

EEBC STRATEGIC PRIORITY - HOOK ROAD ARENA

Head of Service:	Mark Shephard, Head of Property and Regeneration
Report Author:	Mark Shephard
Wards affected:	(All Wards);
Appendices (attached):	No

Summary

This report asks the Council to approve Hook Road Arena as a Strategic Priority and thereby align available resources to bring forward options for a mixed-use development.

The potential development scheme would comprise playing pitches / sports / recreation facilities and housing as outlined in the submitted Regulation 19 draft Local Plan 2022-2040.

Recommendation (s)

The Council is asked to:

- (1) Approve the addition of Hook Road Arena as an EEBC Strategic Priority.**
- (2) Note the progress update outlined in this report.**
- (3) Note that any future decision following the outcome of the feasibility work will be subject to complying with the S24 direction.**

1 Reason for Recommendation

- 1.1 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.
- 1.2 To designate the future potential development of Hook Road Arena as an additional Council Strategic Priority 2025-2027.
- 1.3 The designation will ensure that available resources are aligned to achieving this strategic priority.

2 Background

Council

21 July 2026

- 2.1 Hook Road Arena is approximately 14 hectares of Council owned open land located between Chessington Road and Horton Lane, Epsom.
- 2.2 At its meeting on 17 June 2025, Strategy & Resources Committee considered a full report on Hook Road Arena and approved the following:
 - Procurement of external legal advice, specialist property project management and consultancy support to prepare a Best Value Feasibility Study of the site.
 - Budget of up to £250,000 to be funded from the Corporate Projects Reserve.
- 2.3 The Feasibility Study is necessary to satisfy the Council's statutory obligation to seek Best Value from its land and property assets (s123 Local Government Act 1972). To do so, the Council must first understand the options, financial implications and associated risks of bringing forward an appropriate development scheme.
- 2.4 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.
- 2.5 To ensure Hook Road Arena is prioritised alongside business as usual and LGR, it is proposed to designate it as an additional Council Strategic Priority.
- 2.6 The existing Property & Regeneration Team is already fully committed and additional internal capacity to deliver Hook Road Arena is being provided by a specialist property consultant.

3 Best Value Feasibility Study

- 3.1 The Best Value Feasibility Study will form a key part of the process to demonstrate the Council is meeting its statutory duties. It will be a substantive and complex assessment of the site and therefore it was decided to appoint external specialists to deliver the work.
- 3.2 Soft market testing took place throughout late summer/early autumn 2025 to identify suitable consultant firms that had the capacity and expertise to carry out the work.
- 3.3 Following that process, it was identified that use of the Sports England (Active Environments) Consultancy Framework would best the best approach to select the most appropriate supplier.

- 3.4 This is a specialist national framework that focusses on providing access to expertise for these types of projects. Suppliers are pre-approved; therefore, use of the framework not only provides the Council access to high quality specialist consultants but ensures procurement compliance.
- 3.5 The framework allows for a mini competition to provide a streamlined, compliant and cost-effective mechanism to select the supplier.
- 3.6 Tender documentation was subsequently prepared, and the competition process was launched in April 2026. Tenders have now been received and are being evaluated, to enable selection and appointment of the consultant by end August 2026 with completion of the work prior to 31st March 2027.
- 3.7 The scope of the commission is to undertake a Best Value Feasibility Study for Hook Road Arena to determine its suitability for a mixed-use leisure / residential development scheme; to consider the development parameters and to demonstrate the financial viability of Hook Road Arena to deliver playing pitches / sports / recreation facilities as well as enabling housing development.
- 3.8 The commission will not include delivery of the development of Hook Road Arena. However, it will include all advice and an estimation of future cost to enable the Council to fully consider the matter at a future Committee, mindful of the implications of the section 24 direction that is anticipated to be in place at the time this is considered at this meeting.

4 Next steps and timeline



Council

21 July 2026

- 4.1 On the assumption the successful consultant is appointed by end of August 2026, the work is expected to commence September 2026. It is anticipated that the work will take approximately 5 months to complete.
- 4.2 Committee should note that for the Council to consider marketing Hook Road Arena in its entirety, the Green Belt site must first be released following approval of the draft Reg 19 Local Plan 2022-2030 by the Planning Inspectorate.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 Not applicable

5.2 Crime & Disorder

5.2.1 Not applicable

5.3 Safeguarding

5.3.1 Not applicable

5.4 Dependencies

5.4.1 The future development of Hook Road Arena is dependent on the release of the Surrey County Council restrictive covenant and on the adoption of the emerging Local Plan 2022 – 2040.

5.5 Other

5.5.1 None

6 Financial Implications

6.1 A budget of up to £250,000 was previously approved at the 17 June 2025 Strategy & Resources Committee, funded from the Corporate Projects Reserve.

6.2 **Section 24 considerations:** As noted above, any future decision informed by the outcome of the feasibility work will be subject to compliance with the Section 24 Direction. Any proposals to proceed beyond the feasibility stage will require separate consideration and approval in accordance with the relevant governance and decision-making requirements.

- 6.3 **Section 151 Officer's comments:** The proposed designation of Hook Road Arena as a Strategic Priority does not in itself create additional financial commitments beyond those already approved. A budget of up to £250,000 has been agreed and funded from the Corporate Projects Reserve to support the feasibility work.
- 6.4 The feasibility study will inform the potential scale of future capital investment and financial risk, which are currently unknown. Any subsequent decision to progress development will need to be supported by a robust business case, including full consideration of affordability, funding strategy, risk and impact on the Council's overall financial position.

7 Legal Implications

- 7.1 The Council has a statutory obligation under s123 Local Government Act 1972 to seek Best Value from its land and property assets.
- 7.2 Hook Road Arena comprises part of land transferred to the Council by the Secretary of State for Health in 1973.
- 7.3 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:
- 7.4 The land shall not without the written consent of the County Council be used for any other purpose than:
- A country park within the meaning of the Countryside Act 1968
 - A public open space within the meaning of the Open Spaces Act 1906
 - Public walks and pleasure grounds within the meaning of the Public Health Acts 1875 to 1961
 - 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
 - Grazing, agriculture and riding establishments
 - In addition, no building shall be erected other than a building ancillary to the permitted uses without the County Council's written consent.
- 7.5 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.

Council

21 July 2026

- 7.6 **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.
- 7.7 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.
- 7.8 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.
- 7.9 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.
- 7.10 The financial thresholds apply to all cumulative expenditure with the same supplier, organisation or individual, or for similar services, since 1 April 2025.
- 7.11 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.
- 7.12 In relation to property, 'Dispose of any Land' includes: -

Council

21 July 2026

- 7.12.1 Any part of Land of any tenure, Mines or Minerals, on the surface or otherwise
- 7.12.2 Buildings or parts of Buildings
- 7.12.3 Easement, right, privilege, or benefit in, over, or derived from land
- 7.13 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 from East Surrey Shadow Authority.
- 7.14 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.
- 7.15 The relevant general consent to those matters contained in this report are:
 - 7.15.1 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.
 - 7.15.2 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').
 - 7.15.3 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.
- 7.16 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.
- 7.17 Members are invited to take this into account when debating the recommendations at committee.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged: This report proposes to designate Hook Road Arena as a Strategic Priority.
- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** None
- 8.4 **Sustainability Policy & Community Safety Implications:** None
- 8.5 **Partnerships:** None
- 8.6 **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 LGR is taking place, but the risk is mitigated in the future once East Surrey exists.

9 Background papers

- 9.1 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:

- Special Meeting – Hook Road Arena, Strategy & Resources Committee
17 June 2025
<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=1925>