Strategy and Resources Committee
14 July 2026

COMMUNITY ASSET REVIEW

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):	Appendix 1: Capital investments and forecasts Appendix 2: Community Asset Review Appendix 3: Bourne Hall Museum Business Case Appendix 4: Museum Service Review

Summary

This report outlines the progress made in respect of the Council's 2025-2027 Strategic Priority 4, in relation to Community Assets and Priority 7, relating to Bourne Hall Museum Service.

It provides an update on the completed Community Asset Review Phase 2 work, which focusses on the 3 key Community Assets (Bourne Hall, Epsom Playhouse and Community & Wellbeing Centre) and seeks agreement on the strategic direction for each asset, as well as approval of investment and quick wins packages.

The paper also provides an update on the Strategic Priority 4 relating to the Museum, further to a paper considered by the Community & Wellbeing Committee in June 2026, recommending an initial investment in the museum.

It also recommends combining the two workstreams , to ensure that a comprehensive and integrated approach is taken going forward, to both achieve best value and deliver a stronger offer to residents.

Recommendation (s)

The Committee is asked to:

(1) Note the updates contained within both this report and the Community Asset Review June 2026 (Appendix 2).

(2) Approve the strategic direction for the three key assets, namely;

(2.1) Bourne Hall, Ewell - development of an integrated civic and cultural hub held by a local authority, improving connectivity between the library, museum, café, events and community functions.

(2.2) The Playhouse, Epsom – commence preparatory transition work towards an independent charitable trust operating model, supported by targeted investment to improve flexibility, programming and commercial performance.

(2.3) Community & Wellbeing Centre, Ewell - partnership-led delivery model, with rationalisation of the site and consideration of future co-location opportunities where appropriate.

(3) Note the update on Bourne Hall Museum and approve the recommendation of the Community & Wellbeing Committee, for an initial investment of £125,000 in this financial year (Year 1) as set out in the attached business case (Appendix 3) and approve £125,000 for a further investment in year 2 that will be built into a future business case for the wider Bourne Hall, noting the requirements of the section 24 Local Government and Public Health Involvement Act 2007 direction.

(4) Agree to combine the workstreams supporting Priority 4 (Community Asset review) and Priority 7 (Museum Service Review) to achieve best value, best use of resources and to ensure a comprehensive and integrated approach.

(5) Agree a capital budget of £3m for capital investment to deliver critical works aligned to the priorities set out in the Community Asset Review, with a detailed business plan to return to the relevant Committee for approval, noting the requirements of the section 24 Local Government and Public Health Involvement Act 2007 direction

(6) To approve a budget of up to £80,000 to support the development of the detailed business plan for (5) above, noting the requirements of the section 24 Local Government and Public Health Involvement Act 2007 direction.

(7) Note a package of operational ‘quick wins’ will be delivered in line with the approach set out in the Community Asset Review, subject to resource and funding availability. Should further funding be required, this will be developed into a future funding request.

(8) To recommend to the East Surrey Shadow Authority that any consent required to comply with the section 24 direction be provided to any of the relevant budgetary decisions as set out above.

1 Reason for Recommendation

1.1 Local Government Re-organisation (LGR) is now well underway in Surrey, with a series of workstreams moving at pace towards the 1 April 2027 Vesting Day for the new East Surrey Unitary Council.

1.2 The Council has a statutory obligation under s123 of the Local Government Act (1972) to achieve Best Value and make best use of its assets, as well as demonstrate financial prudence, affordability and financial sustainability. These duties and obligations remain in place until Vesting Day.

1.3 This paper forms part of the work to support Strategic Priority 4 (Strategic Asset Review) and seeks to put the Council's key Community Assets in the strongest position possible as the Council moves towards becoming part of the new Unitary Council. The recommendations reflect the outcome of the Phase 2 work.

1.4 The paper also covers matters relating to Strategy Priority 7 (Museum Service Review) following a paper to the Community & Wellbeing Committee in June 2026.

2 Background

2.1 The borough benefits from a varied and highly regarded portfolio of community assets, which play an important role in supporting resident wellbeing, social connection and in providing access to a range of important amenities and services.

2.2 At its 26 March 2026 meeting, the Strategy & Resources Committee received an update on work carried out to date (Phase 1), which included;

- identification and high-level review of the Council's community asset portfolio, as part of a broader strategic review of the Council's assets.
- review of the 'as is' arrangements for the three key community assets (Bourne Hall, Playhouse, Community & Wellbeing Centre).
- Community Asset Mapping work to identify local community organisations, resources and assets already in the Borough.
- identification of ideas and opportunities that could be explored in more detail to create a more financially sustainable business model for the three key Community Assets.

2.3 The Committee approved that the Phase 2 work relating to key Community Assets be carried out. Phase 2 builds on earlier work undertaken, forming part of a number of workstreams delivered in respect of the Council's Strategic Priority 4 – Strategic Asset Review.

2.4 A Council subsidy of circa £1.8m per annum (revenue) is currently required to maintain the operations of the three key assets. This is considered unsustainable going forward.

2.5 In addition to the revenue subsidy, the Council has invested significant capital sums in the assets themselves. However, the buildings will still require significant capital investment going forward. It is recommended that the priority in the first instance be investment in the fabric and structure of the building, including mechanical and electrical systems, as well as environmental improvements. Appendix 1 sets out a summary of capital spend to date and forecasted capital investment required. The forecasts will be developed and refined to form the basis of the business plan relating to the capital investment funding request (recommendation 5). These forecasted capital requirements in Appendix 1 are based on the Asset Management Strategy, which takes a long term (circa 10 year) view of likely works required. A capital investment of £3m at this time would enable early delivery of critical works, such as heating systems and related. Investment in these works is considered a priority to ensure the buildings remain fully operational, as well as reducing running costs and increasing energy efficiency. As the operating models shift and the assets are placed on a more financially sustainable footing, it is anticipated that there will be further opportunity to fund and finance future capital works as part of an ongoing asset investment programme.

2.6 In addition to ensuring the financial sustainability of the assets, there is also a desire to strengthen, enhance and protect the community offer to residents, in line with the Council's Health and Wellbeing Strategy 2025-2028 and Arts, Culture and Heritage Strategy 2023 - 2028.

3 Community Asset Review - Phase 2 update

3.1 The aims and objectives of Phase 2 are;

- **Strategic aim:** to continue to support the community of Epsom & Ewell through its community assets, giving residents access to services, experiences and social connection.

- **Objective:** to create a sustainable & resilient plan for the key assets; enhancing the community offer and safeguarding them for the longer term, while preparing for transfer to the Unitary Council.

3.2 The key themes of Phase 2 include:

- **Finance, funding & business planning:** deliver efficiencies and increase income and funding streams.

- **Stewardship, governance & partnerships:** strengthen links with existing and/or new community organisations, as well as resourcing and scope for new partnership working.
- **Building and asset management:** spatial and development opportunities.
- **Community and stakeholder needs:** positioning the assets to better meet community need while strengthening their long-term sustainability.

3.3 A Community Asset Review for the three assets has now been completed, and a full report is provided in Appendix 2.

3.4 The report considers options for each asset to move them towards a sustainable model, which both relies less on subsidy and strengthens the offer. For all assets, the review considered opportunities to;

- increase utilisation and income generation
- strengthen partnership opportunities
- align the portfolio with future service delivery priorities
- develop a more modern, resilient and strategically coordinated offer.

3.5 It recommends a clear future direction, based on new operating models for each asset, as set out below;

Bourne Hall, Ewell

3.6 **Recommended direction:** *development of an integrated civic and cultural hub held by a local authority, improving connectivity between the library, museum, café, events and community functions.*

3.7 Bourne Hall is a unique asset and it is considered that the strongest operating model would be for it to be retained by a Local Authority (Leases and/or licences could be granted by a successor council to specific users or services to operate within the facility.

3.8 Capital investment in the structure and fabric of the building would be required to protect and safeguard the asset.

3.9 Services (including the museum and library) would be further integrated, so that Bourne Hall provides a stronger and streamlined offer to residents and users, while delivering efficiencies and commercial resilience. Local Government re-organisation presents a unique opportunity to fully integrate the library service as it will also transfer to the Unitary Council. Early discussions with County Council officers confirm they are supportive of this integrated approach.

The Playhouse, Epsom

3.10 **Recommended direction:** *transition towards an independent charitable trust operating model, supported by targeted investment to improve flexibility, programming and commercial performance.*

3.11 It is considered that the optimum operating model would be an independent charitable trust or similar. This would give opportunity for access to targeted funding, operational flexibility and efficiencies, as well as scope for a stronger cultural offer. The asset could continue to be held freehold by the Local Authority, with a lease (or equivalent) put in place, as appropriate. While a freehold transfer could be possible in the future, given the Council's adjoining landholdings (and associated income streams) at the Ashley Centre including the car park, it is likely that a Local Authority would wish to retain the freehold.

3.12 Targeted upfront investment aligned to the future plans for the asset would ensure that it is transferred on a sound and sustainable basis.

3.13 There are considered to be significant opportunities to reposition the venue as a more active all-day cultural and community destination, broadening the offer, driving up income and strengthening the financial resilience.

Community & Wellbeing Centre, Ewell

3.14 **Recommended direction:** *a partnership-led delivery model, with rationalisation of the site and consideration of future co-location opportunities where appropriate.*

3.15 A partnership-led model would create opportunities to provide an expanded integrated offer to users, with potential to link across health, community, cultural and commercial uses. This would also create scope for much stronger commercial resilience, with opportunities for different funding streams to be brought together creatively to support these important discretionary services.

3.16 There is considered potential to rationalise the site, such that surplus land could be released for other uses, with potential for both a capital receipt and cost savings. The retained asset could be held freehold by the Local Authority, with a lease and/or partnership agreements put in place with charitable and/or community partners, as appropriate.

3.17 The above approach promotes a coordinated cross-asset approach and collectively, these proposals represent an opportunity to safeguard important community infrastructure, while creating a more financially sustainable and strategically aligned portfolio of assets for the future. Mindful of the changing shape of the Local Government landscape, it recognises that these assets will sit within a wider portfolio of community assets covering the new Unitary area. This will present further opportunity to drive efficiencies and deliver a strengthened and integrated offer to residents and the proposals set out in this paper would seek to support that future alignment.

4 Museum Service Review

4.1 In line with Strategic Priority 7, work has also been carried out to consider the future of the Museum. The Museum is situated in Bourne Hall and forms an integral part of the offer and is therefore considered as part of this paper.

4.2 In June 2026, the Community & Wellbeing Committee considered a paper setting out options for the future of the service. The Committee resolved to *Invest in Improvement of the Museum, subject to a funding request and business case being presented to the July Strategy & Resources Committee, for consideration alongside the Community Asset Review and future of Bourne Hall.*

4.3 Initial work has been done to consider what investment is required in the Museum Service. Appendix 3 sets out the basis for an initial investment in this financial year to make immediate improvements to the Museum service, however to ensure best value and to provide an integrated approach at Bourne Hall (as proposed in this paper), it is recommended that these workstreams are now combined, so that any future investment in Bourne Hall (including the year 2 investment for the Museum) is considered on the basis of an integrated approach, for example the layout of the different uses within Bourne Hall and a single approach to the user experience. As such, it is proposed that this work and any associated funding request be built into the wider capital investment business plan, along with existing and/or future revenue resources to support the quick wins package for Bourne Hall. Integrating any proposed future capital investment and wider resource, will ensure best value is achieved and will enable a stronger offer to be delivered to residents.

5 Proposed next steps

5.1 A phased programme of investment, rationalisation and transition towards the new operating models is proposed, with a suggested roadmap built around three broad phases;

- **Phase 1:** establishing strategic agreement around the preferred direction of travel for the assets, alongside the development of appropriate governance arrangements and more detailed financial modelling. To include early stakeholder engagement, the development of an investment package and the delivery of initial quick-win improvements, designed to demonstrate progress, improve operational performance and build momentum for the wider programme.

- **Phase 2:** development of more detailed business cases and longer-term investment plans for each asset, including capital planning, funding applications, design development and the refinement of future operating models. This stage will be critical in establishing affordability, deliverability and long-term sustainability, while also ensuring alignment between the various workstreams across the programme.

- **Phase 3:** delivery and transformation, including capital works, service integration, operating model transitions and the mobilisation of delivery and partnership arrangements, supported by robust programme management arrangements.

5.2 It is proposed that the capital investment package prioritises investment in the structure and fabric of the buildings, including environmental improvements, to protect the value and performance of the assets, as well as to provide a solid foundation for any future investments in improvements and enhancements.

5.3 In the short term, a package of quick wins will be developed and implemented to deliver tangible benefits, create momentum and build stakeholder confidence and trust. Early actions are likely to focus on improving utilisation of spaces, strengthened promotion and income generation opportunities, where that can be achieved without significant upfront capital investment. For Bourne Hall and the Playhouse, this may include increasing community hire and events activity, expanding the food and drink offer and refreshed branding. For the Community and Wellbeing Centre, there are likely to be opportunities to expand wellbeing activities and optimise the use of existing spaces, while strengthening existing partnership arrangements. Further detail can be found in the Community Asset Plans forming part of Appendix 2.

5.4 If the Committee approve the recommendations as set out in this paper, it is firstly proposed to;

- implement year 1 improvements in the Museum Service as set out in Appendix 3.

- refine and implement the quick wins package for the three assets, in line with the approach set out in the Community Asset Review. Any actions that can be carried out within existing budgetary and resource framework will be implemented as soon as is practically possible. Where additional resource is required, this will be built into future budget requests.

- develop a detailed business plan for a package of capital investment to protect and safeguard the assets and ensure they are transferred to the Unitary Council on a sustainable basis, to be brought back to the relevant Committee for approval, noting the application of a section 24 direction.

- for Bourne Hall, working with the County Council to explore early opportunities to further integrate the library with other uses such as the museum.

- for the Playhouse, continue work to explore potential charitable trust models, including existing trusts that are operating in the area.

5.5 The timescales for the above will be shaped by Unitary Council decision-making timelines as well as budgetary and resource constraints, however it is hoped significant progress will be made on the above prior to 31st March 2027.

6 Risk Assessment

Legal or other duties

7 Equality Impact Assessment

7.1 Not applicable

8 Crime & Disorder

8.1 Not applicable

9 Safeguarding

9.1 Not applicable

10 Dependencies

10.1 None

11 Other

11.1 None

12 Financial Implications

12.1 The three core community assets currently require council support to run services, which is financially unsustainable in the medium to long term.

12.2 Investment is required to maintain and protect the assets, particularly in building fabric, mechanical and electrical systems and environmental performance. The report proposes:

12.2.1 Initial £125,000 investment in 2026/27 for improvements to the Museum service.

12.2.2 A further year 2 investment in the museum service to look at better integration within the wider Bourne Hall including the library.

12.2.3 Agreement to a £3m capital investment package across the assets (subject to a full business case and approvals).

12.2.4 Up to £80,000 to develop detailed business plans, financial modelling, and investment strategies.

12.2.5 A programme of “quick wins” will be delivered within existing budgets where possible, with any additional funding requirements to be brought forward separately.

12.3 Future operating models aim to:

12.3.1 Reduce ongoing subsidy requirements

12.3.2 Increase income generation and external funding

12.3.3 Improve long-term financial sustainability ahead of Local Government Reorganisation (April 2027).

12.4 However all material capital and revenue decisions may be subject to Section 24 direction thresholds, requiring approval from the East Surrey Shadow Authority where applicable.

12.5 **Section 24 considerations:** Please see legal comments below.

12.6 **Section 151 Officer’s comments**: The Council must continue to demonstrate financial prudence and best value. The proposed strategic direction seeks to address the cost of running key services and through investment looks at alternative operating models and increased income generation.

12.7 The proposed initial investment of £125,000, the development budget of up to £80,000, and the £3m capital programme will need to be carefully considered within the Council’s overall financial position.

12.8 However, members should be mindful of the potential application of the Section 24 direction, which will require external approval for certain financial commitments. We support the recommendations, subject to robust financial appraisal and governance at each stage.

13 Legal Implications

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

13.2 As this report seeks to agree a strategic direction, legal implications regarding partnerships and independent charitable trust operating models have not been considered at this time.

13.3 **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.

13.4 At the time of review (24 June), a section 24 direction has yet to be implemented but it is expected that this will come into force on 7 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.

13.5 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.

13.6 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.

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

13.8 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.

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

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

13.9.2 Buildings or parts of Buildings

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

13.10 Therefore, granting of leases and licences and similar transactions 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.

13.11 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.

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

13.12.1 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.

13.12.2 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’).

13.12.3 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.

13.13 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.

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

14 Policies, Plans & Partnerships

14.1 **Council's Key Priorities**: The following Key Priorities are engaged:

- Priority 4: Carry out and complete major Asset Review
- Priority 7: Future of the Museum

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

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

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

14.5 **Partnerships:** None

14.6 **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.

15 Background papers

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

Previous reports:

- EEBC 2025-2027 Strategic Priorities 3 & 4, Strategy & Resources Committee 11 November 2025
- EEBC 2025-2027 strategic priority 4: Community Asset Review

Other papers:

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- EEBC Strategic Priorities 2025-2027 - Full Council 6 May 2025
- Options for the Future of the Museum - Community and Wellbeing Committee 9 June 2026
- EEBC Cultural Peer Challenge