



Please reply to:

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Date: 21 June 2024

Notice of meeting

Commercial Assets Sub-Committee

Date: Monday, 1 July 2024

Time: 1.30 pm

Place: Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

To the members of the Commercial Assets Sub-Committee

Councillors:

S.N. Beatty
A. Gale

N. Islam
L. E. Nichols

D. Saliagopoulos
H.R.D. Williams

Substitute Members: Councillors M. Beecher, T. Burrell, M. Gibson, K. Howkins and K.E. Rutherford

Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

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Agenda

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Terms of Reference

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The Committee's terms of reference are attached to assist.

1. Nominations for Chair and Vice-Chair

To elect a Chair for this meeting of the Commercial Assets Sub-Committee.

To seek nominations for Chair and Vice-Chair of this Committee and make a recommendation to Council for these appointments.

2. Apologies for absence & substitutions

To receive any apologies for non-attendance and details of Member substitutions.

3. Disclosure of Interest

To receive any disclosures of interest from members in accordance with the Members' Code of Conduct.

4. Questions from members of the Public

The Chair, or his nominee, to answer any questions raised by members of the public in accordance with Standing Order 40.

At the time of publication of this agenda no questions were received.

5. Forward Plan

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To note the Forward Plan for future Commercial Assets Sub-Committee business.

6. Exclusion of Public and Press (Exempt Business)

To move the exclusion of the Press/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.

7. Commercial Assets Sub-Committee Independent Person

Verbal
Report

To receive a verbal update on the recruitment of an Independent Person for the Commercial Assets Sub-Committee.

8. Revised Letting Terms – Elmbrook House, 18-19 Station Road, Sunbury **To Follow**

To consider a report on the revised letting terms for Elmbrook House.

9. Annual Commercial Property Report for Financial Year 2023/2024 **11 - 50**

To note the Annual Commercial Property Report for the year ending 31 March 2024.

10. Urgent Actions **To Follow**

To consider and approve any urgent actions that have arisen.

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COMMERCIAL ASSETS SUB-COMMITTEE

Objective

Within the overall policies and strategies set by the Council, to provide leadership, decision making and accountability for the management of the Council's Investment properties and commercial assets within the Council's regeneration programme.

Membership

A minimum of 4 Members reflecting political balance, with at least 1 member from each political party. An independent member will also be appointed.

Functions

1. Acquisitions relating directly to Regeneration purposes only (acquiring assets for alternative purposes is not covered via the Objectives of this Sub-Committee)
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to possible new strategic property acquisitions for regeneration purposes only.
 - (b) Following (a) above, to give an initial steer on whether to investigate further those potential acquisitions.
 - (c) Following (b) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with acquisitions in accordance with relevant Council procedure rules.

2. Disposals
 - (a) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential freehold (or long leasehold) disposal of investment assets and/or commercial assets within the regeneration programme.
 - (b) To receive recommendations from officers (where officer/member delegation financial limits are exceeded) as to the potential joint venture initiative involving investments assets and/or commercial assets within the regeneration programme.
 - (c) Following (a) or (b) above to give an initial steer on whether to investigate further those potential disposals or joint venture initiatives.
 - (d) Following (c) above and any subsequent reports from officers, to make recommendations to the Corporate Policy & Resources Committee to proceed with the particular freehold (or long leasehold) disposal or joint venture initiative in accordance with the relevant Council procedure rules.
 - (e) To receive recommendations from officers and approve (or otherwise) any proposals for the granting of a new or reversionary lease at an aggregated rent over the term which exceeds officer delegation levels.

3. Management of Investment Assets and Commercial Assets within the Regeneration Programme
- (a) To approve leasehold disposals (lettings) in investment assets (where officer/member delegation financial limits are exceeded.)
 - (b) To approve the change of use of investment assets including recommendations to the Corporate Policy and Resources Committee regarding alternative use or classification of the asset.
 - (c) To receive monthly update reports on the management of the investment assets in accordance with the adopted Asset Management Strategy, including rental income, potential letting opportunities, pending break option and lease expiries over the next 12-month period, significant assignments and any other estate management issues based on officer recommendations.
 - (d) To approve the exercise of a break option under the terms of lease of land or property where officer/member delegation financial limits are exceeded.
 - (e) To approve or agree to the surrender of a lease of land or property where officer/member delegation financial limits are exceeded.
 - (f) To approve new lettings where the rental income per annum (net of VAT) exceeds £100k.
 - (g) To approve lease renewals where the rent in the first year of the new lease is less than 50% of the passing rent of the previous lease, or where the financial impact exceeds £250k.
 - (h) To receive monthly arrears reports on each individual asset/tenant within the investment portfolio by rent quarters.
 - (i) To be notified of any potential arrears and issues being faced by individual tenants (including taking decisions on tenant requests to change from quarterly to monthly payments or rent deferment requests) where the rental income exceeds £100,000pa and to be advised of steps being taken by officers to mitigate that risk.
 - (j) To receive quarterly reports on the Investment Sinking Funds and to be notified of any change of adverse impact and mitigation measures which are being taken to address.
 - (k) To receive notification of and authorize any non-budgeted capital expenditure or any capital expenditure over £50,000. on the investment portfolio.
 - (l) To approve, the settlement of rent reviews, lease renewals or lease restructuring negotiations in respect of the Investment assets where officer/member delegation financial limits are exceeded.
 - (m) To review, advise on and approve formal reporting of the investment portfolio to CPRC and/or full council to include Asset Investment Strategies, Business Plans, Key Performance Indicators, Risk Registers, and half yearly update reports.
 - (n) To agree the scope of the annual reporting on the Council's investment and regeneration portfolios with the Assets Team.

4. Frequency

Monthly day time meetings. Where meetings are not necessary for lack of business they will be cancelled.

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Spelthorne Borough Council

Sub-Committee Forward Plan and Key Decisions for 13 June 2024 to 31 December 2024

Anticipated earliest (or next) date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Commercial Assets Sub-Committee 1 July 2024	Investment Portfolio Review 2023/24	Non-Key Decision	Private	Coralie Holman, Group Head Assets
Commercial Assets Sub-Committee 1 July 2024	Revised Letting Terms – Elmbrook House, 18-19 Station Road, Sunbury	Non-Key Decision	Private	Katherine McIlroy, Property Assets Manager
Commercial Assets Sub-Committee October 2024	Half Year Portfolio Review	Non-Key Decision	Public	Coralie Holman, Group Head Assets
Commercial Assets Sub-Committee TBC	Summit Centre	Non-Key Decision	Private	Jeremy Gidman, Asset Management Consultant

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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