

Minutes of Property and Investment Committee

3 August 2020

Present:

Councillor J.R. Boughtflower
Councillor J. McIlroy
Councillor S. Buttar

Councillors in attendance:

Councillor M.M. Attewell, Councillor C. Bateson, Councillor V.J. Leighton, Councillor L. E. Nichols, Councillor R.J. Noble, Councillor R.W. Sider BEM and Councillor R.A. Smith-Ainsley.

2734/20 Minutes

The minutes of the meeting held on 22 June 2020 were agreed as a correct record.

2735/20 Disclosures of Interest

There were none.

2736/20 Terms of Reference

The Group Head of Corporate Governance advised the Committee on considerations for amendments to its Terms of Reference.

Any changes to the Terms of Reference would need to be recommended to Cabinet for approval.

The Committee wished to review its Terms of Reference further alongside the responsibilities for new Working Groups that were about to start their work.

Resolved to note the current Terms of Reference for the Committee and give further consideration to them at a future meeting.

2737/20 Exempt Business

Resolved to move the exclusion of the Press and Public for the following items in view of the likely disclosure of exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006.

2738/20 Proposed termination of Landid Asset Management Contract

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The Committee received an exempt report on the termination of the Landid Asset Management Contract.

At the time that Landid Asset Management was appointed as external asset manager in August 2018, the Council had insufficient resourcing to pro-actively manage the three complex, multi-let office assets of Charter Building in Uxbridge, Thames Tower in Reading and Porter Building in Slough.

Landid was appointed as having specific expertise to accelerate the letting of vacant accommodation and mitigate the risk for Spelthorne Borough Council, with oversight and supervision from the Council.

Over the last two years the risks had been considerably minimised through the lettings achieved on these properties. The asset management strategy for the portfolio needed to shift to a more focused and targeted occupier management programme requiring different skillsets to maintain and drive income going forwards. The Council's Assets Team now had the resources to be more directly involved in tenant liaison for these three buildings.

By terminating the contract, the Council would save a substantial amount each year in external fees.

Resolved that the Committee was supportive of the termination of the Landid Asset Management Contract.

Reason for Decision

The Council can achieve significant cost savings by this action as substantial lettings at Thames Tower and Porter Building have already been achieved leaving the Council able to focus on Charter Building lettings. The Assets team has acquired additional resourcing and some skills and expertise are now available to the Council in-house.

2739/20 Proposed payment plan for Jazz Networks at Charter Building

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee received a report on a payment plan for Jazz Networks at Charter Building.

A partial rent deferment had been agreed for the March quarter to alleviate Coronavirus impacts. The tenant had approached the Council requesting a further deferment in relation to the June quarter's rent to be repaid over the period until June 2021.

Resolved that this Committee was supportive of the proposal set out in the report.

2740/20 Proposed payment plan for Parkside Recruitment at Charter Building

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee received a report on a payment plan for Parkside Recruitment at Charter Building.

It was proposed that a payment plan was entered into whereby the tenant agrees to pay monthly instalments of rent and service charge as opposed to the quarterly in advance arrangement set out in the lease.

Resolved that this Committee was supportive of the proposal for a monthly payment plan.

2741/20 Proposed payment plan for Ashford Town Football Club

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee received a report on a rent payment plan for Ashford Town Football Club.

Ashford Town Football Club occupies land at Short Lane, Stanwell on a lease until May 2039. The Club provided a valuable sporting and social benefit to the community.

The tenant had requested a temporary deferment of rent until October to be repaid over a 12 month period due to the impacts caused by the Covid-19 pandemic.

The tenant had provided financial accounts to support their request.

Resolved that this Committee was supportive of the proposal for partial deferment of rent, to be recovered over a period of 12 months.

2742/20 Proposed payment for FB Staines Ltd t/a Auntie Annes at Mall Kiosk, Elmsleigh Centre

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The Committee received a report on a variation to the existing lease at FB Staines Ltd t/a Auntie Annes in Mall Space 4, Elmsleigh Centre.

FB Staines Ltd t/a Aunty Annes operates a small food kiosk in the Main Square at Elmsleigh Centre. This is a franchise business relying on willing individuals/business to run the day to day operation. Liaison with the franchisee has produced a new rent deal proposal and lease variation.

Resolved that this Committee was supportive of the proposal for the variation to the existing lease.

2743/20 Verbal Quarterly Update

The Chief Finance Officer gave a verbal update on the rental collection rates which were performing better for the Council than the rental market generally. He reported that the June quarter collection rates were ahead of where we were at the same time in the March quarter and there were signs of encouragement in other income streams. He advised that sinking fund projections, both on a worse case and best case scenario were reviewed on a weekly basis and confirmed that the Council had sufficient sinking funds to ensure that even on the worse-case scenario, there was no adverse impact on the revenue budget nor as a consequence, on Council Tax payers.

Resolved to note the update.