

EEBC 2025-2027 STRATEGIC PRIORITIES 3 & 4

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):	Appendix 1	- Exempt Briefing Note
	Appendix 2	- Exempt EEPIC Review

Summary

This report outlines the progress made on the Council's 2025-2027 property related Strategic Priorities 3 and 4.

Recommendation (s)

The Committee is asked to:

- (1) Note the update and progress made as set out in the report below.**
- (2) Note that the Town Hall remains in operational use.**
- (3) Agree that the Council remains actively engaged with regard to potential future funding streams and opportunities in relation to progressing its pipeline of potential development sites.**
- (4) Agree that 70 East Street is declared surplus to operational requirements.**
- (5) Agree that 70 East Street is marketed for sale with a budget provision of up to £10,000 for associated upfront costs.**
- (6) Nominate and authorise the Head of Property & Regeneration to take forward the necessary steps to place 70 East Street on the market.**
- (7) Note an Exempt 70 East Street marketing progress report will be brought back to this Committee's meeting on 27 January 2026.**
- (8) Note the findings of the completed EEPIC review.**

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1 Reason for Recommendations

- 1.1 The Council faces significant financial pressures and has a statutory obligation under s123 Local Government Act 1972 to seek Best Value from its land and property assets.
- 1.2 The recommendations represent the outcome of the work undertaken to date (and reported below) demonstrating the Council's commitment to its s123 statutory obligation.

2 Background

- 2.1 At its 6 May 2025 meeting, Full Council approved seven Strategic Priorities to be delivered in 2025-2027. The revised Priorities replaced the Council's Four Year Plan and focused its strategic delivery in the context of Local Government Reorganisation (LGR) timescales.
- 2.2 This report covers the property related Priorities 3 and 4, which stated:

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

Outcome: To develop a business case for options around the future redevelopment of the Town Hall site ahead of site being released from operational use via LGR. To combine other council owned sites as necessary to support a business case for a possible Joint Venture.

Priority 4: Carry out and complete major Asset Review

Outcome: To Review key council owned property assets, including EEPIC, Bourne Hall, Playhouse and C&W Centre but excluding commercial assets on long term leases, to understand market values. Identify assets that could transfer to a new local governance entity (subject to the creation of new entity/ies) and likely revenue/maintenance costs for that new entity.

- 2.3 Full Council, as part of its approval of the 2025-2027 Strategic Priorities, further agreed that in light of LGR, the proposed office move to 70 East Street would no longer be proceeding.
- 2.4 70 East Street had previously formed part of the Council's income generating commercial property portfolio and now remains vacant, with no income stream being generated and vacant costs being incurred.
- 2.5 To ensure the 2025-2027 Strategic Priorities could be delivered swiftly alongside business as usual and existing commitments, support was provided by an external specialist property consultant.

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

Existing Town Hall

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- 3.1 Alternative uses for the Town Hall site, including the potential to dispose of the property as either a standalone asset or as part of a development package have been explored. This is now with a view to the site becoming surplus to operational requirements in the future subject to LGR.
- 3.2 The Council's external specialist property consultant held conversations with both Homes England and the government's One Public Estate programme (promoting the more efficient use of publicly held assets), to explore opportunities for funding or broad support.
- 3.3 The outcome of those discussions was that while there is support available to assist residential (including affordable) development, consideration needs to be given to delivery timelines (in the context of LGR) and also the critical mass delivered i.e. support favours those sites capable of delivering large scale regional housing development.
- 3.4 However, with further funding announcements in the year ahead expected to coincide with greater clarity around the delivery of LGR, officers will continue to remain engaged with external partners.
- 3.5 Local Housing Associations were also approached to informally assess their appetite to deliver affordable housing on either a conversion or new build basis on the Town Hall site.
- 3.6 Their feedback was consistent in that the conversion of older properties for affordable housing stock is often not viable and not their preferred approach at this time. Further, the location and constrained nature of the site would not lend itself to larger, family style accommodation, where there is currently most need. The option remained a future possibility but was not considered a likely prospect at the current time.

Package of sites

- 3.7 The Council's external property consultant also considered whether there was scope to incorporate the Town Hall site into a wider package of development sites and to explore the potential for Joint Ventures or similar approaches.
- 3.8 In light of the Council decision to remain within the existing Town Hall, it remains required for operational purposes and cannot currently be declared as surplus. Accordingly, a detailed business case around future options for the Town Hall site has not been prepared.
- 3.9 Instead, it is conceivable that the new Unitary Authority will deem the Town Hall site surplus when it is considered in the context of all the existing civic site holdings it will inherit from former neighbouring Boroughs and Districts.

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- 3.10 Alongside the Town Hall site, a number of other property assets were considered which are either surplus to operational requirements (70 East Street) or have the potential to be declared surplus in the future.
- 3.11 The key assets considered included:
- 70 East Street
 - Hope Lodge Car Park
 - Upper High Street Car Park
 - Hook Road Arena
 - Hook Road Multi-Story Car Park (MSCP)
- 3.12 The above sites could potentially form a package of development/disposal sites and various routes to market were explored including Joint Ventures.
- 3.13 Despite the above sites potentially offering c500 new dwellings, the feedback from external partners was similar to the Town Hall site; that is, the comprised potential package of sites remain small in scale when compared on a regional basis afforded at a Strategic Authority level (i.e. whole of Surrey).
- 3.14 Taking account of external partner feedback and the LGR timescale, it is considered that pursuing a Joint Venture or similar at this time would not be a prudent approach.
- 3.15 Therefore, it is recommended that the Council remain actively engaged about future funding streams and continue to prepare its pipeline of disposal projects to support the forthcoming Unitary Authority.

70 East Street

- 3.16 As a former office building requiring a comprehensive refurbishment, 70 East Street would require significant upfront capital investment. The local commercial letting market is not considered favourable and reletting a building of this size and condition would be extremely challenging.
- 3.17 To undertake an office to residential conversion would also require significant upfront capital investment and is best suited to a specialist developer, better equipped to manage rising construction costs in a subdued residential property market.
- 3.18 Given the site is vacant and creating a revenue pressure, it is recommended 70 East Street be prepared for sale and marketed as soon as possible to ensure the Council can continue to meet its s123 Best Value obligation.

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- 3.19 It is further recommended a budget of up to £10,000 is allocated for any upfront marketing costs that may be incurred. These might include erecting a for sale board, EPC certificate, specialist trade journal advertising or any other incidental expense that might be reasonably incurred. This can be funded from the agreed Strategic Priorities Reserve.
- 3.20 An Exempt Briefing Note is attached at Appendix 1 and is commercially sensitive as it contains confidential pricing analysis and marketing strategy.
- 3.21 An Exempt report will be brought back to this Committee in January 2026 providing an update on marketing progress. The report will be confidential as it will include commercially sensitive information about prospective purchasers and marketing strategy.

4 Strategic Priority 4: Carry out and complete major Asset Review

- 4.1 The review considered every land / property asset held by the Council and identified those which were capable of transferring to a new local governance entity.
- 4.2 The approach taken by the Council's external property consultant involved a high-level review of all Council owned assets, including those held for investment and for operational reasons.
- 4.3 Under the review, the Council's land / property assets were categorised as either:
- Commercial Assets – commercial land / property held directly by the Council (in the name of EEBC) and indirectly by the Council through EEPIC (assets held outside Borough by the Council owned Epsom & Ewell Property Investment Company).
 - Operational Assets – service delivery assets e.g. depot, Town Hall, car parks, cemetery, etc
 - Community Assets – Bourne Hall, Epsom Playhouse, allotments, parks / amenity land, local nature reserves, toilets etc
 - Surplus Assets – Including assets currently surplus as well as those potentially surplus in the future.
- 4.4 The review concluded that commercial and operational / service delivery assets should be retained and transferred to the new Unitary Authority. This included assets held under EEPIC.
- 4.5 The review indicates that it would not be in the Council's financial interests to consider current disposals of EEPIC assets. Attached Exempt Appendices 1 and 2 refer to EEPIC and are confidential as they contain commercially sensitive financial analysis including holding strategy.

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- 4.6 Surplus assets were considered for future disposal and have already been considered in paragraphs 3.7 – 3.21.
- 4.7 Community assets are available to be considered for transferring to a new local governance entity and assets held for ‘community’ purposes and/or which might be considered appropriate for a Community Transfer were identified.
- 4.8 A comprehensive review of these assets was undertaken with a particular focus (as requested by Strategic Priority 4) on;
- Bourne Hall, Ewell
 - The Epsom Playhouse
 - Community & Wellbeing Centre
- 4.9 The above are significant community assets and work was undertaken to better understand the implications of holding the assets in any new local governance entity which is linked to *Strategic Priority 1: Explore and implement future local governance (i.e. Town / Community Council)*.
- 4.10 Following the review, a comprehensive, detailed asset database was created containing information about all assets. Work continues to refine the database to support the transfer of assets as part of LGR.

5 Property Assets All Member Briefing

- 5.1 The Council’s external specialist property consultant delivered an all member briefing on 24 September 2025 providing an independent overview of the work undertaken and outcome of Priorities 3 and 4.
- 5.2 The Head of Property & Regeneration provided members with an update on the EEPIC (Epsom & Ewell Property Investment Company Ltd) review element of Priority 4.
- 5.3 Following the briefing, members have access to a recording for those unable to attend the presentation at the time.

6 Risk Assessment

Legal or other duties

6.1 Equality Impact Assessment

6.1.1 Not applicable

6.2 Crime & Disorder

6.2.1 Not applicable

6.3 Safeguarding

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6.3.1 Not applicable

6.4 Dependencies

6.4.1 None

6.5 Other

6.5.1 None

7 Financial Implications

7.1 70 East Street remains vacant with no income stream being generated and vacant costs being incurred. This includes cost of business rates, interest / debt payment and other maintenance costs of the building.

7.2 The Council faces significant financial pressures, and a disposal would ensure the Council is taking all steps to mitigate a financial liability.

7.3 **Section 151 Officer's comments:** There is work to do in order to address the financial challenges facing the Council in the 2026/27 budget. The scale of the pressures means that incremental changes will not be sufficient. We must undertake a comprehensive review of our financial strategy, including looking at vacant assets which are currently costing the Council in maintenance cost.

7.4 Furthermore, the proposed budget of up to £10,000 for professional fees is proportionate and justified when we consider the potential value of the asset.

8 Legal Implications

8.1 The Council has a statutory obligation under s123 Local Government Act 1972 to seek Best Value from its land and property assets.

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

9 Policies, Plans & Partnerships

9.1 **Council's Key Priorities:** The following Key Strategic Priorities are engaged:

- *Priority 3: Investigate future options for the existing Town Hall, East Street*
- *Priority 4: Carry out and complete major Asset Review*

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

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

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9.4 **Sustainability Policy & Community Safety Implications:** None

9.5 **Partnerships:** None

9.6 **Local Government Reorganisation Implications:** In the event a purchaser is not forthcoming, 70 East Street will transfer to the new Unitary Authority.

10 Background papers

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

Previous reports:

- EEBC Strategic Priorities 2025-2027, Full Council 6 May 2025
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MId=1627>

Other papers:

- None