed parallel the Green Belt restrictions under planning law but they are legal covenants which are separately enforceable under contract. It would be advisable to obtain a formal legal opinion.

9.5 **Legal Officer's comments:** Any relevant legal comments are contained within the body of this report.

10 Policies, Plans & Partnerships

10.1 **Council's Key Priorities:** This project is not one of the top 7 Council approved Strategic Priorities 2025-2027 and therefore internal resource required to undertake the procurement exercise, enter into contract and manage the successful consultants will take away available resource from the other property related strategic priorities and others reliant on procurement and legal expertise.

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

10.3 **Climate & Environmental Impact of recommendations:** Not relevant at this stage but will be considered as part of any delivery of a scheme.

10.4 **Sustainability Policy & Community Safety Implications:** Not relevant at this stage but will be considered as part of any delivery of a scheme.

10.5 **Partnerships:** Not relevant at this stage but will be considered as part of any delivery of a scheme.

10.6 **Local Government Reorganisation Implications:** The land restriction benefits Surrey County Council and its removal would require their consent. This may not be forthcoming at a time when local government reorganisation is taking place but the risk is mitigated in the future once a new Unitary exists.

10.7 It should be noted that the timing for the work to be commissioned and undertaken leads us to beyond next Spring when a Section 24 notice is likely to have been received and decision making is therefore no longer in EEBC's gift.

10.8 It is unknown if a new Unitary would be interested in subsidising the more aspirational plans for some of the local sporting bodies', but this piece of work could help inform some early decision making about the future of the site should it be of interest. A contract with the successful consultant would need to be entered into ahead of receiving a Section 24 notice. If not, the decision will be that of a Unitary or the shadow authority.

11 Background papers

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

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Previous reports:

- Strategy and Resources 16/11/21, Council Owned Sites for Development as part of the Local Plan

<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=1097>

Other papers:

- Full Council 06/05/2025, EEBC Strategic Priorities 2025-2027

<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MId=1627>